

Who we are

Ediston Property Investment Company is a UK-listed Real Estate Investment Trust (REIT) investing in commercial property throughout the UK. It has a strong track record of, and continued focus on, improving value through intensive and entrepreneurial asset management.

Our approach is to add value at all stages of the investment process through the expertise and skill-set of the team at our investment manager, Ediston Real Estate. We invest in the main UK commercial property sectors but without regard to a traditional property market relative-return benchmark.

What we do

Our objective is to deliver to our shareholders an attractive level of income, coupled with the prospect of income and capital growth.

We target a portfolio internal rate of return (IRR) of 10.0% per annum and look to invest in assets which have a net yield in excess of 6.5% over the hold period, but lower yielding assets can be acquired if there are portfolio benefits.

This financial promotion has been approved by Ediston Investment Services Limited ("EISL") for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA 2000"). EISL is authorised and regulated by the Financial Conduct Authority.

THIS DOCUMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS. INVESTORS SHOULD READ THE PROSPECTUS PUBLISHED BY EDISTON PROPERTY INVESTMENT COMPANY PLC (THE "COMPANY") IN CONNECTION WITH THE ADMISSION OF NEW SHARES OF THE COMPANY ("THE NEW SHARES") TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY AND TO TRADING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE. INVESTORS SHOULD NOT SUBSCRIBE FOR ANY SHARES REFERRED TO IN THIS DOCUMENT EXCEPT ON THE BASIS OF THE INFORMATION CONTAINED IN THE PROSPECTUS. PLEASE REFER TO THE IMPORTANT INFORMATION SECTION AT THE END OF THIS DOCUMENT.

Delivering on our promises

Since Ediston-REIT launched in October 2014, we have delivered on our promises and have built a credible track record:

- Secured and invested £133m of equity
- Constructed a quality portfolio of 12 assets across the UK

- Sold assets to take profit at the appropriate time (e.g. Cutlers Gate Sheffield, which delivered a 14.0% per annum IRR)
- Fully covered annual dividend of 5.5 pence per share, paid monthly
- In the absence of any unforeseen circumstances, the dividend will increase by 4.5% to 5.75 pence per share in January 2018

Performance since launch

Property income return*	Portfolio IRR*	EPRA NAV total return*
17.0%	9.9% p.a.	31.2%

* Since launch in October 2014 to 30 September 2017.

Proposed fundraising

Ediston-REIT is currently raising capital to purchase a portfolio of four retail park assets valued at £144m.

Close of intermediaries offer – 6 December 2017

Admission and dealing in new shares – 8 December 2017

The acquisition:

- Provides sustainable and credible growth for the Company
- Gives access to an asset class with capital and income growth potential
- NOT a blind pool – income producing immediately
- Efficient transaction – no Stamp Duty Land Tax payable
- The vendor is investing in the Company as part payment for the assets
- Diversifies tenant base and reduces exposure to individual tenants
- Shares to be issued at 111.75 pence per share
- A ring-fenced allocation of at least 15 million shares in the intermediaries offer

Why retail parks and why now?

Our Investment Manager is an experienced investor in and developer of retail parks across the UK. It believes it is the right time to invest in the sector for the following reasons:

- Low vacancy rate (currently 5.1% v. 10.0% in 2013)
- Good prospects for rental growth and yield compression
- Opportunities for 'hands-on' asset management to improve income and capital value
- Pipeline of new development limited by planning authorities looking to protect town centres by restricting new retail park development
- Retailers perform well on retail parks due to lower operational costs, rates and management costs

The sector is defensible against the internet:

- Retail parks offer a flexible sales platform which support retailers' online offerings via:
 - Click and collect
 - Last mile delivery
 - Storage & distribution
- This is in addition to regular 'walk in' sales
- Despite the popularity of the internet, 81.6% of sales are forecast to be instore in 2022
- Bricks and mortar still has a huge part to play in the UK retail park market

We believe that well-located, prominent retail parks offer a good value opportunity when compared to other sectors of the property market, such as industrial and logistics assets, where yields have been reduced as a result of stiff pricing competition.

There is currently an opportunity to acquire retail warehouse parks at yields which look attractive relative to other parts of the property market.

The sector offers assets with a good income stream, which can be improved through active management. Further, as a result of increasing demand for the sector it is anticipated that retail warehouse park yields could reduce, increasing capital values.

