



21 April 2020

Dear Shareholder,

Amid the current dynamic situation surrounding COVID-19 we wanted to provide an update to shareholders as to how COVID-19 is affecting WOTSO and some changes to its immediate strategy. As of 8 January 2020, WOTSO became an unlisted public company. For every BlackWall share held at the demerger record date, you received a WOTSO share by way of an in-specie distribution.

COVID-19 has had an effect on the co-workspace market. Our response to the crisis, with regard to our members, has been different to many of our competitors. We took the view that there was no point in enforcing cancellation periods and have allowed our members to suspend their membership without penalty until the crisis is over. The vast majority of our customers are small businesses and have proven to be greatly effected by this crisis. Any short term gain we were to make from being heavy-handed was far outweighed by the potential upside of creating goodwill with our members for when this period passes. The response from them has been overwhelmingly positive.

Our revenue for April has declined by 63% however we are already starting to see members return to our spaces and have had new customers sign up. This is some early evidence of what we think could be a real positive for the flexible workspace market. We believe that there will be structural changes coming out of the crisis that could work in our favour. Remote working is now part of everyone's vernacular (we bet it's one of the phrases of 2020!), but many businesses, big and small, now understand that working from home (WFH) has its challenges and for the most part is not sustainable. WFH will not be the remote working solution of choice for most. We hope that WOTSO will be.

WOTSO expects to qualify for the federal government's JobKeeper program and also falls under the mandatory code of conduct with regard to commercial leasing. These initiatives are helping to minimise the impact of the crisis on WOTSO's cashflow. We believe we have enough capital reserves to weather the storm but others may not and this could provide us with further growth opportunities.

We have previously advised that the capital raising through an entitlement offer would proceed in this quarter but this is obviously not a realistic option in the current environment. Once restrictions have been lifted and the road ahead for WOTSO becomes clearer, we will look to complete a capital raising and listing on the ASX. There may be an opportunity later this year but it is more likely that this will take place in the first half of 2021.

Yours Sincerely,

Tim Brown and Jess Glew  
Interim Joint Managing Directors  
**WOTSO Limited**