

# Implementing the new strategy

## 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.

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 portfolio of quality assets which offer a robust income stream but with opportunities to enhance and improve it.

## KEY FINANCIAL FACTS AT 30 SEPTEMBER 2021

### Portfolio value

**£283.4m**

### EPRA NAV per share

**89.61p**

### Market capitalisation

**£156m**

### Share price

**73.8p**

### EPRA vacancy rate

**8.6%**

### Annualised dividend per share

**5.00p**

### Annualised dividend yield

**6.78%**

### NAV total return\*

**9.6%**

\*12 months 30 September 2021

### WAULT

**5.0 years**

### Gearing (debt to total assets)

**36.7%**

[ediston-reit.com](http://ediston-reit.com)

Investment Manager: Ediston Properties Limited

Launch date: 28 October 2014

SEDOL: BNGMZB6

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### ACQUISITION OF SPRINGERKERSE RETAIL PARK, STIRLING

This dominant retail park was acquired for £21.85 million, in an 'off market' transaction. The price reflects an initial yield of 9.54%.

Stirling is in central Scotland, 26 miles from Glasgow and 35 miles from Edinburgh. The asset is the dominant retail park in Stirling and extends to 162,593 sq. ft. across 12 units. It is let to 10 tenants and produces a passing rent of £2.23 million per annum.

The Park is anchored by B&Q, with other tenants including Wren Kitchens, DFS, Pets at Home and Halfords represented on the site. The asset will benefit from our intensive asset management style. The planned upgrades should improve the letting potential of the two vacant units (13% by ERV), providing an opportunity to increase the income stream and drive capital value upwards. On completion of the letting of these two vacant units, the yield is expected to rise to 10.8%.

The acquisition was funded using the proceeds from the sale of the Tesco Superstore in Prestatyn, which was sold for £26.5 million (5.2% initial yield). The net operating income from the new acquisition is 35% higher than the rent received from Tesco, and is therefore accretive to dividend cover.

### ASSET MANAGEMENT

Widnes Shopping Park is now 100% let following a new letting to Superdrug Stores plc. Superdrug has leased a 6,280 sq. ft. unit on a five-year lease. Post period end, a further three lease transactions have either exchanged or completed.

At Kingston Retail Park in Hull, the letting to the Range has completed. The Range has signed a 15-year lease on a 14,500 sq. ft. unit which was vacated by Outfit (Arcadia) earlier this year. Also at Hull, Greggs has exchanged an Agreement for Lease on a 2,000 sq. ft. unit which is leased to, but not occupied by, The Carphone Warehouse. A lease surrender has been agreed with Carphone Warehouse. At Prestatyn Shopping Park, The Tech Edge has leased a vacant unit of 1,300 sq. ft. on a five-year lease. In total, all these transactions secure £322,000 of rent per annum.

We are progressing other new lettings and lease restructures across the portfolio, which will further improve the Company's income stream. These will be reported on when completed.

### RENT COLLECTION AND DIVIDEND

Rent collection continues to improve, with 99.9% of the rent due for Q3 2021 expected to be collected. The new acquisition and asset management deals have further increased the Company's income stream. Against this backdrop, it remains the Board's expectation that the dividend will be increased further in the coming months.

### PERFORMANCE

As at 30 September, the Fair Value independent valuation of the property portfolio was £283.4 million, a like-for-like increase of 2.4% on the 30 June 2021 valuation.

### OUTLOOK

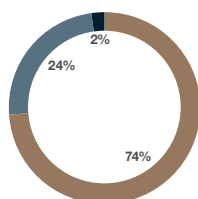
The positive momentum in the retail warehouse sector last quarter has continued. Retail warehouse valuations have increased again, which has helped drive the NAV forward.

We are implementing the new strategy announced last quarter. We acquired a retail park in Stirling and are in advanced discussions with regards to the sale of the office assets. We are also reviewing various suitable retail warehouse assets to purchase.

Repositioning the property portfolio remains a key focus, along with continuing to deliver asset management transactions to add to the Company's income stream. Further updates will be given in due course, and a more detailed description of activity will be given in the year end accounts.

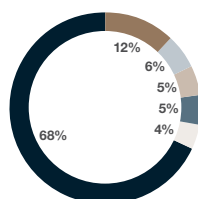
#### Sector exposure at 30 September 2021

- Retail warehouse
- Office
- Leisure



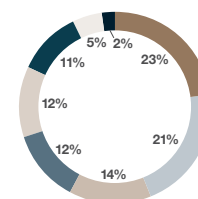
#### Tenant exposure at 30 September 2021

- B&Q plc
- B&M Retail Ltd
- Marks & Spencer plc
- Ernst & Young LLP
- Boots UK Ltd
- Tenants <3.6%



#### Location exposure at 30 September 2021

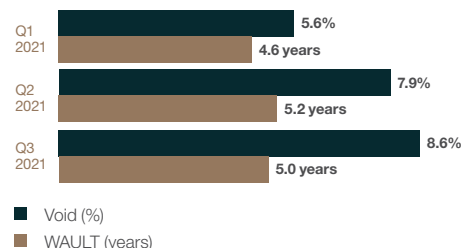
- Scotland
- Wales
- North East
- West Midlands
- North West
- Yorkshire
- East Midlands
- South West



#### PROPERTY PORTFOLIO AS AT 30 SEPTEMBER 2021

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

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



#### Lease expiries illustrating revenue impact on portfolio at 30 September 2021

