

Ediston Property Investment Company plc

Company Secretary's Office

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If you have sold or transferred your shares in Ediston Property Investment Company plc, please send this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, this letter should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

27 March 2023

To: Ediston Property Investment Company plc ("EPIC" or the "Company") shareholders and persons with information rights

Dear Sir or Madam,

Announcement regarding strategic review

On 16 March 2023, the Company announced that the Board was undertaking a strategic review of the options available to the Company to maximise value for shareholders, with one option involving selling the entire issued, and to be issued, share capital of the Company through the framework of a 'formal sale process' in accordance with the City Code on Takeovers and Mergers (the "Code").

In accordance with Rule 2.11 of the City Code on Takeovers and Mergers, please find enclosed a copy of the announcement in relation to the strategic review (the "Announcement").

Although the Announcement has put the Company into what is known as an "offer period" under the Code, there can be no certainty that any offer will actually be made for the Company, nor that any changes will result from the strategic review. Further announcements will be made in due course as appropriate.

Yours faithfully,



William Hill

Chairman

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Important information

Please be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from the Company may be provided to an offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified.

You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

Date: 16 March 2023

For Immediate Release

Ediston Property Investment Company plc
("EPIC" or the "Company")
Strategic Review

Since its launch in 2014, Ediston Property Investment Company plc has been successful in its objective of providing shareholders with an attractive level of income, paying monthly dividends to investors on an uninterrupted basis over its nine-year life. The EPIC Board has been pleased with the quality and resilience of the Company's property portfolio, as most notably demonstrated during the Covid-19 pandemic, and with the skill of the Investment Manager, Ediston Properties Limited (the "Manager"), in constructing and actively managing the portfolio so effectively.

In 2021, EPIC revised its investment strategy to invest exclusively in the retail warehousing sector for the foreseeable future. It subsequently successfully implemented the sale of all its office and leisure assets, and currently has cash to take advantage of opportunities in the sector.

While the Company is well positioned from an investment perspective, and has in place a very capable investment manager, both the Board and the Manager recognise that the Company, like many of its peers, remains of a size which might deter some potential investors. Challenges as to liquidity, the ability of larger investors to achieve their desired quantum of investment commitment, market profile and cost efficiencies are all directly referable to the modest size of the Company. In addition, the Company's share rating, while better than many of its peers within the real estate investment trust ("REIT") sector, nevertheless reflects a material discount to net asset value.

Growing the Company has been a stated objective of the EPIC Board for a number of years. Unfortunately, for the reasons noted above, the Board has concluded that it is unlikely to be able to raise new capital in the short or medium term. This is particularly disappointing given the opportunities which the Board and Manager anticipate may arise to acquire properties that could substantially enhance returns to shareholders over the medium term. The Board and Manager recognise that the challenges described above are faced by many of the Company's peers in the REIT sector, and they have concluded that these challenges may be best addressed by achieving consolidation in the sector so shareholders can enjoy the ensuing economies of scale and enhanced liquidity. The EPIC Board believes that such consolidation would enable investors to benefit from the medium-term recovery in the real estate sector through a re-rating of the REITs' share prices and the attractive investment opportunities that are available to larger REITs.

Accordingly, the Board today announces that it is undertaking a strategic review of the options available to the Company to maximise value for shareholders (the “**Strategic Review**”). The Board, for the reasons stated above, has a preference for structuring a merger with one or more REITs; but it will consider all options available to the Company that offer maximum value for its shareholders including, but not limited to, selling the entire issued, and to be issued, share capital of the Company (which would be conducted under the framework of a “formal sale process” in accordance with the City Code on Takeovers and Mergers (the “**Code**”), undertaking some other form of consolidation, combination, merger or comparable corporate action, and selling the Company's portfolio or subsidiaries and returning monies to shareholders.

The Board has appointed Investec Bank plc (“**Investec**”) as Lead Financial Adviser and Dickson Minto Advisers as Joint Financial Adviser to assist the Company with the Strategic Review. Investec Bank plc is acting as Rule 3 adviser to the Company under the Code.

There is no certainty that any changes will result from the Strategic Review. The Board will make further announcements in due course.

William Hill, Chairman of EPIC, said:

“The Board believes that it is an important time for new capital to flow into the real estate sector. The state of markets clearly impacts the timing of when investors might wish to invest new capital; but even when conditions are optimal, the opportunity will be lost if there are other factors at play that inhibit those investment decisions being made. However, it is in the gift of participants within the listed real estate sector to do something about this, and therefore a key element in the Board’s decision to announce the strategic review.”

Enquiries

Investec Bank plc (Lead Financial

Adviser and Corporate Broker)

020 7597 4000

David Yovichic

Denis Flanagan

Dickson Minto Advisers (Joint Financial

020 7649 6823

Adviser)

Douglas Armstrong

KL Communications (PR Advisers)

Ben Robinson

07818 445002

Formal Sale Process and Code considerations

The Takeover Panel has agreed that any discussions in relation to an offer for the Company may be conducted within the context of a formal sale process under the Code (as referred to in Note 2 on Rule 2.6 of the Code), which will enable conversations with parties interested in making a proposal to take place on a confidential basis.

