

Highcroft Investments PLC

Trading Statement in respect of the period 1 January 2015 to 14 May 2015

The board of Highcroft Investments PLC (“the Company”) today approved the following statement in respect of the current trading period which will end on 30 June 2015.

Property

The board were delighted to announce, earlier today, the largest property acquisition that the group has made. The multi-let freehold retail warehouse park in Wisbech, Cambridgeshire, was purchased for £8.5m and will produce a net yield of approximately 7.1%. The lot size, weighted average unexpired lease term, location and quality of the tenant mix all fit our investment criteria; this asset enhances our portfolio and provides a more equal sector balance.

During the period we have completed the sale of one residential unit for a net consideration of £0.4m and we have also obtained vacant possession of a residential property previously occupied by a regulated tenant, which we are currently marketing. The proceeds from both disposals will be re-invested in the commercial property portfolio.

We have had two retail lease expiries in the period, both of which involved exceptional landlord’s works totalling £0.1m. In addition one tenant went into administration. We have successfully agreed two new lettings, and are in the final stages of completing the third, on these units with three new covenants. There has been one short void period. We have no significant debtors and our rent collection timescale remains very good. We continue to consider further rationalisation of the portfolio in line with our stated strategy of gradually changing its shape to enhance yields, improve the portfolio balance and increase the average lot size and the weighted average unexpired lease term.

We are actively seeking new acquisitions that fit our investment criteria; however the current investment market remains strong and competitive and we are disciplined in the application of our investment policy.

Equity Investments

Equity markets have, in general, had a positive first quarter and our remaining holdings have performed in line with the market. We have released £0.6m from the portfolio in the period for reinvestment into our commercial property portfolio.

Financial position

At 14 May 2015 our cash balances after accounting for the Wisbech acquisition stood at £1.6m and our equity portfolio was marked to market at £3.9m. The group has £11.5m of medium term borrowings.

Outlook

The Company has a strong balance sheet, built on solid investment portfolios, and is well positioned to continue to generate additional value for its shareholders.

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Highcroft Investments PLC is a Real Estate Investment Trust that has a portfolio of property and equity investments.