

Appendix 4D

WELLARD LIMITED

ABN 53 607 708 190

Half-Year Report

Results for announcement to the market for the half-year ended 31 December 2024

The information that is required by the Australian Securities Exchange Listing Rules is as follows:

1. The reporting period is to 31 December 2024 and the previous corresponding period is to 31 December 2023.
2. Results for announcement to the market:

	Current period US\$'000	Change from prior period US\$'000	Change from prior period %
2.1 Revenues from ordinary activities	14,116	(3,869)	(21.5)
2.2 Loss from ordinary activities after tax attributable to members	(2,295)	(2,849)	(514.3)
2.3 Net loss for the period attributable to members	(2,295)	(2,849)	(514.3)
2.4 Dividends (distributions)	Nil	Nil	Nil

3. Net tangible assets per security:

	31 Dec 2024 US\$ cents	31 Dec 2023 US\$ cents
3.1 Net tangible assets per ordinary security	5.2	7.1

4. There were no entities over which control has been gained or lost during the period.
5. No dividends were paid during the period.
6. The Company does not have a dividend re-investment plan.
7. The Company does not have any associates or joint venture entities.

The reviewed financial statements for the half-year ended 31 December 2024 are attached to this Appendix 4D.

Wellard Limited

ACN 607 708 190

Interim Financial Report
For the half-year ended 31 December 2024



Interim Financial Report

For the half-year ended 31 December 2024



The Board of Directors of Wellard Limited (the **Company** or, together with the entities it controls, the **Group**) submits its financial report in respect of the half-year ended 31 December 2024.

The Directors of the Company in office during the half-year and at the date of this report are:

Name	Position	Appointed
John Klepec	Executive Chairman	3 August 2018
Philip Clausius	Non-Executive Director	19 November 2015
Kanda Lu	Executive Director	12 May 2017
John Stevenson	Non-Executive Director	22 November 2019

The Company Secretary of the Company in office during the half-year and at the date of this report is Michael Silbert.

All amounts are presented in United States Dollars unless stated otherwise.

Review and Results from Continuing Operations

FOR HALF-YEAR ENDED 31 DECEMBER (US\$'000)	2024	2023	Movement	
Revenue	14,116	17,985	(21.5%) ⬇️	
Cost of sales	(8,517)	(16,394)	(48.0%) ⬇️	
Gross profit	5,599	1,591	251.9% ⬆️	
Other income ¹	0	3,577	(100.0%) ⬇️	
General and Administrative expenses	(1,391)	(1,997)	(30.3%) ⬇️	
EBITDA ²	4,208	3,171	32.7% ⬆️	
Other losses from other activities ³	(5,578)	(48)	11520.8% ⬆️	
Depreciation and amortisation expenses	(1,035)	(2,455)	(57.8%) ⬇️	
EBIT	(2,405)	668	(460.1%) ⬇️	
Net finance income/(costs)	106	(114)	193.0% ⬆️	
Income tax benefit	4	0	100.0% ⬆️	
(Loss)/profit from continuing operations after tax	(2,295)	554	(514.3%) ⬇️	
Profitability analysis				
Gross Profit margin	%	39.7	8.8	351.1% ⬆️
Operating Profit margin	%	29.8	17.6	69.1% ⬆️
Net operating cashflow	US\$'000	(1,492)	(480)	210.8% ⬆️

AS AT		31 Dec 2024	30 June 2024	Movement
Balance Sheet analysis				
Working Capital	US\$'000	27,680	18,029	53.5% 📈
Current ratio	Times	7.0	4.6	53.1% 📈
Net tangible assets	US\$'000	27,811	36,486	(23.6%) 📉
Net tangible assets per security (US\$)	Cps	5.2	6.9	(24.3%) 📉
Negative Net Debt ⁴	US\$'000	(12,146)	(8,511)	42.7% 📈
Debt to capital ratio ⁵	%	0.4	0.7	(42.9%) 📉
Ship loan to asset book value ratio	%	0	0	0.0% ↔️

¹ Other income refers to the receipt of insurance claims following the M/V Ocean Swagman's starboard engine repair in the prior financial year.

² EBITDA equals profit/(loss) from continuing operations before income tax, depreciation and amortisation expenses, net finance costs, other gains/(losses) arising from other activities and impairment expenses.

