

Real Estate Investors Plc

("REI", the "Company" or the "Group")

YEAR END TRADING UPDATE

SALES PROGRAMME & DEBT REDUCTION ONGOING

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, provides the following year-end trading update, ahead of the announcement of its Final Results for the year ended 31 December 2025, which are expected to be published on 24 March 2026.

Since announcing our orderly sales programme in January 2024, we have experienced an inactive investment market throughout 2024 and 2025, and transactional paralysis during H2 2025, caused by the uncertainty in the lead up to the UK budget in November. This has proved to be one of the most challenging transactional sales periods since the financial crisis.

Despite this market backdrop, we made sales of £18.9 million in 2024 and a further £8.0 million of sales in 2025 completed or contracted (before costs), amounting to total proceeds from the sales programme of £26.9 million. These disposals reduced total drawn debt to £34.3 million at 31 December 2025 (from £54.4 million on 1 January 2024).

The Group's remaining portfolio of 950,423 sq ft, is spread across 34 assets with 119 occupiers. Rent collection in 2025 was stable at 99.28% (FY 2024: 99.94%). Year-end occupancy was 78.69% (FY 2024: 82.04%), due to known lease events and a number of unexpected tenant CVAs and insolvencies, most notably River Island. Most of the affected units already have strong occupier interest and we are confident about re lettings. Contracted rental income at the year-end was £8.3 million p.a. (FY 2024: £9.0 million p.a.), further impacted by the loss of income associated with sales during the period. WAULT as at 31 December 2025 was 6.01 years to break and 7.50 years to expiry (FY 2024: 5.76 years to break / 6.99 years to expiry).

Throughout the period we have continued to pay a covered dividend to our shareholders, now totalling £56 million since the commencement of the dividend policy.

Looking to the year ahead, there is currently a pipeline of sales in legal as we continue to target the strong private investor market and owner occupier demand. In addition to this, we have a selection of new lettings at advanced stages in pipeline legal that would improve our contracted rental income, occupancy and WAULT.

Ongoing Strategy

We are now two years into our three-year orderly sales programme and with the budget behind us and reduced interest rates, we expect improved market conditions ahead. We anticipate placing assets on the market in mid-March 2026, commencing with our larger retail assets that are ready for sale, to capitalise on the recent improvement in investor demand in the retail sector.

Whilst unprecedentedly low investment transactions have impacted the pace of the sales programme, we remain very focused on executing further disposals and achieving full debt repayment which will, in turn, enable the commencement of capital returns to shareholders, as well as continuing to pay covered dividend payments, subject to the pace of sales.

Management regularly reviews the business administrative costs to ensure that REI operates efficiently, whilst maintaining the necessary resource to manage the existing portfolio and successfully conclude the disposal programme.

The team remains focused on achieving the strategy within the stated 3-year timeframe however, we will review the need for any extension required to ensure we maximise shareholder value. We intend to provide an update on this when the Company publishes its year end results on 24 March 2026.

In the meantime, we remain open to exploring a corporate transaction, including the potential sale of the entire portfolio, to maximise shareholder value.

Paul Bassi, Chief Executive, commented: "Despite one of the most challenging transactional markets for UK real estate over the last two years, we have continued to progress our orderly sales programme. In an exceptionally subdued market, we completed and contracted disposals of £18.9 million in 2024 and

achieved a further £8.0 million in 2025, significantly reducing drawn debt to £34.3 million, whilst continuing to pay covered dividends to shareholders. This both demonstrates our disciplined approach and the resilience of the remaining portfolio.

With the budget now behind us, interest rates easing and a healthy pipeline of disposals and lettings, we are cautiously optimistic about improving market conditions in 2026.

The Board is heavily invested in the business and firmly aligned with the best interests of shareholders. Whilst the focus remains on delivering the disposal strategy within the stated three-year timeframe, including debt repayment and returns of capital to shareholders, we will consider an extension if absolutely necessary, to maximise shareholder value."

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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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