

# WELLARD LIMITED

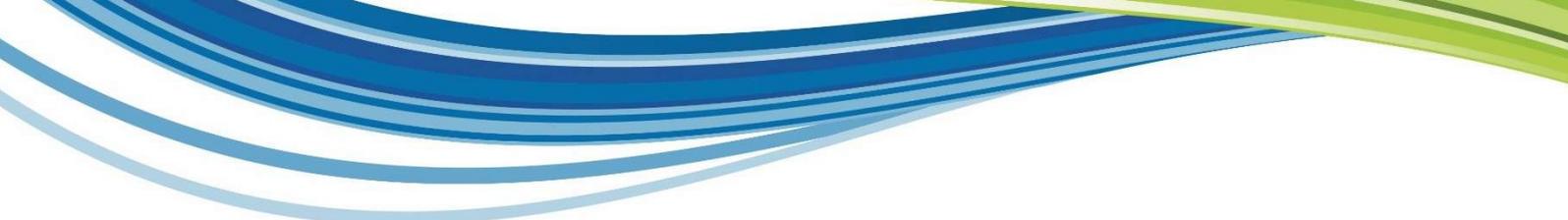
ACN 607 708 190

## ANNUAL REPORT 2025



**Wellard**





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## MESSAGE FROM THE EXECUTIVE CHAIRMAN

Wellard produced an excellent financial performance from its reduced fleet of ships in FY2025, reporting a net profit after tax of US\$1.3 million. This result includes a US\$5.0 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). Excluding this expense Wellard achieved a net profit of US\$6.3 million.

The settlement and transfer of the M/V Ocean Ute occurred in September 2024, with the final two shipments under Wellard ownership contributing to FY2025 revenue. For the balance of FY2025 the only remaining vessel in the fleet was the M/V Ocean Drover which was fully utilised on back to back South America to Türkiye voyages. The positive financial performance vindicated the decision taken in 2024 to relocate the ship away from ex-Australia voyages.

Voyage success rates – the ratio of cattle delivered versus cattle loaded – remain an important KPI for Wellard and the customers who charter our vessels. Through a combination of a dedicated focus on animal welfare, voyage planning and vessel management, the effort and attention of our officers and crew, the quality of our vessels, and the hard work of our suppliers, Wellard recorded another year with a 99.66% success rate, this year from the 137,275 cattle that boarded our vessels.

Voyage success rates such as these have been integral to the continued demand for Wellard vessels from live export companies and was a major reason Wellard secured voyages in the very competitive South American live export market.

Following the settlement of the M/V Ocean Ute, a capital return of A\$0.02 per share to shareholders occurred in December 2024. Wellard ended the financial year with US\$15.0 million in cash and cash equivalents.

The 221<sup>st</sup> and final voyage of the M/V Ocean Drover was completed post the 30<sup>th</sup> June balance date, on 21<sup>st</sup> July 2025. Delivery of the Ship to its new owners Meteors Shipping S.A., a Marshall Islands company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi took place on the 19 August 2025. A further capital return of A\$0.15 per share to Wellard shareholders has been made on 28 August 2025.

With no exposure to livestock export markets no market commentary or outlook is provided.

Following the sale of both the M/V Ocean Ute and the M/V Ocean Drover in FY2025 and subsequent capital returns of sales proceeds to shareholders, the Company Board has considered all options for Wellard's future. The only current potential revenue for the company is proceeds from the Brett Cattle Company Class action against the Australian Government to which Wellard is a listed claimant.

Whilst the Brett Company Class action remains ongoing, the Board believes there is a reasonable expectation of a financial positive benefit for shareholders if Wellard remains in existence as a company. With no further shipping operations, the company will reduce its administrative costs further, including planned delisting from the ASX subject to ASX and shareholder approval. Further details will be provided to shareholders prior to the Company's upcoming 2025 AGM where approval of a delisting will be sought. This approval will include a capital return of surplus cash to shareholders after retaining the expected costs of continuing as an unlisted public company for up to three years.

After several years facing very strong headwinds, it is very pleasing to have concluded FY2025 with a solid net profit, especially as this was from operating as a single ship company for the majority of the year. Importantly for shareholders, we finished FY2025 with US\$15.0 million net cash on hand before any proceeds from the M/V Ocean Drover sale, after a US\$6.9m return to shareholders in December 2024.

Shareholders will receive a A\$0.15 per share distribution on the 28<sup>th</sup> August, taking total capital returns to A\$0.17 per share plus a further return of surplus cash to occur upon shareholder endorsement of a plan for delisting at the forthcoming AGM.

Despite all the hardships endured since listing by Wellard, all debts have been repaid in full, including all fees and interest. Wellard has never asked for or received a handout or "loan" from the Australian Government, which now appears to be the default position for many corporations/industries when financial difficulties arise. We have simply dealt with whatever has come our way, including multiple extreme events. After repaying all debts, we have now returned cash to shareholders when many were of the view for a considerable period that Wellard simply would not



**John Klepec**  
Executive Chairman

## EXECUTIVE CHAIRMAN'S REPORT

survive. This is due to the outstanding commitment and sole focus on a positive outcome for shareholders from the board, management and staff of Wellard in this and every year. I take this opportunity to thank all those who contributed to the outcome achieved.

We also thank our loyal business partners for their continued support over the years that Wellard operated in the livestock export market across the globe.



John Klepec  
**Executive Chairman**

28 August 2025

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Provided below are the results for the announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.3A and Appendix 4E for the consolidated entity Wellard Limited ABN 53 607 708 190 (**Wellard or Company**) and its controlled entities (**Wellard Group or Group or Consolidated Group**), for the year ended 30 June 2025 (**FY2025**) compared with the year ended 30 June 2024 (**FY2024**).

The financial statements are presented in United States dollars (unless otherwise stated).

### FINANCIAL RESULTS AND KEY FINANCIAL ITEMS FROM DISCONTINUED OPERATIONS<sup>\*</sup>:

FOR THE YEARS ENDED 30 JUNE (US\$ thousand)	2025	2024	Movement	
Revenue	26,839	34,943	(23.2%) ↓	
Cost of Sales	(15,975)	(30,539)	(47.7%) ↓	
<b>Gross profit</b>	<b>10,864</b>	<b>4,404</b>	<b>146.7%</b> ↑	
Other income <sup>1</sup>	-	3,577	(100.0%) ↓	
General and Administrative expenses	(3,164)	(3,872)	(18.3%) ↓	
<b>EBITDA<sup>2</sup></b>	<b>7,700</b>	<b>4,109</b>	<b>87.4%</b> ↑	
Other (losses)/gains from other activities <sup>3</sup>	(5,058)	147	(3540.8%) ↓	
Restructuring costs	-	(469)	(100.0%) ↓	
Depreciation and amortisation expenses	(1,516)	(4,427)	(65.8%) ↓	
<b>EBIT</b>	<b>1,126</b>	<b>(640)</b>	<b>275.9%</b> ↑	
Net finance income/(cost)	233	(172)	235.5% ↑	
Income tax expense	(32)	(3)	966.7% ↓	
<b>Profit/loss from discontinued operations after tax</b>	<b>1,327</b>	<b>(815)</b>	<b>262.8%</b> ↑	
<b>Profitability analysis</b>				
Gross profit margin	%	40.5	12.6	221.4% ↑
Operating Profit margin	%	28.7	11.8	144.0% ↑
Net Profit margin	%	4.9	(2.3)	313.0% ↑
<b>Balance Sheet analysis</b>				
Working capital	\$'000	31,351	18,029	73.9% ↑
Current ratio	Times	12.8	4.6	178.3% ↑
Net tangible assets	\$'000	31,456	36,486	(13.8%) ↓
Net tangible assets per security	Cps	5.9	6.9	(14.5%) ↓
Loans and borrowings	\$'000	78	271	(71.2%) ↓
Negative net debt <sup>4</sup>	\$'000	(14,973)	(8,511)	75.9% ↑
Debt to capital ratio <sup>5</sup>	%	0.2%	0.7%	(71.4%) ↓

\* Following the sale of the Group's main undertaking M/V Ocean Drover to Meteors Shipping S.A. which took place on 19 Aug 2025, the operations have been presented as Discontinued Operations for the year ended 30 June 2025. All general and administration and overhead expenses for the year have been reflected within discontinued operations, notwithstanding a small portion of such costs is expected to continue to be incurred following the disposal of M/V Ocean Drover.

<sup>1</sup> Other income refers to the receipt of insurance claims following the M/V Ocean Swagman's starboard engine repair in 2023.

<sup>2</sup> EBITDA equals profit/(loss) from discontinued operations before income tax, less depreciation and amortisation expenses, less net finance costs, less other gains arising from other activities and less impairment expenses.

<sup>3</sup> Other (losses)/gains from other activities in 2025, include a significant non-recurring expense of US\$5.0 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).

<sup>4</sup> 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.

<sup>5</sup> Debt to capital ratio equals loans and borrowings divided by total equity plus loans and borrowings.

Commentary on the consolidated results are set out in the Operating and Financial Review section of the Directors' Report.

## DIVIDENDS

The Company does not intend to pay any dividends in respect to the year ending 30 June 2025 (2024: Nil).

## AUDIT STATUS

The Consolidated Financial Statements upon which this Appendix 4E is based have been audited.

## WELLARD

The nature of operations and principal activities of the Group as at the end of the financial year is an agribusiness that connects primary producers of cattle, sheep, and other livestock to international customers through a global supply chain. The Group was a supplier of seaborne transportation for livestock globally as at the end of the financial year. Refer to the Executive Chairman's report for a description of activities since the end of the financial year.

## LIVESTOCK LOGISTICS SERVICES:

Wellard's predominant activity in FY2025 was as a livestock logistics services business. When pursuing this business activity, Wellard charters its ships to third parties, earning freight income by carrying livestock on their behalf. To support its operations, the Group owned one medium and one large livestock transport vessel during the reporting period.

The sale of the M/V Ocean Ute to Bassem Dabbah Shipping Inc. for a consideration of US\$12.0 million was completed on 3 September 2024. This transaction formed part of the Wellard Board's strategy to crystallise the vessel's value, as the Ocean Ute had reached a critical tipping point in terms of market value, rising maintenance costs, and a declining outlook for future cash generation and profitability.

In addition, as announced on 14 January 2025, Wellard entered into a binding agreement to sell its remaining livestock vessel, the M/V Ocean Drover, for US\$50.0 million in cash to Meteors Shipping S.A., a Marshall Islands Company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi—an established Turkish agribusiness with which Wellard has maintained a longstanding and successful commercial relationship. The sale was approved by Wellard shareholders on 15 April 2025, and delivery of the vessel took place on 19 August 2025.

Given the sale of the Drover, which represents Wellard's sole remaining revenue-generating asset, and the costs of remaining a publicly listed entity, Wellard's Board will provide further details to shareholders prior to the Company's upcoming October 2025 AGM in regards a delisting from the ASX subject to ASX and shareholder approval.

# OPERATIONS REPORT



## OPERATIONS REPORT

### The year in summary

Employee safety remains a core focus. The Company recorded zero lost time injuries and zero medically treated injuries for FY2025, extending the nil-nil result achieved in both FY2023 and FY2024.

During FY2025, Wellard loaded 9 cattle voyages to the following destinations:

#### Wellard Voyage Analysis

Loaded	Discharged	FY2025	FY2024
Australia	Vietnam	1	7
South America	Türkiye	7	7
Australia	Indonesia	1	5
Australia	China	-	2
<b>Total</b>		<b>9</b>	<b>21</b>

Figure 1: Charter revenue by origins

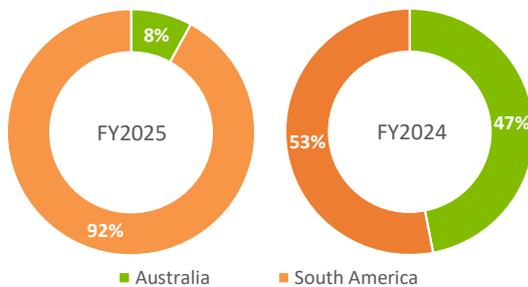
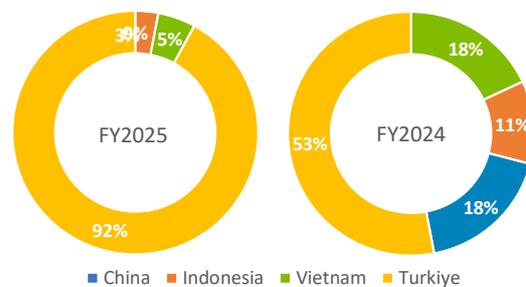


Figure 2: Charter revenue by destinations



The Wellard fleet again achieved excellent voyage success rates for the livestock it delivered.

Of the 137,275 head of cattle loaded globally during the period, our vessels recorded a success rate of 99.66%. 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 two voyages to Vietnam and Indonesia prior to the ship sale to Bassem Dabbah Shipping Inc with transaction settlement that occurred in September 2024. All seven voyages to Türkiye in FY2025 were completed by the M/V Ocean Drover. As at 30<sup>th</sup> June 2025 the M/V Ocean Drover was in the midst of completing its 201<sup>st</sup> and final voyage for Wellard from Uruguay to Türkiye. Discharge of this voyage was successfully completed on the 21<sup>st</sup> July 2025.

All the voyages completed by the M/V Ocean Drover in 2025 were previously contracted in 2024 as we had announced.

### Shipping fuel prices

Fuel (or “bunker”) prices remain Wellard’s single largest operational cost. The Very Low Sulphur Fuel Oil (VLSFO) price is a key determinant of the charter rates Wellard quotes and charges its customers.

Bunker costs (fuel and diesel oils) decreased by 46.0% to US\$8.1 million in FY2025, down from US\$15.1 million in FY2024. This reduction was driven primarily by a 40.4% year-on-year decrease in Very Low Sulphur Fuel oil (VLSFO) consumption and a 9.7% decline in the average price per metric tonne, reflecting the smaller fleet size during the year.

# DIRECTORS' REPORT



## DIRECTORS' REPORT

The Directors present their report together with the financial report of Wellard Limited (ABN 53 607 708 190) (Wellard or the Company) and the entities controlled during the financial year ended 30 June 2025 (FY2025) and the independent auditor's report thereon.

### DIRECTORS



**John Klepec**  
**Executive Chairman**

B.Comm

John Klepec has over thirty years commercial management experience across a range of industry groups including construction, resources, media, health care, logistics, transport, shipping, livestock trading, construction materials, building products and agriculture.

He has considerable public company experience, including, most recently being appointed as Chairman of Fleetwood Limited since March 2021.

Mr Klepec was previously the Chief Development Officer for Hancock Prospecting from 2010 to 2016, and prior to that held senior management positions with major Australian publicly listed companies BHP Billiton Limited, Mayne Group Limited and with the private BGC Group. He is also a previous Non-Executive Director of Ten Network Holdings Limited.

From his prior successful executive and Board roles Mr Klepec brings extensive financial expertise, corporate development, operational leadership and strategic thinking to any commercial position.

Mr Klepec is a Non-Independent Director.



**John Stevenson**  
**Non-Executive Director**

FCA, GAICD, FGIA,  
BBus.

John Stevenson has extensive experience as an executive in publicly listed organisations as well as large family and private equity businesses in Australia and Asia.

John's expertise in the agribusiness and livestock sectors includes having previously been the Chief Executive Officer of Namoi Cotton Limited (ASX: NAM), and the Chief Financial Officer of Wellard Limited (ASX: WLD) and Consolidated Pastoral Company. As well as being a Non-Executive Director of Wellard, John was a Director of the Royal Flying Doctor Service of Australia (Queensland Section) and Director of RFDS (QLD) Services Limited.

John is a Fellow of the Chartered Accountants of Australia and New Zealand, a Fellow of the Governance Institute of Australia, and a graduate of the Australian Institute of Company Directors.

Mr Stevenson is an Independent Director.



**Philip Clausius**  
**Non-Executive Director**

BA (Hons) Business  
Administration

Philip Clausius is the Founder & Managing Partner of Singapore based Transport Capital Pte. Ltd., an investment management and advisory firm focused on the global marine transport, aviation and offshore industries. Prior to this, he was Co-Founder and CEO of the FSL Group, a Singapore-based provider of leasing services to the international shipping industry where he oversaw the acquisition and financing of approximately US\$1 billion in maritime assets as well as the IPO of FSL Trust in March 2007, which raised about US\$330 million in equity proceeds in a globally marketed offering.

Apart from being a Non-Executive Director of Wellard, Philip holds directorships Schoeller Holdings and Bengal Tiger Line.

Philip graduated from the European Business School, Germany in 1992 with the "Diplom-Betriebswirt" (Business Administration) degree and completed the Advanced Management Programme by INSEAD in July 2023.

Mr Clausius is an Independent Director.

## DIRECTORS' REPORT



**Kanda Lu**  
**Executive Director**  
**Business Development**  
**Manager China**

B. Comm., M.  
International Relations  
with M. Commercial Law,  
Macquarie University

Kanda Lu possesses considerable expertise in commerce and financial institutions. His recent position was Vice President for Morgan Stanley China GCM. Kanda Lu currently runs his own boutique asset management firm in Hangzhou China.

In addition to his Executive Director role, Kanda is responsible for the development and growth of Wellard's entry into the Chinese market and other business initiatives.