³ Other losses from other activities in the current period include US\$5 million paid for obtaining the legal title for the M/V Ocean Drover in October 2024.

⁴ Net debt equals loans and borrowings less cash and cash equivalents. A negative net debt indicates that the cash and cash equivalents exceed the entire debt balance.

⁵ Debt to capital ratio equals loans and borrowings divided by total equity plus loans and borrowings.

Interim Financial Report

For the half-year ended 31 December 2024



Financial Review

Unless otherwise stated, all amounts in this Interim Financial Report are presented in US\$ whilst all comparisons are in relation to the previous corresponding period ("PCP").

For the half-year ended 31 December 2024 ("H1 FY25"), Wellard is reporting a net loss after tax of US\$2.3 million (H1 FY24: net profit after tax of US\$0.6 million). This result includes a non-cash depreciation and amortisation expense of US\$1.0 million (H1 FY24: US\$2.5 million) and a US\$5.1 million expense incurred to secure full and unencumbered ownership of the M/V Ocean Drover from KPMG Singapore – the liquidators of Ruchira Ships Limited (In Liquidation) – as announced on 23 September 2024 and 18 October 2024. Notably, excluding these extraordinary costs – recorded under "*Other (losses)/gains from other activity*" – Wellard would have achieved a net profit of US\$2.8 million, reflecting a significantly improved operational performance.

The US\$5.1 million expense was an enabler for the subsequent January 2025 sale of the M/V Ocean Drover for US\$50 million, the effect of which will be recorded in future financial results and contingent on a vote of shareholders to ratify the sale.

This improvement in operational performance is reflected in the 351.1% increase in Gross Profit Margin to 39.7% (H1 FY24: 8.8%) and in the 69.1% increase in Operating Profit Margin to 29.8% (H1 FY24: 17.6%).

The sale of the M/V Ocean Ute to Bassem Dabbah Shipping Inc., for a consideration of US\$12.0 million, announced on 1 July 2024 and completed on 3 September 2024, enabled Wellard to return A\$0.02 per share to shareholders, reducing capital while ensuring adequate cash reserves to support the Company's ongoing operations and strategic initiatives. The sale was part of the Wellard Board's strategy to crystallise this vessel's value, given that the M/V Ocean Ute had reached a critical tipping point regarding market value, increasing maintenance costs, and diminishing potential for future cash generation and profitability.

Finally, as announced to the ASX on 14 January 2025, Wellard signed a binding contract to sell its remaining livestock vessel, the M/V Ocean Drover, for US\$50.0 million in cash (approximately A\$81.2 million) to Meteors Shipping SA (the "Buyers"), a Marshall Islands company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi, a major Turkish agribusiness with which Wellard has had a long-standing and successful business relationship. The sale represents the divestment of Wellard's main undertaking and, as such, requires shareholder approval before becoming final and binding. Subject to the fulfilment of all conditions, completion of the sale is expected in July 2025. As of 31 December 2024, the M/V Ocean Drover is classified separately under Assets Held for Sale in the statement of financial position, in accordance with AASB 5 – Non-current Assets Held for Sale and Discontinued Operations. The vessel is recorded at her carrying amount (net book value) of US\$17.5 million, being significantly lower than her fair value less costs to sell.

Revenue declined by 21.5% to US\$14.1 million (H1 FY24: US\$18.0 million), primarily due to a reduction in the fleet following the sale of the M/V Ocean Ute, which was delivered to its new owner in September 2024 and the redelivery of the M/V Ocean Swagman to her owner, Heytesbury Singapore Pte Ltd, in February 2024.

Cost of sales decreased by 48.0% to US\$8.5 million (H1 FY24: US\$16.4 million). A significant driver was the 48.8% reduction in marine fuel (bunker) expenses, which fell to US\$4.2 million (H1 FY24: US\$8.1 million) due to lower average fuel prices and a smaller fleet size. The reduction in fleet size also contributed to a 42.1% decline in port costs, which dropped to US\$0.7 million (H1 FY24: US\$1.2 million). Operating expenses (OPEX) – including crew wages, insurance, repairs, and maintenance – decreased by 18.7% to US\$3.6 million (H1 FY24: US\$4.4 million), primarily due to the sale of M/V Ocean Ute. Time Charter costs, which in H1 FY24 were solely related to M/V Ocean Swagman, dropped 100% from US\$2.5 million to zero. As a result, gross profit surged by 252% to US\$5.6 million (H1 FY24: US\$1.6 million).

