

11 November 2022

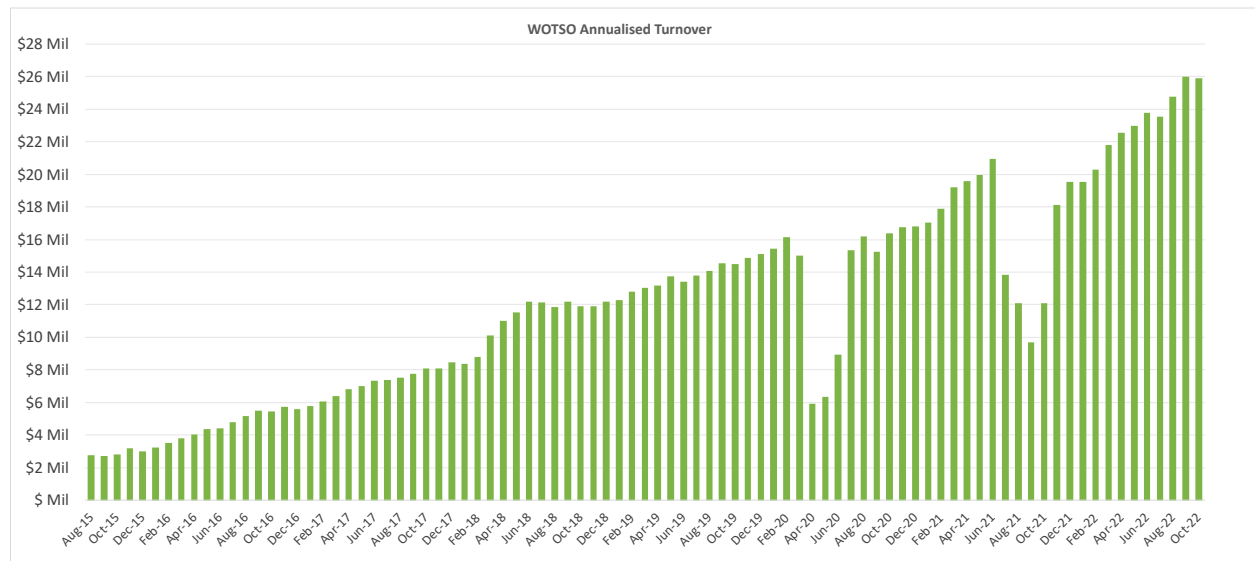
ASX Announcement

BUSINESS UPDATE – NOVEMBER 2022

The Operating Business, WOTSO

WOTSO Turnover and Performance

As at October 2022, WOTSO's annualised turnover* has grown to \$26 million, an increase of 9% over the annualised turnover reported at June 2022.



In our real estate portfolio, WOTSO is generating net revenue of \$430 per square metre in the 22,800 square metres it occupies. This is a 40% premium on what would be achieved under a traditional lease. These higher rates are consistent with WOTSO's objective to produce higher rental returns in the real estate that it occupies. WOTSO, at the end of October 2022, occupies 29% of the WOTSO Property portfolio and contributes 32% of the revenue.

Third Party Leases and Joint Ventures

With third party landlords, WOTSO now occupies nine sites and generates a combined annualised profit of \$1.8 million. All third party leased sites are now profitable including our newest WOTSO Express space at Macarthur Square shopping centre, in the south-west of Sydney, after just 2 months.

WOTSO Third Party Lease Portfolio	Current WOTSO Area SQM	Current WOTSO Profit \$'000	Potential WOTSO Profit \$'000
Start-Up Phase			
Macarthur Square, NSW	296	12	117
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Developing Phase			
Woden, ACT	1,213	52	200
Bondi Junction, SA	753	266	582
Penrith, NSW	484	112	175
North Strathfield, NSW	6,230	15	1,816
	8,680	445	2,773
Mature Phase			
Manly, NSW	2,061	285	898
Neutral Bay, NSW	1,648	153	1,070
Zetland, NSW	2,608	593	758
Chermside, QLD	1,365	321	407
	7,682	1,352	3,133
Total WOTSO Third Party Lease Portfolio	16,658	1,809	6,023

BLACKWALL LIMITED (ASX:BWF) (ACN 146 935 131)

WOTSO PROPERTY (ASX:WOT)

A stapled security comprising:

WOTSO Limited (ACN 636 701 267)

BlackWall Fund Services Limited (ACN 079 608 825) as responsible entity for

BlackWall Property Trust (ARSN 109 684 773)

Planloc Limited (ACN 062 367 560)

50 Yeo Street, Neutral Bay, NSW 2089 Australia

PO Box 612, Neutral Bay, NSW 2089 Australia

Tel +61 2 9033 8611

info@blackwall.com.au

www.blackwall.com.au

WOTSO CookSpace, HealthSpace and Express

We are pleased to announce the launch of three new WOTSO products, CookSpace, HealthSpace and Express. CookSpace and HealthSpace build on WOTSO's existing flexible workspace solution and tailor the product to the needs of hospitality and health professionals. WOTSO Express provides a condensed version of our traditional Workspace model, with a retail shop front.

WOTSO CookSpace provides fully equipped 'dark' commercial kitchen space for the likes of caterers, food start-ups, and food truck operators. WOTSO HealthSpace, with our JV partner Wellshare, offers dedicated consultation space for medical and allied health professionals such as physiotherapists, mental health professionals and other therapists.

Our first CookSpace will launch in Q1 2023 and our first HealthSpace has already launched at our WOTSO North Strathfield location.

The Properties

Our Adelaide property has been independently valued following the latest stage of its development. The \$13 million valuation is \$4.2 million above the June 22 holding value and reflects the repositioning of the asset from two vacant buildings to a combined asset with just 10% vacancy.

Next week we settle on our first New Zealand property in Takapuna, Auckland, with an aim to open our first NZ WOTSO in Q1 of 2023. Following this, debt will have increased by \$19m from June 2022, which has funded this acquisition and added around \$7 million to our cash reserves. Borrowings will then sit at \$146 million with net gearing at 30%. We will continue to look at new facilities over unencumbered assets so that we can move quickly when future acquisitions present themselves.

Upcoming Opportunities

We are working with a number of new and existing stakeholders to bring more WOTSO locations to the suburbs and regions. We are seeing an increasing number of real estate owning businesses looking to include an established flexspace provider in their assets and there is a growing recognition of the benefits of flexspace and WOTSO is an established and expandable solution for these stakeholders. As always we are watching the market for any property acquisition opportunities.

*Annualised Turnover is defined as, monthly revenue multiplied by 12

For further information please contact:

Jessie Glew (Joint Managing Director & COO) on 0438 691 538 or jglew@blackwall.com.au

Tim Brown (Joint Managing Director & CFO) on 0416 925 376 or tbrown@blackwall.com.au

*Authorised for lodgement by
Alex Whitelum, Company Secretary*

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