

Response to Shareholder Communication

5 November 2024 The Board of Boom Logistics Limited (ASX:BOL, “the Company”), has been made aware of communication to shareholders from former Chief Executive Officer, Mr Brenden Mitchell.

The Board’s response to the specific comments of Mr Mitchell in relation to the upcoming AGM are set out below:

Item 2 (Adoption of Remuneration Report)

The Board is strongly of the view that the NPAT target and the EPS target are aligned with the effective allocation of capital and the returns derived from that capital. The implication made that Boom has been a regular dividend paying business is misleading. Since 2010 Boom has paid four dividends and not all of those dividends were funded from the operating cashflows of the periods that they related to.

Item 6 (Share Consolidation)

Contrary to assertions made, the share consolidation is not a distraction to Management or the Board. The Board and Management have, over the past two years, put in place strategies that have seen the business return to profitability with a sustainable profit growth outlook. The Board and Management are committed to the ongoing execution of these strategies and the delivery of incremental value for shareholders.

In simple terms, recent trading in the Company’s securities at bid/offer pricing of 14.0 cents/14.5 cents represents a 3.4% spread to the offer price. The proposed consolidation likely sees the 0.5 cent differential represent a 0.3% spread. The Board believes that tighter pricing spread is more likely to facilitate liquidity in the stock and enable a more consistent valuation of the Company.

Item 7 (Further on-market share buy-back) and Item 8 (Approval of 10% placement capacity)

The approval of these items provides flexibility for the Board to manage the capital of the Company should circumstances or opportunities arise. The Company has provided rationale for these items in its Notice of Annual General Meeting dated 21 October 2024. To re-state:

Reasons for the Further On-Market Share Buy-Back (Notice of Meeting page 18)

“The Board announced on 25 August 2023 that it would consider the return of 40%-60% of the previous two years' rolling average operating net profit after tax through the execution of share buy-backs on an annual basis. This capital management strategy is intended to strengthen the Share price by returning capital value to Shareholders. The Board continues to believe that it is in the best interests of the Shareholders to continue and expand the previous buy-back program.”

Company notes in relation to the approval of 10% placement capacity (Notice of Meeting pages 23 and 24)

“The Company notes that:

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- the Board has formed no specific intentions to offer any placement to any existing Shareholders, class of Shareholders or any new investors;
- the Board will always consider, prior to making any placement, whether the raising of funds could be achieved by means of an entitlements issue to existing Shareholders;
- if any issue is announced, the Company will disclose its reasons for undertaking that particular issue rather than an entitlements issue to existing Shareholders, should that occur.”

-ends-

This release has been approved for distribution by the Board of Directors of Boom Logistics Limited.

Further information:

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