



ASX & MEDIA STATEMENT

3 PAGES TOTAL

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Wellard to sell M/V Ocean Drover for US\$50.0 million (A\$81.2 million) and return proceeds to shareholders

Wellard Limited ("Wellard") (ASX:WLD) has signed a binding contract to sell its remaining livestock vessel, the M/V Ocean Drover (the "Drover" or "Vessel"), for US\$50.0 million in cash (approx. A\$81.2 million).

The sale of the Vessel represents the sale of the main undertaking of the Wellard business, and therefore requires shareholder approval to become final and binding.

The Vessel will be purchased by Meteors Shipping SA, a Marshall Islands company controlled by Göktaşlar Et-Et Ürünleri Yan Sanayi ve Ticaret Limited Şirketi, a significant Turkish agri-business with which Wellard has conducted successful business for some time.

Wellard currently has confirmed charters for the Vessel until June 2025, and subject to fulfilment of all conditions, expects completion of the sale to occur in July 2025.

Upon transaction completion, and before any return of capital to shareholders, the sale of the M/V Ocean Drover will result in a US\$50.0 million (approx. A\$81.2 million) increase in cash on hand, after costs related to the sale.¹

As well as shareholder approval, the sale is subject to the parties performing the contract terms, and subsequently, signing and performing a Norwegian Shipbrokers' Association's Memorandum of Agreement for Sale and Purchase of Ships (BIMCO Form Rev, 2012) (the "MOA"), which provides standard terms and conditions adopted internationally for sale of oceangoing ships. The MOA has been used and performed on all other vessel sales completed by Wellard. The purchaser will pay a 5% deposit by 17 January 2025, and a further 5% upon execution of the MOA.

If the sale is approved by shareholders, the Wellard Board intends to return all of the net sales proceeds of the M/V Ocean Drover to shareholders (approx. A\$ 15 cents per share) plus an additional capital return of any surplus cash on hand as at the date of completion.

There will be costs associated with shutting Wellard's ship operations division and infrastructure and the need to fund some continuing costs (more details below). Timing and details of the shareholder meeting and the capital return will be announced shortly.

Wellard Executive Chairman, John Klepec said:

"We are very pleased to have achieved a sale price substantially above the current net book value of the vessel and we believe that this sale represents the highest possible

¹ The accounting outcomes contained in this release will be finalised in conjunction with the completion of the sale of the vessel and of the Company's 2025 financial statements in August 2025, however they are not expected to change materially from the estimates presented.

value that can be realised for shareholders from the M/V Ocean Drover in the current market.

“The M/V Ocean Drover has been the flagship of the Wellard fleet in terms of profitability and capacity, and I have no doubt it will be a fantastic asset for its new owners.”

“Subject to Shareholder approval the sale of the M/V Ocean Drover will bring to an end Wellard’s 46-year involvement in the global live export industry. Throughout its history, Wellard has set a quality benchmark for global livestock trading and logistics, has been a major force in driving and maintaining the highest standards that the public expects of a modern agri-business, and has helped feed the world, linking livestock producers with consumers. I thank our many local and international customers and other stakeholders, particularly current and former staff and service providers, who have been supportive of Wellard’s business throughout its journey.”

Pending receipt of necessary approvals and sale completion, the only remaining existing potential income for Wellard is the possible future compensation from the Brett Cattle Company Class Action, in which Wellard is a class member.

Although the Federal Court of Australia ruled in favour of the class in June 2020, the timing and final quantity of payment to individual class members other than the Brett Cattle Company remains uncertain as the Federal Labor Government has rejected the total quantum of the claim. For that reason, Wellard has not recognised the claim as an asset on its balance sheet.

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 consider the best structure for the business, including the possibility of delisting from the ASX, and continuing as a public unlisted company.

Any such change to the Company’s structure would require engagement with the regulator and shareholder approval.

Details of the Board’s review, capital return, shareholder meeting timing and approvals process will be announced in due course.

ASX COMPLIANCE MATTERS

ASX Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders for a disposal of its main undertaking. ASX Listing Rule 11.2 applies to the proposed disposal of the M/V Ocean Drover Vessel.

1. ASX has advised WLD that:
 - a. in accordance with paragraph 4.7 of Guidance Note 12 (Significant Changes to Activities), WLD will be afforded a period of 6 months from the date of the sale agreement (10 January 2025) to demonstrate to the ASX that it is compliant with Listing Rule 12.1, which states that the level of an entity’s operations must, in ASX’s opinion, be sufficient to warrant the continued quotation of the entity’s securities and its continued listing; and
 - b. it will suspend trading in WLD’s securities if it has not demonstrated compliance with Listing Rule 12.1 to ASX’s satisfaction at the end of the 6-month period (10 July 2025).
2. As WLD’s interest in the M/V Ocean Drover Vessel constitutes its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is likely to apply to any future acquisition(s) by WLD, which may require WLD to re-comply with Chapters 1 and 2 of

the ASX Listing Rules (which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX).

This announcement has been authorised by the Board of Directors of Wellard Limited.

ENDS

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