Mr Lu is a Non-Independent Director.

## COMPANY SECRETARY

### **Michael Silbert**

#### **Company Secretary**

B.Juris, B. LLB, B.A. (Hons)

Michael Silbert was appointed as Company Secretary since 17 October 2016. Michael has extensive experience in equity capital markets, mergers and acquisitions, banking and finance and general commercial matters. Michael has strong legal and company secretarial experience, having been general counsel and company secretary for a significant Western Australian and ASX-listed engineering and mining services business, an iron ore miner, and a listed winery business.

## PRINCIPAL ACTIVITIES

The nature of operations and principal activities of the Group as at the end of the financial year is that it is an agribusiness that connects primary producers of cattle, sheep, and other livestock to international customers through a global supply chain. The Group was a supplier of seaborne transportation for livestock globally as at the end of the financial year. Refer to the Executive Chairman's report for a description of activities since the end of the financial year.

### LIVESTOCK LOGISTICS SERVICES:

Wellard's predominant activity in FY2025 was as a livestock logistics services business. When pursuing this business activity, Wellard charters its ships to third parties, earning freight income by carrying livestock on their behalf. To support its operations, the Group owned one medium and one large livestock transport vessel during the reporting period.

The sale of the M/V Ocean Ute to Bassem Dabbah Shipping Inc. for a consideration of US\$12.0 million was completed on 3 September 2024. This transaction formed part of the Wellard Board's strategy to crystallise the vessel's value, as the Ocean Ute had reached a critical tipping point in terms of market value, rising maintenance costs, and a declining outlook for future cash generation and profitability.

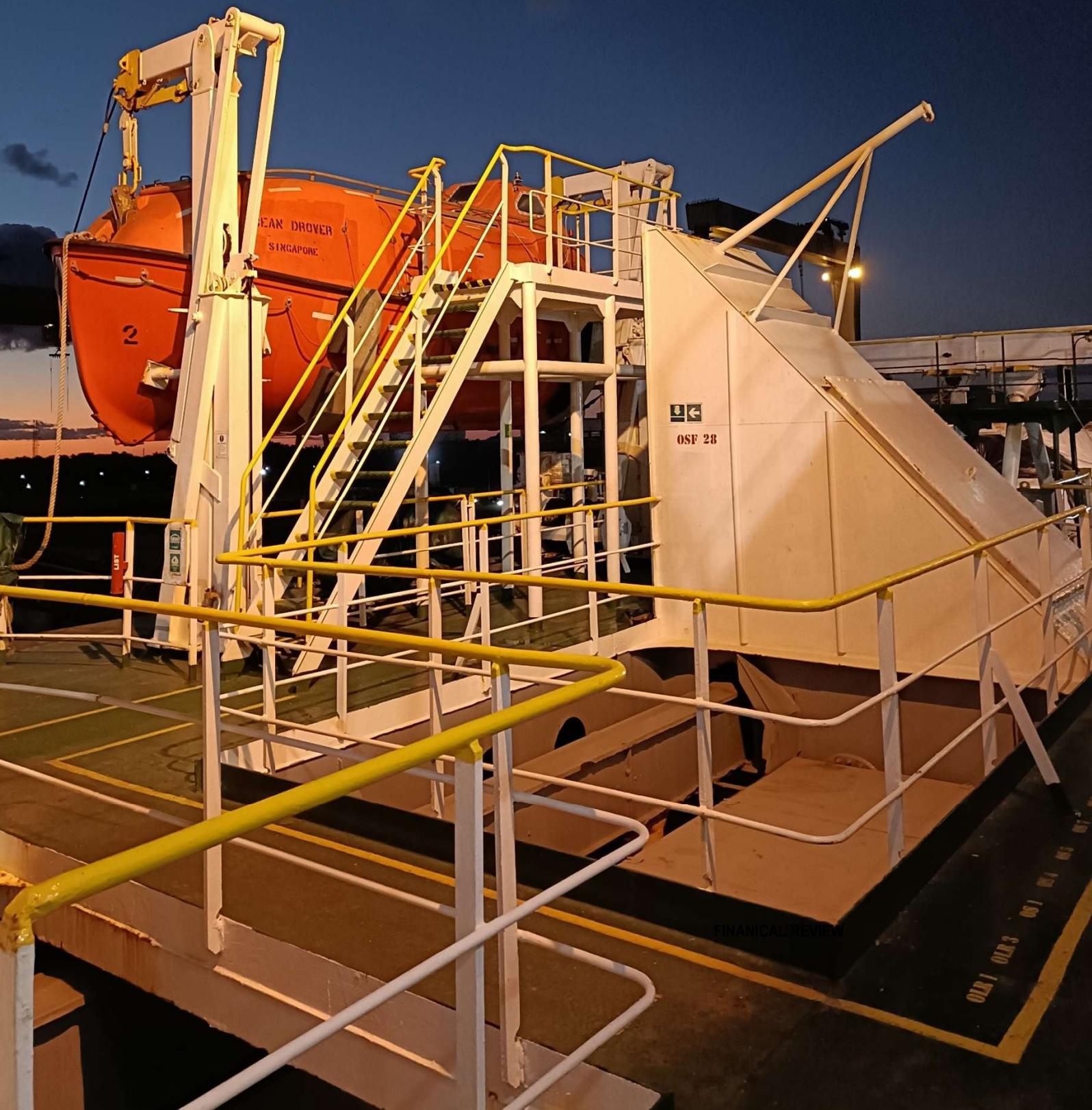
In addition, as announced on 14 January 2025, Wellard entered into a binding agreement to sell its remaining livestock vessel, the M/V Ocean Drover, for US\$50.0 million in cash to Meteors Shipping S.A., a Marshall Islands company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi—an established Turkish agribusiness with which Wellard has maintained a longstanding and successful commercial relationship. The sale was approved by Wellard shareholders on 15 April 2025, and delivery of the vessel took place on 19 August 2025.

Given the sale of the Drover, which represents Wellard's sole remaining revenue-generating asset, and the costs of remaining a publicly listed entity, Wellard's Board will provide further details to shareholders prior to the Company's upcoming October 2025 AGM in regards a delisting from the ASX subject to ASX and shareholder approval

### OPERATIONS AND FINANCIAL REVIEW:

Full details of Wellard's operations can be found in the Operations Report on page 7. Both Operations Report on page 7 and Financial Review commencing on page 13, form a part of this Directors' Report.

# FINANCIAL REVIEW



## FINANCIAL REVIEW

A summary of the financial results and key financial items are set out below. All amounts in this Financial Review are presented in US\$ unless stated otherwise.

### FINANCIAL RESULTS AND KEY FINANCIAL ITEMS FROM DISCONTINUED OPERATIONS\*

FOR THE YEARS ENDED 30 JUNE (US\$ thousand)	2025	2024	Movement	
Revenue	26,839	34,943	(23.2%) ↓	
Cost of Sales	(15,975)	(30,539)	(47.7%) ↓	
<b>Gross profit</b>	<b>10,864</b>	<b>4,404</b>	<b>146.7%</b> ↑	
Other income <sup>1</sup>	-	3,577	(100.0%) ↓	
General and Administrative expenses	(3,164)	(3,872)	(18.3%) ↓	
<b>EBITDA<sup>2</sup></b>	<b>7,700</b>	<b>4,109</b>	<b>87.4%</b> ↑	
Other (losses)/gains from other activities <sup>3</sup>	(5,058)	147	(3540.8%) ↓	
Restructuring costs	-	(469)	(100.0%) ↓	
Depreciation and amortisation expenses	(1,516)	(4,427)	(65.8%) ↓	
<b>EBIT</b>	<b>1,126</b>	<b>(640)</b>	<b>275.9%</b> ↑	
Net finance income/(cost)	233	(172)	235.5% ↑	
Income tax expense	(32)	(3)	966.7% ↓	
<b>Profit/(loss) from discontinued operations after tax</b>	<b>1,327</b>	<b>(815)</b>	<b>262.8%</b> ↑	
<b>Profitability analysis</b>				
Gross profit margin	%	40.5	12.6	221.4% ↑
Operating Profit margin	%	28.7	11.8	144.0% ↑
Net Profit margin	%	4.9	(2.3)	313.0% ↑
<b>Balance Sheet analysis</b>				
Working capital	\$'000	31,351	18,029	73.9% ↑
Current ratio	Times	12.8	4.6	178.3% ↑
Net tangible assets	\$'000	31,456	36,486	(13.8%) ↓
Net tangible assets per security	Cps	5.9	6.9	(14.5%) ↓
Loans and borrowings	\$'000	78	271	(71.2%) ↓
Negative net debt <sup>4</sup>	\$'000	(14,973)	(8,511)	75.9% ↑
Debt to capital ratio <sup>5</sup>	%	0.2%	0.7%	(71.4%) ↓

\* Following the sale of the Group's main undertaking M/V Ocean Drover to Meteors Shipping S.A. which took place on 19 Aug 2025, the operations have been presented as Discontinued Operations for the year ended 30 June 2025. All general and administration and overhead expenses for the year have been reflected within discontinued operations, notwithstanding a small portion of such costs is expected to continue to be incurred following the disposal of M/V Ocean Drover.

<sup>1</sup> Other income refers to the receipt of insurance claims following the M/V Ocean Swagman's starboard engine repair in 2023.

<sup>2</sup> EBITDA equals profit/(loss) from discontinued operations before income tax, less depreciation and amortisation expenses, less net finance costs, less other gains arising from other activities and less impairment expenses.

<sup>3</sup> Other (losses)/gains from other activities in 2025, include a significant non-recurring expense of US\$5.0 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).

<sup>4</sup> 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.

<sup>5</sup> Debt to capital ratio equals loans and borrowings divided by total equity plus loans and borrowings.

## OVERVIEW

For the financial year ended 30 June 2025 ("FY2025"), Wellard is reporting a net profit from discontinued operations after tax of US\$1.3 million, compared to a net loss of US\$0.8 million in the financial year ended 30 June 2024 ("FY2024"). This result includes a non-cash depreciation and amortisation expense of US\$1.5 million (FY2024: US\$4.4 million) and a US\$5.0 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 significant non-recurring costs – recorded under "Other (losses)/gains from other activity" – Wellard would have achieved a net profit of US\$6.3 million.

The US\$5.0 million expense was the enabler to the subsequent sale of the M/V Ocean Drover, announced in January 2025 for US\$50 million to Meteors Shipping S.A., a Marshall Islands company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi – an established Turkish agribusiness with which Wellard has had a successful commercial relationship as announced on 14 January 2025. On 15 April 2025, Wellard's shareholders voted to approve the sale and the vessel's delivery was completed and the sale successfully concluded on 19 August 2025.

In FY2025, 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.

The overall result underscores a markedly improved operational performance, as evidenced by a 221.4% increase in Gross Profit Margin to 40.5% (FY2024: 12.6%) and a 144.0% increase in Operating Profit Margin to 28.7% (FY2024: 11.8%).

As announced on 1 July 2024, the sale of the M/V Ocean Ute to Bassem Dabbah Shipping Inc., for a consideration of US\$12.0 million, 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.

Following the sale of the Group's main undertaking, the M/V Ocean Drover, to Meteors Shipping S.A., which took place on 19 August 2025, the operations have been presented as Discontinued Operations for the year ended 30 June 2025.

## REVENUE AND OPERATING PERFORMANCE

**Revenue** declined 23.2% to US\$26.8 million (FY2024: US\$34.9 million), with the shipping capacity fully absorbed by external chartering activities as in the previous year. This decrease was primarily due to a reduction in the fleet following the sale of the M/V Ocean Ute in September 2024 and the redelivery of the M/V Ocean Swagman to her owner, Heytesbury Singapore Pte Ltd, in February 2024.

As the chartering activity represents the entirety of the Group's operating revenue in FY2025, as it did the previous year, no segment reporting is provided in this section of the Annual Report.

**Cost of Sales:** decreased by 47.7% to US\$16.0 million (FY2024: US\$30.5 million).

Cost of Sales	US\$	FY2025	FY2024	Movement
Bunker Costs	\$'000	8,150	15,094	(6,944) ↓
Port Costs	\$'000	1,341	2,552	(1,211) ↓
OPEX	\$'000	6,484	9,421	(2,937) ↓
Time Charter Costs	\$'000	-	3,472	(3,472) ↓
<b>Total Cost of Sales</b>	<b>\$'000</b>	<b>15,975</b>	<b>30,539</b>	<b>(14,564) ↓</b>

A key contributor to the decrease in Cost of Sales was the significant reduction in bunker costs (fuel and diesel oils), which fell by 46.0% to US\$8.1 million in FY2025, down from US\$15.1 million in FY2024. As a result, bunker costs represented 30.4% of revenue, compared to 43.3% in the prior year. This decline was primarily driven by a 40.4% year-over-year reduction in Very Low Sulphur Fuel Oil (VLSFO) consumption and a 9.7% decrease in the average price per metric tonne of fuel consumed. The lower consumption reflects the downsizing of the fleet during the year.

Nonetheless, during FY2025, bunker prices remained high by historical standards despite recording a year-on-year reduction on a global scale. The price of VLSFO ex Singapore, one of the most price-competitive ports in the world for marine fuel, averaged US\$566/mt during FY2025, which is 10.8% lower than the average price of US\$635/mt recorded

## FINANCIAL REVIEW

in FY2024. However, it is important to note that Wellard purchases fuel in different ports along its trading routes. These include low-cost ports like Singapore and more expensive ports such as those in Australia or South America.

The reduction in fleet size also contributed to a 47.5% decline in port costs, which dropped to US\$1.3 million (FY2024: US\$2.6 million).

Vessels' operating expenses (OPEX) – mainly consisting of crew wages, insurance, repair and maintenance costs, and other operating expenses – decreased by US\$2.9 million, or 30.8%, to US\$6.5 million (FY2024: US\$9.4 million) primarily due to the sale of M/V Ocean Ute.

Time Charter costs, which in FY2024 were solely related to M/V Ocean Swagman, dropped 100% from US\$3.5 million to zero following her redelivery to her owner, Heytesbury Singapore Pte Ltd, in February 2024.

As a result, **gross profit** surged by 146.7% to US\$10.9 million (FY2024: US\$4.4 million).

Figure 3: Track record



**General and administrative expenses**, decreased by 18.3% to US\$3.2 million (FY2024: US\$3.9 million), driven by an 18.7% reduction in labour costs and a 33.0% decrease in consultancy expenses, reflecting the Group's continued efforts to streamline its cost structure. These expenses primarily comprise personnel and office costs, consultancy fees, travel, and other miscellaneous items.

**EBITDA** from discontinued operations, which is defined as earnings from discontinued operations before the impact of income tax, depreciation and amortisation expenses, finance costs, and other gains or losses from other activities and impairment expenses, increased significantly by 87.4% to US\$7.7 million (FY2024: US\$4.1 million). This growth was primarily driven by stronger gross profit performance and a US\$0.7 million reduction in overheads. It is important to note that FY2024 EBITDA included a non-recurring item of US\$3.6 million in insurance proceeds related to the engine breakdown on the M/V Ocean Swagman in February 2023, which was recorded under other income. Excluding this one-off item, FY2024 EBITDA would have been marginally positive at US\$0.5 million, making the FY2025 result even more notable.

This significant EBITDA increase has led to an operating profit margin of 28.7%, substantially improving from the 11.8% margin recorded in FY2024.

Figure 4: Track record



## EARNINGS PERFORMANCE

**Other (losses)/gains from other activities**, include a significant non-recurring expense of US\$5.0 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) and foreign exchange losses of US\$0.1 million.

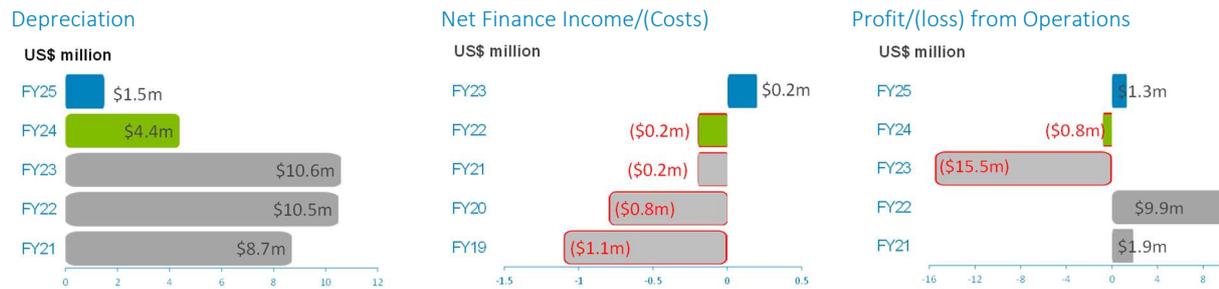
**Depreciation and amortisation expenses** decreased significantly by 65.8% to US\$1.5 million (FY2024: US\$4.4 million), driven by the sale of the M/V Ocean Ute, the full depreciation of drydocking expenses for the fleet and the reclassification of the M/V Ocean Drover under Assets Held for Sale, following which the vessel was no longer depreciated, in line with AASB 5.25.

## FINANCIAL REVIEW

**Net finance (costs)/income** shifted from a loss of US\$0.2 million to a gain of US\$0.2 million, driven by interest earned on cash in hand, which was invested in a term deposit.