Accordingly, the Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement and will not be subject to the 28 day deadline referred to in Rule 2.6(a) of the Code for so long as it is participating in the formal sale process. Following this announcement, the Company is now considered to be in an "offer period" as defined in the Code, and the dealing disclosure requirements of Rule 8 of the Code as summarised below will apply.

The Company is not in discussions with, nor in receipt of any approach from, any potential offeror at the time of this announcement.

Parties interested in submitting an expression of interest or any other proposal relating to any strategic option for the Company should contact EPIC's Lead Financial Adviser, Investec, using the contact details below. It is currently expected that any party interested in submitting any form of proposal for consideration in connection with the Strategic Review (including within the formal sale process) will, at the appropriate time, enter into a non-disclosure agreement and standstill arrangement with the Company on terms satisfactory to the Board and on the same terms, in all material respects, as other interested parties before being permitted to participate in the process. The Company then intends to provide such interested parties with certain information on its business, following which interested parties shall be invited to submit their proposals to Investec. The Company will update the market in due course regarding timings for the formal sale process.

The EPIC Board reserves the right to alter any aspect of the process as outlined above or to terminate the process at any time and, in such cases, will make an announcement as appropriate. The EPIC Board also reserves the right to reject any approach or terminate discussions with any interested party at any time.

Shareholders are advised that this announcement does not represent a firm intention by any party to make an offer under Rule 2.7 of the Code and there can be no certainty that any offers will be made as a result of the formal sale process, that any sale or other transaction will be concluded, nor as to the terms on which any offer or other transaction may be made.

About Ediston Property Investment Company plc

Ediston Property Investment Company plc is a closed-ended investment company the assets of which are managed by Ediston Properties Limited. The Company invests in UK commercial properties to achieve its objective of providing shareholders with an attractive level of income together with the prospect of income and capital growth. The Company was launched in October 2014 as a closed-ended investment fund under Chapter 15 of the Listing Rules, and its Ordinary Shares are listed on the Official List and traded on the Main Market of the London Stock Exchange.

Following a review of the Company's investment strategy in 2021, EPIC has shifted its portfolio exposure fully to the retail warehouse sector. It currently holds 11 retail warehouse assets, having a portfolio value of £203.1 million as at 31 December 2022.

The Company pays monthly dividends, with the annualised dividend per share for the financial year ended 31 December 2022 amounting to 5 pence.

About the Investment Manager

Launched in 2004 by Danny O'Neill, Ediston Properties Limited currently manages around £1bn of property assets across the UK for institutional investors. Ediston comprises a team of experienced individuals, and its finance and surveying teams have significant experience in both institutional and property company sectors. It has extensive experience as a developer, investor and asset manager of retail warehouse assets and, with its low ratio of properties to surveyors, manages these assets on behalf of its clients intensively and with entrepreneurial vigour. Ediston has also been involved in the launch of numerous joint venture platforms with private equity partners as well as UK pension funds, and in 2021 it launched its second property fund with Strathclyde Pension Fund. In 2015 Ediston launched its housebuilding arm which operates across the central belt of Scotland. Alongside its investment portfolio, Ediston has a mixed-use development programme with a GDV of circa £550m.

Other Notices

Investec Bank plc, which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for EPIC and no one else in connection with the Strategic Review and shall not be responsible to anyone other than EPIC for providing the protections afforded to clients of Investec, nor for providing advice in connection with the Strategic Review or any matter referred to herein. Neither Investec nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Strategic Review, this announcement, any statement contained herein or otherwise.

Dickson Minto W.S., which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for EPIC and for no one else in connection with the Strategic Review and will not be responsible to anyone other than EPIC for providing the protections afforded to clients of Dickson Minto nor for providing advice in connection with the Strategic Review referred to in this announcement. Neither Dickson Minto nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Dickson Minto in connection with the Strategic Review, this announcement, any statement contained herein or otherwise.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by laws of the relevant jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law or any such jurisdiction.

Disclosure Requirements of the Code

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the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will, subject to certain restrictions relating to persons resident in restricted jurisdictions, be available on the Company's website at <https://www.epic-reit.com/> no later than 12 noon (London time) on the business day following the date of this announcement. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.

Rule 2.9 of the Code

In accordance with Rule 2.9 of the Code, the Company confirms that as at the close of business on 15 March 2023 it has in issue 211,333,737 ordinary shares of one penny each in the capital of the Company. The International Securities Identification Number for the Company's ordinary shares is GB00BNGMZB68. The Company holds no ordinary shares in treasury.

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This announcement is released by the Company and the information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of the UK version of the EU Market Abuse Regulation (Regulation (EU) No.596/2014) which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a Regulatory Information Service, such information is now considered to be in the public domain.

LEI Number

The Company's LEI Number is 213800JRL87EGX9TUI28