

11 December 2025

REGIONAL REIT Limited
("Regional REIT", the "Group" or the "Company")

Simplified Management Arrangements Delivering Material Cost Savings

Regional REIT Limited, the regional commercial property specialist, announces it has agreed to amend and simplify its management arrangements with effect from 1 January 2026 delivering material cost savings.

Changes to the management arrangements

The Board of the Company has agreed with ESR Europe Investment Management Ltd. and ESR Europe LSPIM Ltd. (together the "Managers") that:

- from 1 January 2026, the management fee ("Fee"), which is currently calculated based on 100% of EPRA net tangible assets ("NTA"), will be calculated based on 75% NTA and 25% market capitalisation;
- from 1 January 2027 onwards, the Fee calculation will move to 50% NTA and 50% market capitalisation;
- all performance fee arrangements will be discontinued;
- the term of the management arrangement has been reduced to a rolling two-year period such that the agreement (as defined below) may be terminated by either party at any time resulting in a 24-month termination period. The current agreement automatically renews for recurring three-year periods unless notice is served at least one year prior to the renewal date.

There are no further changes to the management fees and the respective thresholds remain unchanged, as set out below.

The Board believes that the new arrangements will better align the interests of shareholders and the Managers and will deliver material cost savings to the Company and its shareholders. The new arrangements also align the Managers' remuneration with the Company's strategy. On the basis of the 30 June 2025 NTA and the market capitalisation of the Company on the business day prior to the date of this announcement, the annual cost saving is approximately £0.45m based upon 2026 Fee arrangements and £0.90m based upon 2027 Fee arrangements.

Simplification of Agreements

The Company's investment management and asset management agreements will be merged into a single Amended and Restated Master Investment Management and Services Agreement ("IMA"), streamlining the management structure and enhancing operational efficiency. This new agreement has been entered into with ESR Europe Investment Management Ltd ("AIF Manager") who continues in its role and ESR Europe LSPIM Ltd ("Investment Adviser"), who continues in its role as asset manager and has also taken over the role of investment adviser from ESR Europe (Private Markets) Ltd.

Fee arrangements under the IMA with effect from 1 January 2026:

NTA and Market Capitalisation Thresholds				
From £m	To £m	Rate	From 1 January 2026	From 1 January 2027 onwards
			NTA	Market

			IMA	Market Cap.	IMA	Market Cap.
0	500	1.10%	0.825%	0.275%	0.55%	0.55%
500	1,000	0.90%	0.675%	0.225%	0.45%	0.45%
1,000	1,500	0.70%	0.525%	0.175%	0.35%	0.35%
1,500	-	0.50%	0.375%	0.125%	0.25%	0.25%

The property manager, ESR Europe PM Ltd. (previously called L&S PM Ltd.) remains the appointed property manager under the Property Management Agreement. The property management fee remains the same, 4% per annum based upon gross rental yield. The Property Management Agreement is coterminous with the IMA.

David Hunter, Chair of Regional REIT commented:

"We are pleased to have worked closely with the Managers to simplify our arrangements, delivering material cost savings and strengthening alignment between the Company and its shareholders. By linking 50% of the fees to market capitalisation, the new structure ensures that shareholders' interests are closely aligned with those of the Managers as they advance our refreshed strategy to build a solid portfolio of core, high-quality assets that appeal to occupiers and underpin sustainable dividends. These enhancements reflect our commitment to operational efficiency, and long-term growth.

The Board also believes that a rolling two-year contract gives a more stable platform for both the Company and the Managers. We look forward to continuing our partnership with the Managers as we focus on performance and creating value for all stakeholders."

Notes:

The amendments to the management arrangements are considered to be a relevant related party transaction under UKLR 11.5.4R(1) and (2) and this announcement is being made in accordance with UKLR 8.2.1R(4). The Board, excluding Stephen Inglis, which has been so advised by Peel Hunt LLP, considers that the terms of the proposed amendments are fair and reasonable as far as shareholders of Regional REIT are concerned. In giving its advice, Peel Hunt LLP has taken into account the Board's commercial assessment of the amendments to the management arrangements.

For the purposes of Chapter 8 of the UK Listing Rules, the aggregate of total fees payable to the Managers will be capped at 4.99% of the Company's average net asset value per annum. This cap is a technical requirement under the UK Listing Rules and the Board expects the aggregate fees to be substantially lower than the cap.

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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 118 properties, 1,242 units and 690 tenants as at 30 September 2025, with a valuation of c.£595.9m.

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 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.

LEI: 549300D8G4NKLRIKBX73

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