REI
Real Estate Investors Plc

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Results for the year ended 31 December 2023

Investor and Analyst Presentation

REAL ESTATE INVESTORS PLC
MAXIMISING SHAREHOLDER RETURNS

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REI Portfolio Today

- Gross property assets of **£145.5 million**
- **Internally managed** portfolio
- **100+ years** of combined Board experience
- Board alignment – **12.2%** shareholding

Diversified Portfolio

- **Multi-sector diversification**, no material reliance on any sector, asset or occupier
- **183** tenants & **41** assets
- **Resilient** subsectors of convenience, government and out of town offices

Active Asset Management

- **Break up** opportunities within assets to satisfy strong private investor demand
- **Value creation** rent reviews, lease renewals, lettings, change of use
- **Disposals** at/above book value maximising returns

Multi-banked

- Banked across **3 lenders**
- **Net LTV of 32.4%** providing certainty and security
- Bank **covenant compliant**
- Ongoing **Debt repayment** programme

Attractive Returns

- **Uninterrupted and Fully Covered** dividend policy
- Dividend paid **quarterly**
- **£50.6 million** declared/paid to shareholders since commencement of dividend policy in 2012

Orderly Sale of Assets

- Persistent and substantial discount between share price and NAV
- Embarking on a 3-year **orderly strategic sale** of portfolio assets to maximise value
- Receipts of disposals will be used to **pay down debt** and **return cash to shareholders**

HIGHLY EXPERIENCED BOARD
ALIGNED WITH SHAREHOLDERS

Non-Executive

William Wyatt
Non-Executive Chairman

- Joined REI Board in 2010, appointed Chairman in 2021
- **0.18% shareholder in REI**
- Joined Caledonia in 1997 from Close Brothers Group Plc. He was appointed a director in 2005 and served as Chief Executive from 2010 until becoming non-executive in 2022
- Non-executive Director of Cobehold, and a Trustee of The Rank Foundation

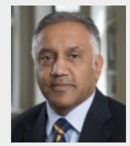
Peter London
Non-Executive Director

- Joined REI Board in 2014
- **0.15% shareholder in REI**
- Consultant for a leading firm of Independent Financial Advisers
- Peter has a lifetime of experience in providing IFA services to HNW individuals and sold his IFA company to a Swiss Bank in 2007
- Non-Executive Chairman of a number of property related companies

Ian Stringer
Non-Executive Director

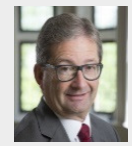
- Joined REI Board in 2021
- **0.06% shareholder in REI**
- Chartered Surveyor with nearly 40 years' experience
- Previous Regional Managing Director for GVA, serving over 22 years on the Board
- Current Principal of Avison Young following its acquisition of Bilfinger GVA

Executive



Paul Bassi CBE
Chief Executive Officer

- Joined REI Board in 2006
- **9.57% shareholder in REI**
- Non-executive Chairman of Bond Wolfe
- Non-executive Chairman of Likewise Plc (listed)
- Former Non-executive Chairman of CP Bigwood
- Former Regional Chairman & Strategy Advisor to Coutts Bank (West Midlands)
- Awarded a CBE in 2010 for services to business and the community



Marcus Daly FCA
Finance Director

- Joined REI Board in 2006
- **2.25% shareholder in REI**
- Chartered Accountant with over 30 years' experience in advising on strategic matters and corporate planning, particularly in the property sector
- Former non-executive director of CP Bigwood Chartered Surveyors
- Former non-executive Chairman of the Tipton & Coseley Building Society

WITH EFFECT FROM 1 JANUARY 2024 - EXECUTIVE SALARIES & NON-EXECUTIVE FEES REDUCED BY ONE THIRD / REDUCTION IN LTIP AWARDS OF C.£1.2 MILLION & INTRODUCTION OF NEW 'SHORTER TERM INCENTIVE PLAN' TO BETTER ALIGN EXECUTIVE MANAGEMENT TO DISPOSAL STRATEGY

A RESILIENT RECORD
THROUGHOUT CHALLENGING TIMES

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IN LINE WITH THE COMPANY'S COVERED DIVIDEND POLICY

SINCE 2012 TOTAL DIVIDENDS DECLARED/PAID TO SHAREHOLDERS = £50.6 MILLION

3-YEAR DISPOSAL STRATEGY ANNOUNCED IN JANUARY 2024

Financial Crisis **General Election** **Scottish Referendum** **EU Referendum** **BREXIT** **COVID** **Ukraine War** **Cost of living crisis**

