

25% increase in dividend announced

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. 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.

KEY FINANCIAL FACTS AT 31 MARCH 2021

Portfolio value

£247m

EPRA NAV per share

84.3p

Market capitalisation

£146m

Share price

69.0p

EPRA vacancy rate

5.6%

Annualised dividend per share

4.00p*

Annualised dividend yield

5.8%

NAV total return*

-8.2%

*12 months 31 March 2021

WAULT

4.8 years

Gearing (debt to total assets)

38.1%

*25% dividend increase announced to 5.00 pence per share, payable from May 2021.

ediston-reit.com

Investment Manager: Ediston Properties Limited

Launch date: 28 October 2014

SEDOL: BNGMZB6

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RENT UPDATE

As at 19 April 2021, 93% of the rent for quarter 1 2021 has been collected, rising to 97% when rent deferrals are factored in. On a cash basis, the dividend cover for quarter 1 was 128%.

ASSET MANAGEMENT

At the office property in Newcastle, Citygate II, we completed a lease restructure with N&D (London) Limited. N&D occupies c. 11,000 sq. ft. on the first floor and has signed a ten-year reversionary lease, with a tenant break option after five years. The lease will now expire in March 2032, with the break option being in March 2027. The rent will increase by c. 9.0%, which is 6.5% ahead of the independent valuer's ERV.

The development of Haddington Retail Park continues on time and budget and is expected to complete during June 2021.

We are seeing improving occupational demand from our retail warehouse and office tenants and are currently in discussions with tenants on new lettings and lease re-gears.

SALE OF TESCO SUPERSTORE AT PRESTATYN SHOPPING PARK

We disposed of the Tesco Superstore which forms part of Prestatyn Shopping Park, for £26.5m (5.22% initial yield). The sale price was in line with the property's valuation as at 31 December 2020 and above the December 2017 acquisition price.

The remainder of the retail park, which extends to c. 91,500 sq. ft. across 14 units, will be retained. The retail park is let to 13 tenants, with M&S as an anchor, and has various asset management angles to exploit.

The sale of this asset is in line with the investment strategy and provides the opportunity to recycle capital from lower yielding assets into higher yielding properties.

DIVIDENDS AND DIVIDEND INCREASE

Over the quarter, the Company continued to pay a monthly dividend at a rate of 0.3333 pence per share, equating to an annualised dividend of 4.00 pence per share. The dividend remains fully covered.

The dividend will be increased by 25%, to 5.00 pence per share annualised, with the first payment at the increased rate being made in May 2021, for the month of April. This equates to 87% of the dividend rate of 5.75 pence annualised that was paid up until May 2020.

The 25% dividend increase considers the improving outlook for income and rent collection and is not to the detriment of the Company's investment and asset management activities.

PERFORMANCE

As at 31 March, the Fair Value independent valuation of the property portfolio was £247 million, a like-for-like increase of 0.34% on the 31 December 2020 valuation. The value of the retail warehouse assets increased by 0.45%, on a like-for-like basis, during the quarter.

OUTLOOK

Full lockdown measures were put in place in various parts of the country in December 2020 and remained in place for the entire first quarter of 2021. These prevented certain businesses from being able to open for trade and it was anticipated they might put pressure on rent collection.

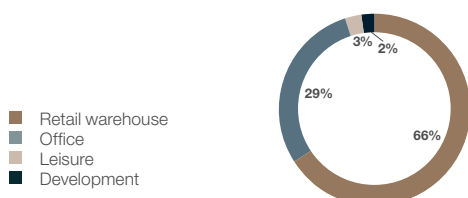
However, rent collection held up during the period and was ahead of projections made at the start of the quarter. Throughout the quarter c. 73% (by income) of the retail warehouse portfolio was either open for trade or offered a click and collect service which helped support rent collection.

Following the easing of lockdown restrictions in England and Wales, 100% of the Company's retail warehouse portfolio (excluding vacant units) is now open for trade.

As the economy re-opens, it is anticipated that rent collection will improve and that any rent deferred over the past 12 months will continue to be collected. There is ongoing asset management activity in the portfolio which, on completion, will further improve the income profile of the Company.

From an investment perspective, the sentiment towards retail warehousing is improving and the sector is experiencing increased investor demand. It is anticipated that this positive momentum will continue as the year progresses and lockdown restrictions are eased further.

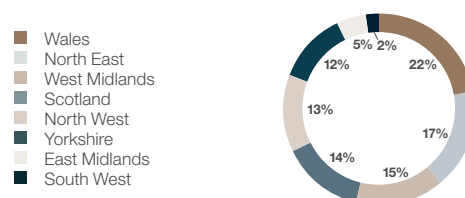
Sector exposure at 31 March 2021



Tenant exposure at 31 March 2021



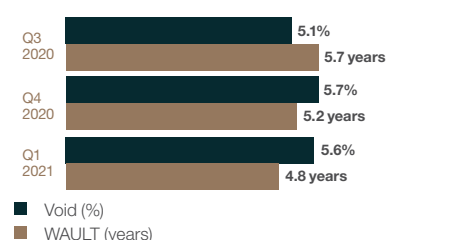
Location exposure at 31 March 2021



PROPERTY PORTFOLIO AS AT 31 MARCH 2021

Location	Name	Sub-sector	Market Value Range (£)	Tenure
Birmingham	St Philips Point	Office – Rest of UK	30-35m	Freehold
Newcastle	Citygate II	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	20-25m	Freehold
Widnes	Widnes Shopping Park	Retail Warehouse	30-35m	Leasehold
Hull	Kingston Retail Park	Retail Warehouse	20-25m	Freehold
Sunderland	Pallion Retail Park	Retail Warehouse	15-20m	Freehold
Wrexham	Plas Coch Retail Park	Retail Warehouse	15-20m	Freehold
Coatbridge	B&Q	Retail Warehouse	15-20m	Heritable
Rhyl	Clwyd Retail Park	Retail Warehouse	10-15m	Freehold
Barnsley	Barnsley East Retail Park	Retail Warehouse	5-10m	Freehold
Daventry	Abbey Retail Park	Retail Warehouse	10-15m	Leasehold
Telford	Mecca Bingo	Leisure	0-5m	Freehold
Hartlepool	Mecca Bingo	Leisure	0-5m	Freehold
Haddington	Site	Development (pre-let)	5-10m	Heritable

EPRA vacancy rate and weighted average unexpired lease term (WAULT)



Lease expiries illustrating revenue impact on portfolio at 31 March 2021

