



**STENPROP LIMITED**

(Registered in Guernsey)

(Registration number 64865)

LSE share code: STP JSE share code: STP

ISIN: GG00BFWMR296

("Stenprop" or the "Company")

21 December 2020

**STENPROP TAKES SIGNIFICANT STEP TOWARDS 100% MULTI-LET INDUSTRIAL FOCUS WITH SALE OF VICTORIA RETAIL CENTRE IN BERLIN**

**€37.45 million sale will increase MLI portfolio weighting to 68%**

Stenprop, the UK multi-let industrial ("MLI") property company, announces that it has exchanged contracts on the sale of its freehold interest in the Victoria Centre in Berlin, Germany (the "disposal") to Art-Invest Real Estate Funds GmbH for €37.45 million. The disposal price is at our 30 September book value and reflects a 19.3% (€6.05 million) premium to the 31 March 2020 book value<sup>^</sup>.

The disposal of this retail centre is in line with Stenprop's strategy to become a 100% UK MLI business via the sale of all non-core properties in its portfolio and the reinvestment of the proceeds into UK MLI properties. Since 30 September 2020, Stenprop has acquired five MLI estates totalling £25.8 million which have taken the percentage of MLI in the portfolio to 64% (based on September 2020 book values and purchase prices for the recently acquired assets). Following completion of the sale of the Victoria Centre, this percentage will rise to 68%.

Net proceeds from the sale after deduction of anticipated transaction costs, repayment of debt and property taxes is expected to be €24.1 million. Stenprop intends to use the net proceeds from the disposal to fund further acquisitions in UK multi-let industrial property.

Providing 13,718 sqm of gross lettable space, the Victoria Centre is let to eight tenants and anchored by supermarket chain Kaufland. The weighted average rental is currently circa €10.60 per sqm.

**James Wakelin, Head of debt and special projects at Stenprop, commented:**

"Our second Berlin retail centre disposal, achieved at a 19.3% premium to our March valuation, underlines both the strength of these assets and their appeal to the German domestic investor market as well as our ability to successfully execute on our stated asset management initiatives. The sale will allow us to continue our MLI acquisition programme in the UK, which has accelerated since the summer with the addition of 790,000 sq ft of new MLI space added to the portfolio."

Completion of the disposal is expected to occur upon satisfaction of the last conditions precedent described below and by no later than six months after the date of exchange, following which the disposal price will be paid to the seller. Failure to complete due to a default by the purchaser will result in the seller retaining the deposit amount of €3.745 million which was paid by the purchaser into an escrow account on 18 December 2020. Either party may terminate the disposal agreement should the property suffer significant structural damage resulting in rent losses exceeding 40% over a period of six months.

The disposal agreement contains market standard representations and warranties for a deal of this size and nature. A retention of €2.5 million from the purchase price will be held in an escrow account in respect of claims against and for certain liabilities of the seller under the disposal agreement for a period of up to 13 months.

Completion of the disposal is subject to the following conditions precedent:

- Confirmation that the municipality has not exercised its pre-emption right;
- Registration of a priority notice in favour of the purchaser in the land registry; and
- Deletion of existing encumbrances

<sup>^</sup>The property was valued at 30 September 2020 at the sales price of €37.45 million by the directors of the Company. The directors of the Company are not independent external valuers and are not registered as professional valuers in terms of the Property Valuers Professions Act, No.47 of 2000 or with the Royal Institution of Chartered Surveyors. The net operating profit attributable to the

property for the six months ending 30 September 2020 was €0.58 million. This information has been extracted from Stenprop's interim results for the six months ending 30 September 2020 which were prepared under International Financial Reporting Standards.

Stenprop has a primary listing on the Main Board of the Johannesburg Stock Exchange and a listing on the Specialist Fund Segment of the Main Market of the London Stock Exchange. This disposal is classified as a category 2 transaction in terms of the JSE Listings Requirements. Accordingly, it is not subject to approval by shareholders.

**For further information:**

**Stenprop Limited**

+44(0)20 3918 6600

Paul Arenson (paul.arenson@stenprop.com)

Julian Carey (julian.carey@stenprop.com)

James Beaumont (james.beaumont@stenprop.com)

**Numis Securities Limited (Financial Adviser)**

+44(0)20 7260 1000

Hugh Jonathan

Vicki Paine

**FTI Consulting (PR Adviser)**

+44(0)20 3727 1000

Richard Sunderland

Richard Gotla

Neel Bose

Stenprop@fticonsulting.com

**Java Capital**

+27 (0)11 722 3050

**(JSE Sponsor)**

**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](http://www.stenprop.com).