- **2006** – PB & MD join taking a 29% stake PB (CEO) MD (FD) Adopted 'Midland' focus
- **2010** – Gross assets of **£56.5m**
- **2011** – Gross assets of **£71.2m**
- **2012** – Gross assets of **£77.4m**
- **2014** – Gross assets of **£104.4m**
- **2015** – Gross assets of **£157.5m**
- **2019** – Gross assets of **£228.9m**
- **2020** – 'Covid Impact' Gross assets of **£201.3m**
- **2021** – Gross assets of **£190.8m** (£17.55m of disposals during 2021)
- **2022** – Gross assets of **£175.4m** (£20.9m disposals in 2022)
- **2023** – Gross assets of **£145.5m** (£17.97m disposals in 2023)

FY 2023
OPERATIONAL HIGHLIGHTS

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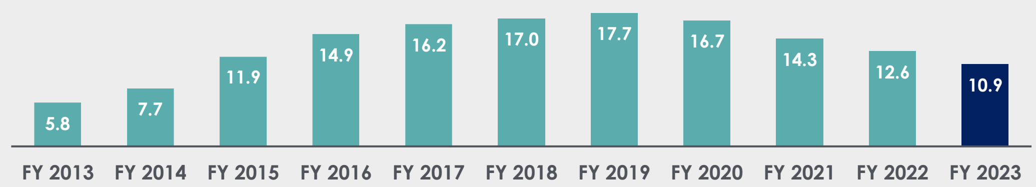
- Strong overall rent collection for 2023 of **99.82%**
- Contracted rental income**: £10.9 million p.a.**
  (FY 2022: £12.6 million p.a.) due to disposals
- Gross property assets: **£145.5 million** (FY 2022: £175.4 million)
- Net LTV reduced to **32.4%** (FY 2022: 36.8%) despite valuation reduction of **8.44%**
- On a like for like basis the portfolio valuation has reduced by **8.44%** to **£143.1 million,** (FY 2022: **£156.3 million**)
- **£10.9 million** like-for-like rental income due to portfolio asset management, despite loss of income associated with sales
- Completed **£17.97 million** of disposals (before costs)
- Active asset management with **90** lease events during the period
- Occupancy: **83.03%** (FY 2022: 84.54%)
- Improved WAULT of **5.24 years** to break / **6.01 years** to expiry (FY 2022: 4.98 years / 6.29 years)

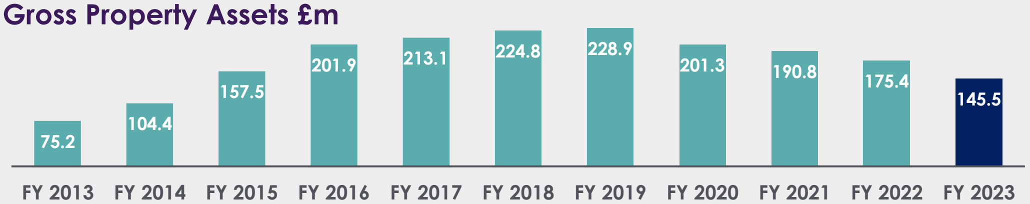
Post period activity:

- Additional sales of **£1 million** with significant pipeline in legals
- Further **£2.7 million** debt repaid, reducing total drawn down debt to **£51.7 million**