EBITDA from continuing operations – defined as earnings from continuing operations before the impact of income tax, depreciation and amortisation expenses, finance costs, and excluding other gains or losses from other activities and impairment expenses – reflected the significant reduction in costs compared to the smaller reduction in revenue, to increase by 32.7% to US\$4.2 million (H1 FY24: US\$3.2 million). This substantial growth resulted in an operating profit margin of 29.8%, a significant improvement from 17.6% in H1 FY24. It is also important to note that last year's interim results included US\$3.6 million in insurance proceeds under "*Other Income*" related to the engine breakdown of M/V Ocean Swagman. Excluding this extraordinary income, the improvement in the current half-year results would have been even more pronounced, reflecting a total EBITDA increase of US\$4.6 million.

Interim Financial Report

For the half-year ended 31 December 2024



Other (losses)/gains from other activities include an extraordinary expense of US\$5.1 million incurred to secure full and unencumbered ownership of the M/V Ocean Drover from KPMG Singapore – the liquidators of Ruchira Ships Limited (In Liquidation) – as announced on 18 October 2024. Additionally, the category reflects foreign exchange losses of US\$0.5 million.

Depreciation and amortisation expenses decreased significantly by 57.8% to US\$1.0 million (H1 FY24: US\$2.5 million). This reduction was primarily driven by the sale of M/V Ocean Ute and the full depreciation of drydocking expenses for the fleet.

Net finance (costs)/income shifted from a loss of US\$0.1 million to a gain of US\$0.1 million, driven by interest earned on cash in hand, which was invested in a term deposit.

As of 31 December 2024, the Group maintained a 'negative net debt' position – indicating cash available for the Group – of US\$12.1 million (30 June 2024: US\$8.5 million), reflecting an increase of US\$3.6 million (42.7%). This growth was driven by proceeds from the US\$12.0 million sale of the M/V Ocean Ute, offset by a US\$5.0 million payment to KPMG Singapore, the liquidators of Ruchira Ships Limited, to secure full and unencumbered ownership of the M/V Ocean Drover, along with US\$6.6 million capital return to shareholders on 10 December 2024.

During the same period, the Group's working capital increased substantially by US\$9.7 million (53.5%), reaching US\$27.7 million (30 June 2024: US\$18.0 million). This growth was driven by the Group's improved operating performance and the reclassification of the net book value of the M/V Ocean Drover within *Current Assets* under *Assets Held for Sale* in the statement of financial position, in accordance with AASB 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

As of 31 December 2024, total debt represented 0.4% of the Group's funding, compared to 0.7% as of 30 June 2024, while the Group has successfully repaid all ships' debt, underscoring its commitment to sound financial management.

At the completion of the half-year, Wellard possessed cash and cash equivalents of US\$12.3 million (30 June 2024: US\$8.8 million), and the Group maintains a US\$4.0 million trade facility with a financial institution in Singapore to fund ship operating costs and foreign-exchange transactions, which as of 31 December 2024, was not utilised. Wellard also retains a US\$19.1 million facility with the same institution to be used for commodity swaps to hedge against bunker price swings, which was not utilised as of 31 December 2024, nor was it on 30 June 2024.

The Group made all payments due under its banking facilities and lease agreements during the reporting period. The Group maintains a good working relationship with all financiers and fully complies with all of its financial covenants.

Operations Review

In respect of the safety of our people, Wellard again had zero medically treated injuries and zero lost time injuries during H1 FY25, building on the zero results achieved in FY2022, FY2023 and FY2024.

During H1 FY25, Wellard loaded six cattle voyages to the following destinations:

Table 1: Wellard Voyage Analysis

Loaded	Discharged	H1 FY25	H1 FY24
Australia	Southeast Asia	2	6
South America	Türkiye	4	5
Total		6	11

Of the 82,593 head of cattle loaded globally during the period, our vessels recorded a success rate of 99.997%. There were no reportable livestock mortality incidents aboard Wellard vessels in the reporting period, as has been the case since 2017.

