

23 February 2023

**REGIONAL REIT Limited**  
("Regional REIT", the "Group" or the "Company")

**Q4 2022 Dividend, Letting Update and Year-End Portfolio Valuation**

**Dividend Yield of 11% and 99% Rent Collection for 2022**

Regional REIT (LSE: RGL), the regional office specialist, is today pleased to announce its Q4 2022 dividend, a positive rent collection update and a portfolio valuation as at 31 December 2022.

**Q4 2022 Dividend - Expected to be covered; yield of 11%**

The Company confirms that it will pay a dividend of 1.65 pence per share ("pps") for the period 1 October 2022 to 31 December 2022 (1 October 2021 to 31 December 2021: 1.70pps). This amounts to a total dividend of 6.6pps for 2022 (2021: 6.5pps), and which is expected to be covered by 2022 EPRA earnings. It equates to an annualised dividend yield of c.11% at the closing price per share on 22 February 2023. The entire dividend will be paid as a REIT property income distribution ("PID").

**Rent Collection 2022 Update**

The Company is also pleased to report that as at 15 February 2023, Q1 2022 collections amounted to 99.2%, Q2 2022 to 98.9% and Q3 2022 to 98.1%. Currently, Q4 2022 rent collection, adjusting for monthly rent and agreed collection plans, stands at 97.9%, which is above the equivalent period in 2021 when 96.6% had been collected. The total rent collection for 2022 is currently at 98.6% compared with 98.6% this time last year.

%	Q1 2022	Q2 2022	Q3 2022	Q4 2022	YTD
<b>Rent paid</b>	99.2	98.9	98.1	97.2	<b>98.4</b>
<b>Adjusted for monthly rents</b>	0.0	0.0	0.0	0.7	<b>0.2</b>
<b>Agreed collections plans</b>	0.0	0.0	0.0	0.0	<b>0.0</b>
	<b>99.2</b>	<b>98.9</b>	<b>98.1</b>	<b>97.9</b>	<b>98.6</b>

The Company remains in supportive and ongoing discussions with occupiers regarding the balance of the outstanding rent and expects to collect the vast majority in due course.

Table may not sum due to rounding.

Quarterly rental collection refers to all invoices issued during the calendar quarters:

Q1: 1 January 2022 to 31 March 2022

Q2: 1 April 2022 to 30 June 2022

Q3: 1 July 2022 to 30 September 2022

Q4: 1 October 2022 to 31 December 2022

**Full Year 2022 Portfolio Valuation**

Additionally, the Company provides the following portfolio valuation update.

- Portfolio valuation £789.5m (2021: £906.1m)
- The like-for-like value of the portfolio decreased by 12.1% in 2022 after adjusting for capital expenditure, acquisitions and disposals during the period (11.0% excluding capital expenditure adjustment)
- Equivalent Yield 9.0% (2021: 8.7%)
- Gross rent roll £71.8m (2021: £72.1m); ERV £92.0m (2021: £94.6m)
- 154 properties (2021: 168); 1,076 occupiers (2021: 1,077)
- Portfolio: offices (by value) at 91.8% of the portfolio (2021: 89.8%), retail 3.6% (2021: 3.7%), industrials 3.1% (2021: 5.1%), and Other 1.4% (2021: 1.4%)
- England represented 78.3% (2021: 75.7%) (by value), Scotland 16.7% (2021: 19.0%) and Wales

- 5.0% (2021: 5.3%)
- EPRA Occupancy (by ERV) at 83.4% (2021: 81.8%)
- Average lot size c. £5.1m (2021: c. £5.4m)
- Net loan-to-value ratio was 49.5% (2021: 42.4%); ample headroom remains on all loan covenants.
- Group cost of debt (incl. hedging) 3.5% pa (2021: 3.3% pa) - 100% fixed and hedged, ensuring the maximum cost of debt will not exceed 3.5%
- Weighted average debt duration 4.5years (2021: 5.5 years)

**Stephen Inglis, CEO of London and Scottish Property Investment Management, the Asset Manager, commented:**

"2022 was operationally strong, with the Company delivering on its targeted distribution of 6.6 pence per share, equating to a yield of 11% on the share price as at 22 February 2022. The full year 2022 dividend is expected to be covered by earnings, which will be confirmed when the 2022 annual results are announced.

"Although, as elsewhere in the commercial real estate sector, property valuations were impacted negatively during the period by the macroeconomic environment, operationally the Company has performed well. We have continued to focus on providing vibrant spaces to help our customers to thrive and in-turn to collect the rents. This has allowed the dividend to be increased to 6.6 pence per share for 2022 from 6.5 pence per share for 2021. Additionally, while the Company's LTV has increased, we are encouraged by the ample headroom available across the debt facilities and the fixed nature of the Company's debt at 3.5%.