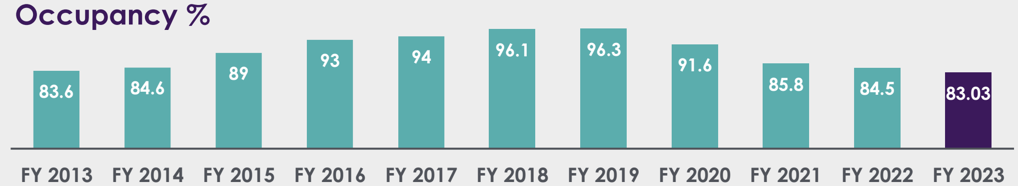
Contracted Rental Income £m



Gross Property Assets £m



Occupancy %



FY 2023
FINANCIAL HIGHLIGHTS

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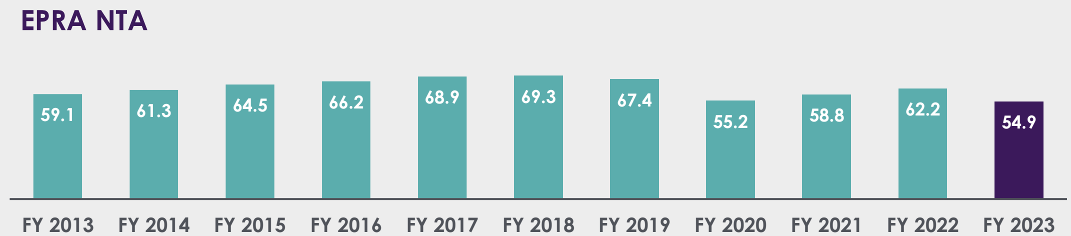
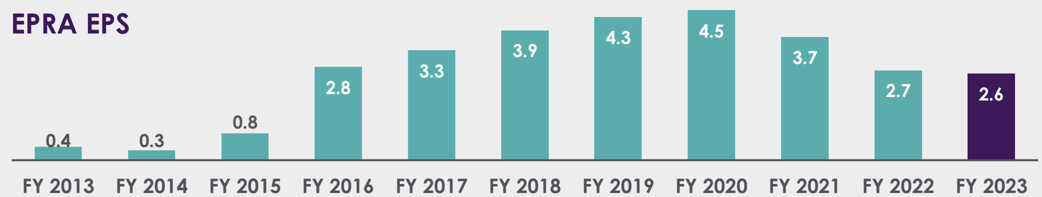
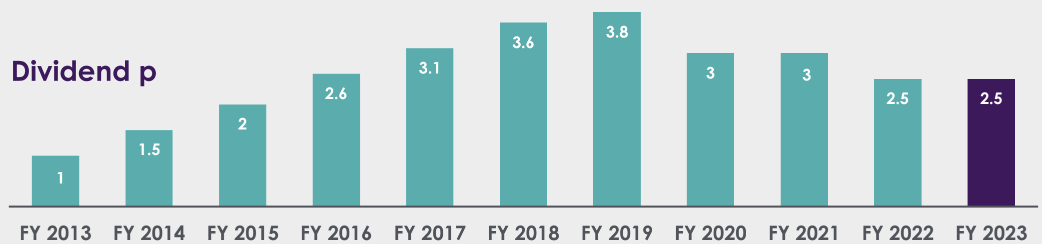
- EPRA NTA per share of **54.9p** (FY 2022: 62.2p) after 2 years of growth
- EPRA EPS of **2.6p** (FY 2022: 2.7p)
- Final dividend per share of **0.625p** (Final Q4 2022: 0.4375p) paid as an Ordinary Dividend, representing a total fully-covered dividend for 2023 of **2.5p** per share (FY 2022: 2.5p)
- Reduction in holding costs of void space and direct costs to **£2.2 million** (due to sale of void and part-void assets) (FY 2022: £2.5 million)
- Administrative costs/ overhead expenses reduced by **£640,000** to £2.6 million (FY 2022: £3.3 million), due to no bonuses for executive directors and staff (FY 2022: £280,000), no Long Term Incentive Plan provision following the Group strategic review and introduction of the STIP (FY 2022: £150,000), and targeting services no longer required as the size of the portfolio reduces
- The Group expects further savings in 2024 of **£500,000** (predominantly from executive salary reductions and national insurance contribution savings amounting to £330,000, combined with void cost savings)







*underlying profit excludes profit/loss on revaluation, sale of properties and interest rate swaps

FY 2023 FINANCIALS
ROBUST UNDERLYING PROFITS

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- Revenue of **£11.5 million** (FY 2022: £13.3 million) reduction due to sales
- Underlying profit before tax* of **£4.5 million** (FY 2022: £4.6 million)
- Loss before tax of **£9.4 million** (FY 2022: £10.9 million profit) including:
  - **£13.2 million** loss on property revaluations (FY 2022: £3.2 million gain) – non-cash item
  - a deficit of **£182,000** on the sale of investment properties (FY 2022: £948,000 gain)
  - and a deficit in the market value of our interest rate hedging instrument of **£499,000** (FY 2022: gain of £2.2 million) (non-cash item)