The M/V Ocean Ute completed the remaining contracted charters to Vietnam and was delivered to her new owners in September 2024. As stated in previous announcements, the M/V Ocean Drover had contracted back-to-back charters for FY25, and four of those charters from Brazil to Türkiye were completed in H1 FY25. The remaining charters will be completed prior to the vessel's delivery to the Buyers in July 2025, pending ratification of the sale by Wellard's shareholders at a General Meeting to be held in the interim.

Interim Financial Report

For the half-year ended 31 December 2024



Outlook

There is no change in the outlook provided in Wellard's 2024 Annual Report. The market fundamentals in all four markets where Wellard has operated developed as expected, and there is no change in any of these four markets that necessitates a change in our outlook. This is more so now that Wellard is operating just one vessel on the South America to Türkiye route, and the vessel is fully contracted for the remainder of FY2025.

To reiterate, the market demand for breeder cattle from Australia into China was expected to be patchy, with lower volumes in FY2025. Only two shipments completed industry-wide H1 FY25.

The Indonesian Government's announcement of an investment scheme to boost domestic dairy production by importing dairy breeders not yet translated to any significant change in export volumes.

The M/V Ocean Drover is contracted on multiple charters to service the Brazil/Uruguay to Türkiye market until July 2025. Food security remains paramount in driving sustained high demand for cattle in this region.

The Australia to Indonesia feeder market for FY2025 was expected to be strong, with feedlots at full capacity being the constraint on higher exports. The market has been well balanced, with pricing in USD proving attractive and stable, providing the feedlot operators/importers the confidence to work at full capacity for the period. Any further increases require investment in new feedlot capacity.

The Australian slaughter cattle to Vietnam market will remain opportunistic with several alternative avenues available for abattoirs. Activity is directly correlated to the landed price of Australian Cattle. Our expectation was similar volumes and fluctuations that occurred in FY2024 will continue into FY2025, which has largely occurred as Australian cattle exports to Vietnam in H1 2025 were 28% lower than in the prior corresponding period.

The dynamics of ship size and underlying market demand means that the M/V Ocean Drover is currently competitive in only two of the four markets where Wellard has operated – the South American export market to Türkiye and other Middle Eastern countries, and breeders from Australia (and New Zealand once that market re-opens for exports) to China. With Wellard now a one-ship company these two markets should be the focus for shareholders.

Rounding of Amounts

Wellard is an entity of the kind specified in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that legislative instrument, amounts in the interim financial report and Directors' report have been rounded to the nearest thousand dollars unless specifically stated otherwise. All amounts are in United States Dollars only, unless otherwise stated.

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 on page 5.

This report has been made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read "John Klepec", written over a horizontal line.

John Klepec
Executive Chairman

A handwritten signature in blue ink, appearing to read "Paolo Triglia", written over a horizontal line.

Paolo Triglia
Group Chief Financial Officer

Date: 20 February 2025

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

As auditor for the review of Wellard Limited and its subsidiaries for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 20th day of February 2025.

Interim Financial Report

For the half-year ended 31 December 2024



Condensed Consolidated Statement of Comprehensive Income

For half-year ended	Note	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Continuing operations			
Revenue	2	14,116	17,985
Cost of sales	4(a)	(8,517)	(16,394)
Gross profit		5,599	1,591
Other income	3	-	3,577
Other losses	4(b)	(5,578)	(48)
Net finance costs	4(c)	106	(114)
Depreciation and amortisation expenses		(1,035)	(2,455)
General and administrative expenses	4(d)	(1,391)	(1,997)
(Loss)/profit from continuing operations before income tax		(2,299)	554
Income tax expenses		4	-
(Loss)/profit for the period after tax		(2,295)	554
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Gain from foreign currency translation		62	61
Other comprehensive income for the period, net of tax		62	61
Total comprehensive income for the period		(2,233)	615
		Cents	Cents
(Loss)/earnings per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic (loss)/earnings per share		(0.43)	0.10
Diluted (loss)/earnings per share		(0.43)	0.10

The accompanying notes form an integral part of this condensed consolidated statement of comprehensive income.

