

15 May 2025

REGIONAL REIT Limited
("Regional REIT", the "Group" or the "Company")
Q1 2025 Trading Update & Dividend Declaration

Regional REIT Limited (LSE: RGL), the regional property specialist, announces the following trading update for the period from 1 January 2025 to 31 March 2025 and a dividend declaration for the first quarter of 2025.

Stephen Inglis, Head of ESR Europe LSPIM Ltd., Asset Manager commented:

"I am pleased to report that Regional REIT has been able to maintain positive leasing momentum in the first quarter of the year and rent collections remained strong.

"There is an emerging supply and demand imbalance outside of London for high quality, sustainable office space that meets the needs of today's occupiers. Regional REIT is committed to addressing this gap. This commitment gives us confidence that whilst market conditions continue to be challenging, with both occupational and investment markets remaining subdued, these challenges will subside allowing us to deliver future rental and capital growth for our shareholders.

"Furthermore, with our transformed balance sheet, Regional REIT is well placed to take advantage of the significant opportunities ahead for value creation within the portfolio. The business is implementing these initiatives and will continue to pursue our strategic disposals programme. While the fruits of our efforts may not translate into our financial statements before 2026, the business is doing all the right things today operationally to deliver value to shareholders. In the meantime, we continue to reward our investors with an attractive covered dividend."

Valuations across portfolio

- 125 properties, 1,244 units and 744 tenants, totalling c.£622.8m* of gross property assets value (2024: £622.5m)

Continued operational delivery

- Rent roll of £57.3m (2024: £60.7m); ERV £83.0m (2024: £83.2m)
- EPRA Occupancy (by ERV) 78.8% (2024: 77.5%) ; 31 March 2025 like-for-like (versus 31 March 2024) EPRA occupancy was 78.8% (77.6%)
 - EPRA Occupancy by portfolio segmentation: Core 88.5%, CAPEX to Core 80.8%, Value Add 63.3%, and Sales at 29.9%
- Total rent collection for the quarter as at 1 May 2025 97.3% compared with 97.2% for the equivalent period in 2024
- 14 lettings to new tenants and renewals/regears in the period across 114,888 sq ft delivering £1.6m of annualised rental income
- Post quarter end a further 7 new lettings and renewals/regears have been achieved across 21,673 sq ft providing £0.4m of annualised rental income

Maintaining balance sheet discipline while pursuing updated strategy

- Progressing value accretive capex programme
- Cash and cash equivalent balances £54.0m (2024: £56.7m)
- Net loan-to-value ratio c. 42.0%* (2024: 41.8%)
- Gross borrowings £315.3m (2024: £316.7m)
- Group cost of debt (incl. hedging) 3.4% pa (2024: 3.4% pa) -100% fixed and hedged ensuring the maximum cost of debt in 2025 will not exceed 3.4%
- Disposals in the period amounted to £1.6m (before costs), 4.9% above pre-sale valuation and reflecting a net initial yield of 7.3%

- 2 disposals completed post quarter end totalling £6.2m (before costs), 2% below pre-sale valuation.

The current disposal programme comprises of 40 sales totalling c. £106.2m

- 1 disposal contracted for c. £2.5 million
- 3 disposals totalling c. £8.6 million under offer and in legal due diligence
- 5 further disposals totalling c. £8.9 million are in negotiation
- 19 further disposals totalling c. £41.7 million are on the market
- 12 potential disposals totalling c. £44.5 million are being prepared for the market.

*Gross property assets value based upon Colliers valuations as at 31 December 2024, adjusted for subsequent acquisitions, disposals and capital expenditure in the period.

Capital expenditure programme update and highlights:

As previously announced the Company has identified c. 20 sites where there are clear value add opportunities. These may include planning applications being submitted to change the use to alternatives such as student accommodation, residential or hotel use ahead of a sale, to maximise value for shareholders. It is anticipated that this programme will deliver good shareholder value over the medium term.

In addition, currently the total capital expenditure investment amounts to £23.9m:

- 11 capital projects underway for £8.5m
- 9 projects scheduled to commence on-site works by the end of H1 '25 for £6.4m
- 10 projects that have been identified for £9.0m

Q1 2025 Dividend Declaration

The Company declares that it will pay a dividend of 2.50 pence per share ("pps") for the period 1 January 2025 to 31 March 2025, (1 January 2024 to 31 March 2024: 1.20pps**). The entire dividend will be paid as a REIT property income distribution ("PID").

Shareholders have the option to invest their dividend in a Dividend Reinvestment Plan ("DRIP"), and 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:

Ex-dividend date	22 May 2025
Record date	23 May 2025
Last day for DRIP election	20 June 2025
Payment date	11 July 2025

The level of future payments of dividends will be determined by the Board having regard to, among other factors, the financial position and performance of the Group at the relevant time, UK REIT requirements, the interest of shareholders and the long-term future of the Company.

**The Company issued new shares in July 2024 and subsequently the shares in issue were consolidated on a 1 for 10 basis

Forthcoming Events

15 May 2025	Annual General Meeting
9 September 2025	Interim Results Announcement
12 November 2025	Q3 2025 Trading Update

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 ESR Europe LSPIM Limited, the Asset Manager, and ESR Europe Private Markets Limited, the Investment Adviser.

Regional REIT's commercial property portfolio is comprised wholly of income producing UK assets, predominantly offices located in the regional centres outside of the M25 motorway. The portfolio is geographically diversified, with 125 properties, 1,244 units and 744 tenants as at 31 March 2025, with a valuation of c.£622.8m.

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.

The Company's shares were admitted to the Official List of the UK's Financial Conduct Authority and to trading on the London Stock Exchange on 6 November 2015. For more information, please visit the Group's website at www.regionalreit.com.

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