

Admiral Taverns Rent Policy (Scotland Pubs) for June 2021 onwards

Dear Licensee,

I hope that you are well and are either already trading indoors or are looking forward to doing so imminently.

On average, we have seen strong sales outdoors across the UK, which is particularly encouraging given the recent poor weather. On Monday this week, average beer sales in Admiral Taverns pubs that traded were up nearly 50% in comparison with a typical pre-COVID Monday. All of this points to strong pent up demand to enjoy a pint in the local pub and I believe this is also the case in Scotland. I hope you personally have had, or will soon have, the opportunity to welcome both regulars and new faces into your pub.

It has been fantastic to see the improvements many of you have made, often with support from Admiral Taverns, in your outdoor spaces and the internal redecorations too. I'm sure these changes will repay very quickly over the summer months.

Please rest assured we are continuing to work with the trade bodies and Scottish government to ensure the removal of all restrictions from late June. We are also pushing Local Authorities to complete the payment of grants and are lobbying for an economic recovery plan on behalf of pubs across the UK. Please let us know if you require specific assistance with your Local Authority or MSP.

We wrote to you in April confirming May's rent payable, and said we would write again when we were in a position to confirm the June onwards position.

As you know, we have offered significant rent credits since March 2020, starting with the initial rent-free period of 6 weeks, and since then have always based our approach upon a detailed assessment of affordability in light of costs, government support and ability to trade. We have now completed our latest assessment and can confirm rent policy for June 2021 onwards as follows subject to your continued occupation and the remaining term of your tenancy agreement:

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June: You will receive a rent credit of 25% per month (reducing the net payable to **75%** of your agreement level), subject to a floor annual rent payment level of £5,200. Full insurance and service charges.

July onwards: Rent at **100%** of your agreement level. Full insurance and service charges.

We can now also confirm the following timeline for the re-introduction of all other regular charges as follows. These services and therefore charges apply to varying extents in accordance with your specific agreement:

From 1st June 2021, the following charges to be levied at 100%

- Utilities
 - Inside Track
 - Accountancy / Stocktaking
- and
- Tie Release Fees to be charged at 75% (consistent with the rent %)

From 1st July 2021, the following charges to be levied at 100%

- Fixtures and fittings (F&F) rental
- Inventory Purchase agreements (IPAs)
- Deposit, dilapidations and any other build-ups
- EPOS (electronic point-of-sale tills)
- Tie Release Fees

Yours sincerely,

Chris Jowsey
Chief Executive Officer