Income Statement	FY 2023 £m	FY 2022 £m
Revenue	**11.5**	13.3
Cost of sales	**(2.2)**	(2.5)
Admin expenses	**(2.6)**	(3.3)
Property revaluation and sales	**(13.4)**	4.2
EBIT	**(6.7)**	11.7
Underlying profit before tax	**4.5**	4.6
(Loss)/profit on ordinary activities before tax	**(9.4)**	10.9
EPRA EPS	**2.6p**	2.7p
DPS	**2.5p**	2.5p

*Adjusted for movement on property revaluations, sales and hedge revaluation

FY 2023 FINANCIALS
STRONG BALANCE SHEET

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Gross property assets

£145.5m

Net assets

£95.6m

EPRA NTA per share

54.9p

Net LTV

32.4%

Net Debt

£46.4m

Balance Sheet	**FY 2023 £m**	FY 2022 £m
Property	**145.5**	175.4
Cash	**8.0**	7.8
Debt	**(54.4)**	(71.5)
Other	**(3.5)**	(2.7)
Net assets	**95.6**	109.0
Adjustments	**0.4**	(0.1)
EPRA NTA	**96.0**	108.9
EPRA NTA per share	**54.9p**	62.2p
Net Debt	**46.4**	63.6
LTV (net of cash)	**32.4%**	36.8%

FY 2023 FINANCIALS
SIMPLIFIED DEBT POSITION

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- Cost of debt **3.7%** (FY 2022: 3.7%) & **100% of debt was fixed** to 30 November 2023
- Net LTV **32.4%** (FY 2022: 36.8%) & Interest cover of **2.9x** (FY 2022: 2.5x)
- Total drawn debt of **£54.4 million** (FY 2022: £71.5 million)
- Multi-banked across **3** lenders – all **covenants** continue to be met
- **£17.1 million** of debt repaid with disposal proceeds in 2023
- **£8 million** cash at bank as at 31 December 2023
- Deficit in market value of Hedge facility of **£499,000** (FY 2022: gain of £2.2m) (non-cash item)

Post period activity:

- Additional sales of **£1 million** with healthy pipeline of sales in legals
- Further **£2.7 million** debt repaid
- Total drawn debt now reduced post period to **£51.7 million**
- **In March 2024**, the Group extended the £20 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2025, the £28 million facility with National Westminster Bank Plc for a further 12 months to June 2025 and the £7 million facility with Barclays Bank PLC for a further 6 months to 30 June 2025
- As a result, following the multiple increases in interest rates by the Bank of England, **the new average cost of debt is now 6.5% & 19% of debt is fixed**
- It is the Group's intention to **prioritise the repayment of debt** from property sales proceeds, as reflected by the short-term nature of the facilities

