

14 February 2023

REGIONAL REIT Limited
("Regional REIT" or the "Company")

Positive Update on Office Use

Regional REIT, the regional office specialist, is pleased to disclose, from its own tenant data, that virtually all of its tenants have returned to their offices over the last year.

The Company's significant regional office portfolio comprises 156 buildings with 1,042 high quality tenants, geographically spread across the country in the Company's identified growth regions, outside London.

As at 30 November 2022, 99% of the Company's tenants had returned to the office in some form, with only 12 tenants still to return. Two of these being the Scottish Government, which has already signed lease extensions. This is a significant increase from 1 March 2022, where the Company's data collection confirmed only around 30% of its tenants had returned to the office.

There are a variety of ways in which the Company's offices are being utilised, with hybrid working being the most popular. The vast majority of tenants are in full attendance three days per week, Tuesday, Wednesday, Thursday, and for many this is four or even five days per week. In terms of hybrid working, Regional REIT's data suggests that the majority of staff are being encouraged to work from the office on the same days to foster collaboration.

Stephen Inglis, CEO of London & Scottish Property Investment Management, the Asset Manager to Regional REIT commented:

"The study of our portfolio has been very interesting, with a mass return of staff being observed across large swathes of our properties. Staff numbers back in the office increased from some 30% in Q1 2022, to 99% in Q4 2022. Most of our occupiers are encouraging their staff to be in the office the majority of time.

"In the UK regions where commutes tend to be simpler and shorter than the London area, the trend remains towards more people being in the office more of the week. We expect this momentum to continue through 2023, until employers and employees strike the right balance for them between WFH and WFO.

"We are of the opinion that by the end of 2023 this will have played out, with the majority of regional employers adopting a more even split of either: four days in the office and one day from home policy; or three days in the office and two from home. From the trends we are seeing, we believe employees working fully from home (that were not doing so pre-pandemic) will be in a small minority."

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About Regional REIT

Regional REIT Limited ("Regional REIT" or the "Company") and its subsidiaries (the "Group") is a United Kingdom ("UK") based real estate investment trust that launched in November 2015. It is managed by London & Scottish Property Investment Management Limited, the Asset Manager, and Toscafund Asset Management LLP, the Investment Manager.

Regional REIT's commercial property portfolio is comprised wholly of income producing UK assets and comprises, predominantly of offices located in the regional centres outside of the M25 motorway. The portfolio is geographically diversified, with 156 properties, 1,042 occupiers as at 30 September 2022, with a valuation of c.£914.9m.

Regional REIT pursues its investment objective by investing in, actively managing and disposing of regional core and core plus property assets. It aims to deliver an attractive total return to its Shareholders, targeting greater than 10% per annum, with a strong focus on income supported by additional capital growth prospects.

For more information, please visit the Group's website at www.regionalreit.com.

Cautionary Statement

This document has been prepared solely to provide additional information to Shareholders to assess the Group's performance in relation to its operations and growth potential. The document should not be relied upon by any other party or for any other reason. Any forward looking statements made in this document are done so by the Directors in good faith based on the information available to them up to the time of their approval of this document. However, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

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