

Securing and growing income

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 investment objective is to provide shareholders with an attractive level of income together with the prospect of income and capital growth.

FOCUSSED REGIONAL APPROACH

The portfolio contains properties located throughout the regions of the UK. While the Company's investment policy does not preclude investment in London, the current low yields on offer do not sit well with our focus on income.

In constructing the portfolio we have avoided the herd mentality of many investors and selected assets we believe are right for our strategy, without being forced into stiff pricing competition. The outcome is a well located, diversified portfolio of quality assets which offer a robust income stream but with opportunities to enhance and improve it.

Fund Manager:
Ediston Investment Services Limited
Launch date: 28 October 2014
SEDOL: BNGMZB6

ediston-reit.com

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KEY FINANCIAL FACTS AT 31 MARCH 2018

Portfolio Value

£325.4m

EPRA NAV per share

112.48p

Market capitalisation

£229.3m

Share Price

109.0p

EPRA Vacancy Rate

3.1%



Following the growth of the Company last year, this quarter we have been working hard on delivering asset management. This has been successful as we have secured over £1.5m of income per annum as well as improving the capital value of the portfolio.

Calum Bruce, Investment Manager
calum.bruce@ediston.com

Annualised dividend per share

5.75p

Annualised dividend yield

5.3%

EPRA NAV total return*

7.8%

* Year to 31 March 2018

WAULT

6.7 years

Gearing (debt to total assets)

31.9%



PORTFOLIO

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During the quarter we completed four asset management initiatives which have secured in excess of £1.5m of income per annum for the Company. We completed a lease restructuring in one of our office buildings, and two lease gears and a new letting in the retail warehouse portfolio.

The successful completion of these deals in the retail warehouse portfolio is hugely positive as it shows that despite the negative headlines surrounding the sector, tenants are still taking space, if it is available on the right parks in the right locations.

At Citygate II, our multi-let office in Newcastle, Ernst & Young signed an extension to their existing leases. The expiry date moved out by 4.75 years to 31 December 2027, with the annual passing rent increasing by 20% to £1.04m. EY occupies 41,395 sq. ft. across five floors and will be undertaking a refurbishment of their accommodation.

At Clwyd Retail Park in Rhyl we signed an agreement for lease with Iceland Stores Limited on a unit we are

currently building. They have signed a ten year lease at £128,000 per annum. Completion is due in May 2018.

Staying in North Wales, we have completed lease extensions with Pets at Home at Clwyd Retail Park in Rhyl and Plas Coch Retail Park in Wrexham. Pets at Home occupies 21,900 sq. ft. across the two assets and has agreed to sign a five year lease extension on each unit in exchange for a six month rent free period. The lease in Wrexham will now expire in June 2027, and the lease in Rhyl will expire in March 2025.

Development opportunity

We are always looking for different ways to add value for our shareholders, which is why we bought a seven acre development site in Haddington, East Lothian, for £2.75m. The well-located site has planning permission for a supermarket and petrol filling station, which we intend to change to allow a retail warehouse development. We have started discussions with retailers who are keen for representation in the town and are aiming to have the park substantially pre-let. Once completed, it is anticipated that it will provide

an attractive yield on cost and a robust income stream for the Company, secured against national retailers.

Performance

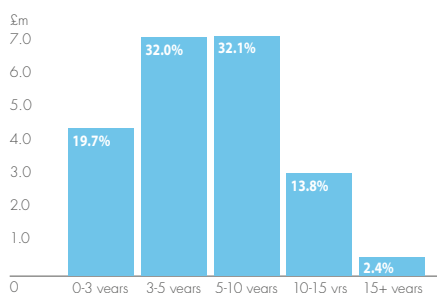
As at the 31 March 2018, the Fair Value independent valuation of the property portfolio was £325.4 million, a like-for-like increase of 1.04% on the 31 December 2017 valuation. In the same period, the NAV per share increased by 1.32% to 112.48 pence.

