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FOR IMMEDIATE RELEASE

16 July 2024

Home REIT plc
("Home REIT" or the "Company")

Proposed implementation of a managed wind-down strategy

On 17 June 2024, the Company announced that it had been unable to secure a re-financing of its existing debt facility on terms that it could recommend to shareholders, despite extensive and advanced discussions with a potential lender. The re-financing of the debt was a key component of the continued advancement of the stabilisation strategy adopted in August 2023. As the re-financing had not been possible, the Company also announced that it was considering a number of options both to re-pay the outstanding debt and provide an optimised resolution for shareholders, which may include a more extensive realisation strategy.

The Board and AEW UK Investment Management LLP (**"AEW"**) continue to engage with Scottish Widows Limited (**"Scottish Widows"**), which has advised that its objective is for repayment of the loan balance in the short term and by no later than 31 December 2024. In addition, and as announced on 3 July 2024, Scottish Widows has revised the terms of the additional fee payable by the Company and charged on the outstanding loan amount, such that this will increase from 5.0 per cent to 7.0 per cent per annum until repayment of the loan. As of 30 June 2024, the Company had accrued £6.6m for the additional unpaid fees being charged since August 2023.

As at 30 June 2024, the Company's total borrowings have been reduced from £220.0m to £114.6m, which will be further reduced by the proceeds of the property sales which have exchanged but are yet to complete which total approximately £24.5m.

Since its appointment, AEW has undertaken extensive and detailed steps to improve the viability and performance of the Company's assets and thereby providing a firmer platform for its operations. This has involved substantial tenant engagement, the removal of non-performing tenants, the appointment of property managers and re-tenanting of assets where appropriate. Following these activities, the Company has gained control of the majority of properties, enabling future liquidity. In addition, c.90 per cent of the property portfolio has been subject to internal inspection either by AEW, JLL, Vibrant and property managers, significantly improving the level of data on the portfolio. Analysis of the underlying condition and occupation of the properties is paramount to determine suitability, capital expenditure requirements and income and capital returns prospects for each asset and enables strategies to be put in place to drive an improvement in rental collection going forwards. On the corporate side, updated draft valuation reports have been produced as part of the process to produce the financial results for past periods and achieve a restoration of trading of the Company's shares. The Company's audited results for the year ended 31 August 2022 are substantially complete and are expected to be published during August 2024.

The Board has conducted a full review of the stabilisation strategy and whilst it recognises that there is an opportunity to add value to the portfolio at a property level, it has concluded that this strategy faces considerable challenges. These include a high fixed corporate cost base, required due to the REIT structure and as a result of the issues being dealt with by the Company at this time, and the requirement for capital expenditure to drive an increase in rental value and valuation of the portfolio. In addition, the Board is aware that the size of the vehicle following the repayment of debt may be considered too small by many investors when considering its future as a listed REIT.

As a result of these factors, and having carefully considered the range of options available for the Company,

the Board has concluded that it is in the best interests of shareholders to propose a managed wind-down strategy for the Company (the "**Managed Wind-Down**"), pursuant to which the assets of the Company would be sold with the objectives of optimising remaining shareholder value and repaying the Company's loan balance.

It has been clear from consultation with key shareholders, and the feedback received following the announcement on 17 June 2024, that there is significant support for a realisation strategy and the return of capital to shareholders when the Company is able to do so.

The implementation of the proposed Managed Wind-Down will require a change to the Company's investment policy. Accordingly, the Company intends to publish a circular to shareholders (the "**Circular**") in the coming weeks in order to convene a general meeting at which it will seek approval from shareholders to amend the Company's investment objective and policy. The Circular will also provide additional detail on the approach to realisation that the Company will intend to follow to implement the proposed new strategy.

Approach to the Managed Wind-Down

It is expected that the Company, via its investment manager AEW, will adopt a broad and managed approach to the disposal of assets, with a view to optimising value for shareholders. Although it will be necessary to realise a proportion of the property portfolio (the "**Portfolio**") before 31 December 2024 to meet the requirements of Scottish Widows and repay the outstanding debt, sales will otherwise be structured and executed to achieve best value and to minimise disruption to the underlying occupiers of the properties. A decision on the preferred method of disposal will be determined by a number of factors, including property condition, location, tenant type, and lease terms.

During the Managed Wind-Down, asset management initiatives will be focused on adding value to properties and preparing them for sale to maximise liquidity. In addition, given the Company's originally stated objective of providing accommodation for the homeless, the realisation process will be managed in a way to minimise impact and disruption to underlying, vulnerable occupiers. In that respect, as previously announced, a larger than expected proportion of the portfolio is private rented sector ("**PRS**") rather than homeless accommodation backed by exempt rents from local authorities.

The Company will continue to provide regular updates during the Managed Wind-Down, however this, and the level of disclosure included, will be reviewed throughout the process in order to protect the Company's commercial interests and allow disposals to be completed in a manner that preserves shareholder value.

Return of capital to shareholders

It is the intention of the Board that capital will be returned to shareholders upon the completion of the realisation strategy and following the repayment of the Company's outstanding debt facilities. However, shareholders should be aware that the ability of the Company to make distributions to shareholders will be constrained whilst the Company faces potential group litigation and an FCA investigation. At present, the Board is unable to assess properly its ability to make distributions under the applicable legal requirements. In addition, the Company expects to retain capital to meet corporate costs and allow it to pursue legal action against those it considers responsible for wrongdoing.

The most appropriate timing and mechanism to return capital to shareholders will be determined in due course.

Financial statements and restoration of listing

As previously announced, the Company's audited results for the year ended 31 August 2022 are expected to be published during August 2024. The audited results for the year ended 31 August 2023 have been prepared in parallel and, along with interim results for the periods to 28 February 2023 and 2024 respectively, are expected to be published during the third quarter. Following publication of all outstanding financial information, the Company is then able to apply to the FCA for a restoration of its listing and the recommencement of trading on the London Stock Exchange.

Further details regarding the expected timetable for restoration of listing will be announced upon publication of the above financial information and the Company expects to engage with shareholders ahead of this important event.

Shareholder communications

The Board, together with AEW, will provide a presentation to shareholders via a live webcast following publication of the Circular.

The presentation, which will only be open to shareholders of the Company, will also provide an update on

the activities that AEW has undertaken in respect of the Company's property portfolio, as well as an overview of ongoing workstreams. There will also be an opportunity for shareholders to ask questions.

A further update on timing will be provided in due course.

Michael O'Donnell, Non-Executive Chairman of Home REIT, said:

"It is clear that Home REIT continues to face extensive challenges, including in respect of its debt position and pursuing and defending litigation action, and responding to an FCA investigation. Against this backdrop and the expected reduced size of the Company's portfolio, following an extensive review the Board has concluded that the best course of action for shareholders is to propose a managed wind-down strategy. I would like to thank shareholders for their ongoing patience and support through the stabilisation process as we strive to address, and seek redress for, the issues facing the Company."

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

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