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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

23 May 2023

Home REIT plc

("Home REIT" or the "Company")

Appointment of AEW as Property Adviser and Investment Manager

Further to the announcement on 5 April 2023, the Board announces that it has entered into an agreement with AEW UK Investment Management LLP ("AEW") under which, effective immediately, AEW will act as the Company's Property Adviser. AEW will become the Investment Manager and Alternative Investment Fund Manager ("AIFM") to the Company following Alvarium Fund Managers (UK) Limited ceasing to act as AIFM of the Company, Alvarium Home REIT Advisors Limited ceasing to act as Investment Adviser to the Company, receipt of the required FCA approval for AEW to take on the AIFM functions and adoption by the Company of a revised investment policy.

Selection process

AEW's selection follows a competitive process in which the Board received a total of seven proposals and conducted detailed discussions and negotiations with three short-listed parties. AEW was selected based on its expertise both in property, including managing residential for rent, and in managing listed funds, as well as its depth of immediately available resource, the strength of its network in the real estate marketplace, and its experience in taking on investment management mandates, amongst other factors.

The Company's lender has given its consent to this appointment.

Background on AEW

AEW is a highly experienced real estate asset manager and part of the AEW group, which has £74.5 billion of assets under management globally as at 31 December 2022. AEW is the investment manager of AEW UK REIT plc, AEW UK Real Return Fund and AEW UK Core Plus Property Fund, in addition to a number of separate account mandates. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world, with £980 billion of assets under management as at 31 December 2022.

Immediate priorities and proposed amendments to investment policy

AEW's immediate priorities will be to undertake a thorough review of the Company's assets to help inform a longer-term strategy for the portfolio, as well as dealing with a number of short-term requirements, including preparing for the potential sale of a limited number of properties and engaging with the Company's current tenant base regarding issues with their properties that may have been previously unaddressed, while improving rent collection efficiency. As announced on 15 March 2023, the Board will write to shareholders as soon as practicable setting out the proposed changes to the Company's investment policy, which will include enabling the Company to enter into shorter-term leases with tenants, and details of how shareholder approval will be sought.

Terms of appointment

Effective immediately, AEW will act as Property Adviser to the Company. AEW will become the Investment Manager and AIFM to the Company following Alvarium Fund Managers (UK) Limited ceasing to act as AIFM of the Company, Alvarium Home REIT Advisors Limited ceasing to act as Investment Adviser to the Company, receipt of FCA approval and adoption by the Company of a revised investment policy. Alvarium Home REIT Advisors Limited continues to work closely with the Board and its advisers, and is committed to delivering an orderly handover. Simpacit is continuing to assist the Company on a rolling three-month contract.

As part of this process, the Company has sought to reduce the level of the management fees from their previous level. Following its appointment as Property Adviser (and until its appointment as AIFM), AEW will be entitled to a

property advisory fee of £3 million per annum. During the first two years of its appointment as AIFM (the "Initial Period"), AEW will be entitled to (i) a fixed base asset management and AIFM fee of £3 million per annum (increasing annually in line with inflation by a maximum of 5 per cent. per annum), (ii) a variable management fee for disposals of £422 per bed for every property sold and (iii) a variable management fee to incentivise rent collection of 10% of all rent collected, subject to an aggregate cap of £10 million for the Initial Period. Following the Initial Period, AEW will instead become entitled to an investment management fee equal to 0.75% of NAV per annum on an ongoing basis, subject to a minimum fee of £3 million per annum (increasing annually in line with inflation by a maximum of 5 per cent. per annum). Under certain circumstances, including a takeover of the Company completing during the initial period (which would cause the Investment Management Agreement to be terminated), AEW will be entitled to receive a termination payment of £9 million, less any fees already paid or payable to AEW under the Investment Management Agreement. This compares favourably with a management fee of approximately £7 million per annum that would have been payable to Alvarium Home REIT Advisors Limited under the existing investment advisory agreement.

Current trading and additional updates

On 16 February 2023, the Company announced that, for the quarter ended 30 November 2022, only 23% of rent had been collected, meaning that out of a £14.8 million quarterly rent roll, only £3.4 million had been paid. During the five months ended 30 April 2023, the Company collected a total of approximately £3.4 million, including sums in relation to rent arrears, from tenants. Rent demanded during the same period was £25.9 million. With AHRA, the Company has developed a number of initiatives to improve rent collection, which AEW will now take forward under a revised investment policy. As at 19 May 2023, the Company had a cash balance of £18.9 million. The Company's cash balance reflects the repayment of £30 million of cash held in a restricted account to its lender, as announced on 5 April 2023. The Company's lender has been supportive throughout this operationally challenging period.

Following the appointment of AEW, the Board intends to proceed with the sale in the near term of a number of properties, as the Company works to stabilise its property portfolio, provide additional liquidity and reduce its borrowings.

Home REIT has agreed terms with Bill Stam, a highly experienced turnaround CFO, as a consultant to the Company. Following AEW's appointment as Investment Manager, he is expected to transfer as a consultant to the AEW team.

The Company has been given six months' notice by its property valuer, Knight Frank, such that Knight Frank's contract to provide valuation services to the Company will terminate from 3 November 2023. AEW will assist the board with the selection and appointment of a new property valuer.

Lynne Fennah, Chair of Home REIT, said: *"The appointment of a new Investment Manager is an important step. AEW brings deep fund management and property expertise that will be critical in enabling the Company to stabilise its property portfolio, maintain its mission of providing accommodation to vulnerable people and maximise value for shareholders. The Board has run a thorough process to enable it to make this change in Investment Manager. AEW has undertaken detailed diligence before taking on the mandate and is well placed to hit the ground running. I am delighted with the appointment and look forward to working together."*

Nick Winsley, Head of AEW UK, said: *"We are committed to working with Lynne and the Board to protect the interests of all of Home REITs stakeholders, shareholders, the Company's lender and the residents. While our immediate priority will be to address a number of short-term requirements, we will also undertake a thorough review of the Company's assets that will allow us to formulate a longer-term strategy for the entire portfolio, which we will propose to the Board in due course."*

Further updates will be provided in due course, as appropriate.

The person responsible for arranging the release of this announcement on behalf of the Company is FTI Consulting.

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AEW

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Chief Financial Officer

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For more information, please visit the Company's website: www.homereituk.com

About AEW

AEW is one of the world's largest real estate asset managers, with €84.9 billion of assets under management as at 31 December 2022. AEW has over 800 employees, with its main offices located in Boston, London, Paris and Singapore and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natisis Investment Managers, one of the largest asset managers in the world.

As at 31 December 2022, AEW managed €38.5 billion of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 470 employees based in 10 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of €21.9 billion of real estate across European markets.

www.aew.com

Inside Information

The information contained within this announcement is deemed by Home REIT to constitute inside information as stipulated under the Market Abuse Regulation (EU) no. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018). On the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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