

# 2019 HIGHLIGHTS

## NAV per share



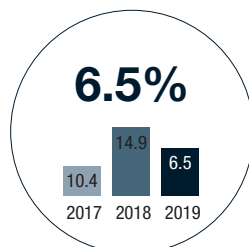
## Positive financial results despite economic uncertainty

Profit after tax of £31 million

Increase in net assets of 2.5%, to £499 million, or 93p per share

Total return of 6.5%

## Total return



## Profit after tax



## Strong dividend cover supported by earnings

Earnings per share of 5.7p

Increased EPRA earnings to £22.9 million, or 4.3p per share

Paid dividends of £18.9 million, or 3.5p per share

Dividend cover of 122%

## Improved balance sheet and operational flexibility

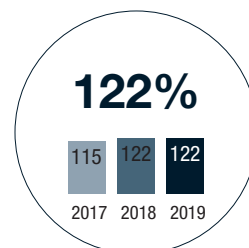
9% reduction in total debt outstanding to £194.7 million

Net saving of £1.1 million in annual finance costs

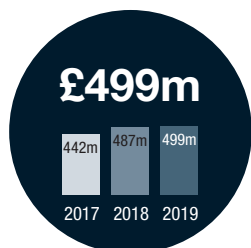
Further reduction in loan to value ratio to below 25%

Debt restructured to provide operational flexibility

## Dividend cover



## Net assets



## Conversion to UK REIT

Entered UK REIT regime on 1 October 2018

Tax savings for six-month period following conversion

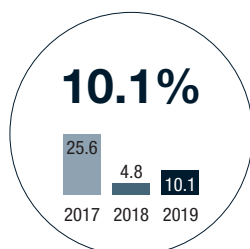
## Property valuation



## Dividends per share



## Total shareholder return



## Outperforming property portfolio

Total property return of 7.5%, outperforming MSCI UK Quarterly Property Index of 4.6%

Portfolio outperformance against MSCI over one, three, five and ten years

Like-for-like valuation increase of 1.8%

Like-for-like rental value change of -0.2%

Occupancy of 90%

Two asset disposals for £12.0 million, 9.7% ahead of March 2018 valuations

£1.6 million invested in refurbishment projects

## Earnings per share



# EPRA MEASURES

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 recognise the key performance measures, as detailed above. Further disclosures and supporting calculations can be found on pages 130 to 132. 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 above. We have reported these for a number of years in order to provide a consistent comparison with similar companies. In the Additional 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, cost ratio, occupier retention rate and EPC ratings. The definition of these measures, and the rationale for their use, is set out in the Key Performance Indicators section.

### EPRA NAV per share

**93p**

2018 90p

### EPRA earnings

**£22.9m**

2018 £22.6m

### EPRA earnings per share

**4.3p**

2018 4.2p

### EPRA NNAV per share

**88p**

2018 87p

### EPRA cost ratio<sup>1</sup>

**22.9%**

2018 23.7%

### EPRA cost ratio<sup>2</sup>

**19.5%**

2018 19.2%

### EPRA net initial yield

**4.9%**

2018 5.5%

### EPRA 'topped-up' net initial yield

**5.3%**

2018 5.9%

### EPRA vacancy rate

**10.3%**

2018 4.2%

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