

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")
Trading update and special dividend**

Significant letting

In our interim accounts we stated that we had agreed a substantial letting on our industrial building in Maldon. It is pleasing to confirm that we have now completed a three year lease for a rental of £650,000 p.a. from November 2018, and will still have some space available which will yield further rentals when let.

As a reminder, we refurbished this unit with surrender payments for dilapidations, which included carrying out roof works for £315,000. In total we have spent circa £600,000 on this property since our tenant vacated. This property was previously let for £500,000 p.a., and we received £1,950,000 to accept a surrender in March 2017 *in lieu* of dilapidations and loss of future rental.

This is useful additional income following our recent disposals.

Beales Ltd

Beales Ltd ("Beales") was previously owned by Portnard Ltd, which owns 47% of Panther Securities PLC. In October 2018, Beales was sold to its management and now have additional backing from a private equity house. This did not change any trading or commercial relationship with the Panther Group.

Beales has circa £1 million of rental arrears, mainly relating to its company voluntary arrangement (CVA) period, which it has not managed to catch up on. We are in negotiations with the new owners regarding Beales getting back up to date by April 2019, but will likely need to allow for a discount on these historic arrears. The current rental arrears provision, which has already been recognised, covers the loss that we will likely take on the discount.

Purchase – Palmers Departments Stores, Lowestoft and Great Yarmouth

We have purchased the following two freehold properties:

Great Yarmouth

This store is situated in the main shopping square and contains about 57,000 sq ft of useable space. It also owns about half of the Council run car park immediately behind the store, from which it derives a substantial income.

The store is based at 37-39 Market Place, Great Yarmouth, NR30 1LU. This was purchased at a cost of £1,500,000 (excluding acquisition costs, stamp duty and legal costs) and is subject to a leaseback at £132,500 p.a.

Lowestoft

The store is based at 66 to 76 (even numbers) London Road North, Lowestoft. This was purchased at a cost of £850,000 (excluding acquisition costs, stamp duty and legal costs) and is subject to a leaseback at £75,000 p.a. This property contains about 19,000 sq ft in the prime pedestrianised shopping position in the town, with many well-known multiple traders adjoining and nearby.

Both the Lowestoft and Great Yarmouth properties are let on three year leases with a tenant's option for a further three years at a revised rent. These are both department stores that have been trading in the area for over 100 years.

These properties meet the Group's criteria in that there is good short-term income and substantial property value, and we feel that in the medium to long-term we can realise strong growth via potential alternative uses.

Since we completed our purchases, Beales have taken assignment on both leases. Beales were previously in discussions with Palmers, but broke off discussions when the management buyout of Beales was being arranged and picked up these discussions again at a later stage and completed the assignment.

We believe that the assignment is beneficial for the Panther Group as we obtained better security, plus there is a likelihood that Beales will aim to trade from these premises for more than the existing lease term.

Purchase – Debenhams Department Store, Dumfries

On 30 November 2018, we completed the purchase of a freehold of Debenhams Department Store in Dumfries for £1,100,000. The property is relatively modern and contains 46,000 sq ft, with 15,000 sq ft of this being on the ground floor in a prime pedestrianised position. The rental income is £350,000 pa and it has a lease that expires in 2037 with no breaks.

Given the well-publicised issues this tenant is facing, the property could be considered to be slightly speculative, but if Debenhams were to fail, we believe we could divide up the property relatively easily and re-let, and still receive a high yield.

Bumper year

As mentioned in our interims, 2018 is likely to be the best year that the Group has ever experienced, in terms of real cash generated and realisations from sales of property. As such we are proposing to celebrate this with another special dividend.

A special dividend of 15p per share will be paid to shareholders on 17 January 2019 (ex-dividend on 27 December 2018 to shareholders on the register on 28 December 2018).

In the light of the exceptional sales in the period and the prospects for the subsequent period, the Board will assess the opportunities available to the Group, but expects to pay a total of no less than 12p per share for the year ending 31 December 2018 (with 6p of this sum having already been paid on 29 November 2018 as an interim dividend).

Prospects

Even with the additional pay outs for dividends, we remain in a strong position to weather uncertain economic conditions and have funds available to take advantage of investment opportunities for the long term benefit of our shareholders.

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