STENPROP LIMITED
(Registered in Guernsey)
(Registration number 64865)
LSE share code: STP JSE share code: STP
ISIN: GG00BFWMR296
("**Stenprop**" or the "**Company**")

COVID-19 RENTAL COLLECTION UPDATE AND MLI PORTFOLIO UPDATE

5 May 2020

Following the update announced on 21 April 2020, Stenprop, the UK multi-let industrial (MLI) property company, today provides a further update on its rent collection in light of the COVID-19 pandemic and an update on its MLI portfolio for the period from 1 January to 31 March 2020.

Rent collection

At close of business on 30 April 2020, Stenprop had received 81% 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 85% was paid by 30 April 2020
- 21% of all rent invoiced was for the month of April 2020, of which 66% was paid by 30 April 2020

For the MLI portfolio an aggregate of 75% of total rent invoiced had been paid by 30 April 2020.

We continue to be in close contact with our customers and expect to recover further rent in due course.

MLI PORTFOLIO UPDATE FOR Q1 2020

Continued leasing progress and rental growth in the first quarter

- We completed 28 new lettings and 25 lease renewals, totalling 186,513 sq ft and generating £1.03 million per annum of contractual rental income. The average rental uplift on the previous passing rent was 34% for new lettings (previous quarter: 14%) and 20% on lease renewals (previous quarter: 12%). The average rental incentive given across all new lettings and renewals was 2.3 months on an average term to break of 4 years (6.1 years to lease expiry).

- The average rent on the MLI portfolio as at 31 March was £5.27/sq ft (previous quarter: £5.19/sq ft), reflecting a 1% increase in passing rent from the previous quarter. As at 31 March the passing rent was 9.2% below the average estimated rental value of the portfolio of £5.80/sq ft (previous quarter: £5.61/sq ft).

- The vacancy rate as at 31 March stood at 7.3% (excluding Coningsby Park, Peterborough), up from 5.8% at the end of the previous quarter. The vacancy rate including Coningsby Park, Peterborough was 8.9%, up from 7.5%. Of the total increase in vacancy of 73,500 sq ft, 25% related to one large unit at Old Mill Industrial Estate, Preston, whilst 29% was due to receiving back three units totaling 14,000 sq ft and acquiring a vacant long leasehold interest of 7,500 sq ft at Capital Business Park, Cardiff.

- The most significant transactions completed were a letting of 71,000 sq ft at Greenfield Business Park in Holywell on a 10-year term with a break in year five and three months' rent-free incentive and a letting of

10,000 sq ft at Lea Green Business Park in St Helens for a six-year term without a break with three months' rent-free incentive.

Acquisitions

We completed the acquisition of two multi-let industrial estates, Brookfoot Business Park in Brighouse and Clarendon Court in Warrington, for a total of £9.7 million. The estates comprise 49 tenants across 142,000 sq ft with an average occupancy rate of 95% and provide an additional £803,000 of rental income per annum, which is equivalent to £5.94/sq ft.

We also acquired a long leasehold interest of 7,500 sq ft at Capital Business Park, Cardiff, which had been sold off by the previous owner. The modern unit, which is vacant and in need of refurbishment, was acquired for £364,000 at auction from the government following a proceeds of crime confiscation, and the price reflected a £50 capital value per sq ft, reflecting a 37% discount to the valuation on the rest of the estate.

Paul Arenson, CEO, said:

"We are very pleased with the progress we have made on rent collections. Our ability to be in direct communication with our customers has assisted significantly in this process and we expect to make further progress on these collection rates over time.

"During the first quarter the occupational market performed strongly as a result of an uptick in business confidence following the General Election in December 2019. We completed a high number of lettings and renewals substantially ahead of previous passing rents, albeit overall occupancy declined due to a few large units being returned to us at lease expiry, as anticipated".

At 31 March 2020 MLI comprised 57.3% of Stenprop's portfolio and Stenprop's loan-to-value ratio (LTV) was 40.8%. When unrestricted cash of £60 million was added to this measure our overall LTV was 29.5%.

The financial information on which this portfolio update is based has not been reviewed or reported on by the Company's external auditors.

1. Contractual Rental Income represents the annual income secured from a lease contract ignoring any incentives and break options in the lease.
2. These figures are based on our September 2019 valuations adjusted for subsequent acquisitions and disposals and changes in foreign exchange rates.
3. Calculated as gross borrowing less unrestricted cash, divided by gross asset value based on our September 2019 valuations adjusted for subsequent acquisitions and disposals and changes in foreign exchange rates.

For further information:

Stenprop Limited Paul Arenson Julian Carey James Beaumont	+44(0)20 3918 6600
Numis Securities Limited (Financial Adviser) Hugh Jonathan Vicki Paine	+44(0)20 7260 1000
Tavistock (PR Adviser) James Whitmore Jeremy Carey	+44(0)20 7920 3150
JSE Sponsor Java Capital Trustees and Sponsors Proprietary Limited	+27(0)11 722 3050

About Stenprop

Stenprop is a UK REIT listed on the LSE and the JSE. 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.