**Profit from discontinued operations after tax** amounted to US\$1.3 million in FY2025, marking a clear turnaround from the prior year's loss of US\$0.8 million and signalling the Company's return to profitability. This turnaround reflects the compounding effect of operational improvements, cost rationalisation, and the strategic realignment of the fleet. Importantly, this profit was achieved despite the recognition of the significant non-recurring expense incurred to secure full ownership of the M/V Ocean Drover, which were essential to enable the vessel's subsequent sale. Excluding these exceptional expenses, the underlying profit would have been significantly higher, further demonstrating the resilience of Wellard's operating model and the financial impact of a leaner, more focused asset base.

Figure 5: Track record



## ASSETS AND LIABILITIES

**Non-current assets** primarily comprise the net book value ("NBV") of Wellard's vessels and capitalised drydock costs. The Group assesses the carrying value of its vessels by obtaining independent market valuations from two principal brokers, taking into account market offers and projected lifetime earnings. Non-current assets declined by US\$19.0 million to US\$0.1 million as a result of the reclassification of the M/V Ocean Drover as an Asset Held for Sale in the statement of financial position, following the execution of a binding sale agreement in January 2025.

**Capital expenditure** for the year was limited to US\$4,000, relating solely to the purchase of office equipment (FY2024: US\$5,000).

**Negative Net Debt** – indicating cash available for the Group – increased by US\$6.5 million, or 75.9%, to US\$15.0 million as at 30 June 2025 (30 June 2024: US\$8.5 million), reflecting a US\$0.2 million reduction in loans and borrowings and a US\$6.3 million increase in cash and cash equivalents to US\$15.0 million (30 June 2024: US\$8.8 million). The increase in cash was the result of proceeds from the US\$12.0 million sale of the M/V Ocean Ute, partially offset by a US\$5.0 million payment to KPMG Singapore – the liquidators of Ruchira Ships Limited (In Liquidation) – to secure full and unencumbered ownership of the M/V Ocean Drover, and a capital return of US\$6.9 million to shareholders on 10 December 2024.

During the same period, the Group's working capital increased substantially by US\$13.4 million (73.9%), reaching US\$31.4 million (30 June 2024: US\$18.0 million). This growth was driven by the Group's improved operating performance and the reclassification of the M/V Ocean Drover's net book value of US\$17.5 million to 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 30 June 2025, total debt represented 0.2% 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.

As at 30 June 2025, Wellard had cash and cash equivalents totalling US\$15.0 million (30 June 2024: US\$8.8 million). In addition, the Group maintains a US\$2.0 million trade facility with a financial institution in Singapore to support ship operating costs, which remained undrawn as at the reporting date.

As at 30 June 2025, US\$5.0 million had been deposited by the buyer of the M/V Ocean Drover into an escrow account held in the name of Wikborg Rein Singapore (the "Deposit Holder"), pursuant to the MOA dated 4 February 2025. As the Deposit Holder acts independently and the funds are neither legally nor practically controlled by Wellard until the fulfilment of the closing conditions, they are not recognised as an asset of the Group as at the reporting date.

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

## FINANCIAL REVIEW

The continued focus on capital efficiency further reduced Group debt levels as a proportion of funding. As of 30 June 2025, total debt represented 0.2% of the Group's funding (30 June 2024: 0.7%), while the Group has successfully repaid all ship debt, reflecting the Group's commitment to sound financial management.

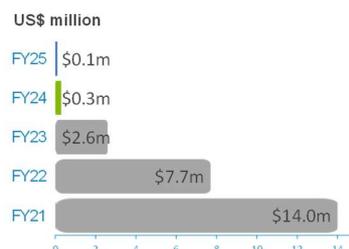
Debt Position	US\$	2025	2024	Movement
Other lease liabilities	\$'000	78	271	(193) ↓
<b>Total Loans and Borrowings</b>	<b>\$'000</b>	<b>78</b>	<b>271</b>	<b>(193) ↓</b>
Cash and cash equivalents	\$'000	15,051	8,782	6,269 ↑
<b>Negative Net Debt</b>	<b>\$'000</b>	<b>(14,973)</b>	<b>(8,511)</b>	<b>(6,462) ↓</b>

Figure 6: Track record

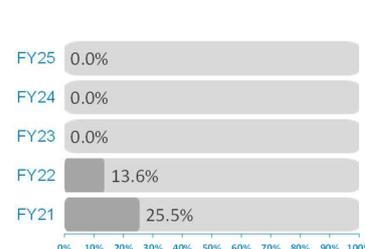
### Working Capital



### Loans and Borrowings



### Ship Loan to Asset Book Value



## CASH FLOWS

**Cash flow from operating activities** generated net cash of US\$1.6 million in FY2025 (FY2024: US\$4.2 million). This result includes a US\$5.0 million one-off expense incurred to secure full and unencumbered ownership of the M/V Ocean Drover from KPMG Singapore, the liquidator of Ruchira Ships Limited (In Liquidation). Excluding this significant non-recurring expense, cash flow from operating activities would have amounted to US\$6.6 million. By comparison, the FY2024 operating cash flow benefited from US\$3.6 million in insurance proceeds received in relation to the engine breakdown on the M/V Ocean Swagman in FY2023.

**Cash flow from investing activities** generated net cash of US\$11.8 million in FY2025 (FY2024: US\$0.0 million), entirely attributable to the proceeds received from the sale of the M/V Ocean Ute.

**Cash flow from financing activities** resulted in a net cash outflow of US\$7.2 million (FY2024: US\$2.9 million), primarily attributable to the US\$6.9 million (AU\$10.6 million) capital return to shareholders on 10 December 2024, following the sale of the M/V Ocean Ute. The remaining outflow relates to loan and lease repayments.

During the current financial year, there was a US\$6.3 million increase in cash held (net of the effect of exchange rate changes), compared to an increase of US\$1.4 million reported in FY2024. As at 30 June 2025, the Group's cash and cash equivalents stood at US\$15.0 million (30 June 2024: US\$8.8 million).

Condensed Consolidated Statement of Cash Flows	2025 US\$'000	2024 US\$'000
Net cash inflow from operating activities	1,648	4,218
Net cash outflow from investing activities	11,776	(5)
Net cash outflow from financing activities	(7,151)	(2,855)
<b>Net increase/(decrease) in cash held</b>	<b>6,273</b>	<b>1,358</b>
Cash at the beginning of the financial year	8,782	7,420
Effects of exchange rate changes	(4)	4
<b>Cash at the end of the financial year</b>	<b>15,051</b>	<b>8,782</b>

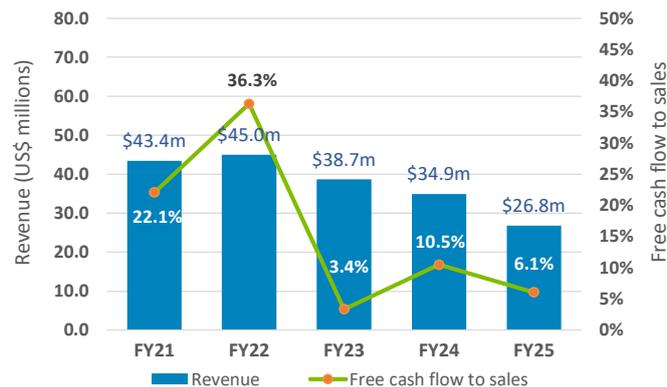
Free Cash Flow Statement	2025 US\$'000	2024 US\$'000	
Net cash inflow from operating activities	1,648	4,218	
Income tax paid	-	(369)	
Net interest paid	(20)	(194)	
<b>Free cash flow</b>	<b>1,628</b>	<b>3,655</b>	(55.5%) ↓
<b>Cash conversion ratio (FCF/Revenue)</b>	<b>6.1%</b>	<b>10.5%</b>	(41.9%) ↓

## FINANCIAL REVIEW

**Free cash flow (“FCF”)** for the year – defined as cash flow from operating activities less income taxes paid and net interest payments – declined by 55.5% to US\$1.6 million (FY2024: US\$3.7 million), driving the cash conversion ratio (FCF/Revenue) down to 6.1% (FY2024: 10.5%). This reduction was primarily due to the US\$5.0 million one-off 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).

Excluding this significant non-recurring expense, free cash flow would have amounted to US\$6.6 million, and the cash conversion ratio would have increased by 135.2% to 24.7%, demonstrating a stronger cash-generating performance relative to revenue.

Figure 7: Free cash flow to sales (cash conversion) ratio



The cash conversion ratio decreased to 6.1% in the current financial year, primarily due to the US\$5.0 million one-off expense incurred to secure ownership of the M/V Ocean Drover.

Excluding this significant non-recurring expense, the cash conversion ratio would have increased by 135.2% to 24.7%, demonstrating a stronger cash-generating performance relative to revenue.

### Alternative Performance Measures (APM)

Certain analyses included in this annual report are based on measures not defined in the applicable reporting framework but regularly used by Wellard for management purposes like communicating performance and decision-making. Wellard believes that complementing IFRS measures with APM may enhance financial communication and add value to users by explaining the Company’s performance from the management’s perspective and, in some cases, provide comparability with peers. APM should not be considered in isolation from, or as a substitute for, financial information presented in compliance with Australian Accounting Standards.

### EBITDA and Operating profit margin

EBITDA is defined as profit/(loss) from discontinued operations before the impact of income taxes, depreciation and amortisation expenses, net finance costs, other gains/(losses) arising from other activities and impairment expenses. Operating profit margin is defined as EBITDA divided by total revenue. Wellard believes that EBITDA and Operating profit margin are important measures that focus on the business’ profitability from its core operations before the impact of capital structure, leverage, and non-cash items.

### EBIT

EBIT is defined as profit/(loss) from discontinued operations before the impact of income taxes and finance costs. EBIT is considered an important measure for analysing a company’s performance without the costs of capital structure and taxes.

### Free cash flow (FCF) and cash conversion ratio

Free cash flow is defined as cash flow from operating activities, less income taxes paid and net interest payments. It does not represent residual cash flows entirely available for discretionary purposes. The repayment of principal amounts borrowed is not deducted from FCF. Cash conversion ratio is defined as FCF divided by total revenue. Wellard believes that FCF and cash conversion ratio are useful to investors because they represent cash flows that could be used for capital expenditures, distribution of dividends, repayment of debt, or to fund strategic initiatives.

### Net Debt

Net debt is defined as loans and borrowings (including liabilities directly associated with assets held for sale) less cash and cash equivalents. Wellard believes Net debt is a relevant measure to determine the level of leverage given the Company’s liquid assets.

### Group Presentation Currency

The financial information included in the Group’s Annual Report is presented in the United States Dollar (“US\$”), the presentational currency of the Group, unless otherwise specified.

### Material Business Risks

The Wellard Board defines risk management as the identification, assessment and management of risks that have the potential to materially impact on Wellard’s people, environment, operations, assets, reputation, and financial results, and therefore on Wellard’s shareholders.

## FINANCIAL REVIEW

Whilst the risks discussed were prevalent during the FY2025 reporting period, following the sale of the Company's last livestock vessel on 19 August 2025, a substantial number of these risks will not be applicable.

Given the international nature of Wellard's operations during the reporting period, a wide range of risk factors have the potential to impact the Company. While Wellard attempts to mitigate and manage risks where it is efficient and practicable to do so, there is no guarantee these efforts will be successful. Outlined below is an overview of the material risks facing Wellard.

The material business risks flow from the Company's current circumstances, the nature of its business activities as an international shipper of live animals, and general risks that apply to international companies involved in maritime transportation, cross-border trade, and the ownership of shares in listed companies.

These risks are not set out in any particular order and do not comprise every risk that Wellard could encounter when conducting its business. As such, they do not purport to be a list of every risk that may be associated with an investment in Wellard shares now or in the future. Also, the occurrence or consequences of some of the risks are partially or completely outside the control of Wellard, its Directors and Management. Rather, they are the most significant risks that, in the opinion of the Board, should be considered and monitored by both existing shareholders and potential shareholders in the Company.

Each of the risks referred to could, in isolation or in combination, if they eventuate, have a material adverse impact on Wellard's business, results of operations, financial condition, financial performance, prospects and share price. The risks described here are based on an assessment of a combination of the probability of the risk occurring and the impact/consequence of the risk if it did occur. The assessment was based on the knowledge of the Directors at the time of approving this document, but there is no guarantee or assurance the importance of these risks will not change or other risks will not emerge.

An investment in the Wellard Group may be considered highly speculative and carries no guarantee with respect to the payment of dividends or returns of or on capital. An investment in the Company is not risk-free, and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described herein when making decisions relating to an investment in Wellard shares.

### Compliance Risk

Should Wellard remain a listed entity, and in the event that it does not identify business opportunities which deliver revenue, there is a risk that it will become non-compliant with ASX listing rules, including Chapter 12 (ongoing requirements) which require a listed entity to maintain sufficient operations to warrant continued listing, and that a listed entity should not hold half or more of its assets in cash.

Wellard intends to mitigate this risk by continuing to be open to new opportunities, and, with the appropriate

consents of ASX and approval of its shareholders, to consider delisting from ASX.

### Supply, Demand & Market Risks

Wellard operates in often volatile spot markets, which can involve rapid market demand changes and declines, leading to lower demand for specialised livestock vessels. There is a risk of alternative protein markets developing and of key markets deciding to become more self-sufficient.

Wellard monitors supply and demand markets to understand, measure and manage freight market risk. The Company can redeploy ships to alternative markets.

Wellard maintains its fleet at high standards to retain AMSA licensing and gain a competitive advantage on voyage outcomes.

### Vessel Breakdown or Damage Risk

The operation of ocean-going vessels carries inherent risks. Wellard's vessels and their cargoes could be at risk of being damaged or lost because of events such as marine disasters, bad weather, mechanical failures, grounding, fire, collisions, human error, war, terrorism, piracy, force majeure and other circumstances or events. If Wellard's vessels suffer damage, they may need to be repaired. The costs and timing of repairs may be substantial, partially due to their scale and need for specialised repair infrastructure. Wellard may have to pay repair costs if the Group's insurance and contractual indemnification provisions are unavailable or insufficient to cover such liability. The loss of revenues while these vessels are being repaired and the actual cost of these repairs may adversely affect Wellard's business and financial condition and performance.

The Company seeks to mitigate this risk by taking out relevant insurance policies with first-class insurers and adopting a Planned Maintenance System (PMS) through the engagement of our fleet technical manager, Welltech Marine Pte. Ltd. (Welltech), to ensure safe and reliable vessel operations, and asset protection.

### Failure to adequately maintain the Wellard fleet of vessels

If Wellard fails to adequately maintain its fleet of vessels, this may result in mechanical problems or failure to comply with safety regulations and Port State Control or loss of its Class Certificate, causing animal welfare issues, disruptions to business operations, higher operating costs or deterioration in Wellard's ability to provide transport to a standard which complies with relevant regulations to enable the movement of livestock commodities. These circumstances may materially and adversely affect Wellard's reputation, profitability and growth. To mitigate the impact of this risk, Wellard has entrusted the technical management of its fleet to a primary technical manager, Welltech, and through the adoption of a rigorous PMS. Welltech is operated by the Singapore-based professional technical ship management company Ishima Pte. Ltd.

### Bunker Price Risk

Fuel is a material operating cost, and the Group is exposed to bunker price fluctuations through its shipping operations. The price and supply of fuel are unpredictable and fluctuate based on events outside Wellard's control, including geopolitical developments, supply and demand for oil and gas, actions by organisations such as OPEC and other oil and gas producers, war and unrest in oil-producing countries and regions, regional production and consumption patterns and environmental concerns. There is a risk that there could be significant increases in fuel price that could significantly increase Wellard's cost of operations, including third-party freight costs. As a general principle, bunker adjustment factors in customer contract prices are the main mechanism to manage bunker price risk in the Group. In addition, Wellard may hedge its bunker price risk by implementing financial and physical hedges for the cost of fuel directly related to its ships' operations. However, Wellard may occasionally absorb the cost of increased bunkers into its operating margins.

### Customer and Commodity Price Risk

In general, the Company operates in a spot market, and its material customers have no long-term contract, so there is a risk that the Company's level of sales with customers could decrease. The loss (wholly or partially) of a material customer could negatively impact the Company's financial performance if the Company were not able to replace such a customer.

The Company seeks to mitigate the impact of this risk by building and maintaining strong customer relationships by delivering superior customer value and satisfaction and by having a range of customers in numerous countries.

Wellard is indirectly exposed to the risks of livestock traders, who are its customers. This includes livestock commodity pricing in international markets, which continue to be volatile. Should customers not be able to secure livestock at a price that allows for profitable international sales, Wellard bears the risk of lower charter rates or of no or fewer charter bookings.

### Social, Political and Regulatory Risk

Animal welfare activism and public reports regarding the poor treatment of animals and high-stress/mortality events continue to place increased focus on the live export industry in which Wellard operates. The high level of public sensitivity to animal welfare issues means public pressure could lead to further export restrictions and changes to applicable laws and regulations. Changes to the regulatory system may require the Company to incur material costs or could become the basis for new or increased liabilities that could adversely affect the Company's financial performance. In addition, negative perceptions of the live export trade could impact the attitude of banks, insurers and investors.

