



ASX Release

1 November 2024

BWF Annual General Meeting 2024

Chairman's Address

In accordance with ASX Listing Rule 3.13.3, I attach a copy of the Chairman's Address to be delivered at the BlackWall Limited (ASX: BWF) Annual General Meeting 2024.

The meeting commences today Friday 1 November 2024 at 12:00pm AEDT.

For further information please contact:

Jack Keeble (Investor Relations) on 0418 610 085 or jkeeble@blackwall.com.au

Seph Glew (Chairman) on 0410 615 225 or sglew@blackwall.com.au

Authorised for lodgement by:
David Vlotman
Company Secretary



Chairman's Address

As previously reported to shareholders, 2024 was a transformative year for BlackWall with the scrip acquisition of Pelorus Private Equity and rationalisation of assets resulting in a 350% increase in net equity and 55% increase in NTA. BlackWall is now debt free with a solid asset base and is positioned to take advantage of opportunities that we hope to find going forward.

Following the acquisition of Pelorus we have commenced paying dividends in part using WOTSO Property (WOT) scrip. Our decision has been motivated by a number of factors, including a desire to reduce BlackWall's dominance on the WOT register while giving BlackWall shareholders direct access to WOT securities in a tax efficient manner.

As a significant BWF and WOT shareholder I thought it might be worth explaining a little more about our motivation here. First, I must say that we regard WOT as an exciting growth stock. We think the WOTSO business has huge potential and in stapling to a substantial property trust, it obtained strength and stability. At present the share price is depressed, we believe, due to the market having a negative view of commercial real estate trusts and not yet understanding the WOTSO Property model. As a consequence, WOT is trading at less than half what we think is its underlying value but this has opened up a window of opportunity for us.

Separately, when we paid the most recent BWF dividend shareholders received 0.5cps cash, 2.0cps in WOT scrip plus 0.833 cps in franking credits which, for many shareholders, will result in a tax refund. What is not so well understood is that our shareholders' cost base for the WOT securities they received is the closing price for WOT on the dividend payment date which, in this case, is 68cps and WOT's distributions are, currently, classified as returns of capital so are treated as reductions in this cost base rather than taxable income.

Furthermore, when BWF acquired Pelorus for scrip in the first half of 2024 BWF also acquired a significant franking credit balance which it can pass out to shareholders and, under current tax rules, the payment of dividends in WOT securities previously held by Pelorus has the unintended consequence of reducing BWF's future tax liabilities.

When setting up the scrip dividend structure we were aware that there would be shareholders looking for an all-cash outcome, and we anticipated that those shareholders would choose to sell the WOT securities to realise the cash. While the market in WOT securities is not deep, there is sufficient turnover for most shareholders to be able to exit the WOT security holding without difficulty.

My view is that transferring WOT securities to shareholders in a tax efficient way is likely to result in exceptional gains for those who choose to retain and accumulate WOT securities, with no downside for those that chose to sell.

Seph Glew
Chairman
BlackWall Ltd