Interim Financial Report

For the half-year ended 31 December 2024



Condensed Consolidated Statement of Financial Position

	Note	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Current assets			
Cash and cash equivalents		12,273	8,782
Trade and other receivables		442	199
Inventories		934	1,481
Contract assets		381	626
Other assets		811	210
Asset held for sale		17,478	11,780
Total current assets		32,319	23,078
Non-current assets			
Property, plant and equipment	9	130	18,512
Intangible assets	8	413	577
Other assets		20	21
Total non-current assets		563	19,110
Total assets		32,882	42,188
Current liabilities			
Trade and other payables		2,408	2,844
Loans and borrowings	7	108	195
Provisions		27	10
Contract liabilities		2,096	2,000
Total current liabilities		4,639	5,049
Non-current liabilities			
Loans and borrowings	7	19	76
Total non-current liabilities		19	76
Total liabilities		4,658	5,125
Net assets		28,224	37,063
Equity			
Issued capital	6	405,653	412,259
Reserves		(277,043)	(277,105)
Accumulated losses		(100,386)	(98,091)
Total equity		28,224	37,063

The accompanying notes form an integral part of this condensed consolidated statement of financial position.

Interim Financial Report

For the half-year ended 31 December 2024



Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners					
	Issued capital	Accumulated losses	Share based payments reserve	Other reserves	Common control reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2023	412,259	(97,276)	12,963	5,679	(295,768)	37,857
Profit for the period	-	554	-	-	-	554
Other comprehensive income	-	-	-	61	-	61
Total comprehensive loss for the period	-	554	-	61	-	615
Balance at 31 December 2023	412,259	(96,722)	12,963	5,740	(295,768)	38,472
Balance at 1 July 2024	412,259	(98,091)	12,963	5,700	(295,768)	37,063
Loss for the period	-	(2,295)	-	-	-	(2,295)
Other comprehensive income	-	-	-	62	-	62
Total comprehensive income for the period	-	(2,295)	-	62	-	(2,233)
Capital return payment	(6,606)	-	-	-	-	(6,606)
Balance at 31 December 2024	405,653	(100,386)	12,963	5,762	(295,768)	28,224

The accompanying notes form an integral part of this condensed consolidated statement of changes in equity

Interim Financial Report

For the half-year ended 31 December 2024



Condensed Consolidated Statement of Cash Flows

For half-year ended	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Cash flows from operating activities		
Receipts from customers	14,388	21,319
Payments to suppliers and employees	(15,945)	(21,435)
Interest received	65	1
Net income tax paid	-	(365)
Net cash outflow from operating activities	(1,492)	(480)
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	11,780	-
Purchase of property, plant & equipment	-	(2)
Net cash inflow/(outflow) from investing activities	11,780	(2)
Cash flows from financing activities		
Capital return payment	(6,606)	-
Principal repayment of lease liabilities	(141)	(86)
Net repayments of borrowings	-	(315)
Interest paid	(17)	(123)
Net cash outflow from financing activities	(6,764)	(524)
Net increase/(decrease) in cash held	3,524	(1,006)
Cash at the beginning of the financial period	8,782	7,420
Effects of exchange rate changes on cash and cash equivalents	(33)	68
Cash at the end of the financial period	12,273	6,482

The accompanying notes form an integral part of this condensed consolidated statement of cash flows.

Condensed Consolidated Statement of Cash Flows (continued)

**Reconciliation of net (loss)/profit after tax to net cash flows
from operating activities**

	31 Dec 2024	31 Dec 2023
	US\$'000	US\$'000
(Loss)/profit after tax	(2,295)	554
<i>Adjustments for:</i>		
Depreciation and amortisation	1,035	2,455
Allowance/(reversal) for impairment loss	-	-
Interest income	(123)	(1)
Income tax benefit	(4)	-
Interest expense	17	115
Unrealised foreign exchange gains	(187)	(18)
<i>Changes in assets and liabilities, net of the effects of purchase and of subsidiaries</i>		
Change in trade and other receivables, contract assets and other current assets	(598)	(808)
Change in inventories	547	(577)
Change in trade and other payables	(436)	(1,140)
Change in contract liabilities	96	(740)
Change in provisions	17	44
	(1,557)	(116)
Interest received	65	1
Income tax paid	-	(365)
Net cash flows from operating activities	(1,492)	(480)

The accompanying notes form an integral part of this condensed consolidated statement of cash flows.

