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*This announcement is an advertisement and not a prospectus. This announcement does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities in Ediston Property Investment Company PLC (the "**Company**") or securities in any other entity, in any jurisdiction, including the United States, nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction. This announcement does not constitute a recommendation regarding any securities. Any investment decision must be made exclusively on the basis of the final prospectus published by the Company and any supplement thereto.*

20 November 2017

**PUBLICATION OF PROSPECTUS AND CIRCULAR**

**The Proposals**

Further to the announcements made by the Company on 6 October 2017 and 15 November 2017, the Board of Directors of the Company is pleased to announce that the Prospectus and Circular have been published in respect of the Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer (the "**Share Issue**") and the Acquisition.

Proceeds of the Share Issue will be used, in conjunction with cash from the Company's existing cash resources, new debt facilities and the issue of New Shares to the Stadium Group, to fund the acquisition of the New Portfolio of four high quality, well located UK retail warehouse parks, with an aggregated value of approximately £144 million (the "**Acquisition**").

The Acquisition is conditional, *inter alia*, upon minimum proceeds of approximately £37 million being raised under the Share Issue, Shareholders voting in favour of the Acquisition and the issue of New Shares on a non pre-emptive basis. The Proposals are expected to complete on 8 December 2017.

The Board is proposing to issue up to 150 million New Shares, pursuant to the Share Issue and the Vendor Issue, at a Share Issue Price of 111.75 pence per New Share. The adjusted NAV per Share as at 31 October 2017, used for pricing the Share Issue, was 110.21 pence once the accrued dividend for the month ending 31 October 2017 which is payable in November and the costs that would be incurred if the Proposals did not complete have been deducted.

Priority will be given to Existing Shareholders who wish to participate through the Open Offer. The entitlements of Existing Shareholders to participate in the Open Offer will be calculated on the basis of one New Share for every two Ordinary Shares held on the Record Date.

The Stadium Group has agreed to subscribe for a maximum of, in aggregate, £36.5 million of New Shares pursuant to the Vendor Issue. The Vendor Shares will be issued at the Share Issue Price. As a result of the Vendor Issue, the Vendors are expected to hold, in aggregate, a significant

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Save as otherwise defined in this announcement or where the context otherwise requires, terms defined in the prospectus shall bear the same meaning in this announcement.

shareholding in the Company and have undertaken to retain their shareholding for a period of not less than 12 months and to have orderly marketing arrangements in place for 12 months thereafter.

The Board is also putting in place a Placing Programme for up to 60 million New Shares which, if separately approved, will commence following the completion of the Acquisition and Share Issue and will be used to help finance further property acquisition opportunities over the next twelve months.

The Prospectus and Circular provide further details of the Acquisition, the Vendor Issue, the Share Issue and the subsequent 12 month Placing Programme. The Circular will also provide Shareholders with notice of the General Meeting of the Company at which Shareholders will be asked to consider and, if thought fit, pass the Resolutions to approve the Acquisition and issue of New Shares on a non pre-emptive basis pursuant to the Proposals.

The Board and its advisers have consulted with a significant proportion of Existing Shareholders and a number of potential new investors on the Proposals. The outcome of these discussions continues to be positive, both in terms of support for the Acquisition and the fundraising by the Company. The Board considers the Proposals to be an important next step in the development of the Company and is encouraging support for them.

### **Benefits of the Proposals**

The Board believes that the Proposals offer the following significant benefits for all Shareholders.