Outlook

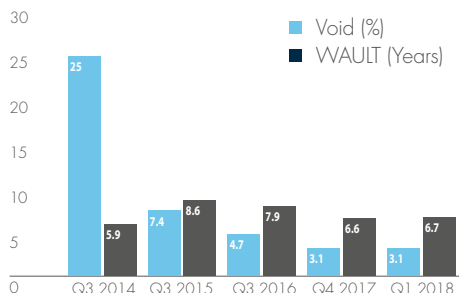
Investment demand is still strong from both UK and overseas investors and there are relatively low levels of investment stock available. As a consequence, during the quarter, pricing has remained firm and yields have been resilient.

Whilst there is no immediate sign of property markets taking a step back, there is more volatility and nervousness in public markets. We are alert to this and believe delivering asset management strategies will be key to driving performance, in both capital and income terms. We are confident that we have a well-structured portfolio and are capable of unlocking its potential.

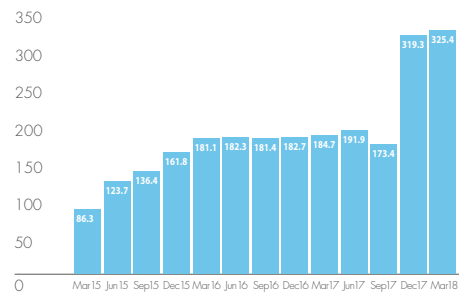
Lease expiries illustrating revenue impact on portfolio at 31 March 2018



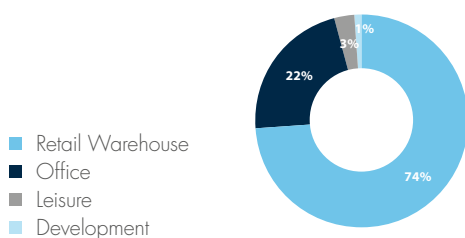
Void rate and weighted average unexpired lease term (WAULT)



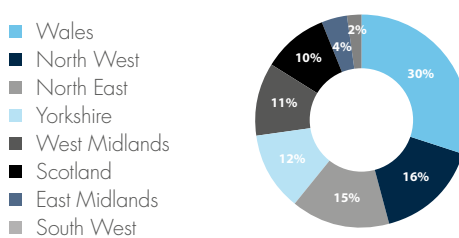
Portfolio quarterly capital value to 31 March 2018



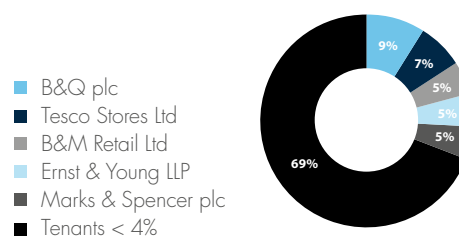
Sector exposure at 31 March 2018



Location exposure at 31 March 2018



Tenant exposure at 31 March 2018



Property portfolio as at 31 March 2018

Location	Name	Sub-sector	Market Value Range (£)	Tenure
Birmingham	St Philips Point	Office – Rest of UK	30-35m	Freehold
Newcastle	Citygate 2	Office – Rest of UK	20-25m	Leasehold
Edinburgh	145 Morrison Street	Office – Rest of UK	10-15m	Heritable
Bath	Midland Bridge House	Office – Rest of UK	5-10m	Freehold
Prestatyn	Prestatyn Shopping Park	Retail Warehouse	50m+	Freehold
Widnes	Widnes Shopping Park	Retail Warehouse	45-50m	Leasehold
Hull	Kingston Retail Park	Retail Warehouse	25-30m	Freehold
Sunderland	Pallion Retail Park	Retail Warehouse	25-30m	Freehold
Wrexham	Plas Coch Retail Park	Retail Warehouse	20-25m	Freehold
Coatbridge	B&Q	Retail Warehouse	15-20m	Heritable
Rhyl	Clwyd Retail Park	Retail Warehouse	15-20m	Freehold
Barnsley	Wombwell Lane Retail Park	Retail Warehouse	10-15m	Freehold
Daventry	Abbey Retail Park	Retail Warehouse	10-15m	Leasehold
Telford	Mecca Bingo	Leisure	0-5m	Freehold
Liverpool	Mecca Bingo	Leisure	0-5m	Freehold
Hartlepool	Mecca Bingo	Leisure	0-5m	Freehold
Haddington	Site	Development	0-5m	Heritable

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