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FOR IMMEDIATE RELEASE

20 November 2024

Residential Secure Income plc

("ReSI plc" or the "Company")

Publication of Circular and Notice of General Meeting

Further to the announcement of 3 October 2024, the Board of ReSI plc (LSE: RESI) announces that a circular (the "Circular") to convene a general meeting (the "General Meeting") has been published today and sent to shareholders ("Shareholders"), the purpose of which is to propose a new investment objective and investment policy of the Company (the "New Investment Policy") in order to implement a managed realisation and wind-down of the Company (the "Managed Realisation and Wind-Down").

Under the proposed Managed Realisation and Wind-Down process, the Company will be managed with the intention of realising all the existing assets in its portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to Shareholders.

The adoption of the New Investment Policy is conditional on Shareholder approval by way of an ordinary resolution requiring the approval of holders of a majority of the Company's shares voted at the General Meeting (whether in person or by proxy) (the "Resolution").

The Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

The Board will seek to achieve the most tax-efficient treatment for the Company's UK Shareholders as a whole taking into account the composition of the Company's shareholder register, but, as Shareholders' circumstances will vary, it is important that Shareholders seek their own independent tax and financial advice at all times.

Change to the Fund Manager's fee arrangements

Conditional upon the adoption of the New Investment Policy, the Company and the Fund Manager have agreed to amend the terms of the Fund Manager's fee arrangements so as to ensure that the Fund Manager is appropriately incentivised to maximise the value received from the Company's assets in a timely manner.

Details of the proposed changes to be made to the Fund Manager's fee arrangements have been set out in the Appendix to this announcement and shall, if Shareholders approve the adoption of the New Investment Policy at the General Meeting, be documented in an amendment to the Fund Management Agreement, effective from 1 January 2025.

General Meeting

The General Meeting has been convened for 2:00 p.m. on Friday, 6 December 2024 to be held at the offices of Computershare, the Company Secretary, at Floor 3, Moor House, 120 London Wall, London, EC2Y 5ET. The expected timetable of principal events in relation to the General Meeting is as follows:

Publication of the Circular	Wednesday, 20 November 2024
Latest time and date for receipt of proxy appointments and instructions for the General Meeting	2:00 p.m. on Wednesday, 4 December 2024
General Meeting	2:00 p.m. on Friday, 6 December 2024

The Circular will be made available on the Company's website at <https://greshamhouse.com/real-assets/uk-housing/residential-secure-income-plc/>. For the avoidance of doubt, neither the contents of this website nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.

A copy of the Circular will also be submitted to the National Storage Mechanism, where it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Capitalised terms used in this announcement have the meanings given to them in the Circular.

LEI: 213800D24WA531LAR763

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Appendix **Proposed Changes to the Fund Manager's fee arrangements**

Conditional on the passing of the Resolution, the Company and the Fund Manager have agreed to amend the terms of the Fund Manager's fee arrangements so as to ensure that the Fund Manager is appropriately incentivised to maximise the value received from the Company's assets in a timely manner.

Under this new fee structure, the Fund Manager will continue to be paid its current Fund Management Fee, which was rebased, effective 1 January 2024, to the average of the Company's Market Capitalisation and the Net Asset Value for the relevant quarter (the "Current Fund Management Fee"), in addition to a new incentivisation fee which will comprise a disposal base fee (the "Base Fee") and a conditional disposal fee (the "Conditional Disposal Fee" and, together with the Base Fee, the "Incentivisation Fee"), where fees will be linked to both the execution and the net disposal proceeds of asset sales accounting for the repayment or transfer of outstanding debt and any taxes payable by the Company but excluding any transaction costs and excluding the benefit of any actual or potential debt break gains not reflected in the Benchmark EPRA NTA, as described below.

In addition to the below, the Company and the Fund Manager have agreed that the notice period under the Fund Management Agreement will be reduced from twelve months down to three months.

Subject to the passing of the Resolution, the Fund Manager's existing fee arrangement will be replaced, effective from 1 January 2025, with the following:

- (1) the Current Fund Management Fee on that part of the Net Asset Value up to and including £250 million, being an amount equal to 1 per cent. per annum of such part of the average of the Company's Market Capitalisation and Net Asset Value. The Current Fund Management Fee is paid quarterly in advance. 75 per cent. of the total Current Fund Management Fee is payable in cash (the "Cash Fee") and 25 per cent. of the total Current Fund Management Fee (net of any applicable tax) is payable in the form of Ordinary Shares rather than cash (the "Equity Element"); and
- (2) the Incentivisation Fee payable in connection with the Managed Realisation and Wind-Down, consisting of:
 - (a) the Base Fee, being a fee of £700,000 (plus VAT, if applicable), payable in two equal instalments of £350,000, on completion of the sale of each of the Shared Ownership portfolio and the Retirement Living portfolio; and
 - (b) the Conditional Disposal Fee, being a maximum fee of £500,000 (plus VAT, if applicable), first accruing once aggregate net disposal proceeds received from 1 January 2025 after repayment or transfer of outstanding debt and any taxes payable by the Company but excluding any transaction costs and excluding the benefit of any actual or potential debt break gains not reflected in the Benchmark EPRA NTA ("Net Disposal Proceeds") are equivalent to not less than 90 per cent. of the Benchmark EPRA NTA, and moving on a straight-line basis from 90 per cent. to 100 per cent. of the Benchmark EPRA NTA, which shall be payable on liquidation of the Company.

For the avoidance of doubt, the sum of the Base Fee and Conditional Disposal Fee shall not exceed £1,200,000 (plus VAT, if applicable).

The amendments to the fee arrangements outlined above are considered to be a relevant related party transaction under UKLR 11.5.4R(1) and this announcement is being made in accordance with UKLR 8.2.1R.

The Board, which has been so advised by Peel Hunt LLP ("Peel Hunt"), considers that the terms of the Incentivisation Fee are fair and reasonable as far as shareholders are concerned. In giving its advice, Peel Hunt has taken into account the Board's commercial assessment of the Incentivisation Fee.

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