- The rental income generated from the New Portfolio is accretive to the overall income per Share and should therefore enhance the dividend cover over the medium term from its already fully covered position.
- Over the past 18 months the Manager has looked at a number of different opportunities all of which would have been dependent on raising equity in advance with the risk of income dilution before the capital was invested. The proposed Acquisition significantly reduces that risk.
- The Acquisition will increase the Group's exposure to the retail warehouse sector which the Board and the Manager consider offers attractive value relative to other sectors within the property market.
- The Acquisition will further diversify the tenant base and geographical exposure of the Property Portfolio, with the new leases expected to reduce the impact of the Group's exposure to its top ten tenants from 62 per cent. to 46 per cent. of total rental income.
- The Acquisition is expected to improve the quality of income by increasing the weighted average unexpired lease term in the Property Portfolio from 6.19 years to 6.78 years.
- Existing Shareholders will benefit from lower transaction costs through, *inter alia*, the structuring of the costs attributable to the Share Issue and the acquisition of the SPVs which currently hold the New Portfolio compared to the typical costs of transactions of a similar

nature and, in particular, the typical costs of acquiring UK commercial real estate.

- The Acquisition will introduce a number of asset management opportunities which should enhance returns to Shareholders, being consistent with the Company's and the Manager's investment style and income strategy. The Manager believes that there is credible growth potential within the New Portfolio and scope to improve the income stream of each retail warehouse park.
- In the event that the Company raises proceeds in excess of the minimum required to complete the Acquisition or issues New Shares under the Placing Programme, the Company will have increased cash resources that can be deployed in other property acquisitions or other asset management opportunities in line with the Manager's active style of investment management.
- The Share Issue and the subsequent Placing Programme provide the opportunity to increase the market capitalisation of the Company which should increase liquidity in the Ordinary Shares and the attractiveness of the Company to new investors.
- Increasing the Company's issued share capital through the Share Issue, the Vendor Issue and the subsequent Placing Programme, will also result in the fixed costs of the Group being spread over a larger asset base. The ongoing charges ratio of the Group will, therefore, be reduced.

For the reasons set out above, the Board is recommending that Shareholders vote in favour of the Proposals at the General Meeting of the Company to be held at 9.30 a.m. on 7 December 2017 at 39 George Street, Edinburgh EH2 2HN.

### **Reduced management fees**

As part of the Proposals, the Manager has agreed to reduce future management fees payable on any cash available for investment (being all cash held by the Company except cash required for working capital and capital expenditure) by 50 per cent. while such cash remains uninvested. The AIFM Agreement has been revised accordingly.

### **Increase in dividend**

As announced on 15 November 2017, the Board intends to increase the annualised dividend level by 4.5 per cent., from 5.5p per Share to 5.75 pence per Share, in the absence of unforeseen circumstances. This new dividend level commences with the dividend in respect of the month ending 31 January 2018 which will be paid in February 2018.

### **Further details of the Share Issue**

The Company is proposing to issue up to 150 million New Shares under the Open Offer, Initial Placing, Offer for Subscription and Intermediaries Offer (representing approximately 89.57 per cent. of the Company's current issued share capital) to raise approximately £131.1 million. The Share Issue has been structured to give priority to Existing Shareholders who want to participate in the

fundraising, but also to provide the opportunity for new investors to subscribe, including retail investors through the Offer for Subscription and the Intermediaries Offer.

The Share Issue Price is 111.75 pence per New Share representing a premium of 1.4 per cent. to the Adjusted NAV per Share as at 31 October 2017.

The Directors intend to allocate 15 million New Shares to the Intermediaries Offer, which will not be subject to scaling back.

Under the Open Offer, up to approximately 65.45 million New Shares will be made available to the Company's existing shareholders at the Share Issue Price, *pro rata* to their holdings of Ordinary Shares in the Company as at close of business on 17 November 2017, being the Record Date. The entitlements of the Company's Existing Shareholders will be calculated on the basis of one New Share for every two Ordinary Shares held as at the Record Date. An excess application facility is available under the Open Offer, where existing Shareholders can apply for more than their basic entitlement, satisfaction of which will depend on other Shareholders applying for less than their full entitlement.

The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back in favour of any of the Initial Placing, Offer for Subscription or the Intermediaries Offer.

Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility may be reallocated to the Initial Placing, Offer for Subscription and/or the Intermediaries Offer.

