



STENPROP LIMITED

(Registered in Guernsey)

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(“**Stenprop**” or the “**Company**”)

1 April 2021

STENPROP COMPLETES FURTHER GERMAN RETAIL ASSET SALES AND THE ACQUISITION OF A MULTI-LET INDUSTRIAL ESTATE IN SWINDON

Stenprop, the UK multi-let industrial (“MLI”) property company, announces that it has completed several transactions which further progress its strategic goal of becoming a fully focussed MLI REIT and comprise:

- the acquisition of the Headlands Trading Estate in Swindon for £7.4 million;
- the disposal of the Bikemax portfolio of five German retail warehouse units based on a property value of €27 million; and
- the sale of the Victoria Centre retail property in Berlin for €37.45 million, having announced that contracts had exchanged on 21 December 2020.

The sales of all the German assets were based on the 30 September 2020 book values, having been written up from the 31 March 2020 valuations to their anticipated disposal prices due to the sales process being progressed at that time. The anticipated transaction costs were also taken into account in determining the Company’s NAV per share as at 30 September 2020.

Headlands Trading Estate provides 106,000 sq ft of MLI space across 19 units and is fully let to a diverse occupier base. The acquisition price reflects a net initial yield of 7.1% and a capital value of £70 per sq ft. The estate offers several asset management and development opportunities to help drive future income. Located in a densely populated urban area with strong market dynamics, the estate currently generates a total annual passing rent of £561,115 p.a., equating to a low average rent of £5.31 per sq ft.

This purchase means that Stenprop has completed 14 separate UK MLI acquisitions this financial year, with an aggregate purchase price before costs of £91.5 million.

The completion of these three transactions takes Stenprop’s portfolio to over 73% MLI based on September 2020 valuations. Following the completion of the sale of Hermann Quartier (which was announced on 29 December 2020), the percentage of UK MLI within the Company’s portfolio will rise to over 75%, based on September 2020 valuations.

Paul Arenson, CEO at Stenprop, commented: “To have undertaken over £90 million of acquisitions and €122 million of sales (including Hermann Quartier) over the last 12 months is a significant achievement for the Company, which has enabled us to meet the purchase and disposal targets we set ourselves at the beginning of the financial year. This is a particularly strong performance when one considers that the period coincided with the advent of the Covid-19 pandemic and the first of several lockdowns in both the UK and Germany. Our confidence to recommence our UK MLI investment programme, after initially freezing acquisitions and focusing on cash preservation during the first quarter of the pandemic, was boosted by our ability to get early visibility of increasing tenant enquiry levels from our digital marketing platform and to transact leases online. It soon became clear that the lock down had led many businesses to seek online solutions, which increased or altered their space requirements and drove tenant demand for MLI units.

“We remain confident of meeting our target to become a 100% focused MLI business by this time next year and look forward to setting out our post-transition vision for Stenprop when we announce our annual results in June.”

This announcement is voluntary and for information purposes only.

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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.