Notes to the Condensed Consolidated Interim Financial Statements

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Notes to the consolidated financial statements

1. Corporate information and basis of preparation

(a) Corporate information

Wellard Limited (**Wellard** or the **Company**) is an Australian Securities Exchange (**ASX**) company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purpose of preparing the financial statements.

The condensed financial statements for the consolidated entity which consists of Wellard and its subsidiaries (together referred to as the **Group**) for the half-year ended 31 December 2024 were authorised for issue by the board of directors on 20 February 2025.

(b) Basis of preparation

This interim financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in the annual financial report. It is recommended that the interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Wellard Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Listing Rules of the ASX and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the most recent annual financial report and corresponding interim reporting period.

(c) Critical accounting estimates and judgements

When preparing the interim financial report, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial report for the year ended 30 June 2024.

2. Revenue

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Revenue		
Chartering	14,105	17,968
Other revenue	11	17
	14,116	17,985

3. Other income

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Insurance claims received	-	3,577
	-	3,577

The insurance claims received is associated with the engine breakdown on the M/V Ocean Swagman in February 2023.

Notes to the consolidated financial statements

4. Expenses

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
(a) Cost of sales		
Chartering	8,517	16,394
	8,517	16,394
(b) Other losses		
<i>Losses arising from other activities</i>		
Net foreign exchange losses/(gains)	464	48
Other expenses	5,114	-
	5,578	48
(c) Net finance costs		
Interest income	(123)	(1)
Interest expense	17	115
	(106)	114
(d) General and administrative expenses		
Consulting expenses	229	336
Occupancy costs	36	42
General and administrative costs	141	251
Travel expenses	84	90
Labour expenses	901	1,264
Motor vehicle expenses	-	14
	1,391	1,997

Other expenses include US\$5 million paid for obtaining the legal title for the M/V Ocean Drover in October 2024 and its related expenses.

5. Segment information

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Description of segments and principal activities

- Chartering:** This segment is engaged in the business of livestock transportation required to deliver livestock globally. In the table below, this segment is further reported as charter revenue, being revenue generated from the sale of space on the Group's vessels for the carriage of cargo owned by third parties.
- Other segments:** This segment consists of corporate services. Corporate services consist of a centralised support function that provides specialised services across several disciplines to the rest of the Group, including information technology and communication, legal and compliance services and support for the board of directors.

These classifications are in accordance with AASB 8 *Operating Segments* guidelines.

Notes to the consolidated financial statements

5. Segment information (continued)

Management primarily uses a measure of statutory net profit / (loss) before income tax to assess the performance of the operating segments. However, management also receives financial information about segment revenue, EBITDA, interest expense, assets and liabilities on a monthly basis.

	Chartering US\$'000	Others US\$'000	Total US\$'000
Half-year ended 31 December 2024			
Revenue	14,105	11	14,116
Depreciation and amortisation expenses	(893)	(142)	(1,035)
Net finance income	96	10	106
Loss from continuing operations before income tax	(1,091)	(1,208)	(2,299)
Total segment assets	31,760	1,122	32,882
Total segment liabilities	4,500	158	4,658
Half-year ended 31 December 2023			
Revenue	17,968	17	17,985
Depreciation and amortisation expenses	(2,307)	(148)	(2,455)
Net finance costs	(114)	-	(114)
Profit/(loss) from continuing operations before income tax	1,749	(1,195)	554
Total segment assets	41,270	2,594	43,864
Total segment liabilities	5,042	350	5,392

6. Issued capital

As at 31 December 2024, the share capital of Wellard amounting to 531,250,312 (30 June 2024: 531,250,312) ordinary shares issued and fully paid. Issued share capital consists of ordinary shares only, with equal voting rights. Ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

On 10 December 2024, a capital return payment to the shareholders following the sale of the M/V Ocean Ute had been made.

No shares were issued during the reporting period.