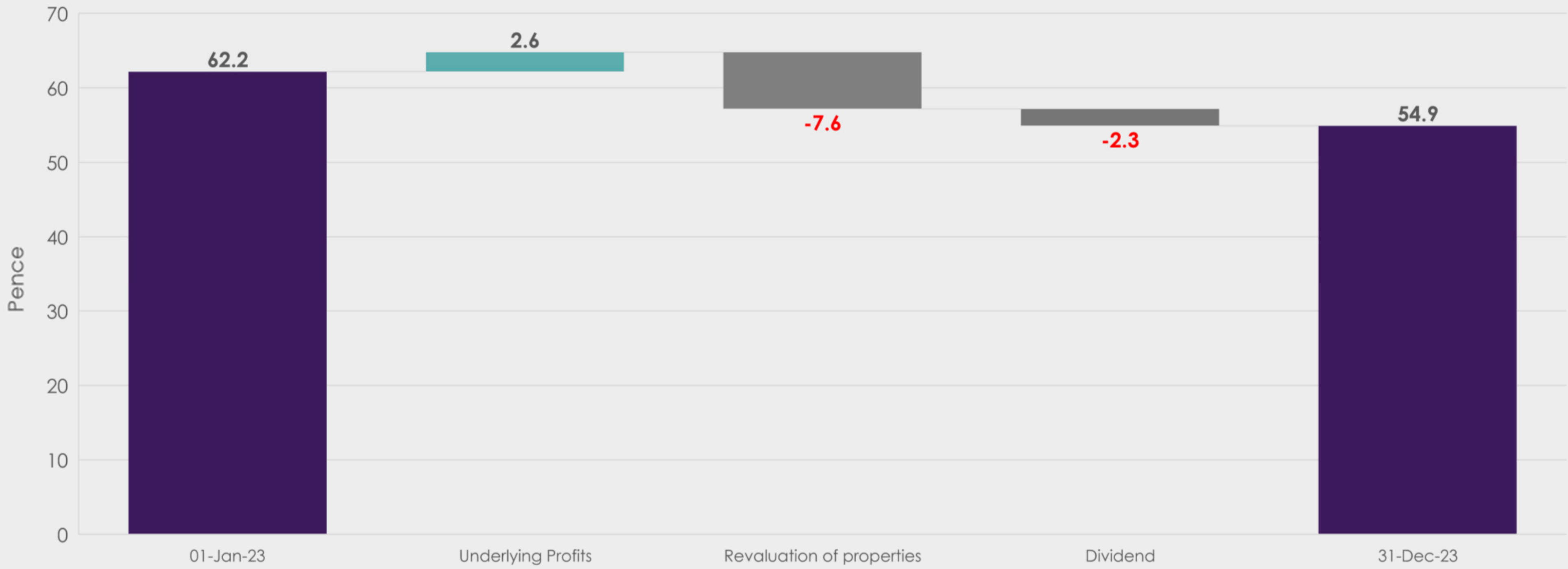
Debt Profile

Lender	Debt Facility (£m)	Debt Maturity
National Westminster Bank	28	June 2025
Lloyds Banking Group	20	May 2025
Barclays	7	June 2025

Debt Repayment

	2021	2022	2023	2024 to date	Total
Sales	£17.6m	£20.9m	£18.m	£1m	£57.5m
Debt Repaid	£11.9m	£18m	£17.1m	£2.7m	£49.7m
Total Drawn Debt	£89.5m	£71.5m	£54.4m	£51.7m	£51.7m

MOVEMENT IN EPRA NTA PER SHARE (P)



MOVEMENT IN
EPRA EARNINGS PER SHARE (P)

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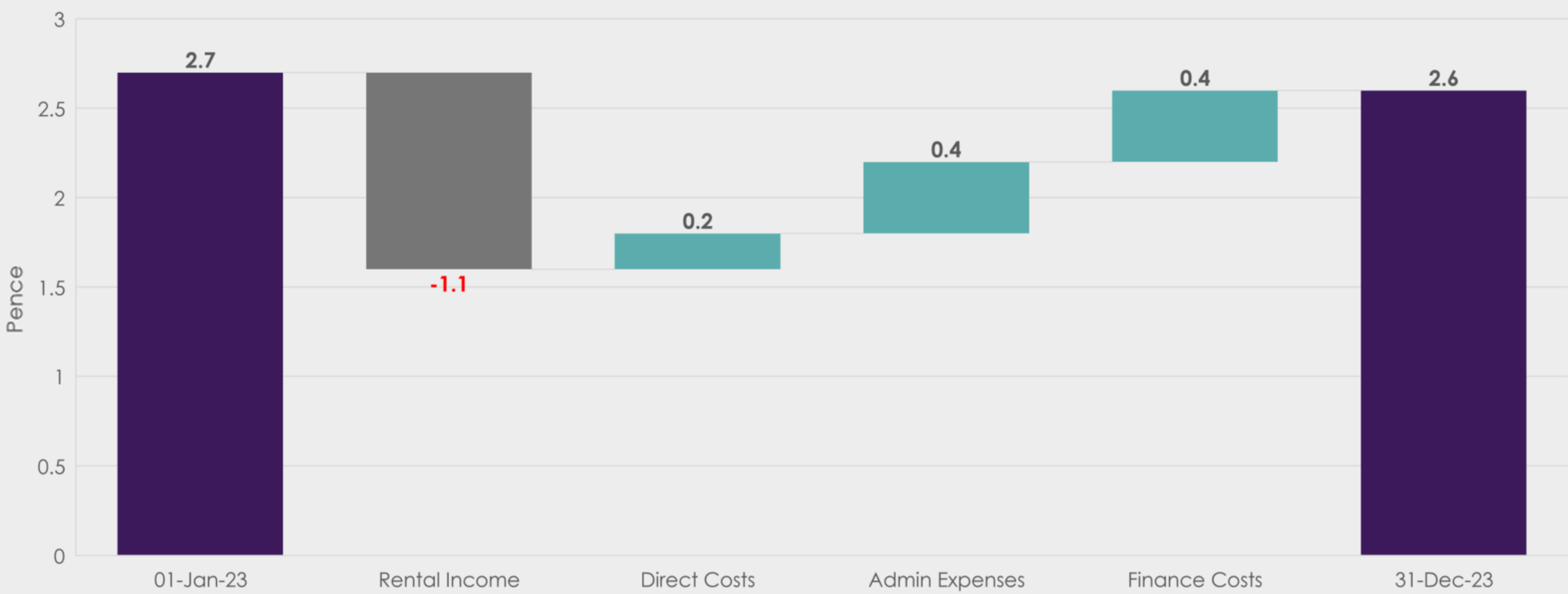

