



ASX Release

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WOTSO WorkSpace to spin off from BlackWall



BlackWall announces that the board has resolved to proceed with a proposal to spin off WOTSO WorkSpace as a stand-alone business. WOTSO is BlackWall's wholly owned flexible workspace operator. The proposal is subject to a number of conditions including shareholder approval and an ATO ruling.

"WOTSO is a highly scalable operating business," said BlackWall director Seph Glew, "Its network now has the capacity to generate over \$30 million of revenue so we feel the time is right for it to stand alone. WOTSO will be better placed to maximise its potential with a separate dedicated management team."

On completion of the demerger, WOTSO intends to list on the ASX in its own right and will expand operations through joint ventures, strategic partnerships or raising additional capital. The aim is for WOTSO to demerge such that BlackWall's 1,200 shareholders will hold their existing BWF shares and receive new WOTSO shares on a pro rata basis.

BlackWall CEO, Stuart Brown, will move across to head up WOTSO. BlackWall founder, Seph Glew, will take the role of BlackWall Chairman. Mr Brown, along with current Chairman Richard Hill and Robin Tedder will remain on the BlackWall board as Non-Executive Directors. Jess Glew will join the BlackWall board, and Tim Brown and Jess Glew will be appointed as BlackWall's joint Managing Directors. WOTSO's board appointments will be announced in due course.

BlackWall launched the WOTSO brand in 2014 and has internally funded its growth to date. Today WOTSO has 17 sites covering just over 34,000 sqm.

The WOTSO network includes a flagship operation at the Bakehouse Quarter in North Strathfield, Sydney. In April 2019 BlackWall settled the sale of the Bakehouse Quarter to YUHU Group and agreed the terms of a leaseback to grow WOTSO's existing Bakehouse operation by 5,100 sqm. WOTSO North Strathfield can accommodate businesses of all sizes under its flexible workspace model.

On the sale of the Bakehouse Quarter over \$100 million of cash was rolled into the BlackWall Property Trust with the effect of doubling its net assets and creating an avenue for BlackWall to expand its property investment activities.

10 of WOTSO's operations are housed in property controlled by BlackWall. Regardless of the demerger, synergies will continue as BlackWall is looking for real estate opportunities that are suitable for the WOTSO model.

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