	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Issued Capital		
At the beginning of reporting period	412,259	412,259
Capital return payment	(6,606)	-
At the end of reporting period	405,653	412,259

Notes to the consolidated financial statements

7. Loans and borrowings

	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Current		
Unsecured lease liabilities	108	195
Total current	108	195
Non-current		
Unsecured lease liabilities	19	76
Total non-current	19	76
Total loans and borrowings	127	271

Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms and conditions of outstanding loans were as follows:

Name	Currency	Financial Year of Maturity	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Unsecured lease liabilities	SGD	2026	96	228
Unsecured lease liabilities	AUD	2026	31	43
			127	271

8. Intangible assets

	Half year ended 31 Dec 2024 US\$'000	Year ended 30 Jun 2024 US\$'000
Software		
Opening net book amount	577	840
Foreign exchange revaluation	(32)	4
Amortisation expense	(132)	(267)
Closing net book amount	413	577
Cost	2,518	2,704
Accumulated amortisation	(2,105)	(2,127)
Net book amount	413	577

Software includes amounts spent on the implementation of an enterprise resource planning system since the selection phase was concluded and has been in use since May 2016. Software is amortised over ten years.

Notes to the consolidated financial statements

9. Property, plant and equipment

	Improvements US\$'000	Plant and equipment US\$'000	Right-of-use assets US\$'000	Total US\$'000
Half-year ended 31 December 2024				
Opening net book amount	-	18,249	263	18,512
Additions	-	2	-	2
Transfer to asset held for sale	-	(17,478)	-	(17,478)
Foreign exchange revaluation	-	-	(3)	(3)
Depreciation expense	-	(767)	(136)	(903)
Closing net book amount	-	6	124	130
Cost	531	100	1,484	2,115
Accumulated depreciation and impairment	(531)	(94)	(1,360)	(1,985)
Net book amount	-	6	124	130
Year ended 30 June 2024				
Opening net book amount	23	33,649	158	33,830
Additions	-	3	344	347
Reversal of impairment loss	-	276	-	276
Transfer to asset held for sale	-	(11,780)	-	(11,780)
Foreign exchange revaluation	-	-	(1)	(1)
Depreciation expense	(23)	(3,899)	(238)	(4,160)
Closing net book amount	-	18,249	263	18,512
Cost	536	75,678	1,492	77,706
Accumulated depreciation and impairment	(536)	(57,429)	(1,229)	(59,194)
Net book amount	-	18,249	263	18,512

10. Subsequent events

Other than matters after 31 December 2024 disclosed in the Financial Review, there are no other significant events occurred after balance sheet date.

11. Contingent assets and liabilities

(a) CLAIM AGAINST THE AUSTRALIAN FEDERAL GOVERNMENT RE 2011 INDONESIAN CATTLE BAN

Wellard remains active in preparing a legal claim relating to losses incurred due to the 2011 ban on Australian livestock exports to the Republic of Indonesia. On 2 June 2020, the Federal Court of Australia found in favour of the lead applicant, Brett Cattle Company Pty Limited in representative proceedings (also known as a 'class action') before the Federal Court brought against the former Minister for Agriculture, Forestry and Fisheries Senator Joe Ludwig and the Commonwealth of Australia as the Respondents. Wellard's claim for damages is being made following this successful litigation brought by the Brett Cattle Company.

Notes to the consolidated financial statements

11. Contingent assets and liabilities (continued)

Progress on this matter remains slow for Wellard and all other Class members. The Federal Court has ordered the parties to proceed concurrently by way of both mediation and Court process to resolve various foundational issues that remain in dispute. The concurrent processes are being undertaken in an attempt to assist the parties reach a global settlement sum and to prevent unnecessary delay.

The parties continue to work towards a resolution. Wellard cannot reliably anticipate the outcome of its legal claim at the date of this report. It remains too early to make any estimate of the amount which may be recovered by Wellard. No contingency has been raised in these accounts in respect of this class action.

Directors' Declaration

In accordance with a resolution of the directors of Wellard Ltd, we state that:

In the opinion of the directors:

- (a) The condensed consolidated interim financial information and notes of the consolidated entity are 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 December 2024 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Klepec
Executive Chairman
Perth
Date: 20 February 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WELLARD LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Wellard Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not 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 December 2024 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

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

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WELLARD LIMITED (CONTINUED)**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 20th day of February 2025