

Real Estate Investors Plc
("REI", the "Company" or the "Group")

SALES AND DEBT REDUCTION ON TRACK FOR 2024

Real Estate Investors Plc (AIM:RLE), the UK's only Midlands-focused Real Estate Investment Trust (REIT), with a portfolio of commercial property across all sectors, is pleased to provide the following trading update, ahead of the announcement of its Interim Results on 23 September 2024:

ONGOING DISPOSALS IN A CHALLENGING MARKET

- Planned disposals of £11.9 million year-to-date, either completed (or conditionally exchanged) at an aggregate uplift of 4.1% (before costs) against December 2023 valuations
- Disposals that have conditionally exchanged and are awaiting completion in H2 are subject to vacant possession/planning consents with the benefit of continued income until completion date
- Further strong sales pipeline in legals and expected to complete in H2 2024
- Strategic retention of larger assets for income to support fully-covered dividend, until market normalisation to secure best value

DEBT REPAYMENT USING DISPOSAL PROCEEDS

- Receipts from completed disposals have been used to repay £7.3 million of debt year-to-date, in line with our stated strategy to prioritise debt repayment
- Total drawn down debt now reduced to £47.1 million (FY 2023: £54.4 million)
- Total cash at bank of £4.4 million, with monies on deposit earning 4.5%
- Average cost of debt maintained at 6.5% (FY 2023: 6.5%)
- Hedge facility improvement of £190,000 year-to-date as at 31 July 2024

STABLE PORTFOLIO WITH IMPROVING OCCUPANCY

- Contracted rental income of £10 million p.a. (FY 2023: £10.9 million p.a.) with loss of income predominantly due to disposals and concluding vacant possession on specific assets to satisfy contractual sales obligations
- New lettings year-to-date of £760,000, combating some disposal impact, with a further £150,000 of lettings in pipeline legals
- Occupancy currently sits at 84%, which could improve further with pipeline lettings and the disposal of vacant or part-vacant assets in the coming months
- Improved WAULT of 5.71 years to break / 6.79 years to expiry (FY 2023: 5.24 years / 6.01 years)
- Rent collection for H1 2024 of 99.6%, demonstrating strong covenants across the portfolio

UNINTERRUPTED DIVIDEND

- Fully covered dividend for Q1 2024 of 0.5p (Q1 2023: 0.625p per share) despite loss of income from 2023 and 2024 portfolio disposals to date
- £51.5 million total dividends paid to shareholders since commencement of the dividend policy in 2012
- Management committed to ongoing covered dividend, subject to pace of sales programme

NOTICE OF INTERIM RESULTS

- The Company will release its interim results for the six months to 30 June 2024 on 23 September 2024

PAUL BASSI, CHIEF EXECUTIVE, COMMENTED:

"We are pleased with the performance of the business year-to-date and remain on track with our strategy to make targeted sales to private investors and special purchasers during 2024, repaying debt with the proceeds.

Despite the known uncertain market conditions, particularly the investment market, where transaction levels are 40% below the 5-year average, in 2024 so far, we have completed or exchanged contracts on £11.9 million of assets, repaying £7.3 million of debt with the proceeds from completions.

Sentiment so far in the second half of the year has been positive with business confidence in our region growing by 15 points since the result of the election in July. We believe the recent 0.25% interest rate reduction, announced by the Bank of England last week, will further enhance confidence and support a return to more normalised investment market conditions that will allow us to start to sell our larger assets, utilising funds more rapidly to eliminate our debt with a view to then returning surplus capital to our shareholders.

The occupier market remains stable with our asset management team completing 16 lease transactions since the year end (11 new lettings and 5 lease renewals). We continue to focus on maximising income across the remainder of the portfolio, with a view to potentially improving valuations and occupancy levels further and supporting our ongoing dividend which has been uninterrupted and fully-covered despite the sales programme."

Enquiries:

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About Real Estate Investors Plc

Real Estate Investors Plc is a publicly quoted, internally managed property investment company and REIT with a portfolio of mixed-use commercial property, managed by a highly-experienced property team with over 100 years of combined experience of operating in the Midlands property market across all sectors. The portfolio has no material reliance on a single asset or occupier. On 1st January 2015, the Company converted to a REIT. Real Estate Investment Trusts are listed property investment companies or groups not liable to corporation tax on their rental income or capital gains from their qualifying activities. The Company announced in January 2024 that it would be undertaking an orderly strategic sale of the Company's portfolio over three years, disposing of assets individually or collectively, at or above book value, to optimise returns to shareholders. The pace of the disposal programme will be dictated by market conditions, with an initial focus on repaying the Company's debt. In the meantime, it is the Board's intention to continue paying a fully covered quarterly dividend. Further information on the Company can be found at www.reiplc.com.

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