17 April 2020

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

Panther Securities PLC

(the "Company" or the "Group")

COVID-19 and dividend update

The Company today provides an update on the impact of the evolving global COVID-19 pandemic on the Group's business.

In the worst health crisis of a generation our thoughts are with those affected both personally or financially due to the consequences of the pandemic or the actions taken to protect us.

We anticipate that we will announce our results for the year ended 31 December 2019 in early May. This will have more detail on the current situation as well as the usual review of the 2019 year.

Our approach

In these circumstances we are approaching requests from tenants for rental relief on a case by case basis. In general, we have been supportive to our tenants, particularly the smaller and independent traders that are less resilient to the enforced closures. With those who have bigger shoulders than us we have applied more pressure to continue to have them honour their obligations. However, in all instances we believe that our approach is sensible and for the best long-term interest of our shareholders. As well as monitoring income, we have, where possible, reduced our overheads and kept good communication with our stakeholders, including our lenders.

Our income during the pandemic lockdown

We have a large spread of tenancies and a robust income stream, which the Directors believe is much stronger than other comparable property investment businesses of our market size, as we favour property investments of a secondary nature, which are higher yielding and generally multi-let.

We estimate that approximately 41% of our rental income comes from businesses that have not been forced to close or been recommended to close under government guidelines. The annual income from these businesses is approximately £5.6m and would be enough to cover our interest obligations to our lenders of approximately £4.1m and most of our overheads. We also took advantage of the market in 2018 by selling £41m of property, realising a profit of £11m. We substantially de-geared the Group's balance sheet at that time which left us with bank facilities that we were able to re-draw and also cash funds. We currently have over £12.5m of free cash in our current account to utilise on top of any potential income.

Given our cash funds, potential income and the significant quantum of uncharged properties, the Directors believe that the Group has sufficient liquid resources to continue trading for at least a further 21 months and probably even longer. This is on a “worst case” basis, where the lockdown is maintained at the current level of restrictions over the whole of that period.

Future earnings

The Directors believe that it is too early to tell what impact the pandemic virus will have on our results for the year ending 31 December 2020, but of course it will not have a positive effect.

Dividend

We are very proud of our dividend track record and our Chairman believes that we have a 37-year track record of never reducing or missing a dividend. As such it is the Directors’ current intention to pay a further 6p per share dividend to our loyal shareholders for the year ended 31 December 2019. We have significant cash reserves and distributable reserves to justify this dividend.

Loan renewal

Mainly earned by our actions over successive financial downturns, we are fortunate to have lenders who have been very supportive to date, as evidenced by our ability to draw down. We have recently drawn £4m of our unutilised bank facility and our lenders have also provided access to a further £1.5m of restricted funds (restricted to approved property purchases). This £5.5m is included in the available cash balances mentioned above.

We have had positive discussions with our lenders regarding our loan renewal and the Directors are confident that we will conclude negotiations later in the year after the lockdown ends or, if this is not possible, they believe that the lenders will be amenable to a short term extension. Our current loan matures in April 2021 so we do have time on our side.

Andrew Perloff, Chairman, said:

"Even in these extremely difficult times we are confident our Group will come through and continue to thrive over the years ahead."

For further information:

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