



ASX RELEASE

16 September 2022

Underwood and Preston properties update

Newmark REIT Management Limited (**NRML**) as the responsible entity of Newmark Property REIT (**NPR**) provides the following update on the Underwood property acquisition and Preston property completion timing.

Underwood acquisition

Further to the ASX announcement on 24 August 2022 regarding the fire that occurred at the Underwood Property on 23 August 2022, NRML advises that settlement of the transaction will not occur in September 2022 due to the extent of the damage, the impact on tenants and other related matters that remain uncertain.

NRML has been advised by the vendor as follows:

- Building 4, housing Officeworks and a number of food and beverage operators, has been significantly impacted and at least the majority, and possibly all, of the building will be demolished and rebuilt. Demolition of part of the building has already occurred. Tenants in unaffected parts of the centre have resumed trading.
- The vendor is in discussions with all affected tenants regarding their leases, rental obligations, abatements and future re-occupation of their premises. The vendor has not advised the final outcome of these discussions.
- The vendor is working with its insurers regarding the reinstatement process and timing and with professional advisers regarding regulatory process and approvals required for the reinstatement of the centre. The time period required to finalise these matters is not yet known.

Given the currently unknown period of time expected to achieve reinstatement, NRML is in discussions with the vendor regarding potential solutions that would be in the best interests of NPR securityholders.

Further updates will be provided when more certain information is available.

Preston development completion delay

The Preston Property was due to be completed in December 2022, with settlement of NPR's acquisition of the property expected to occur in February 2023. NRML has been advised by the builder that the development timetable has been further delayed by an unspecified period as a result of a dispute between the builder and a supplier regarding significant cost escalations. While NRML has not been provided an updated development program, it now expects that the development will not be completed in December 2022 and may not be completed during FY23. As previously disclosed, given the terms and nature of the agreement with Bunnings, NPR is not liable for these cost increases.

Earnings and distributions

NRML affirms its FY23 distributions guidance of 8.9 to 9.1 CPU, based on current information and barring any unforeseen circumstances.

Authorised for release by the Board

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