Animal rights activists have increasingly engaged in aggressive lobbying and litigation to attempt to prevent or impede livestock export, including taking action against Australian Federal and State regulators. In

Australia, the Federal Government has legislated to close the live sheep export trade effective from 1 May 2028. At present, the Australian Federal Government has assured the live cattle industry that it is not under similar threat. Wellard minimises these risks in Australia by remaining compliant with all regulations required to export livestock, including the Australian regulations prohibiting sheep exports to the Gulf states during the northern summer; however, animal rights activism continues in areas where the Company is active. Where such activism is successful in delaying, disrupting and complicating the government's approvals and/or regulatory processes, the resulting uncertainty to the likelihood of successful trading may mean it no longer remains commercial for the Company to continue to trade in some markets. In April 2023, New Zealand closed its livestock export market entirely, and Wellard's ships were redeployed to other markets.

At an operational level, if the Company was to fail to meet certain requirements with respect to animal welfare or shipping performance standards, its vessels may be subject to a range of regulatory responses which remove or compromise its ability to operate efficiently.

The Company seeks to mitigate this risk by continuing to maintain a specialised fleet of high-quality purpose-built livestock transport vessels, by building and maintaining strong customer relationships with a range of customers in numerous countries, and by ensuring that it is always in compliance with all laws and regulations, as well as engaging actively to understand community expectations around livestock export.

### Exchange Rate Risk

The Company's financial reports are prepared in United States Dollars, and the majority of its transactions are denominated in United States Dollars. The Group remains exposed to currency risk in respect of transactions denominated in currencies other than United States Dollars.

The Company monitors its exposure to currency risk on a regular basis and seeks to mitigate this risk by putting in place, where it deems necessary, appropriate hedging arrangements. In addition, loans are stipulated by the operating companies in the same currency as the revenues, where possible, in order to attenuate exchange rate oscillations.

### Trade, Cattle Diseases and Biosecurity Risk

Wellard's operations rely on the ability to transport cattle from one country to another. Each destination country has specific sanitary and phytosanitary protocols under which trade in animals is conducted on either a global or country-by-country basis.

Disease outbreaks in a supply country can cause a customer country to impose quarantine-based trade barriers on that country, either restricting or preventing trade in livestock between the two countries in totality or until various mitigation or prevention measures are agreed.

Trade disputes can occur between trading nations, which prevent or restrict the trade of goods, including

livestock, between two countries. Countries may open and close their borders to livestock imports or place restrictions on the volume of imports through the imposition of quotas for various domestic reasons. This can impact the level of shipping activity to that destination.

Wellard's principal mitigation for these trade and disease risks is to deploy its vessels into different supply and demand markets. Although the Company may focus its activity on a particular trading route at a particular time, it has a policy of continuously assessing alternative routes. At the time of writing, Wellard's major markets are in South America and Türkiye, not due to biosecurity issues but economic drivers. However, the closure of any market due to disease would mean that Wellard has fewer opportunities to turn to alternative markets.

### Credit Risk

The Company's operations generally involve charter shipments for third parties to transport livestock over long distances. The inherent nature of these arrangements involves a low number of contracts with a high dollar value. There is a risk, therefore, that if a counterparty to such a contract defaults on its contractual obligations, a material financial loss to the Company may result.

To minimise the credit risk, financial vetting is undertaken for all major customers, and adequate security is required for commercial counterparties whose rating is below the minimum acceptable standard. Various terms of payment, including pre-payments and payments by way of letters of credit, are utilised, depending on the credit assessment and trading history of various Wellard customers.

### Climate Change Risk

The Group is exposed to various risks which arise under the general heading of climate change risk.

At present, governments, regulators, and industry are increasingly focusing on laws and regulations based on climate change and greenhouse gas emission reductions, which will impact both the shipping and livestock industries.

The International Maritime Organization (IMO) is seeking to reduce CO<sub>2</sub> emissions per transport work, as an average across international shipping, by at least 40% by 2030, compared to 2008.

Measures the IMO has raised to achieve this goal include:

- a technical element, namely a goal-based marine fuel standard regulating the phased reduction of the marine fuel's greenhouse gases (GHG) intensity; and
- an economic element based on a maritime GHG emissions pricing mechanism.

As a way of mitigating the impact of planned changes to regulations which penalise greenhouse gas emissions in shipping, Wellard commenced a feasibility study for a fleet renewal project centred on designing new livestock vessels which utilise sustainable materials and inputs, such as lowest-possible greenhouse gas emission fuels,

to enhance operability, meet developing international shipping regulations, and provide best-in-class animal welfare standards. At the time of writing, that major project is paused, pending changes to vessel affordability; however, the Company continues to monitor all essential elements, such as international alternative fuel availability and the evolution in the design of greener marine propulsion systems. Wellard recognises that there are high community expectations regarding greenhouse gas emissions in the livestock and shipping industries and that a social license to operate will be maintained when all stakeholders are satisfied that industry participants are working to meet the appropriate, evidence-based standards required to manage and minimise such emissions. Wellard's ships utilise lower sulphur-content bunker fuels, and on-board systems are being assessed for replacement by cleaner solutions as these are developed.

Climate change also presents risks to various participants in the Wellard supply chain, which may impact supply, demand and the continued ability to operate.

### Guidance and Outlook

Wellard may provide forecasts and predictions about its business outlook or future performance ("Guidance") on the basis of various assumptions which may subsequently prove to be incorrect. Guidance is not a guarantee of future performance, and is subject to known and unknown risks, many of which are beyond the control of Wellard.

Wellard's actual results may differ materially from its Guidance and the assumptions on which any Guidance is based.

### Key Personnel Risk

Wellard's growth and profitability may be limited by the loss of key management and operating personnel, the inability to recruit and retain skilled and experienced employees, or the increase in compensation costs.

Current economic conditions reflect an increased demand for quality people resources, creating a tightening labour market and upward pressures to secure skilled leaders, professionals and personnel.

Wellard's downsizing in FY24, in both its Australian and Singapore offices, may result in increased pressures on remaining staff. Wellard is working with staff to retain their skills and services.

### Price Inflation

Wellard procures goods and services that are critical to business operations from a range of suppliers. Cost increases, or price inflation, can occur in respect of goods and services over a certain time period for a range of reasons, including strong demand and supply shortages, the cost of inputs to the production process increasing (including labour-related wages and salaries), and supply related logistics disruption. The rate of these price increases can be material, and if Wellard does not recover price inflation from its clients,

## FINANCIAL REVIEW

there is a risk of negative impact on Wellard's financial performance.

### Cyber Security Risk

Cyber attacks, information misuse and the release of sensitive information pose ongoing and real risks to Wellard's on-shore and vessel systems. Cyber breaches have the potential to cause disruptions to operations, and there is a risk of liability for misuse or unauthorised disclosure of sensitive information. To address these risks, Wellard has implemented resilient information technology systems equipped with suitable detection and protective measures. Additionally, the Company has obtained insurance coverage to safeguard against potential cyber incidents. The implementation of ongoing training and frequent evaluation of management and staff serves to enhance the Company's ability to withstand potential cyber security breaches, thereby fortifying the business' overall security stance.

### Geopolitical Risks and Impact on Trade Routes

Tensions in the Middle East have remained elevated throughout FY2025, with the conflict between Israel and Hamas persisting and regional instability continuing to affect maritime trade. The Houthis' sustained attacks on commercial vessels in the Red Sea and Gulf of Aden have led to a prolonged disruption of traffic through the Suez Canal. As a result, many shipowners, particularly those operating in high-risk segments, have diverted their vessels via the Cape of Good Hope, significantly increasing voyage duration and operational costs.

The Bab-el-Mandeb Strait remains a critical passage for livestock carriers, and its continued insecurity poses ongoing risks to trade reliability, freight economics, and route planning. These developments could result in higher freight rates, potential delays, and reduced business opportunities. Wellard continues to closely monitor the evolving situation, prioritising the safety of its crew, livestock, and vessels, and adjusting its risk management and voyage planning accordingly.

## DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of Board committees) held during the year ended 30 June 2025 and the number of meetings attended by each Director:

Directors	Board		Nomination and Remuneration committee		Audit and Risk Committee		Conflicts of Interest Committee	
	Held	present	held	present	held	present	held	present
John Klepec	9	9	-	-	2	2	-	-
Philip Clausius	9	7	-	-	2	2	-	-
Kanda Lu	9	9	-	-	-	-	-	-
John Stevenson	9	9	-	-	2	2	-	-

In addition to the above meetings, a number of matters were dealt with by way of a circular resolution during the year.

## DIRECTORS' INTEREST IN SECURITIES OF THE GROUP

The interests of each Director in the shares and options of the Wellard Group as notified by the Directors to the ASX in accordance with *Section 205G(1) of the 2001 (Cth) Corporations Act* as at the date of this report are as follows:

Directors	Ordinary shares held	
	2025	2024
John Klepec <sup>1</sup>	437,500	437,500
Philip Clausius	-	-
Kanda Lu	-	-
John Stevenson	-	-

Notes:

- These shares are held by Rezone Pty Ltd as Trustee for the Kakulas-Klepec Superannuation Fund. Mr Klepec has a voting power of greater than 20% in this company and is a beneficiary of this superannuation fund.

### INDEMNITIES AND INSURANCE

Rule 18.1 of the Wellard Constitution requires Wellard to indemnify each Director and Officer on a full indemnity basis and to the extent permitted by law against liability incurred by them in their capacity as an officer of any member company of the Wellard Group. The Directors, Company Secretary and Officers of the Company have the benefit of this indemnity (as do any individuals who may have formerly held one of those positions).

As permitted by Wellard's Constitution, the Company has entered into deeds of indemnity, access and insurance with each Director, Company Secretary and Officer. Wellard has also insured against amounts that the Company may be liable to pay to Directors, Company Secretaries and certain employees or that Wellard otherwise agrees to pay by way of indemnity. Wellard's insurance policy also insures Directors, Company Secretaries and relevant employees against certain liabilities (including legal costs) they may incur in carrying out their duties. The Directors of the Company are satisfied the terms of these insurances and agreements are standard for their type.

No indemnity payment has been made under any of the documents referred to above during the financial year.

### DIVIDENDS

The Company does not intend to pay any dividends in respect to the year ending 30 June 2025 (2024: Nil).

### EQUITY ISSUES DURING THE YEAR

At 30 June 2025, the Company had authorised share capital totalling 531,250,312 ordinary shares issued and paid.

### EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Company's last remaining revenue-generating asset, the livestock vessel M/V Ocean Drover, was sold on 19 August 2025. The sale was first announced to ASX on 14 January 2025 and approved by shareholders on 15 April 2025. Full details of the transaction and the accompanying capital return of A\$ 15 cents-per-share were contained in the Explanatory Memorandum to the Notice of Shareholder Meeting, dated 13 March 2025. These announcements are all available on the Company's website at [www.wellard.com.au](http://www.wellard.com.au).

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is committed to the protection of the environment and good environmental practices and performance. To deliver on this commitment, the Company seeks to comply with all applicable environmental laws and regulations.

During FY2025, the Company's subsidiary, Wellard Ships Pte. Ltd. ("Wellard Ships"), operates two vessels internationally that conform to MARPOL (International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978) and ISM (International Safety Management) Code requirements for pollution prevention and maritime environmental protection. Wellard Ships' management system complies with ISO 14001 – Environmental Management System –, and ISO 45001 – Health and Safety Management System standards established by the International Organisation for Standardization, as certified by the international classification society RINA S.p.A. (Registro Italiano Navale).

Wellard Ships contracted with Welltech Marine Pte. Ltd. ("Welltech"), a company previously owned by Wellard Ships and now owned by Ishima Pte. Ltd., which was responsible for the technical management of Wellard's owned and bareboat chartered vessels pursuant to a ship management agreement entered in April 2020. Welltech complies with ISO 9001:2015 – Quality Management System – and ISO 14001:2015 – Environmental Management System – standards established by the International Organisation for Standardization, as certified by the international classification society RINA S.p.A. (Registro Italiano Navale).

### ENVIRONMENTAL PROSECUTIONS

The Company has not been involved with any material environmental prosecutions this year. During FY2024, Wellard Rural Exports Pty Ltd successfully defended a claim relating to a small oil spill from the M/V Ocean Drover in a port in Brazil, alleged to have occurred in 2021. The spill involved a very small quantity of bunker fuel, and was classified in the lowest category of environmental impact. The claim was defeated on the basis that it had been brought against the wrong entity. It is not anticipated that any adverse consequences will result from this matter.

### ROUNDING

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 Financial Report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated otherwise.

All amounts are in United States dollars only unless specifically stated otherwise.

### NON-AUDIT SERVICES

The Auditor's independence declaration has been included on page 34.

Details of the non-audit services undertaken by, and amounts paid to, the Auditor are detailed in Note 24 to the financial statements.

The Directors have formed the view that the provision of non-audit services during the financial year ended 30 June 2025 is compatible with and does not compromise the general standard of auditor independence for the following reasons:

- (a) the non-audit services provided do not involve reviewing or auditing the Auditor's own work or acting in a management or decision-making capacity for the Company; and
- (b) all non-audit services were subject to the corporate governance procedures and policies adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not affect the integrity and objectivity of the Auditor.

In accordance with Section 307C of the *Corporations Act*, the Auditors of the Company have provided a signed Auditor's Independence Declaration to the Directors in relation to the year ended 30 June 2025. This Auditor's Independence Declaration has been attached to the Independent Auditor's Report to the members of the Company.

### CORPORATE GOVERNANCE STATEMENT

The Company will disclose its Corporate Governance Statement on the Company's website at [www.wellard.com.au](http://www.wellard.com.au) with lodge it with ASX.

### DIRECTORS' DECLARATION

In accordance with Section 298(2) of the *Corporations Act*, the Directors have provided a signed Directors' Declaration in relation to the year ended 30 June 2025. This Directors' Declaration is included on page 33 of this Annual Report.

On behalf of the Directors



Mr John Klepec  
**Executive Chairman**



Mr Paolo Triglia  
**Group Chief Financial Officer**

Dated: 28 August 2025

# REMUNERATION REPORT



# REMUNERATION REPORT

The following sections form the Remuneration Report for the Wellard Group for the financial year ended 30 June 2025. The information provided in the Remuneration Report has been audited as required by the *Corporations Act 2001* (Cth) (**Act**) and forms part of the Directors' Report.

1. Remuneration report overview
2. Remuneration governance
3. Remuneration of executive key management personnel
4. Remuneration of non-executive directors
5. Key management personnel shareholding
6. Transactions with key management personnel

## 1. REMUNERATION REPORT OVERVIEW

This Remuneration Report has been prepared in accordance with section 300A of the Act.

The disclosure in this Remuneration Report relates to the remuneration of the Wellard Group's key management personnel (**KMP**), being those people who have the authority and responsibility for planning, directing and controlling Wellard's activities, either directly or indirectly.

This report focuses on the remuneration arrangements of the Wellard Group, including its remuneration policy and framework. The table below sets out details of those persons who were KMP of the Wellard Group during the financial year ended 30 June 2025.

### Key Management Personnel covered in this report

Name	Position(s) held	KMP term FY2025
NON-EXECUTIVE DIRECTORS		
Philip Clausius	Non-Executive Director (19 November 2015 – present)	Full year
John Stevenson	Non-Executive Director (23 November 2019 – present)	Full year
EXECUTIVE DIRECTORS		
John Klepec	Non-Executive Director (15 November 2016 – 26 April 2018) Non-Executive Chairman (27 April 2018 – 3 August 2018) Executive Chairman (3 August 2018 – present)	Full year
Kanda Lu	Business Development Manager China (24 November 2015 – present) Executive Director (12 May 2017 – present)	Full year
OTHER KMP		
Paolo Triglia	Managing Director – Wellard Ships Pte Ltd (18 November 2015 – present) Chief Financial Officer (22 November 2019 – present)	Full year

## 2. REMUNERATION GOVERNANCE

### (a) Nomination and Remuneration Committee

The Board is responsible for ensuring the remuneration arrangements for the Wellard Group are aligned with its business strategy and shareholders' interests.

The Nomination and Remuneration Committee (**NR Committee**) is delegated responsibility to advise the Board on composition (ensuring the Board has an appropriate balance of skills, knowledge, experience, independence and diversity), succession planning, and an appropriate level and composition of remuneration for Directors and senior executives.

The NR Committee was formed on 19 November 2015 and comprises the following Directors:

- Philip Clausius – Committee Chair (independent from management);
- John Stevenson – Committee Member (independent from management); and
- John Klepec – Committee Member (not independent from management)

The Board considers it preferable that the NR Committee is independent from management when making decisions affecting the remuneration of KMP and other senior employees.

The Board continues to assess its own structure and that of its various sub-committees.

# REMUNERATION REPORT

Decisions relating to the remuneration of KMP and senior employees will be made only by NR Committee members and Board members who are not conflicted in the circumstance.

The NR Committee meets throughout the year as required and when necessary, is briefed by management but makes all decisions free of management's influence. The NR Committee may, from time to time, seek independent advice from remuneration consultants and, in so doing, will directly engage with the relevant consultant without management involvement. The NR Committee has not taken independent advice from remuneration consultants in the financial year ended 30 June 2025.