UNINTERRUPTED DIVIDEND
DELIVERING CONSISTENT RETURNS

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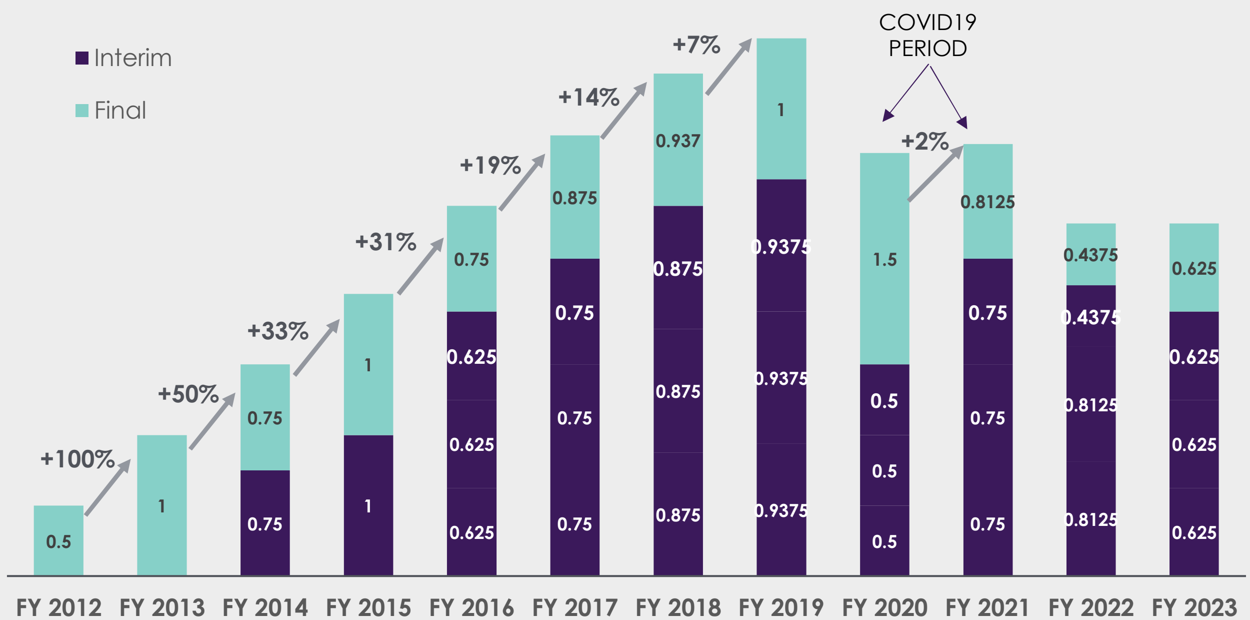
- ✓ **Uninterrupted** dividend payments despite disposals
- ✓ **£50.6 million** total dividends declared/paid since 2012
- ✓ Final Q4 dividend for 2023 of **0.625p** per share (Q4 2022: 0.4375p)
- ✓ Dividend paid quarterly
- ✓ Dividend is **fully covered** by EPRA earnings
- ✓ Management are committed to a **covered dividend policy** subject to the pace of the disposal programme

