

## ASX Release

30 March 2020

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### Update – Covid-19 Impact

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Over recent weeks we have reviewed our approach to tenants in properties managed by Blackwall, in particular those within the BlackWall Property Trust (BWR) portfolio. We recognise that this is an extremely difficult time for a number of our tenants and we have implemented a strategy that, we think, gives our tenants the best chance of survival while limiting the impact on our property owners.

Our approach is to provide rent abatements for all small businesses where economic survival is at risk and to offer rent deferrals to those tenants needing cash flow support. Accordingly, we have advised the 10 coffee shops and restaurants in our portfolio that no rent will be payable for April. We will review this on a monthly basis until the crisis passes. Some other small or vulnerable tenants have also been provided with rent abatements while others have been offered a mix of rent abatements and rent deferrals.

We will be looking to our larger and more secure tenants to meet their commitments during this time so that we can continue to support those that are vulnerable.

WOTSO WorkSpace is a significant tenant in our portfolio and its cashflow will be severely impacted during this time. WOTSO has offered all members the opportunity to suspend their memberships at this time with offices and or desks preserved for when members return. WOTSO rents space to some essential services so, as long as the law permits, WOTSO will remain open regardless of the number of members on site. Rent for all WOTSO facilities in our portfolio will be deferred subject to review on a monthly basis.

BWR had adequate cash reserves but we are aware that this is a rapidly changing situation and we don't know what further issues or opportunities might present themselves. To ensure that we are able to move quickly and with confidence we have arranged an additional debt facility for the group and are drawing that facility down today. BWR will then have \$22m cash on hand and will continue to retain significant capacity to expand with gearing at 24% (up from 20% at 31 December 2019).

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