Further information regarding the objectives and role of the NR Committee is contained in its Charter, which is available on the Corporate Governance Policy section of the Company's website at [www.wellard.com.au](http://www.wellard.com.au).

## (b) Independent Remuneration Consultants

In FY2025, the Board did not engage an independent consulting firm to provide independent advice regarding remuneration or incentive structures.

There were no long-term (LTIP) plans or programmes in place for the financial year ended 30 June 2025. The NR Committee retains the ability, at its discretion, to make ad-hoc STI awards to individuals outside of any Company-wide plan. Details of the short-term incentive programme (STIP) for FY2025 are included in 3(c) below.

In FY2025, no remuneration recommendations, as defined by the Corporations Act, were provided by any independent remuneration consultant.

## 3. REMUNERATION OF KMP

### (a) Remuneration policy

The Board and the NR Committee recognise that remuneration has an important role to play in supporting the implementation and achievement of Wellard's strategy.

The Board is committed to driving alignment between the remuneration arrangements of its KMP with the expectations of Wellard's shareholders, its employees and the Company's sustainability.

Wellard's executive remuneration policy aims to reward KMP fairly and responsibly in accordance with the Australian and Singaporean markets and to ensure that Wellard:

- (i) provides competitive rewards that attract, retain, and motivate KMP of the highest calibre;
- (ii) sets demanding levels of performance that are linked to KMP's remuneration;
- (iii) structures remuneration at a level that reflects the KMP's duties and accountabilities and is competitive;
- (iv) benchmarks remuneration against appropriate comparator groups;
- (v) aligns KMP incentive rewards with the creation of value for shareholders; and
- (vi) complies with applicable legal requirements and appropriate standards of governance.

### (b) Remuneration framework

Wellard's remuneration comprises the following elements:

Element	Purpose	Potential Value	Changes for FY2025
Fixed annual remuneration	Provide competitive market salary, including superannuation and non-monetary benefits.	Reviewed annually	No changes
Short term incentives	Cash reward for current year performance.	Up to 50% of total fixed remuneration is determined by EBITDA hurdles.	No changes
Long term incentives	Maintain a balance between the interests of shareholders and the reward of executives.	Determined by share price	No changes

### (c) Elements of remuneration

#### Fixed annual remuneration

Each KMP receives a fixed salary or consultancy fees. The quantum of salary or consultancy reflects the individual's responsibilities, location, skills, experience and performance and is aligned with salaries for comparable roles in global companies of similar complexity, size, geographic footprint, listing jurisdictions, reach and industry.

## REMUNERATION REPORT

### Short-term incentives

In FY2025, KMP Mr Triglia was eligible to earn bonuses under a Short-Term Incentive (STI) programme. STI's were available upon attainment of an escalating series of Key Performance Indicators (KPI's) based on the Group achieving nominated EBITDA hurdles, which would allow him to earn an STI of between 30% and 50% of his base salary. Based on the STI programme, Mr Triglia has earned STI bonuses in FY2025.

The Board also retains the ability, at its discretion, to make ad-hoc STI awards to individuals outside of any company-wide plan. No ad-hoc awards were earned in FY2025.

### Long-term incentives

No options in Wellard's LTIP were granted to KMPs in FY2025.

### Statutory performance indicators

Wellard aims to align its executive remuneration to strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with measures used in determining the variable amounts of remuneration to be awarded to the KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2025	2024	2023	2022	2021
Profit/(loss) for the year attributable to owners of Wellard Limited (A\$'000)	2,049	(1,243)	(22,998)	13,688	2,493
Basic earnings/(loss) per share (A\$ cents)	0.39	(0.23)	(4.33)	2.58	0.5
Dividend payments (A\$'000)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-
Increase/(decrease) in share price (%)	+900.0	(59.5)	(46.2)	+21.9	+77.8

### (d) Key terms of KMP agreements

Remuneration (in the currency of each KMP's contract) and other terms of employment for each of the KMP are contained in contracts of employment or consultancy agreements as summarised in the table set out below.

Name	KMP term	Short / Long term incentives	Notice period termination	Notice period resignation	Year	Total fixed remuneration <sup>1</sup>	Currency
John Klepec	3 Aug 18 - present	At the Board's Discretion	2 weeks	2 weeks	2025	400,000	AUD
					2024	400,000	AUD
Kanda Lu	12 May 17 - present	At the Board's Discretion	4 weeks	4 weeks	2025	106,025	AUD
					2024	105,223	AUD
Paolo Triglia	18 Nov 15 - present	STI Program and at the Board's Discretion	3 months	3 months	2025	364,008	SGD
					2024	364,008	SGD

<sup>1</sup> This is inclusive of superannuation payments where applicable.

# REMUNERATION REPORT

## (e) Executive KMP remuneration table

The table below sets out the remuneration received by Wellard KMP for FY2025 during the portion of the year for which KMP were employed by the Wellard Group. The table includes the statutory disclosures required under the Act and in accordance with the Accounting Standards. See previous table for details of each KMP's remuneration in the original currencies of their contracts of employment or consultancy agreements.

Key management personnel remuneration table for FY2025 is presented in United States Dollars:

Name	Year	Short-term benefits			Long-term benefits		Termination benefits US\$	Post-employment benefits Superannuation US\$	Total remuneration US\$	% Remuneration "at risk"
		Base salary US\$	Bonus <sup>1</sup> US\$	Other <sup>2</sup> US\$	Accrued annual leave <sup>3</sup> US\$	Long service leave <sup>4</sup> US\$				
<b>EXECUTIVE DIRECTORS</b>										
John Klepec	2025	252,633	-	-	-	-	-	6,709	259,342	-
	2024	255,830	-	-	-	-	-	6,499	262,329	-
Kanda Lu	2025	65,194	-	-	-	-	-	3,471	68,665	-
	2024	62,564	-	-	-	-	-	6,444	69,008	-
<b>OTHER KMP</b>										
Paolo Triglia <sup>5</sup>	2025	275,444	219,787	108,833	15,351	-	-	-	619,415	35.5%
	2024	270,213	-	96,750	11,870	-	-	-	378,833	-
Michael Silbert <sup>6</sup>	2025	-	-	-	-	-	-	-	-	-
	2024	230,172	-	-	20,017	30,292	166,881	18,001	465,363	-
<b>Total in US\$</b>	<b>2025</b>	<b>593,271</b>	<b>219,787</b>	<b>108,833</b>	<b>15,351</b>	<b>-</b>	<b>-</b>	<b>10,180</b>	<b>947,422</b>	<b>-</b>
	<b>2024</b>	<b>818,779</b>	<b>-</b>	<b>96,750</b>	<b>31,887</b>	<b>30,292</b>	<b>166,881</b>	<b>30,944</b>	<b>1,175,533</b>	<b>-</b>

<sup>1.</sup> This includes cash bonuses provided to KMP.

<sup>2.</sup> This includes short-term benefits such as leave passage and accommodation.

<sup>3.</sup> This includes statutory leave for Executive Directors and other KMP.

<sup>4.</sup> Represents the net accrual movement for Long Service Leave (LSL) over the twelve-month period, which will only be paid if the KMP meets legislative service conditions. LSL has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the twelve-month period.

<sup>5.</sup> Mr Triglia is employed as an expatriate, and pursuant to his employment contract, he is not paid superannuation and receives additional benefits for accommodation, school fees and travel expenditure.

<sup>6.</sup> Mr Silbert's combined roles as General Counsel and Company Secretary were ceased effective 31 May 2024 however, he remains a consultant to the Company and continues to hold the position of Company Secretary.

# REMUNERATION REPORT

## 4. REMUNERATION OF NON-EXECUTIVE DIRECTORS

### (a) Remuneration policy and arrangements

The Board considers the following policy objectives when determining its remuneration profile for Non-Executive Directors:

- (i) offering market competitive remuneration to attract and retain high-quality directors with the appropriate expertise and skillset to complement the Wellard Group business;
- (ii) safeguarding the independence of Non-Executive Directors by limiting performance-related remuneration of Non-Executive Directors; and
- (iii) ensuring the Company is not paying excessive remuneration.

No element of the Non-Executive Directors' remuneration is linked to the performance of the Company. However, to create alignment with shareholders, Non-Executive Directors are encouraged to hold equity securities in the Company. All Directors are subject to the Company's Security Trading Policy.

### (b) Aggregate fees

Under the Constitution, the Non-Executive Directors will be remunerated for their services by:

- (i) an amount or value of remuneration each year as Wellard in a general meeting determines; or
- (ii) an aggregate amount or value of remuneration not exceeding the maximum amount or value as Wellard in a general meeting determines, to be divided among the Non-Executive Directors in such proportion and manner as they agree, or if they do not agree, equally.

Wellard has currently fixed the maximum aggregate fee pool for Non-Executive Directors at A\$800,000 per annum, which has been approved by Shareholders.

### (c) Remuneration review

The Board will periodically review the level of fees paid to Non-Executive Directors, including seeking external advice where appropriate.

A review of the remuneration of Non-Executive Directors was undertaken as part of the NR Committee's review of senior remuneration and the Company's operating budget for FY2025. No change was made to Non-Executive Director fees, or fees paid to members of any Board Committee.

### (d) Non-executive director fees and benefits

Set out below is a description of each component of total remuneration for Directors and how each component impacts remuneration in Australian dollars:

Fees / Benefits	Description	2025		Included in shareholder approved cap?
		Fees A\$	Superannuation A\$	
<b>BOARD FEES</b>				
Wellard board				
	Members	180,180	20,721	Yes
<b>COMMITTEE FEES</b>				
Audit and risk compliance committee				
	Chairman	22,523	2,590	Yes
	Members	9,009	1,036	Yes
Nomination and remuneration committee				
	Chairman	22,523	2,590	Yes

## REMUNERATION REPORT

OTHER FEES / BENEFITS	
<b>Short-term incentives</b>	Non-Executive Directors are eligible to participate in short-term incentive arrangements.
<b>Long-term incentives</b>	Non-Executive Directors are eligible to participate in long-term incentive arrangements.
<b>Other group fees</b>	Non-Executive Directors are not paid additional fees for participation on the board of any of the Wellard Group's subsidiary companies.
<b>Termination payments</b>	Termination benefits are not payable to Non-Executive Directors.
<b>Other benefits</b>	Non-Executive Directors are entitled to reimbursement for business-related expenses, including travel expenses, and also receive the benefit of coverage under the Wellard Group's directors and officer's insurance policy.

### (d) Non-executive director remuneration

The fees paid or payable to the Non-Executive Directors in relation to the 2025 financial year are set out below in Australian dollars.

Name	Year	Short-term benefits		Total A\$
		Board and committee fees A\$	Superannuation <sup>1</sup> A\$	
<b>NON-EXECUTIVE DIRECTORS</b>				
Philip Clausius	2025	121,622	13,986	135,608
	2024	121,622	13,378	135,000
John Stevenson	2025	112,613	12,950	125,563
	2024	118,898	6,102	125,000
<b>Total</b>	<b>2025</b>	<b>234,235</b>	<b>26,936</b>	<b>261,171</b>
	<b>2024</b>	<b>240,520</b>	<b>19,480</b>	<b>260,000</b>

<sup>1</sup> Superannuation contributions are made on behalf of Non-Executive Directors in accordance with the Wellard Group's statutory superannuation obligations. Also included are any Director's fees that have been sacrificed into superannuation.

### 5. KMP EQUITY HOLDING

The table below sets out the number of shares held directly, indirectly or beneficially by current directors and KMP, including their related parties and shows the effect that departing directors and KMP have had on the aggregate balance of all Shares held directly, indirectly or beneficially by directors and KMP when compared to the previous financial year.

Name	Balance at 1 July 2024	Change to aggregate KMP balance	Balance at 30 June 2025
<b>NON-EXECUTIVE DIRECTORS</b>			
Philip Clausius	-	-	-
John Stevenson	-	-	-
<b>EXECUTIVE DIRECTORS</b>			
John Klepec	437,500	-	437,500
Kanda Lu	-	-	-
<b>OTHER KMP</b>			
Paolo Triglia	1,126,800	-	1,126,800
<b>Total</b>	<b>1,564,300</b>	<b>-</b>	<b>1,564,300</b>

## REMUNERATION REPORT

### (a) Prohibition on hedging shares and equity instruments

KMP are not allowed to protect the value of any unvested or restricted equity awards allocated to them. KMP are also not permitted to use unvested or restricted equity awards as collateral in any financial transaction, including hedging and margin loan arrangements.

Any securities that have vested and are no longer subject to restrictions or performance conditions may be subject to hedging arrangements or used as collateral provided that the consent, notification and other restrictions on dealings set out in the Wellard Security Trading Policy are complied with in advance of the KMP entering into the arrangement.

## 6. TRANSACTIONS WITH KMP

### (a) Transactions with other related parties

Nil

### (b) Purchases from entities controlled by key management personnel

Nil

### (c) Outstanding balance from services rendered.

Nil

### (d) Loans to/from related parties

Nil

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Wellard Limited, we declare that:

- a) the attached financial statements, notes and the additional disclosures included in the Directors' Report designated as audited of the Group are in accordance with the *Corporations Act*, including:
  - i. giving a true and fair view of the financial position and performance of the Group as at 30 June 2025 and of its performance for the year ended on that date;
  - ii. the information detailed in the consolidated entity disclosure statement is true and correct; and
  - iii. complying with Accounting Standards and the *Corporations Act 2001*; and
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
- c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act* for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors.



Mr John Klepec  
**Executive Chairman**

28 August 2025

**Auditor's Independence Declaration**  
**Under Section 307c of the Corporations Act 2001**  
**To the directors of Wellard Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

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



Neil Pace  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)  
Perth  
28<sup>th</sup> day of August 2025



Moore Australia Audit (WA)  
Chartered Accountants

# FINANCIAL STATEMENTS



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 JUNE	NOTE	2025 US\$'000	2024 US\$'000
<b>DISCONTINUED OPERATIONS</b>			
Revenue	4(A)	26,839	34,943
Cost of sales	6(A)	(15,975)	(30,539)
Gross profit		<b>10,864</b>	<b>4,404</b>
Other income	5	-	3,577
Other losses	6(B)	(5,058)	(322)
Net finance income/(cost)	6(C)	233	(172)
Depreciation and amortisation expenses		(1,516)	(4,427)
General and administrative expenses	6(D)	(3,164)	(3,872)
Profit/(loss) from discontinued operations before income tax		<b>1,359</b>	<b>(812)</b>
Income tax expense	8	(32)	(3)
Profit/(loss) for the period after tax		<b>1,327</b>	<b>(815)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>			
Gain from foreign currency translation		6	21
Other comprehensive income for the period, net of tax		<b>6</b>	<b>21</b>
Total comprehensive income/(loss) for the period		<b>1,333</b>	<b>(794)</b>
		<b>US\$ Cents</b>	<b>US\$ Cents</b>
<i>Earnings/(loss) per share from discontinued operations attributable to ordinary equity holders of the Company</i>			
Basic earnings/(loss) per share	9	0.25	(0.15)
Diluted earnings/(loss) per share	9	0.25	(0.15)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE	NOTE	2025 US\$'000	2024 US\$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	15,051	8,782
Trade and other receivables	13	194	199
Inventories	12	762	1,481
Contract assets	4(B)	365	626
Other assets	14	169	210
Asset held for sale	15	17,478	11,780
<b>Total current assets</b>		<b>34,019</b>	<b>23,078</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	18	80	18,512
Intangible assets	19	-	577
Other assets	14	25	21
<b>Total non-current assets</b>		<b>105</b>	<b>19,110</b>
<b>Total assets</b>		<b>34,124</b>	<b>42,188</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	2,064	2,844
Loans and borrowings	11	78	195
Provisions	20	26	10
Contract liabilities	4(B)	500	2,000
<b>Total current liabilities</b>		<b>2,668</b>	<b>5,049</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	11	-	76
<b>Total non-current liabilities</b>		<b>-</b>	<b>76</b>
<b>Total liabilities</b>		<b>2,668</b>	<b>5,125</b>
<b>Net assets</b>		<b>31,456</b>	<b>37,063</b>
<b>EQUITY</b>			
Issued capital	21	405,319	412,259
Reserves	28	(277,099)	(277,105)
Accumulated losses	29	(96,764)	(98,091)
<b>Total equity</b>		<b>31,456</b>	<b>37,063</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE	NOTE	ISSUED CAPITAL US\$'000	ACCUMULATED LOSSES US\$'000	RESERVES			TOTAL US\$'000
				SHARE-BASED PAYMENTS US\$'000	OTHER RESERVES US\$'000	COMMON CONTROL US\$'000	
2025							
Opening balance		412,259	(98,091)	12,963	5,700	(295,768)	37,063
Comprehensive income for the period:							
Profit for the period	29	-	1,327	-	-	-	1,327
Other comprehensive income	28	-	-	-	6	-	6
Total comprehensive income for the period		-	1,327	-	6	-	1,333
Capital return payment		(6,940)	-	-	-	-	(6,940)
Closing balance		405,319	(96,764)	12,963	5,706	(295,768)	31,456
2024							
Opening balance		412,259	(97,276)	12,963	5,679	(295,768)	37,857
Comprehensive loss for the period:							
Loss for the period	29	-	(815)	-	-	-	(815)
Other comprehensive loss	28	-	-	-	21	-	21
Total comprehensive loss for the period		-	(815)	-	21	-	(794)
Closing balance		412,259	(98,091)	12,963	5,700	(295,768)	37,063

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE	NOTE	2025 US\$'000	2024 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		25,627	39,764
Payments to suppliers and employees		(24,232)	(35,179)
Interest received		253	2
Income tax paid		-	(369)
Net cash inflow from operating activities		<b>1,648</b>	<b>4,218</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of vessel		11,780	-
Purchase of property, plant and equipment		(4)	(5)
Net cash inflow/(outflow) from investing activities		<b>11,776</b>	<b>(5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital return payment		(6,940)	-
Net repayments of borrowings		-	(2,439)
Principal payment of lease liabilities		(191)	(222)
Interest paid		(20)	(194)
Net cash outflow from financing activities		<b>(7,151)</b>	<b>(2,855)</b>
Net increase in cash held		<b>6,273</b>	<b>1,358</b>
Cash at the beginning of the financial year		8,782	7,420
Effects of exchange rate changes on cash and cash equivalents		(4)	4
Cash at the end of the financial year	10	<b>15,051</b>	<b>8,782</b>

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

## RECONCILIATION OF CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of losses after tax to net cash flows from operating activities.