"There is an air of optimism as we progress into the new year, with our 30 November 2022 internal data showing that 99% of our tenants had returned to the office in some form, with only 12 of our 1,076 tenants yet to do so."

## Further Background Information

### Dividend

The Company has introduced the option for shareholders to invest their dividend in a Dividend Reinvestment Plan ("DRIP"). More details can be found on the Company's website <https://www.regionalreit.com/investors/investors-dividend/dividend-reinvestment-plan>.

The key dates relating to this dividend are given below:

Ex-dividend date	02 March 2023
Record date	03 March 2023
Last day for DRIP election	16 March 2023
Payment date	06 April 2023

### Lettings Update - Summary of Activity since 30 September 2022:

Since 30 September 2022, notable new lettings in aggregate amounted to c.£1.7m of new rent and aggregate lease renewals amounted to c. £1.0m, reflecting in aggregate an increase of a 7.3% above 30 June 2022 ERV.

- **Norfolk House, Birmingham** - 44,245 sq. ft. of previously vacant Grade A office space has been let to Global Banking School. The annual rent amounts to £840,991 pa (£19.01/ sq. ft.), with a 15-year lease including an option to break after 10 years.
- **Capitol Park, Leeds** - Hermes Parcelnet Ltd (Evri) renewed its lease for a further five years to December 2028, at a rental income of £473,045 pa (£18.34/ sq. ft.) on 25,790 sq. ft. of space. Moreover, the tenancy also includes provision of additional car parking spaces at a rent of £25,632 pa.
- **Hampshire Corporate Park, Eastleigh** - Complete Fertility Ltd has leased 9,928 sq. ft. of space for 15 years with a break option in 2032 at a rent of £287,921 pa (£29.00/ sq. ft.).
- **Integration House, Fleet** - Boeing United Kingdom Ltd renewed its lease for a further five years, to December 2027, at a rental income of £194,943 pa (£16.67/ sq. ft.) on 11,679 sq. ft. of space.
- **The Foundation, Chester Business Park, Chester** - 8,676 sq. ft. of space has been let to SpaMedica Ltd at a rent of £173,520 pa (£20.00/ sq. ft.) for a period of 10 years with the option to break in 2027.
- **Milburn House, Newcastle** - Lycett, Brown-Swinburne & Douglass Ltd renewed its lease for a further 12 months, at a rental income of £170,012 pa (£14.82/ sq. ft.) for 11,469 sq. ft. of space.
- **Ashby Park, Ashby De La Zouch** - A new tenancy agreement has been signed with Ashfield Healthcare Ltd for 6,462 sq. ft.. The lease is for two years with the option to break in 2023, providing a rental income of £119,547 pa (£18.50/ sq. ft.).
- **1-4 Llansamlet Retail Park, Nantaffin Rd, Swansea** - 2,810 sq. ft. of space has been let to TH UK & Ireland Ltd (Tim Hortons) at a rent of £98,000 pa (£34.88/ sq. ft.) for a period of 15 years with the option to break in 2032.
- **Central Park, New Lane, Leeds** - Akari Care Ltd has leased 4,400 sq. ft. for a period of five years with the option to break in 2025 at a rent of £83,600 pa (£19.00/ sq. ft.).
- **Quadtech, Hemel Hempstead** - 5,001 sq. ft. of space has been let to the Glenelly Infrastructure Solutions Ltd at a rent of £75,000 pa (£15.00/ sq. ft.) for a period of ten years with the option to break in 2027.
- **Delta 1200, Delta Business Park, Swindon** - TM Group (UK) Ltd has leased 4,857 sq. ft. for a period of eight years at a rent of £69,198 pa (£14.25/ sq. ft.).

- **Oakland, Manchester** - Secretary of State for Levelling Up, Housing and Communities renewed its lease for a further 12 months, at a rental income of £54,500 pa (£10.00/ sq. ft.) on 5,450 sq. ft. of space.
- **The Royals, Altrincham Road, Manchester** - Texas Instruments Ltd renewed its lease for a further five years, to August 2027, at a rental income of £51,557 pa (£14.50/ sq. ft.) on 3,557 sq. ft. of space.

#### **Forthcoming Events**

28 March 2023	Full year 2022 Preliminary Results Announcement
24 May 2023	May 2023 Trading Update and Outlook Announcement
	Q1 2023 Dividend Declaration Announcement
25 May 2023	Annual General Meeting

**Note:** All dates are provisional and subject to change.

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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 154 properties, 1,076 occupiers as at 31 December 2022, with a valuation of c.£789.5m.

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](http://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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