

Drum Income Plus REIT plc
("Drum" or the "Company")

Unaudited Net Asset Value as at 31 March 2020

Drum Income Plus REIT plc (LSE: DRIP) announces its unaudited net asset value ("**NAV**") as at 31 March 2020.

Summary

Period from 1 January 2020 to 31 March 2020

- The NAV is £30.28m at 31 March 20. (31 December 2019 £32.52m).
- NAV per share at 31 March 20 of 79.26p (31 December 2019 of 86.38p).
- The independent valuation of the property portfolio as at 31 March 2020 was £53.3m (31 December 2019: £55.35m).
- Earnings per share (excluding revaluation gains and losses on fair value of investments) for three months ended 31 March were 1.08p.
- Dividend paid during the quarter of 1.50p.
- NAV total return (NAV movement plus dividend paid) of -7%.

Covid-19 update

The Board and the Manager are taking every precaution to safeguard the health and wellbeing of staff, occupiers and stakeholders. We are continually monitoring our assets in light of the outbreak of Covid-19 and our primary focus through this exceptionally challenging period is to ensure that the portfolio is well positioned to begin its recovery once the Covid "lockdown" restrictions are lifted and our tenants can begin to generate income again. We are focused on preserving the long-term value and financial strength of the Company.

However, Covid-19 has had and will continue to have a material impact upon the trading performance of the Company. The NAV has reduced 7% in the quarter, largely due to the investment property valuation reducing by 4% across the retail and shopping centre assets. This is a direct consequence of Covid-19. In common with all valuations being carried out at this time, the valuation report is subject to a material uncertainty clause and further valuation and NAV reductions are likely as rent collections will continue to remain under pressure until trading conditions for tenants begin to improve.

The rent collection statistics for the March 2020 quarter, which encompasses the Scottish quarter starting 28 February 2020 (pre Covid "lockdown") and the English Quarter starting 25 March 2020, are as follows:

- Scotland 91%
- England 58%
- Overall 68%

A clearer picture of the impact of Covid-19 will emerge as we monitor rent collections for the 28 May Scottish quarter and the 25 June English quarter in the coming weeks.

The Board has established a weekly reporting protocol with the Manager and Administrator to ensure all necessary actions are in place to secure rental receipts, reduce operating costs where possible, monitor and manage cashflow and meet liabilities as they fall due. As at 31 March 2020, the Company had cash balances of

£0.54 million and borrowings of £22.76 million. The Company has a £25M facility in place with no need to refinance until 30 September 2022.

Dividends

In the light of the exceptional circumstances affecting global economies and markets and particularly given the current uncertainty that the impact of Covid-19 will have on future rental receipts, the Board has taken the decision to preserve cash and suspend interim dividends for the next 2 quarters. The position will be reviewed again for the September 2020 quarter, which is also the Company's year-end

Unaudited NAV (As at 31 March 2020)

	£m	Pence per Share
NAV as at 31 December 2019 (revised)	32.52	85.14
Property portfolio valuation movement	-2.05	-5.37
Capitalised costs	-0.06	-0.16
Rent free debtor movement	0.04	0.11
Income earned for the period	1.00	2.62
Expenses for the period	-0.43	-1.10
Interest paid	-0.17	-0.44
Dividend paid	-0.57	-1.50
Unaudited NAV as at 31 March 2020	30.28	79.26

The NAV has been calculated in accordance with International Financial Reporting Standards and incorporates the independent portfolio valuation as at 31 March 2020 and income for the period. The earnings per share for the period from 1 January 2020 - 31 March 2020 (excluding revaluation gains and losses on fair value of investments and expenses charged to capital) were 1.08p.

Current Portfolio

Location	Dec-19		Mar-20	
	Value	% Weighting	Value	% Weighting
North East	£15,400,000.00	27.82%	£14,400,000.00	27.02%
Scotland	£18,250,000.00	32.97%	£18,100,000.00	33.96%
North West	£18,200,000.00	32.88%	£17,600,000.00	33.02%
South West	£3,500,000.00	6.32%	£3,200,000.00	6.00%
	£55,350,000.00	100.00%	£53,300,000.00	100.00%
Sector	Dec-19		Mar-20	
	Value	% Weighting	Value	% Weighting
Office	£25,800,000.00	46.61%	£25,700,000.00	48.22%
Shopping Centre	£13,000,000.00	23.49%	£12,000,000.00	22.51%
Retail	£15,150,000.00	27.37%	£14,200,000.00	26.64%
Industrial	£1,400,000.00	2.53%	£1,400,000.00	2.63%
	£55,350,000.00	100.00%	£53,300,000.00	100.00%

The properties were valued at £53,300,000 as at 31 March 2020 (31 December 2019: £55,350,000) by Savills (UK) Limited ('Savills'), in their capacity as external valuers. The fair value of investments adjusted for lease incentives of £429,987 was £52,870,013 (31 December 2019: £54,877,347). Capitalised costs for the quarter were £59,997 (31 December 2019: £47,346).

Key KPIs		
	Dec-19	Mar-20

Total Number of Units	104	106
Total Number of Tenants	89	88
Total SQFT	336,303	336,303
Vacancy (% SQFT)	9.60%	10.70%
Vacancy (% ERV)	9.80%	10.50%
WAULT (Expiry)	5.66	5.79
WAULT (Breaks)	4.6	4.43

Asset Management Overview and Update

Monteith House, Glasgow

A new 10 year lease has been agreed with SDS subject to securing vacant possession of two floors. Given the ongoing lockdown this will be secured later in the year.

Burnside Industrial Estate, Aberdeen.

A New Lease for a term of 5 years has been agreed with Weldsy Limited at a rent of £20,000pa .A further new lease has been entered into at Unit 4 to Grampian Geotechnical (Scotland) Limited at a rent of £29,995 pa for a period of 10 years. The tenant has a break option in year 6.

108 Eastern Avenue Retail Park, Gloucester

Following external advice the decision has been made to appeal the refusal of the planning application on the former Office Outlet unit. The appeal has now been submitted.

Gosforth Shopping Centre, Gosforth

A lease extension for a period of 5 years is currently being documented with Costa Coffee.

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Important information:

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

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