FOR THE YEARS ENDED 30 JUNE	2025 US\$'000	2024 US\$'000
Profit/(loss) after tax	1,327	(815)
Adjustment for:		
Depreciation and amortisation	1,516	4,427
Income tax expense	32	3
Interest income	(253)	(2)
Allowance for impairment loss	-	-
Interest expense and borrowing costs	20	174
Reversal on impairment loss on disposal of vessel	-	(276)
Write down of inventory	30	31
Unrealised foreign exchange (gains)/losses	(36)	11
Change in assets and liabilities, net of the effects of purchase and of subsidiaries		
Change in trade and other receivables and other assets	303	1,326
Change in inventories	719	(302)
Change in trade and other payables and provisions	(764)	(552)
Change in deferred revenue	(1,500)	560
	1,394	4,585
Interest received	254	2
Income tax paid	-	(369)
Net cash flows from operating activities	<b>1,648</b>	<b>4,218</b>

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

Reconciliation of liabilities arising from financing activities:

	Non-cash changes						
	Opening balance	Principal and interest payments	Addition during the year	Interest expense	Effect of movement in exchange	Non-cash movement	Closing balance
FOR THE YEAR ENDED 30 JUNE 2025	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Loan and borrowings (Note 11)							
Lease liabilities	271	(202)	-	11	(2)	-	78
Other loans	-	(987)	978	9	-	-	-
<b>Total borrowings</b>	<b>271</b>	<b>(1,189)</b>	<b>978</b>	<b>20</b>	<b>(2)</b>	<b>-</b>	<b>78</b>
Less: Cash and cash equivalents							(15,051)
<b>Negative Net debt</b>							<b>(14,973)</b>

	Non-cash changes						
	Opening balance	Principal and interest payments	Addition during the year	Interest expense	Effect of movement in exchange	Non-cash movement	Closing balance
FOR THE YEAR ENDED 30 JUNE 2024	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Loan and borrowings (Note 11)							
Lease liabilities	149	(241)	343	19	1	-	271
Other loans	2,439	(13,471)	10,877	155	-	-	-
<b>Total borrowings</b>	<b>2,588</b>	<b>(13,712)</b>	<b>11,220</b>	<b>174</b>	<b>1</b>	<b>-</b>	<b>271</b>
Less: Cash and cash equivalents							(8,782)
<b>Negative Net debt</b>							<b>(8,511)</b>

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

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2025

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2025	ENTITY TYPE	COUNTRY OF INCORPORATION	% OF SHARE CAPITAL HELD	AUSTRALIAN TAX RESIDENCY STATUS	FOREIGN COUNTRIES TAX RESIDENCY
PARENT ENTITY					
Wellard Limited	Body Corporate	Australia	N/A	Australian	N/A
SUBSIDIARIES OF WELLARD LIMITED					
Wellard Rural Exports Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Wellard Singapore Pte Ltd	Body Corporate	Singapore	100	Foreign	Singapore
Wellard Ships Pte Ltd	Body Corporate	Singapore	100	Foreign	Singapore
Ocean Drover Pte Ltd	Body Corporate	Singapore	100	Foreign	Singapore
Niuyang Express Pte Ltd	Body Corporate	Singapore	100	Foreign	Singapore
Wellard do Brasil Agronegocios Ltda	Body Corporate	Brazil	100	Foreign	Brazil
Wellard Uruguay S.A.	Body Corporate	Uruguay	100	Foreign	Uruguay

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION

### A. CORPORATE INFORMATION

This consolidated financial report relates to the Group, comprising Wellard Limited (Company or Wellard) and the entities that it controlled (Group) during the year ended 30 June 2025, that were authorised for issue in accordance with a resolution of the Directors on 28 August 2025.

The Company is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:WLD).

The nature of operations and principal activities of the Group as at the end of the financial year is that it is an agribusiness that connects primary producers of cattle, sheep, and other livestock to international customers through a global supply chain. The Group was a supplier of seaborne transportation for livestock globally as at the end of the financial year. Refer to the Executive Chairman's report for a description of activities since the end of the financial year.

The registered office address is Manning Buildings, Suite 20, Level 1, 135 High Street, Fremantle, Western Australia 6160.

Comparative financial information has been reclassified and/or renamed for better comparability purposes.

### B. BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board and the *Corporations Act* 2001.

The financial report has been prepared on a historical cost basis, except for share-based payments – measured at fair value.

The financial report is presented in the United States dollar (US\$). All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated, under the option

available to the Company under Australian Securities and Investment Commission (ASIC) Instrument 2016/191. The Company is an entity to which the instrument applies.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

### C. COMPLIANCE WITH IFRS

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Group has adopted the new or amended IFRS and Interpretations of IFRS that are mandatory for application for the financial year. The adoption of these new or amended IFRS and Interpretations of IFRS did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 2. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The material accounting policies adopted in the preparation of the financial statements have been consistently applied to all the periods presented unless otherwise stated. In addition to these accounting policies, the following policies and critical accounting estimates were applied:

### A. REVENUE FROM CONTRACTS WITH CUSTOMERS

AASB 15 Revenue from Contracts with Customers states that an entity shall recognise revenue (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

If revenue is not recognised over time, it is recognised at a point in time. To determine the point in time at which a customer obtains

control of a promised asset and the entity satisfies a performance obligation, the following requirements are considered:

- The entity has a present right to payment for an asset;
- The customer has legal title to the asset;
- The entity has transferred physical possession of the asset; however, physical possession may not coincide with control of the asset;
- The customer has significant risks and rewards of ownership of the asset; and
- The customer has accepted the asset.

### Vessel chartering

Freight revenue for external shipments meets the criteria of a performance obligation satisfied over time.

Voyage charter revenue is recognised on a percentage of completion basis which is determined on a time proportion method of each individual voyage. Any demurrage and dispatch are recognised when considered probable.

### Contract liabilities

The timing of revenue recognition and cash collections results in invoiced accounts receivable and customer advances and deposits (contract liabilities) on the consolidated statement of financial position.

Generally, amounts are invoiced, and deposits are received in advance of providing the good or service.

Deposits received are recognised on a per-shipment basis; these deposits are recorded as a liability on the balance sheet and liquidated on discharge when the revenue is recognised.

Deposits received at the time of booking a vessel for charter are recorded as a liability on the balance sheet and liquidated on a percentage complete basis when the revenue is recognised.

### B. BORROWING COSTS

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred regarding the arrangement of borrowings and

## NOTES TO THE FINANCIAL STATEMENTS

foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, which are capitalised until the asset is ready for its intended use or sale.

Loan establishment costs have been capitalised to deferred borrowing costs and are amortised over the life of the loan facility.

Borrowing costs relating to loans extinguished during the period have been expensed.

### C. INTEREST REVENUE

Interest revenue is recognised as interest accrued 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.

### D. INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Current income tax expense or benefit is the tax on the current period's taxable income/loss based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. It is calculated based on tax laws that have been enacted or are substantially enacted by the end of the reporting period.

Current tax payable is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### E. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are recognised for temporary

differences at the applicable tax rates when the assets are expected to be recovered, or liabilities are settled based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to the income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### F. TAX CONSOLIDATION

Wellard Limited and its Australian subsidiaries formed a tax consolidated Group with effect from 11 December 2015.

The parent entity and subsidiaries in the tax-consolidated Group have entered into a tax funding agreement such that each entity in the tax-consolidated Group recognises the assets, liabilities, revenues and expenses in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;

- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances; and
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the parent entity as intercompany payables or receivables.

Adjustments may be made for transactions and events occurring within the tax-consolidated Group that do not give rise to a tax consequence for the Group or that have a different tax consequence at the head entity level of the Group. The tax-consolidated Group will enter into a tax-sharing agreement to limit the liability of subsidiaries in the tax-consolidated Group arising under the joint and several liability requirements of the tax consolidation system in the event of default by the parent entity to meet its payment obligations.

### G. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to the owners of the Company, 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 year and excluding treasury shares.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financial costs associated with dilutive potential ordinary shares.

Potential ordinary shares are only considered dilutive if the loss per share decreases on conversion to ordinary shares.

### H. LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value

## NOTES TO THE FINANCIAL STATEMENTS

of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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.

### I. CASH

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short-term and highly liquid cash deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purposes of the statement of cash flows, cash includes cash on hand, demand deposits and cash equivalents.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for carrying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. For cash subject to restriction, assessment is made on the economic substance of the restriction and whether it meets the definition of cash and cash equivalents.

### J. ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### K. INVENTORIES

Bunker fuel used for the operation of the vessels and with a high turnover rate is not written-down to the net realisable value when the market price falls below cost if the overall shipping activity is expected to be profitable.

All other inventories are measured at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- fuel: purchase cost on a first in, first out basis;
- raw materials and consumables: purchase cost on a first in, first out basis; and
- finished goods and work in progress: cost of direct material and labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of production and the estimated costs necessary to complete the sale.

### L. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of the financial instruments at initial recognition.

**Derivative financial instruments**  
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group does not apply hedge accounting for its derivative financial instrument.

**Foreign exchange contracts**  
The Group enters into foreign exchange contracts to manage its exposure against foreign currency risk in line with the entity's risk management strategy.

### M. TRADE AND OTHER RECEIVABLES

The Group applied the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in

credit risk since the initial recognition of the receivables. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

### N. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid.

The amounts are unsecured and are usually paid within 14 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Due to the short-term nature of trade and other payables, their carrying amount approximates fair value.

### O. DEFERRED REVENUE

These amounts represent payments collected but not earned at the end of the reporting period. These payments are recognised in line with AASB15 Revenue Recognition.

### P. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

### Vessels

Vessels are measured on a cost basis. Depreciation rate: 3.33% -

## NOTES TO THE FINANCIAL STATEMENTS

5%, on a straight-line basis after deducting the expected scrap value of the vessel.

The vessels are subjected to major overhauls at regular intervals. Dry-docking expenditures incurred in the major overhauls are capitalised as additional component costs to the vessels and amortised on a straight-line basis over the period up to the next dry-docking, which is generally 2.5 to 3 years.

Deferred expenses are derecognised upon the next dry-docking or when no future economic benefits are expected from the dry-docking costs previously recognised.

### Plant and Equipment (excluding Vessels)

Plant and equipment are measured on a cost basis. Depreciation rate: 4% - 32%, on a straight-line basis.

### Improvements

Improvements are measured on a cost basis. Depreciation rate: 10% - 50%, on a straight-line basis.

### Right-of-use assets

Right-of-use assets are measured as disclosed in Note 2W. Depreciation rate: 17% - 51%, on a straight-line basis.

### Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

### Q. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continue use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when:

- Management has committed to a plan for immediate sale;
- The sale is expected to occur within one year

from the date of classification; and

- Active marketing of the asset has commenced.

Such assets are classified as current assets.

### R. INTANGIBLE ASSETS

#### Software

Software is measured initially at the cost of acquisition and amortised over the useful life of the software. Expenditure on software development activities is capitalised only when it is expected that future benefits will exceed the deferred costs, and these benefits can be reliably measured. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the intangible asset over its estimated useful life (not exceeding ten years) commencing when the intangible asset is available for use. Other development expenditure is recognised as an expense when incurred.

#### Recoverability of non-financial assets other than goodwill

All assets are assessed for impairment at each period end by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

### S. PROVISIONS

Provisions are recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to

the passage of time is recognised as a finance cost.

#### Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within 12 months of the end of the period are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences, such as annual leave, is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave, which are not expected to be settled within 12 months of the end of the period, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the end of the period. Employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the period, regardless of when the actual settlement is expected to occur.

#### Termination benefits

Termination benefits are payable when the employment of an employee or group of employees is terminated before the normal retirement date or when the Group provides termination benefits as a result of an offer made and accepted in order to encourage voluntary redundancy. The Group recognises a provision for termination benefits when the entity can no longer withdraw the offer of those benefits, or if earlier, when the termination benefits are included in a formal restructuring plan that has been announced to those affected by it.

## NOTES TO THE FINANCIAL STATEMENTS

### T. CONSOLIDATION

Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealised income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation and balances

*Functional and presentation currency*

The financial statements of each entity within the Group are measured using the currency of the primary economic environment in which that entity operates (functional currency). The consolidated financial statements are presented in United States Dollars. The Company's functional currency is the Australian Dollar.

*Transactions and balances*

Transactions in foreign currencies of entities within the Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the period.

Except for certain foreign currency transactions, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the period.

Entities that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the

acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### U. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are initially recognised at cost (fair value of consideration paid plus directly attributable costs). Costs incurred in investigating and evaluating acquisitions up to the formal commitment are expensed as incurred. Where the carrying value of an investment exceeds the recoverable amount, an impairment charge is recognised in profit or loss, which can subsequently be reversed in certain conditions.

### V. SHARE-BASED PAYMENTS

The fair value of shares granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

### W. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for

use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment, as disclosed in Note 2Y.

The Group's right-of-use assets are presented within property, plant and equipment in Note 16.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and the amount expected to be paid under residual values guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period.

In calculating the present value of lease payments, the Group uses the implicit rate in the lease if the rate can be readily determined. If the rate cannot be readily determined, the Group shall use its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease

## NOTES TO THE FINANCIAL STATEMENTS

payments or a change in the assessment of an option to purchase the underlying assets.

The Group's lease liabilities are included in Note 11.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leasehold residential property, which have a lease term of 12 months or less and do not contain a purchase option.

It also applies the lease of low-value assets recognition exemption to the lease of office equipment that is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

### X. GOODS AND SERVICES TAX

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

### Y. IMPAIRMENT

#### Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment.

Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for

management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurs after the impairment was recognised, causing the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### Useful life and residual value of livestock-carrying vessels

Management reviews the appropriateness of the useful life and residual value of vessels at each balance date. Certain estimates regarding the useful life and residual value of vessels are made by management based on past experience, and these are in line with the industry. Changes in the expected level of usage, scrap value of steel and market factors could impact the economic useful life and residual value of the vessels. When there is a material change in the useful life and residual value of vessels, such a change will impact both the depreciation charges in the period in which the changes arise and future depreciation charges.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Investment in subsidiaries

All assets are assessed for impairment at each period end by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment indicators include market capitalisation,

declining product or processing performance, technology changes, adverse changes in the economic or political environment or future product expectations.

### Z. DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's activities that is distinguishable by reference to a line of business, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with a view to resale.

As the Group's sole remaining revenue-generating asset (M/V Ocean Drover) has been classified as held for sale as at 30 June 2025, consequently, all operating segments are considered discontinued.

When an operation is classified as discontinued, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

In this case, comparatives have remained unchanged, as prior period operations also related to M/V Ocean Driver and M/V Ocean Ute, which M/V Ocean Ute have been disposed of during the year.

All general and administration and overhead expenses for the year have been reflected within discontinued operations, notwithstanding a small portion of such costs is expected to continue to be incurred following the disposal of M/V Ocean Drover.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

## NOTES TO THE FINANCIAL STATEMENTS

accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**A. DEFERRED TAX ASSET**  
Management assesses the extent to which it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

In the previous financial year, management assessed that there is sufficient uncertainty in the recovery of the deferred tax asset and has therefore decided to derecognise all current deferred tax assets and liabilities from temporary assets and carry forward losses.

Deferred tax assets of US\$55.7 million (FY2024: US\$55.6 million) relating to the tax and capital losses of the Australian tax consolidated group and US\$Nil (FY2024: US\$2.0 million) relating to Singapore have not been recognised.



*M/V Ocean Drover, drydocking at Malta*

## NOTES TO THE FINANCIAL STATEMENTS

### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### A) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025	2024
FOR THE YEARS ENDED 30 JUNE	US\$'000	US\$'000
REVENUES		
Chartering	26,826	34,918
Other revenue	13	25
	<b>26,839</b>	<b>34,943</b>

Charter revenue is derived over time and includes revenue generated from the sale of space on the Group's vessels for the carriage of cargo owned by third parties.

#### B) ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

	2025	2024
AS AT 30 JUNE	US\$'000	US\$'000
CHARTERING		
Contract assets	365	626
Contract liabilities	500	2,000

Chartering contract assets refer to bunker and agency costs incurred for the contracted voyages and are yet to load at the end of the reporting period. Chartering contract liabilities refer to deposits received from chartering of vessels.

