

NEWPARK REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2015/436550/06)

JSE share code: NRL ISIN: ZAE000212783

(Approved as a REIT by the JSE)

(the “Group”)



ADDITIONAL DISCLOSURE TO SUPPLEMENT THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2020

Further to the interim results for the six months ended 31 August 2020 (“**interims**”), published on 7 October 2020, the following update is provided on the borrowings of the Group and the covenants related thereto:

The Group’s borrowings from Rand Merchant Bank, totalling R500 million, are regulated by the following covenant measures:

Interest cover ratio measured as EBITDA : Net Interest Charged:

a. Covenant required >1,6 times

b. Actual measurement on 31 August 2020 = 1,9 times (headroom in EBITDA of R6,3 million - 15% of actual EBITDA)

Covenant measure met.

Loan to Value measured as Borrowings : Immovable Asset Value (expressed as %) (“**LTV**”)

a. Covenant required <45%

b. Actual measurement on 31 August 2020 = 35,4% (headroom of R294,2 million)

Covenant measure met.

Notwithstanding the current adverse economic climate impacted, inter alia, by the COVID-19 pandemic, the Group’s balance sheet continues to be healthy and supportive of current debt levels which are considered appropriate for the investment property portfolio. It is noted that:

- Three of the four properties owned by the Group have long-term triple-net single tenant leases providing a stable income base for meeting the obligations of the Group.
- The vacancy factor in the only mixed-use building is currently not expected to deteriorate.
- Interest on borrowings is appropriately hedged as detailed in the report on the interims.

30 November 2020

Designated advisor

JAVACAPITAL