### **Costs of the Proposals**

The costs and expenses of the Share Issue, the Vendor Issue and the Acquisition are partly dependent on the level of subscriptions. Assuming only the Minimum Issue Proceeds of approximately £37 million are raised and that the maximum number of Vendor Shares are issued (being approximately 32.6 million) the costs of the Share Issue, the Vendor Issue and the Acquisition would be approximately £2.4 million (of such costs approximately £1 million relate to the Share Issue). In the event the Proposals do not proceed, the abortive costs would be approximately £0.85 million. These costs are lower than the typical costs incurred in relation to transactions of a similar nature and, in particular, the typical costs of acquiring UK commercial real estate.

### **Indicative timetable**

An indicative timetable of principal events is as follows:

<b>Event</b>	<b>Indicative Timing</b>
Record Date for entitlement under the Open Offer	close of business on 17 November 2017
Publication of Circular and Prospectus	20 November 2017
Open Offer Initial Placing, Offer for Subscription and Intermediaries Offer opens	22 November 2017
Latest time and date for receipt of forms of proxy	9.30 a.m. on 5 December 2017
Latest date for receipt of Application Forms under the Open Offer and Offer for Subscription	11.00 a.m. on 6 December 2017
Latest time and date for receipt of application forms under the Intermediaries Offer	11.00 a.m. on 6 December 2017
Latest date for receipt of commitments under the Initial Placing	12.00 p.m. on 6 December 2017
Results of the Share Issue announced	By close of business on 6 December 2017
General Meeting	9.30 a.m. on 7 December 2017
Results of the General Meeting announced	7 December 2017
Admission and dealings in New Shares commence and completion of the Acquisition	8 a.m. on 8 December 2017

A more detailed timetable will be included in the Prospectus.

### **General**

In deciding whether or not to vote in favour of the Resolutions at the General Meeting to implement the Proposals, Shareholders should rely only on the information contained in, and should follow the procedures described in, the Circular and the Prospectus.

Copies of the Prospectus and Circular will shortly be available for inspection at the National Storage Mechanism which is located at <http://www.morningstar.co.uk/uk/nsm.do>.

Copies of the Prospectus and Circular are also available in electronic form on the Company's website at [www.ediston-REIT.com](http://www.ediston-REIT.com) and are available for collection, free of charge, during normal business hours on any working day (Saturday, Sunday and public holidays excepted) until 19 November 2018 from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

Save as otherwise defined in this announcement or where the context otherwise requires, terms defined in the Prospectus shall bear the same meaning in this announcement.

**For further information please contact:**

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**Notes:**

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

This announcement is for information purposes only and does not purport to be full or complete and any decision regarding the Proposals should be made only on the basis of the Circular and the Prospectus.

The issue and the distribution of this announcement, the Circular and/or the Prospectus in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to this announcement, the Circular and/or the Prospectus comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement

This announcement may include statements that are, or may be deemed to be, "forward-looking

statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, strategy, plans, proposed acquisitions and objectives, are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and, accordingly, the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These forward-looking statements speak only as at the date of this announcement and cannot be relied upon as a guide to future performance. The Company, Ediston Investment Services Limited, Ediston Properties Limited, Canaccord Genuity Limited and Dickson Minto W.S. expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

Canaccord Genuity Limited ("Canaccord") is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Canaccord is acting exclusively for the Company and for no-one else in relation to the Share Issue and the Placing Programme and will not regard any other person as its client. Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Canaccord will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person in relation to the Share Issue, the Placing Programme, or any transaction contemplated in or by the Prospectus to be published by the Company.

Dickson Minto W.S. is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Dickson Minto W.S. is acting exclusively for the Company and for no-one else in relation to the Share Issue and the Placing Programme and will not regard any other person as its client. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person in relation to the Share Issue, the Placing Programme, or any transaction contemplated in or by the Prospectus to be published by the Company.