### 5. OTHER INCOME

	2025	2024
FOR THE YEARS ENDED 30 JUNE	US\$'000	US\$'000
Insurance claims received	-	3,577
	-	<b>3,577</b>

The insurance claim received in FY2024 is associated with the engine breakdown on the M/V Ocean Swagman in February 2023. No insurance claim or other income was recognised in FY2025.

### 6. EXPENSES

	2025	2024
FOR THE YEARS ENDED 30 JUNE	US\$'000	US\$'000
A) COST OF SALES		
Chartering	15,975	30,539
	<b>15,975</b>	<b>30,539</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. EXPENSES (continued)

FOR THE YEARS ENDED 30 JUNE	2025 US\$'000	2024 US\$'000
<b>B) OTHER LOSSES</b>		
<i>Losses arising from other activities</i>		
Net foreign exchange losses	29	98
Reversal of impairment loss	-	(276)
Legal title for M/V Ocean Drover payment	5,000	-
Write down of inventory	29	31
Restructuring and integration costs	-	469
	<b>5,058</b>	<b>322</b>
<b>C) NET FINANCE (INCOME)/COST</b>		
Interest income	(253)	(2)
Interest expense	20	174
	<b>(233)</b>	<b>172</b>
<b>D) GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Labour expenses	6(E) 1,962	2,415
Consulting costs	541	643
General and administrative costs	280	525
Travel expenses	217	190
Occupancy costs	162	82
Motor vehicle expenses	2	17
	<b>3,164</b>	<b>3,872</b>
<b>E) LABOUR EXPENSES</b>		
Wages and salaries	1,634	2,083
Employee entitlements	234	198
Superannuation	94	134
	<b>1,962</b>	<b>2,415</b>

### 7. 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

**a) 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.

**b) Other:** This segment mainly 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 human resources, finance and payroll, information technology and communication, legal services and the board of directors.

## NOTES TO THE FINANCIAL STATEMENTS

### 7. SEGMENT INFORMATION (continued)

These classifications are in accordance with AASB 8 guidelines.

Management primarily uses a measure of statutory net profit 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	Other US\$'000	Total US\$'000
FOR THE YEAR ENDED 30 JUNE 2025			
Revenue	26,826	13	26,839
Depreciation and amortisation expenses	(938)	(578)	(1,516)
Net finance income	224	9	233
Profit from discontinued operations before income tax	3,131	(1,772)	1,359
<b>Total segment assets</b>	<b>33,446</b>	<b>678</b>	<b>34,124</b>
<b>Total segment liabilities</b>	<b>2,504</b>	<b>164</b>	<b>2,668</b>

FOR THE YEAR ENDED 30 JUNE 2024			
Revenue	34,918	25	34,943
Depreciation and amortisation expenses	(4,136)	(291)	(4,427)
Net finance costs	(171)	(1)	(172)
Loss from discontinued operations before income tax	1,758	(2,570)	(812)
<b>Total segment assets</b>	<b>40,895</b>	<b>1,293</b>	<b>42,188</b>
<b>Total segment liabilities</b>	<b>4,867</b>	<b>258</b>	<b>5,125</b>

Revenue of approximately US\$24.0 million were derived from two external customers of the chartering segment, which individually account for greater than 28.0% of total revenue (FY2024: revenue of approximately US\$31.6 million from six external customers, which individually account for greater than 8.0% of total revenue).

#### Geographical information

Wellard operates in several geographical locations around the world, spanning multiple continents for sale of space on the Group's vessels.

External revenue based on the origin country of sale are as follows:

	Australia US\$'000	Singapore US\$'000	Total US\$'000
FOR THE YEARS ENDED 30 JUNE			
2025	-	26,839	26,839
2024	13	34,930	34,943

The non-current assets of the Group are located across the following countries:

	Australia US\$'000	Singapore US\$'000	Total US\$'000
AS AT 30 JUNE			
2025	31	74	105
2024	629	18,481	19,110

## NOTES TO THE FINANCIAL STATEMENTS

### 8. TAXATION

#### INCOME TAX EXPENSE

	2025 US\$'000	2024 US\$'000
FOR THE YEARS ENDED 30 JUNE		
INCOME TAX EXPENSE		
Income tax expense comprises:		
Current tax	37	4
Over provision for income tax in prior years	(5)	(1)
Income tax expense reported during the year	32	3
Income tax expense is attributable to:		
Discontinued operations	32	3
	32	3

#### NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACE TAX PAYABLE

	2025 US\$'000	2024 US\$'000
FOR THE YEARS ENDED 30 JUNE		
Profit/(loss) from discontinued operations before income tax	1,359	(812)
Tax at the Australian tax rate of 30% (2024: 30%)	408	(244)
Add/(deduct) the effect of other assessable items		
Attributable foreign income	102	291
Exempt foreign shipping activities	(2,213)	(938)
Current year losses and temporary differences not recognised	412	417
Income not subject to tax	(10)	(50)
Statutory stepped income exemption	(13)	(5)
Expenses not deductible for tax purposes	1,765	760
Over provision for income tax in prior years	(5)	(1)
Total other assessable items	446	230
Add/(less) the effect of other non-assessable items		
Effect of different tax rates in other countries	(414)	(227)
Total other non-assessable items	(414)	(227)
Income tax expense reported during the year	32	3

At the reporting date, the Group has unused tax losses of US\$44.9 million (FY2024: US\$46.5 million) and capital losses of US\$10.8 million (FY2024: US\$11.1 million) available for offset against future profits. No deferred tax asset has been recognised as it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom. The tax losses do not expire under current tax legislation but are subject to the satisfaction of loss utilisation rules.

## NOTES TO THE FINANCIAL STATEMENTS

### 9. EARNINGS/(LOSS) PER SHARE

FOR THE YEARS ENDED 30 JUNE		2025	2024
BASIC EARNINGS/(LOSS) PER SHARE			
From discontinued operations attributable to the ordinary equity holders of the Company	US\$ cents	0.25	(0.15)
DILUTED EARNINGS/(LOSS) PER SHARE			
From discontinued operations attributable to the ordinary equity holders of the Company	US\$ cents	0.25	(0.15)
WEIGHTED AVERAGE ORDINARY SHARES			
Weighted average number of ordinary shares used as the denominator	number	531,250,312	531,250,312

### 10. CASH AND CASH EQUIVALENTS

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
Cash at bank and in hand	15,051	8,782
	<b>15,051</b>	<b>8,782</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

### 11. LOANS AND BORROWINGS

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
CURRENT		
Un-secured		
Lease liabilities (i)	78	195
Total Current Loans and Borrowings	78	195
NON-CURRENT		
Un-secured		
Lease liabilities (i)	-	76
Total Non-current Loans and Borrowings	-	76
<b>Total Loans and Borrowings</b>	<b>78</b>	<b>271</b>

#### (i) Lease liabilities

Un-secured

In 2024, the Group renegotiated the short term lease for accommodation for a further 24 months with effect from 1 February 2024. As this extension is more than 12 months, it was recognised as right-of-use asset in the prior financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. LOANS AND BORROWINGS (continued)

AS AT 30 JUNE	Currency	Financial year of maturity	2025 US\$'000	2024 US\$'000
LOANS AND BORROWINGS				
Un-secured				
Lease liabilities	SGD	2026	56	228
Lease liabilities	A\$	2026	22	43
			<b>78</b>	<b>271</b>

The maturity profile of principal repayments is set out in Note 17(C).

### 12. INVENTORIES

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
Raw materials	762	1,481
	<b>762</b>	<b>1,481</b>

Inventories are reported at the lower of cost and net realisable value. During the year, inventory was written down by a value of US\$29,856 (FY2024: US\$31,120).

### 13. TRADE AND OTHER RECEIVABLES

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
CURRENT		
Trade receivables	47	352
Allowance for impairment loss	-	(306)
Other receivables	147	153
	<b>194</b>	<b>199</b>

Trade and other receivables are non-interest bearing and are on various terms depending on the market. Charter customers are generally required to pay a deposit on signing of the booking note, and the balance payable before delivery of the vessel or provision of the Bill of Lading. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired in excess of expected credit losses.

Due to the short-term nature of trade and other receivables, their carrying amount approximates fair value less expected credit losses.

The ageing analysis of these trade receivables is as follows:

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
0 to 3 months	1	210
3 to 6 months	-	94
Over 6 months	46	48
	<b>47</b>	<b>352</b>

Information on the Group's credit risk is disclosed in Note 17(B).

## NOTES TO THE FINANCIAL STATEMENTS

### 14. OTHER ASSETS

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
CURRENT		
Prepayments	169	210
	<b>169</b>	<b>210</b>
NON-CURRENT		
Deposits	25	21
	<b>25</b>	<b>21</b>

### 15. ASSETS HELD FOR SALE

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
ASSET HELD FOR SALE		
Plant and equipment – Vessel	17,478	11,780
	<b>17,478</b>	<b>11,780</b>

#### Vessel held for sale

During the financial year 2024, the sale of the vessel MV Ocean Ute was announced to the ASX on 1 July 2024, Wellard signed a binding contract to sell the MV Ocean Ute, for US\$12.0 million. In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations* a reversal of impairment loss of US\$276 thousand was recognised to write down the asset to its fair value less costs to sell. The vessel was purchased by Marshall Islands registered company, Bassem Dabbah Shipping Inc. The sale of MV Ocean Ute was completed on 4 September 2024.

In FY2025, the sale of the vessel MV Ocean Drover was announced to the ASX on 14 January 2025, Wellard signed a binding contract to sell the MV Ocean Drover, for US\$50.0 million. In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations* the vessel was written down to its fair value less costs to sell. The vessel will be purchased by Marshall Islands registered company, Meteors Shipping SA. The sale of the vessel was completed on 19 August 2025.

### 16. TRADE AND OTHER PAYABLES

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
CURRENT		
Trade payables	1,138	2,013
Sundry payables and accrued expenses	926	831
	<b>2,064</b>	<b>2,844</b>

Trade and other payables are non-interest bearing.

# NOTES TO THE FINANCIAL STATEMENTS

## 17. FINANCIAL RISK MANAGEMENT

Like all companies, Wellard is subject to a range of risks associated with its activity which could, in isolation or in combination, if they eventuate, have a material adverse impact on Wellard's business, results of operations, financial condition, financial performance, prospects and share price. To carry out its business and achieve its objectives, Wellard needs to take risks but tries to do so by identifying, assessing, responding and monitoring them to ensure the Group's long-term success.

Wellard's financial risk management objective is to minimise the potential adverse effects on financial performance arising from changes in financial risk. Financial risks are managed centrally by Wellard's finance team under the direction of the Directors and the Board's Audit, Risk and Compliance Committee. The finance team regularly monitors Wellard's exposure to any of these financial risks and where practicable, takes steps to mitigate or manage certain risks. While mitigation steps are taken, these steps will not remove the risk but are aimed at reducing its impact in the short and long term.

This section provides qualitative and quantitative disclosure on the effects that those risks may have on the Group.

### A) MARKET RISK

#### i) Chartering

Wellard is exposed to fluctuations in market freight rates in respect of vessels trading on the spot market. Particularly, when chartering out vessels, the freight rates may be too low to ensure an adequate return or to cover costs. The following risk management strategies are applied: (i) the vessels trade on a worldwide basis to reduce the effect of different regional market conditions. (ii) Wellard pursues long-standing relationships of trust with its customers and tries to adapt its chartering policy to their requirements in order to support reciprocal and continuous value creation.

#### ii) Commodity price risk

##### *Fuel*

Wellard is exposed to commodity price volatility for the fuel required to operate its fleet of vessels. Wellard management monitors the market and, when appropriate, can manage this risk with commodity swaps and physical hedge to partially hedge its exposure to fuel price volatility.

#### iii) Foreign exchange risk

Wellard's exposure to currency risk is minimal as most of the sales and purchases transactions are denominated in United States Dollars ("US\$"). The Group monitors its exposure to currency risk on a regular basis and may enter into short-term forward exchange contracts to manage the exposure.

#### iv) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial asset or financial liability will change as a result of changes in market interest rates. Wellard's exposure to market interest rate risk relates primarily to its loans and borrowings.

Changes to interest rates will affect borrowings which bear interest at a floating rate. Any increase in interest rates will affect Wellard's cost of servicing these borrowings which may adversely affect its financial position.

Wellard's net interest rate exposure does not have a significant effect on the result; therefore, Wellard does not enter into interest rate swaps on debt instruments subject to floating interest rates. Lease liabilities carry interest at their fixed rates.

### A) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to Wellard. Wellard is exposed to some counterparty credit risk arising from its operating activities, primarily from trade receivables.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### B) CREDIT RISK (continued)

The ageing of these receivables is as follows:

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
0 to 3 months	1	210
3 to 6 months	-	94
Over 6 months	46	48
	47	352

The risk of non-payment by customers is an inherent risk of Wellard's business, due to sales typically involving individual high-value shipments. Wellard seeks to mitigate the impact of this risk by building long-term relationships with its customers, obtaining partial payment before loading, requiring letters of credit to partially secure payment in a number of jurisdictions and through a systematic credit assessment of counterparties and regular monitoring of their creditworthiness.

Each analysis results in an internal rating, which is subsequently used for determining the allowed scope of the commitment. The internal ratings are based both on a financial and a non-financial assessment of the counterparty's profile. In addition, trade receivable balances are monitored on a fortnightly basis by management.

Owing to the nature of long-term client relationships which relies on a shared commitment to continuing trade and future growth there has historically been a low number of debtor impairment provisions and bad debts expressed as a percentage of revenue. The timing of customer payments for shipments and the requirement to pay a deposit mitigates the risk of large debtor impairments.

Set out below is a summary of the concentration of receivables by currency:

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
United States dollar	47	352
Australian dollar	-	-
	47	352

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

FOR THE YEARS ENDED 30 JUNE	2025 US\$'000	2024 US\$'000
Opening balance	306	306
Receivables written off during the year as uncollectable	(306)	-
Allowance for impairment recognised during the year	-	-
Closing balance	-	306

#### *Impaired trade receivables*

The impairment of the Group's financial assets that are subject to credit losses where the expected credit loss model has been applied is not material.

To measure the expected credit losses, the Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables using a provision matrix, estimated based on the Group's historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group has identified the Gross Domestic Product ("GDP") of the countries in which it operates to be the most relevant factors.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### B) CREDIT RISK (continued)

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the consolidated statement of comprehensive income.

#### *Amounts recognised in profit or loss*

During the year, no losses were recognised in profit or loss in relation to impaired receivables.

#### C) LIQUIDITY RISK

Liquidity risk arises from Wellard's financial liabilities and the subsequent ability to repay the financial liabilities as and when they fall due.

In particular, Wellard's chartering activity is exposed to liquidity risk due to its exposure to the spot market. Freight rates earned might not be sufficient to cover its operating costs, required investments and financial commitments, leading to a reduction in cash balances.

As part of its financial planning process, Wellard manages the liquidity risk through an appropriate financial planning and liquidity risk management which are regularly reviewed and updated. Prudent liquidity risk management implies maintaining sufficient availability of funding through an adequate amount of cash and committed credit facilities to meet Wellard's financial obligations.

Wellard manages its liquidity risk by monitoring and forecasting the total cash inflows and outflows expected on a fortnightly basis. The forecast includes projections of cash outflows from overhead and supplier payments, interest obligations, the repayment of debt facilities and capital expenditure when they fall due.

#### *Maturities of financial liabilities*

The following tables detail for the years 2025 and 2024, respectively, Wellard's prospective cashflows for its financing liabilities based on contractual repayment terms. The tables have been drawn up on the basis of undiscounted cash flows on the earliest date in which Wellard can be required to pay.

FOR THE YEAR ENDED 30 JUNE 2025	<6 MONTHS US\$'000	6-12 MONTHS US\$'000	1-2 YEARS US\$'000	2-5 YEARS US\$'000	TOTAL US\$'000	CARRYING AMOUNT US\$'000
Non-interest bearing	2,064	-	-	-	2,064	2,064
Fixed rate	69	11	-	-	80	78
	<b>2,133</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>2,144</b>	<b>2,142</b>

FOR THE YEAR ENDED 30 JUNE 2024	<6 months US\$'000	6-12 months US\$'000	1-2 years US\$'000	2-5 years US\$'000	TOTAL US\$'000	Carrying amount US\$'000
Non-interest bearing	2,844	-	-	-	2,844	2,844
Fixed rate	149	61	78	-	288	271
	<b>2,993</b>	<b>61</b>	<b>78</b>	<b>-</b>	<b>3,132</b>	<b>3,115</b>

#### *Working capital facility*

Wellard's working capital facilities include bunker trade finance facility with United Overseas Bank Limited (UOB) with a limit of US\$2.0 million and credit card facility of S\$0.2 million.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### D) CAPITAL MANAGEMENT

Wellard's objectives in managing capital are to:

- safeguard Wellard's ability to continue as a going concern, so to provide returns for shareholders and benefits for other stakeholders;
- ensuring a satisfactory return is made on any new capital invested; and
- maintain an optimal capital structure to reduce the cost of capital.

Capital is defined as the combination of shareholders' equity, reserves and net debt. The Board is responsible for monitoring and approving the capital management framework within which management operates.

