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Highcroft Investments PLC

26 May 2023

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Warehouse Property Acquisition

The Board is pleased to announce that Highcroft Investments PLC, via its property owning subsidiary Rodenhurst Estates Ltd, yesterday completed on the acquisition of the freehold interest of a property being units 1-7 Bluestem Road, Ipswich, Suffolk IP3 9UH.

The property, acquired from Monte Blackburn Limited, comprises 2 semi-detached and 1 detached unit totalling 49,196 sq ft. The units occupy a site of 2.19 acres. The property is fully let to Branded Garden Products Limited (t/a Thompson & Morgan), one of the UK's largest mail-order seed, plant and garden product retailers. The tenant took occupation of the building on a new 10-year lease from 31st May 2022 and expiring 30th May 2032. The lease is subject to a Tenant break option on 31st May 2027, offering a term certain of 4 yrs. The lease is fully repairing and insuring subject to a schedule of condition, and the current passing rent is £7.49 psf equating to £368,500 per annum.

The property has been acquired for £5,500,000, exclusive of costs, which represents a NIY of 6.3%. The acquisition will be funded by utilising the remaining cash from the sale of the Llantrisant asset on 8 February 2023 together with £2m of existing cash resources.

Commenting on the acquisition, chief executive Paul Leaf-Wright said "We are pleased to have redeployed the remaining part of the net proceeds of £7.76m received from the recent sale of our Llantrisant property, into a well-located logistics asset that offers particularly good prospects for capturing rental growth going forward. This further adds to our existing strategy of generating sustainable long-term income for our shareholders. This now concludes the redeployment of the Llantrisant cash proceeds, and the focus will continue to be on ensuring the performance of the assets in the Company."

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