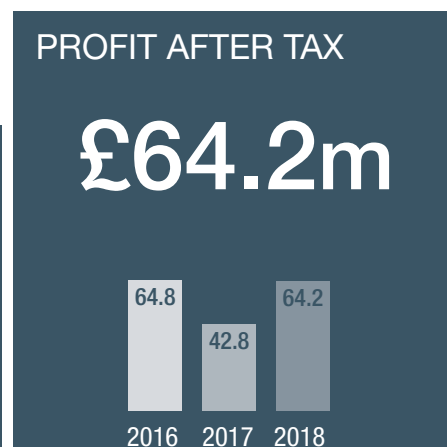
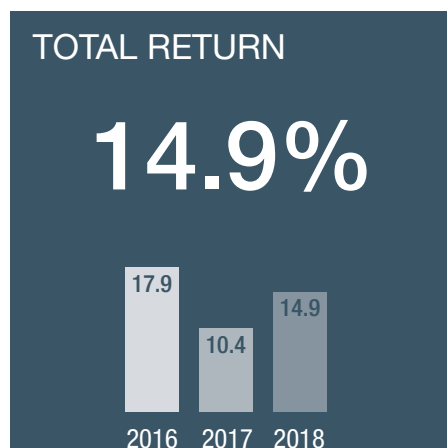
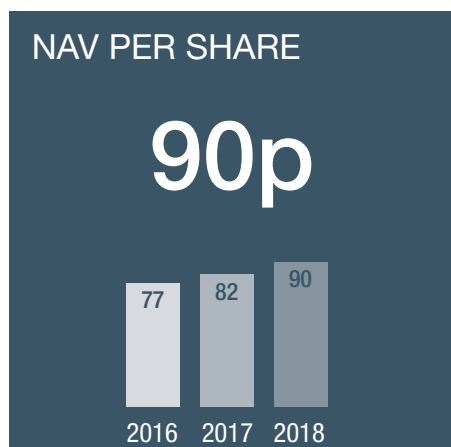


# 2018 HIGHLIGHTS



**STRONG FINANCIAL RESULTS**

- Total profit after tax increased by 50% to £64.2 million
- Net assets increased to £487.4 million, from £441.9 million
- Increase in EPRA NAV per share of 10.5%, to 90 pence per share
- Total return of 14.9%

**LOWER FINANCING COSTS AND GREATER FLEXIBILITY**

- Annual financing costs reduced by £1.1 million
- Extended £24 million revolving credit facility until June 2021
- Loan to value ratio reduced to 26.7% from 27.4%

## EPRA MEASURES

**EPRA PERFORMANCE MEASURES (EPM)**

The European Public Real Estate Association's (EPRA) mission is to promote, develop and represent the European public real estate sector. As an EPRA member, Picton fully supports the EPRA Best Practices Recommendations which recognises the key performance measures, as detailed opposite. Further disclosures and supporting calculations, including sustainability measures, can be found on pages 116 to 126. We have also highlighted other specific EPRA metrics throughout the Report.

**Alternative performance measures**

We use a number of alternative performance measures ('APMs') when reporting on the performance of the business and its financial position. These do not always have a standard meaning and may not be comparable to those used by other entities. However we will use industry standard measures and terminology where possible.

In common with many other listed property companies we report the EPRA performance measures, as stated opposite. We have reported these for a number of years in order to provide a consistent comparison with similar companies. In the Other Information section of this Report we provide more detailed information and reconciliations to IFRS where appropriate.

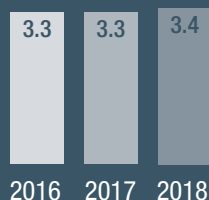
Our key performance indicators include three of the key EPRA measures but also total return, total property return, property income return, total shareholder return, loan to value ratio and ongoing charges. The definition of these measures, and the rationale for their use, is set out in the Key Performance Indicators section.

Other APMs are set out in the Supplementary Disclosures section.

\*144% including one-off income

## DIVIDENDS PER SHARE

3.4p

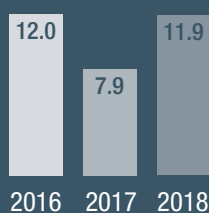


## INCREASE IN EARNINGS AND DIVIDENDS

- Increase in earnings per share to 11.9p from 7.9p
- Increase in EPRA earnings per share of 10.1% to 4.2p from 3.8p
- Dividend increase of 3% in February 2018 to 3.5 pence per share per annum
- Dividends paid of £18.5 million with dividend cover of 122%

## EARNINGS PER SHARE

11.9p



## EPRA NAV PER SHARE

90p

2017 82p  
2016 77p

## EPRA NNAV PER SHARE

87p

2017 77p  
2016 73p

## EPRA EARNINGS PER SHARE

4.2p

2017 3.8p  
2016 3.7p

## EPRA EARNINGS

£22.6m

2017 £20.6m  
2016 £19.9mEPRA COST RATIO<sup>1</sup>

23.7%

2017 26.1%  
2016 22.8%EPRA COST RATIO<sup>2</sup>

19.2%

2017 21.1%  
2016 18.9%

## EPRA NET INITIAL YIELD

5.5%

2017 5.9%  
2016 5.6%

## EPRA 'TOPPED-UP' NET INITIAL YIELD

5.9%

2017 6.3%  
2016 6.2%

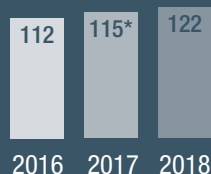
## EPRA VACANCY RATE

4.2%

2017 5.8%  
2016 3.9%

## DIVIDEND COVER

122%

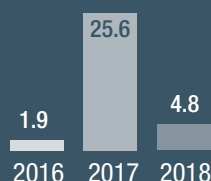


## GROWING OCCUPANCY AND PORTFOLIO OUTPERFORMANCE

- Total property return of 13.0%, outperforming MSCI IPD Quarterly Benchmark of 10.1%
- Total property return and income return outperformance ahead of MSCI IPD over 1, 3, 5 and 10 years
- Increased occupancy to 96%, ahead of the MSCI IPD Quarterly Benchmark of 93%

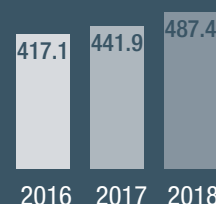
## TOTAL SHAREHOLDER RETURN

4.8%



## NET ASSETS

£487.4m

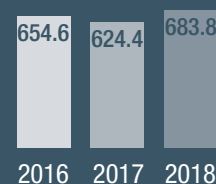


## PORTFOLIO ACTIVITY

- Like-for-like valuation increase of 6.5%
- Like-for-like passing rent increased by 3.9%
- Like-for-like ERV growth of 2.4% with total portfolio ERV of £47.9 million
- One property acquisition of £23.2 million and three non-core disposals for £10.4 million
- Invested £3.6 million into refurbishment projects to enhance the portfolio

## PROPERTY VALUATION

£683.8m

<sup>1</sup> Including direct vacancy costs<sup>2</sup> Excluding direct vacancy costs