

Continued NAV Progression

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.

FOCUSED 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.

"The continued growth in the NAV illustrates that our intensive approach to asset management is delivering results. With Brexit on the horizon, there will be challenges ahead, but with a portfolio which has defensive qualities we are well placed to deal with them, and to capitalise on any opportunities which may also appear."

ediston-reit.com

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

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KEY FINANCIAL FACTS AT 30 SEPTEMBER 2018

Portfolio Value

£333.9m

EPRA NAV per share

115.3p

Market capitalisation

£230.4m

Share Price

109.0p

EPRA Vacancy Rate*

5.7%

*If rental guarantees and agreements for lease are factored in, the vacancy falls to 2.4%.

Annualised dividend per share

5.75p

Annualised dividend yield

5.3%

NAV total return

8.9%

12 months to 30 September 2018

WAULT

6.6 years

Gearing (debt to total assets)

31.1%

DISCLAIMER

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DELIVERING ASSET MANAGEMENT

During the quarter we restructured the lease terms with Royds Withy King, our tenant at Midland Bridge House in Bath.

Royds Withy King occupy the entire property, which extends to c. 18,500 sq. ft., on a lease which had been due to expire in March 2023. During the quarter we signed an agreement to restructure the terms of their occupation.

Under the contract the tenant has agreed to sign a six-year lease extension, meaning the lease will now expire in March 2029. They will receive an incentive equivalent to 5.8 months rent free.

Royds Withy King will continue to pay a rent of £360,000 per annum, which was agreed following the rent review in March 2018.

The asset was acquired in May 2015 for £4.39 million. Since then we have increased the annual rent passing by 11.5% and the capital value by almost 50%.

OUTLOOK

There is still good demand from a wide range of investors for UK real estate. However, the main sectors of the property market are moving in different directions, driven by sector specific reasons. Prospects of rental growth and a lack of

supply have seen yields remain firm in office markets. Industrial yields have tightened but look very expensive relative to other sectors.

In retail, the high street and shopping centre markets remain challenging, with all but the best assets likely to decline in value. There is more opportunity in the retail warehouse market as yields, relative to other sectors, are looking attractive. The sector has not been immune from retailer failure but a number of tenants are taking advantage to progress expansion plans in units that have become available. Retail parks with flexible planning consents, which trade well and are let off affordable rents are proving resilient and many units vacated by tenants are being re-let. We believe that our retail warehouse assets have these positive attributes.

The implications of Brexit remain the biggest unknowns at the moment and, regardless of whether or not it is a 'hard-Brexit', the UK property market will be impacted in some way. There is no consensus view as to what will happen, but it is likely that there will be a pause and more subdued property market activity. This occurred immediately after the EU referendum in 2016, when investors and tenants alike considered where the market was heading, but the recovery was quite quick thereafter. Central London offices remain the most vulnerable and we have no exposure to this market.

We will continue to intensively manage the property portfolio to protect income, grow it where possible and create new income streams from underdeveloped assets. A number of asset management initiatives are well advanced, and these will be reported on when complete.

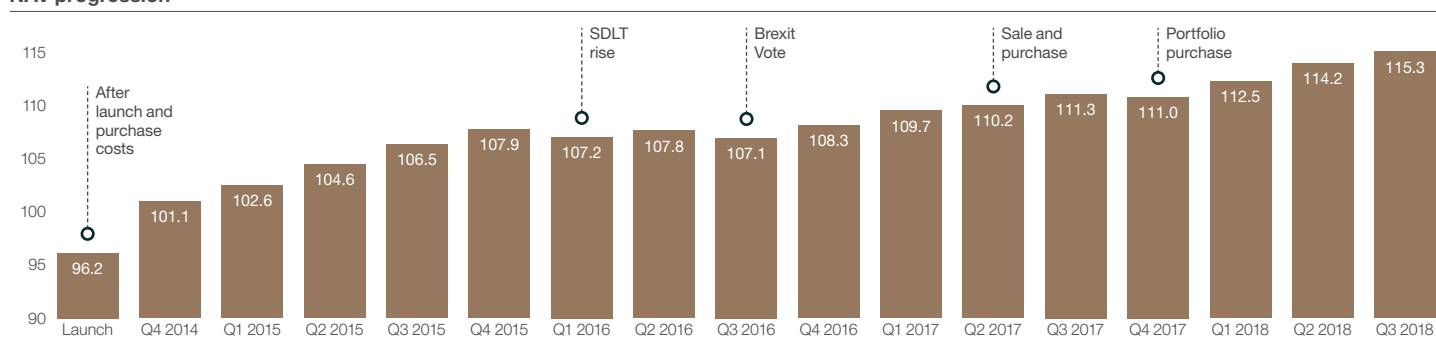
This reinforces the point that it is as important as ever to have the right Investment Manager to deliver asset management initiatives. Active asset management is key to improving income and securing capital value increases in a market where yield compression cannot be relied upon to deliver the performance investors seek.

PERFORMANCE

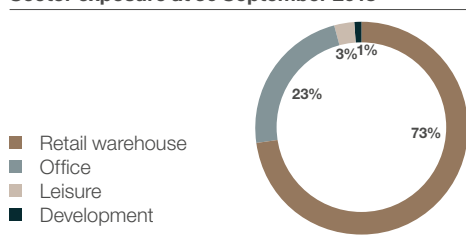
As at the 30 September 2018, the Fair Value independent valuation of the property portfolio was £333.9 million, an increase of 0.8% on the 30 June 2018 valuation. In the same period, the NAV per share increased by 1.0% to 115.3 pence.

Since the launch of the Company in October 2014 the NAV has grown from 96.2 pence per share (after launch costs and property purchase costs) to 115.3 pence per share, an increase of 19.9%. On this basis, the NAV Total Return since launch has been 45.7%.

NAV progression



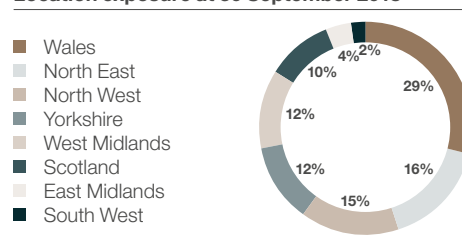
Sector exposure at 30 September 2018



Tenant exposure at 30 September 2018



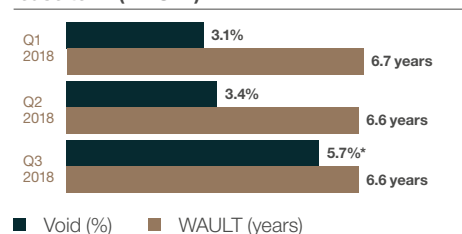
Location exposure at 30 September 2018



PROPERTY PORTFOLIO AS AT 30 SEPTEMBER 2018

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	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	Barnsley East 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

Vacancy rate and weighted average unexpired lease term (WAULT)



* If rental guarantees and agreements for lease are factored in, the vacancy falls to 2.4%.

Lease expiries illustrating revenue impact on portfolio at 30 September 2018