Wellard manages its capital through various means, including:

- raising or returning capital;
- raising or repaying debt for working capital requirements, capital expenditure and acquisitions; and
- adjusting the amount of ordinary dividends paid to shareholders

### 18. PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2025	IMPROVEMENTS US\$'000	PLANT AND EQUIPMENT US\$'000	RIGHT-OF- USE ASSETS US\$'000	TOTAL US\$'000
Opening net book amount	-	18,249	263	18,512
Additions	-	4	-	4
Foreign exchange revaluation	-	-	(1)	(1)
Depreciation expense	-	(769)	(188)	(957)
Transfer to asset held for sale	-	(17,478)	-	(17,478)
Closing balance	-	6	74	80
Cost	535	100	325	960
Accumulated depreciation and impairments	(535)	(94)	(251)	(880)
Closing balance	-	6	74	80

AS AT 30 JUNE 2024	IMPROVEMENTS US\$'000	PLANT AND EQUIPMENT US\$'000	RIGHT-OF- USE ASSETS US\$'000	TOTAL US\$'000
Opening net book amount	23	33,649	158	33,830
Additions	-	3	344	347
Foreign exchange revaluation	-	-	(1)	(1)
Depreciation expense	(23)	(3,899)	(238)	(4,160)
Reversal of impairment loss	-	276	-	276
Transfer to asset held for sale	-	(11,780)	-	(11,780)
Closing balance	-	18,249	263	18,512
Cost	536	75,678	1,492	77,706
Accumulated depreciation and impairments	(536)	(57,429)	(1,229)	(59,194)
Closing balance	-	18,249	263	18,512

## NOTES TO THE FINANCIAL STATEMENTS

### 18. PROPERTY, PLANT AND EQUIPMENT (continued)

#### A) Leased assets – The Group as a lessee

##### (i) Nature of the Group's leasing activities

###### *Property*

The Group leases office space for the purpose of back office operations and apartment for employee's accommodation.

##### (ii) Carrying amounts

The balance sheet shows the following amounts relating to leases:

	2025 US\$'000	2024 US\$'000
Assets classified within Right-of-Use Assets		
Property	74	263
	<b>74</b>	<b>263</b>
Lease liabilities		
Current	78	195
Non-current	-	76
	<b>78</b>	<b>271</b>

##### (iii) Depreciation during the year

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2025 US\$'000	2024 US\$'000
Depreciation charge of right-of-use assets		
Property	188	235
Equipment	-	3
	<b>188</b>	<b>238</b>

- (iv) Interest expense on lease liabilities during the financial year 2025 was US\$11,519 (2024: US\$18,651)
- (v) Lease expense not capitalised in lease liabilities – short-term leases was US\$92,422 (2024:US\$48,305).
- (vi) Total cash outflow for all the leases during the financial year 2025 was US\$191,217 (2024: US\$241,301).
- (vii) Additions of Right-of-use assets during the financial year 2025 was Nil (2024: US\$343,867).

### 19. INTANGIBLE ASSETS

AS AT 30 JUNE 2025	SOFTWARE US\$'000	TOTAL US\$'000
Opening net book amount	577	577
Foreign exchange revaluation	(18)	(18)
Amortisation expense	(559)	(559)
Closing balance	-	-
Cost	2,644	2,644
Accumulated amortisation	(2,644)	(2,644)
Closing balance	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 19. INTANGIBLE ASSETS (continued)

AS AT 30 JUNE 2024	SOFTWARE US\$'000	TOTAL US\$'000
Opening net book amount	840	840
Foreign exchange revaluation	4	4
Amortisation expense	(267)	(267)
Closing balance	577	577
Cost	2,704	2,704
Accumulated amortisation	(2,127)	(2,127)
Closing balance	577	577

### 20. PROVISIONS

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
CURRENT		
Employee entitlements	26	10
	26	10

A provision has been recognised for employee entitlements related to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. This is discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. A provision of US\$26,134 (2024: US\$9,585) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

### 21. ISSUED CAPITAL

The Company's share capital comprises fully paid-up 531,250,312 (2024: 531,250,312) ordinary shares with no par value, amounting to a total US\$405,318,578 (2024: US\$412,258,944). Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

No shares were issued during the financial year 2025.

### 22. COMMITMENTS

There was no significant capital commitment contracted and not recognised as liabilities at the end of the reporting period.

### 23. SIGNIFICANT ITEMS

There are no other significant items to be disclosed for the financial year ended 30 June 2025.

## NOTES TO THE FINANCIAL STATEMENTS

### 24. AUDITOR'S REMUNERATION

FOR THE YEARS ENDED 30 JUNE	2025 US\$'000	2024 US\$'000
Fees in respect of the audit of the consolidated and parent company financial statements	99	114
Other audit fees, principally in respect of audits of accounts of subsidiaries in Singapore	11	18
Other assurance services	5	4
<b>Total auditor's remuneration</b>	<b>115</b>	<b>136</b>

### 25. CONTROLLED ENTITIES

#### (a) Subsidiaries

Subsidiaries are entities controlled by Wellard Limited. Wellard Limited controls an entity when it 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.

The financial statements of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases.

Interests held in controlled entities is set out below:

	COUNTRY OF INCORPORATION	2025 %	2024 %
<b>PARENT ENTITY</b>			
Wellard Limited	Australia		
<b>SUBSIDIARIES OF WELLARD LIMITED</b>			
Wellard Rural Exports Pty Ltd	Australia	100	100
Wellard NZ Ltd <sup>1</sup>	New Zealand	-	100
Wellard Singapore Pte Ltd	Singapore	100	100
Wellard Ships Pte Ltd	Singapore	100	100
Ocean Drover Pte Ltd	Singapore	100	100
Niuyang Express Pte Ltd	Singapore	100	100
Wellard do Brasil Agronegocios Ltda	Brazil	100	100
Wellard Uruguay S.A.	Uruguay	100	100
Best Hayvancilik Sanayi Ticaret AŞ <sup>2</sup>	Turkiye	-	100

Notes:

<sup>1</sup> Wellard NZ Ltd was deregistered on 15 July 2024.

<sup>2</sup> Best Hayvancilik Sanayi Ticaret AŞ was deregistered on 20 March 2025.

### 26. RELATED PARTY TRANSACTIONS

All transactions with related parties are recorded on an arms-length basis at commercial terms and conditions.

#### (a) Subsidiaries

Interests in subsidiaries are set out in Note 25(a).

## NOTES TO THE FINANCIAL STATEMENTS

### 26. RELATED PARTY TRANSACTIONS (continued)

#### (b) Key management personnel compensation

	2025	2024
FOR THE YEARS ENDED 30 JUNE	US\$'000	US\$'000
Short-term benefits	922	916
Long-term benefits	15	62
Post-employment benefits	10	31
Termination benefits	-	167
	<b>947</b>	<b>1,176</b>

Detailed remuneration disclosures are available in the Remuneration Report on page 29.

#### (c) Transactions with other related parties

As at 30 June 2025, there was no service rendered from related parties (2024: Nil).

#### (d) Outstanding balance from services rendered from related parties

As at 30 June 2025, there was no outstanding balance from services rendered from related parties (2024: Nil).

### 27. PARENT ENTITY

#### (a) Summary financial information

The individual financial statements for the parent entity (Wellard Limited) show the following aggregate amounts in Australian Dollars:

	2025	2024
AS AT 30 JUNE	A\$'000	A\$'000
<b>NET ASSETS</b>		
Current assets	1,563	1,498
Total assets	8,925	9,754
Current liabilities	(13,103)	(640)
Total liabilities	(13,103)	(674)
Net (liabilities)/assets	<b>(4,178)</b>	<b>9,080</b>
<b>FOR THE YEARS ENDED 30 JUNE</b>		
<b>EQUITY</b>		
Issued capital	571,031	581,656
Share issue costs capitalised	(9,525)	(9,525)
Share-based payment reserve	18,014	18,014
Accumulated losses	(583,698)	(581,065)
Total equity	<b>(4,178)</b>	<b>9,080</b>
Loss for the period	2,633	3,350
Total comprehensive loss	2,633	3,350

#### (b) Guarantees provided by the parent entity

At 30 June 2025, the parent entity had provided guarantees to support the banking facilities in Singapore.

#### (c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2025 (30 June 2024: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 27. PARENT ENTITY (continued)

(d) Contractual commitments for the acquisition of property, plant and equipment  
None.

(e) Determining the parent entity's financial information

The financial information of the parent entity has been prepared on the same basis as the consolidated financial statements. The current subsidiaries information can be found in Note 25.

### 28. RESERVES

AS AT 30 JUNE	COMMON CONTROL US\$'000	SHARE BASED PAYMENTS US\$'000	FOREIGN CURRENCY TRANSLATION US\$'000	TOTAL US\$'000
2025				
Opening balance	(295,768)	12,963	5,700	(277,105)
Current year movements	-	-	6	6
Closing balance	<b>(295,768)</b>	<b>12,963</b>	<b>5,706</b>	<b>(277,099)</b>
2024				
Opening balance	(295,768)	12,963	5,679	(277,126)
Current year movements	-	-	21	21
Closing balance	<b>(295,768)</b>	<b>12,963</b>	<b>5,700</b>	<b>(277,105)</b>

#### *Common control reserve*

The acquisition of all subsidiaries as part of the Group Restructure Event gives rise to the common control reserve. Common control reserve is the difference between the purchase consideration and the carrying value of the net assets acquired is recorded directly in equity in a separate reserve.

#### *Foreign currency reserve*

Exchange differences arising on translation of the foreign-controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

#### *Share-based payments*

Share-based payments represent the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share-based payments reserve is transferred to share capital. When the share options expire, the amount from the share-based payment reserve is transferred to retained earnings.

### 29. ACCUMULATED LOSSES

AS AT 30 JUNE	2025 US\$'000	2024 US\$'000
Opening balance	(98,091)	(97,276)
Net profit/(loss) for the year	1,327	(815)
Closing balance	<b>(96,764)</b>	<b>(98,091)</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 30. SUBSEQUENT EVENTS

Other than matters after 30 June 2025 disclosed in Operations Report, there are no other significant events that have occurred after balance sheet date.

### 31. CONTINGENT ASSETS/LIABILITIES

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

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.

## Independent Audit Report To the members of Wellard Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wellard Limited (the Company) and its subsidiaries (the “Group”), which comprises the consolidated statement of financial position as at 30 June 2025, 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 material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

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

- i. giving a true and fair view of the Group’s financial position as at 30 June 2025 and of its financial performance for the year then ended; 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 Group 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**
**How the matter was addressed in our audit**
**Recognition of Revenue**
**Refer to Note 2.A and Note 4 “Revenue from Contracts with Customers”**

The Group’s revenue is largely derived from the charter of vessels, including revenue generated from the sale of space on the Group’s vessels for the carriage of cargo owned by third parties. Revenue is recognised over a period of time, determined using the time proportion method of each voyage, and is based on contracts which determine the services to be provided and rates to be charged.

The accurate recording of revenue is highly dependent upon the following key factors;

- Knowledge of the individual characteristics and status of contracts;
- Management’s invoicing process including;
  - accurate measurement of services and provided each month
  - invoices prepared in compliance with contract terms such as services performed, cargo delivered and rates charged; and
- Compliance with contractual terms and an assessment of when the Group believes it is has complied with its performance obligations and thus is entitled to recognize the revenue.

We focused on this matter as a key audit matter due to the significance of revenue to the Group combined with the need to comply with a variety of contractual conditions and to accurately measure the percentage of completion of each voyage, leading to judgmental and estimation risk associated with revenue recognition.

Our procedures included, amongst others:

- We evaluated management’s processes regarding occurrence, valuation and recording of the Group’s contract revenues. We tested internal controls in relation to preparation and authorisation of monthly revenue invoices for compliance with the Group’s accounting policies in relation to revenue;
- We selected a sample of sales invoices raised during the year and performed the following procedures:
  - agreed to contractual terms and rates
  - agreed to general ledger accounts and subsequent receipts from the customer
  - for variations or claims we checked they were in accordance with contract terms and evaluated for risk of non-recovery;
- We evaluated contract performance and the timing of revenue recognition during and subsequent to year end in order to test timing of revenue recognition and the accuracy of year end cut offs; and
- Ensured appropriate disclosure in the financial statements of revenue policies and significant estimates and judgement applied

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group 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 report as a whole is 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

<https://www.auasb.gov.au/standards-guidance/auditor-s-responsibilities/>. This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Wellard Limited, for the year ended 30 June 2025 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.



Neil Pace  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)  
Perth  
28<sup>th</sup> day of August 2025



Moore Australia Audit (WA)  
Chartered Accountants



## INDEPENDENT AUDITOR'S REPORT



ASX  
ADDITIONAL  
INFORMATION

## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is accurate as at 21 August 2025.

### SUBSTANTIAL SHAREHOLDERS

No.	Registered Shareholder	Number of shares held	% of all shares
1.	Hongkong Fulida International Trading Company Limited	130,094,894	24.49
2.	Bell Potter Nominees Ltd	83,950,729	15.80
3.	Palm Beach Nominees Pty Limited	66,003,202	12.42
4.	BNP Paribas Noms Pty Ltd	63,523,197	11.96

### SHARES ON ISSUE

The total number of shares on issue is 531,250,312 and these shares are held by a total of 663 registered shareholders.

### DISTRIBUTION OF SHAREHOLDING

The distribution of all shareholders is set out below.

Range	Total holders	Shares	% of all shareholders
1 - 1000	50	5,875	7.54
1001 - 5000	55	176,042	8.29
5001 – 10,000	48	379,388	7.24
10,001 – 100,000	370	13,606,819	55.81
100,001 and over	140	517,082,188	21.12
Total	<b>663</b>	<b>531,250,312</b>	<b>100</b>

### UNMARKETABLE PARCEL

The minimum parcel size at 21 August 2025 is per unit is 15,625 shares.

There are 226 shareholders that hold unmarketable parcels.

An “unmarketable parcel” is a parcel of shares that is worth less than A\$500.

## ASX ADDITIONAL INFORMATION

### TOP 20 SHAREHOLDERS

The top twenty registered shareholders of the Company are set out below.

No.	Shareholder	Number of shares held	% of all shares
1.	Hongkong Fulida International Trading Company Limited	130,094,894	24.49
2.	Bell Potter Nominees Ltd	83,950,729	15.80
3.	Palm Beach Nominees Pty Limited	66,003,202	12.42
4.	BNP Paribas Noms Pty Ltd	63,523,197	11.96
5.	Innovation Bloom Limited	36,881,588	6.94
6.	Vine Street Investments Pty Ltd	21,026,009	3.96
7.	Citicorp Nominees Pty Limited	17,959,535	3.38
8.	Mr David Allan Dixon & Ms Catherine Louise Ramm	10,660,588	2.01
9.	HSBC Custody Nominees (Australia) Limited – GSCO ECA	10,252,451	1.93
10.	Mr Steven Boyd Taylor	5,937,097	1.12
11.	Hamsar Holdings Pty Ltd	4,617,100	0.87
12.	Dynamic Supplies Investments Pty Ltd	3,000,000	0.56
13.	Beebee Holdings Pty Ltd	2,979,186	0.56
14.	Mr Ross Maxwell Hargreaves	2,725,000	0.51
15.	T&L Gleeson Pty Ltd	2,006,101	0.38
16.	Mr Gregory James Wheeler	1,704,600	0.32
17.	BNP Paribas Nominees Pty Ltd	1,655,594	0.31
18.	Mr Robert Peter Nederpelt	1,423,281	0.27
19.	Mr Zixiao Zhao	1,349,335	0.25
20.	Eagle Eye Equities Pty Ltd	1,300,000	0.24
	<b>Total</b>	<b>469,049,487</b>	<b>88.29</b>
	<b>Balance of Register</b>	<b>62,200,825</b>	<b>11.71</b>
	<b>Grand Total</b>	<b>531,250,312</b>	<b>100</b>

### OPTIONS

The Company has no options on issue.

### VOTING RIGHTS

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. There are no voting rights attaching to any convertible note. There is no other class of security in the Group.

## DIRECTORS

John Klepec  
Executive Chairman

John Stevenson  
Non-Executive Director

Kanda Lu  
Executive Director

Philip Clausius  
Non-Executive Director

## COMPANY SECRETARY

Michael Silbert

## AUDITORS

Moore Australia Audit (WA)

Level 15, Exchange Tower,  
2 The Esplanade  
Perth WA 6000

Phone: +61 8 9225 5355  
Facsimile: +61 8 9225 6181  
Website: [www.moore-australia.com.au](http://www.moore-australia.com.au)

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Manning Buildings  
Suite 20, Level 1  
135 High Street  
Fremantle WA 6160

Phone: +61 8 9432 2800  
Facsimile: +61 8 9432 2880  
Website: [www.wellard.com.au](http://www.wellard.com.au)

## SHARE REGISTRY

Link Market Services

Level 12, QVI Building  
250 St Georges Terrace  
Perth WA 6000

Phone: +61 1300 554 474 (toll free within Australia)  
General Shareholder Enquiries: +61 1300 554 474

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## SECURITIES EXCHANGE LISTING

Shares in Wellard Limited are listed on the Australian Securities Exchange (ASX: WLD).