Portfolio at a glance

-  Office
-  Retail Parks
-  Leisure
-  New Assets



Before acquisitions*

as at 31 October 2017

Portfolio value

£173.59m

Number of tenants

37

Contracted annual rent

£12.12m

Weighted average unexpired lease term

6.19 years

After acquisitions

Combined portfolio value

£317.59m

Number of tenants

62

Net annual rent

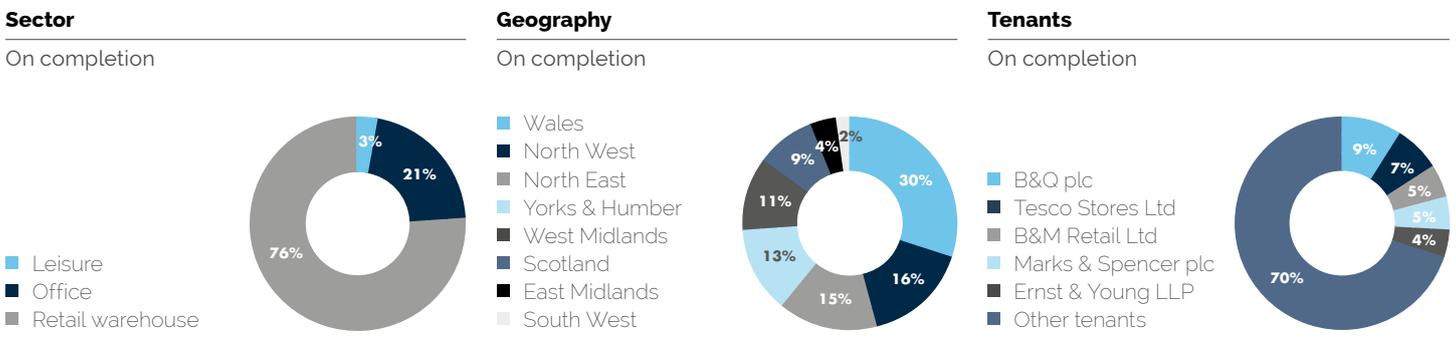
£19.73m

Weighted average unexpired lease term

6.78 years

* Source: Ediston Properties Limited.

The combined portfolio



All data as at 31 October 2017. Source: Ediston Properties Limited.

Combined asset value

£144m, 6.02% net initial yield

New assets



Widnes, Widnes Shopping Park Value

£46m



Prestatyn, Prestatyn Shopping Park Value

£57.5m



Hull, Kingston Retail Park Value

£29m



Barnsley, Wombwell Lane Retail Park Value

£11.5m

Key financial facts

EPRA NAV total return*

31.2%

* Since launch in October 2014 to 30 September 2017.

Property income return*

17.0%

* Since launch in October 2014 to 30 September 2017.

EPRA NAV per share*

111.32p

* As at 30 September 2017.

EPRA NAV per share increase*

15.8%

* Since launch in October 2014.

Current annual dividend

(paid monthly and fully covered)

5.5p per share

Dividend increase

**4.5% to 5.75p
per share**

* in January 2018, in the absence of unforeseen circumstances

Fee 0.95% of net assets up to £250m, reducing to 0.75% on net assets in excess of £250m.

Existing £56.92m debt facility from Aviva Commercial Finance Limited, expiring 2025 at an "all-in" fixed rate of 2.99%. The target loan-to-value-range is 30-35%.

The Company will enter into a new debt facility when it acquires the new assets.

Reasons to invest

- Established Company with a track record of delivering targeted performance
- Experienced Investment Manager with an intensive and entrepreneurial approach to asset management
- Good retail park assets which offer value relative to others sectors, such as industrial and logistics
- Prospects of income and capital growth
- Good income stream

Key risks

Detailed disclosure of risks are contained in the prospectus, in the section headed 'risk factors'. These should be carefully considered.

INVESTMENT RISK

The value of the Company's shares and the income from them can fall as well as rise. Past performance is not a guide to future performance.

FINANCIAL RISK

There is no guarantee that the Company will be able to refinance the new or existing bank facilities when they mature, which may adversely affect the returns to shareholders.

PROPERTY RISK

The ability of the Company to achieve its investment objectives may be affected by competition for appropriate investment opportunities.

CORPORATE RISK

There is no guarantee that the Company will achieve its investment objective. Meeting the objective is the target, but the existence of the objective is not an assurance or guarantee it will happen.

Performance could be adversely affected by a downturn in the property market and/or UK economy which could lead to property valuations falling and/or a reduction in revenues which could detrimentally affect the Company's ability to pay dividends or its ability to sell assets.

TAXATION RISK

The Company operates as a UK-listed REIT and has a tax-efficient corporate structure as are result. A change in UK tax legislation or practice could affect the Company's ability to meet its investment objective and provide favourable returns to shareholders.

What makes us different



TARGETED INVESTMENT

We seek to identify assets which are mispriced, through a detailed analysis of risk and the property fundamentals, combined with good knowledge of the local occupational market.



