



STENPROP LIMITED
(Registered in Guernsey)
(Registration number 64865)
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ISIN: GG00BFWMR296
(**"Stenprop"** or the **"Company"**)

COVID-19 RENTAL COLLECTION AND OPERATIONAL UPDATE

21 April 2020

Following the update announced on 26 March 2020, Stenprop, the UK multi-let industrial (MLI) property company, today provides a further business update in light of the COVID-19 pandemic.

Rent collection

At close of business on 15 April 2020, we had received 73% of the total rent invoiced and due for the aggregate of the quarter commencing 25 March 2020 and the month commencing 1 April 2020, broken down as follows:

- 79% of all rent invoiced was for the quarter commencing 25 March and ending 24 June 2020, of which 77% was paid by 15 April 2020; and
- 21% of all rent invoiced was for the month of April 2020, of which 56% was paid by 15 April 2020.

Operational matters

We are engaging actively with our tenants on an individual basis, particularly those who are experiencing cash flow difficulties as a result of the lockdown measures across Europe. This necessarily involves a detailed understanding of the financial and operating impact of the current crisis on each customer's business and what measures they will be able to take (including accessing Government financial support) to ensure they can manage through the lockdown period and continue to operate successfully thereafter. It is too early to provide any meaningful conclusions on this while the lockdown continues and uncertainty over the timing of a return to normality remains.

Despite the current difficulties, we continue to receive letting enquiries for our UK MLI portfolio through our online digital marketing platform, albeit at a much reduced level. However, the enquiries we do receive are typically focused and urgent requirements with a higher rate of conversion into lettings. Since all Stenprop staff moved to working from home on 16 March 2020, we have completed 16 new UK MLI leases, aggregating to £474,000 per annum of new headline rent over 112,500 sq ft of space, a number of which have been executed entirely digitally through our existing online leasing process. Our experience in having already completed 18 leases using this digital platform prior to 16 March 2020, combined with our digital-first leasing strategy across our Industrials platform, highlights that the initiatives we have been implementing are proving effective and are likely to lead to higher levels of demand in the long term. We continue to invest in the digital platform during this period and will provide more information on this in our Annual Report for the year ended 31 March 2020.

To date, we have not made any redundancies or put any staff on furlough and our entire workforce remains productive and fully engaged, meeting the challenges that we face during the current crisis, aided by our existing cloud-based IT infrastructure and existing operating procedures. Our team remains vigilant and is ready to support businesses or organisations contributing to the efforts in the UK or Germany to fight the COVID-19 pandemic. We have supplied to the NHS a list of all available units in our portfolio should they need space to store or distribute equipment and we have recently completed a short-term, rent-free letting to a food bank charity in Cardiff which has been supplying meals to NHS staff in the city.

Outlook

We remain confident that we are well placed to respond to the challenges of COVID-19. As explained in our previous announcement, our overall loan-to-value ratio (LTV) stands at approximately 40.7% based on the most recent property valuations as at 30 September 2019 and adjusted for subsequent acquisitions and disposals. When unrestricted cash of £60 million is deducted from loans, the LTV falls to 29.6%, which combines with significant headroom in our banking covenants.

While the duration of the crisis remains uncertain, its financial impact upon the business remains difficult to predict. However, Stenprop remains a financially sound business with a capital structure and operating platform which is well placed to deal with a prolonged period of uncertainty and ultimately address, resolve and move on from the current challenges when the time comes.

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About Stenprop

Stenprop is a Guernsey-registered UK REIT. The objective of the Company is to deliver sustainable growing income to its investors. Stenprop's investment policy is to invest in a diversified portfolio of UK multi-let industrial (MLI) properties with the strategic goal of becoming the leading MLI business in the UK. For further information, go to www.stenprop.com.