UNLOCKING VALUE

The ability to unlock value is key to delivering superior returns. We have a well-resourced investment manager, which seeks to identify value-adding opportunities for each asset.



EXPERIENCED INVESTMENT MANAGER WITH A TRACK RECORD OF DELIVERING

Our investment manager has a wealth of experience in the real estate sector. All of the team has a strong track record of and continued focus on improving the value of our assets through intensive and entrepreneurial asset management.

We look to acquire assets which we can improve to institutional grade property. The investment policy is not rigidly benchmarked against a traditional property relative-return benchmark. We believe it is more important to create a sustainable diversified portfolio where each asset can ultimately offer strong and potentially improving cash flow.

We strive to know how the assets 'live and breathe', how they fit into the location and economic environment and what opportunities and risks exist beyond general market movements. It is then all about assessing the quality of and risks to the cash flow. In our opinion, successful property investment is about 'cash-flow first, bricks and mortar second'.

We aim to achieve our investment strategy by targeting 'core-plus' properties with a net yield, during the hold period, in excess of 6.5% and target an IRR of 10% per annum.

The team



Calum Bruce
Investment Manager,
Ediston-REIT

Formerly of SWIP, Calum joined Ediston as a Director in 2013. Responsible for sourcing, acquiring and managing investment properties for Ediston-REIT.



Danny O'Neill
CEO,
Ediston Real Estate

Founder of Ediston and formerly Investment Director at Standard Life Investments, he has expertise in investment markets and asset management.



Neelum Yousaf
Financial Controller,
Ediston Real Estate

Joined Ediston in 2015 and has 10 years' experience. Neelum is a member of both the Institute of Chartered Accountants of Scotland and the Chartered Institute of Securities & Investments.



Alastair Dickie
Development Director,
Ediston Real Estate

Joined Ediston in 2010 having spent 10 years as a Director at McDonald Estates. Alastair has extensive experience in the retail warehouse sector and heads up Ediston's retail warehouse function.

Important Information

THIS DOCUMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS. INVESTORS SHOULD READ THE PROSPECTUS PUBLISHED BY EDISTON PROPERTY INVESTMENT COMPANY PLC (THE "COMPANY") IN CONNECTION WITH THE ADMISSION OF NEW SHARES OF THE COMPANY ("THE NEW SHARES") TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY AND TO TRADING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE. INVESTORS SHOULD NOT SUBSCRIBE FOR ANY SHARES REFERRED TO IN THIS DOCUMENT EXCEPT ON THE BASIS OF THE INFORMATION CONTAINED IN THE PROSPECTUS.

Copies of the prospectus are available from the Ediston website: www.ediston-reit.com

This document is issued by Ediston Investment Services Limited in the United Kingdom only. Ediston Investment Services Limited is authorised and regulated in the UK by the Financial Conduct Authority.

This document is not for distribution in or into any member state of the European Economic Area (other than the United Kingdom), the United States, Canada, Australia, the Republic of South Africa, Japan, or to any resident thereof, or in or into any other jurisdiction where local laws or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if this document is sent or made available to a person in that jurisdiction.

The distribution of this document may be restricted by law and persons into whose possession it comes are required to inform themselves of and comply with any such restrictions. This document does not constitute or form part of, and should not be construed as constituting or forming part of, any offer to sell or issue, any invitation to make any investment in, or any solicitation of any offer to purchase or subscribe for, any securities or other investments, nor shall any part of this document constitute a recommendation regarding any securities or other investments. Application for shares may only be made on the basis of the prospectus relating to the Company and the New Shares which may in some respects differ from the information herein. This document sets out certain features of the Company and does not purport to provide a complete description of the Company or its shares. It is for information only and may not be relied upon for any purpose, and no representation or warranty is given as to its accuracy or completeness. Views and opinions, whilst given in good faith, are subject to change without notice.

This document has been prepared for general information purposes only and is intended to provide a summary of the subject matter covered. It does not purport to be comprehensive or to give advice. The views expressed are the views of the writer at the time of issue and may change over time.

The information contained within this document has been obtained from sources believed to be reliable and accurate at the time of issue. Ediston Investment Services Limited does not accept any liability for any loss arising whether directly or indirectly from any use of this document.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy or to provide information on the holdings in any fund and should not be construed as investment advice or a recommendation to invest in any of those companies.

Past performance of the Company is not a reliable indicator of future results of the Company. The value of investments and any income from them may go down as well as up. Investors may get back less than the original amount invested. There is no guarantee that the Company will achieve its investment objective and investment results may vary substantially over time. Shares in an investment company are traded on a stock market and the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares. Other risk factors such as political and economic conditions should also be considered.