Dividend	Total	Announcement	Payment
Q1 2023	0.625p	June 2023	July 2023
Q2 2023	0.625p	September 2023	October 2023
Q3 2023	0.625p	December 2023	January 2024
Q4 2023	0.625p	March 2024	April 2024

Note: Timings for quarterly payments are indicative only

Shareholder Distribution Year on Year



A YEAR OF SALES
AT A PREMIUM TO BOOK VALUE

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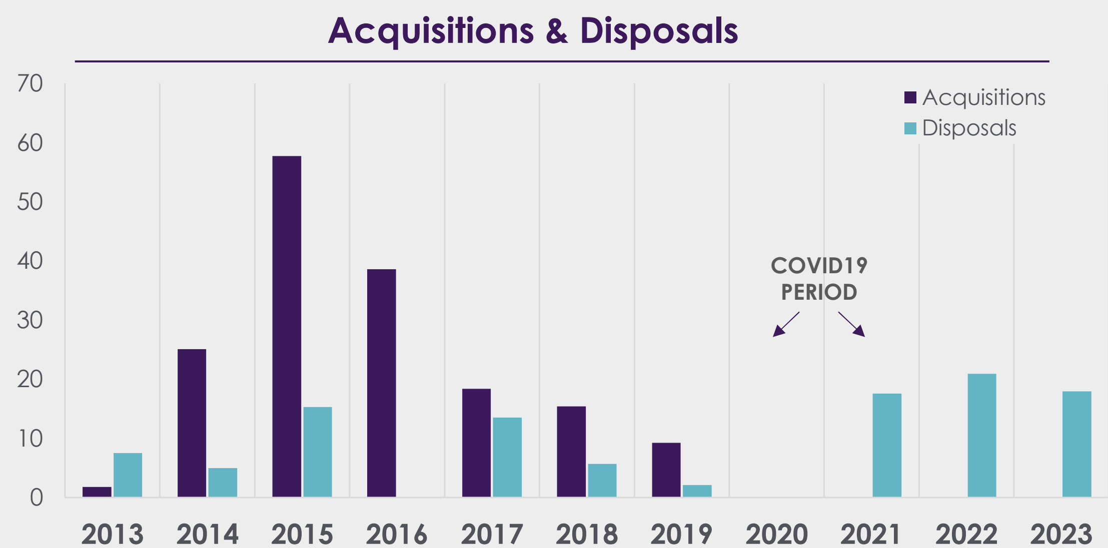

Contracted Rental Income £m	£5.8	£7.7	£11.9	£14.9	£16.2	£17.0	£17.7	£16.7	£14.3	£12.6	£10.9
Gross Property Assets £m	£75.2	£104.4	£157.5	£201.9	£213.1	£224.8	£228.9	£201.3	£190.8	£175.4	£145.5

- Completed 30 disposals totalling **£17.97 million** (aggregate uplift of **2.93%** before costs above book value)
- Disposals in 2023 - **average lot size of £600,000** given break up of units
- **Strong pipeline** of sales in legals
- Further sales identified to **satisfy investor demand** and **pay down debt**

WEAK MARKET SENTIMENT & SOFTENED YIELDS

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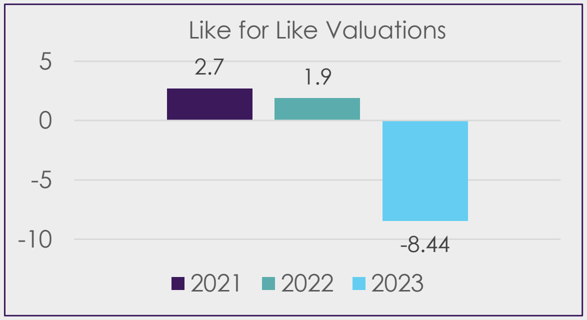
Total UK property investment reached £31.3 billion in 2023, a 36% decrease on 2022 volumes of £49.0 billion, 40% below the 10-year average of £51.8 billion and the lowest since 2012.
Source: JLL Research

Summary of 2023

- Widespread economic uncertainty and political unrest
- Higher interest rates
- Elevated inflation levels
- Subdued market with very low levels of investment transactions
- Inactive corporate and institutional investors and funds
- Resulted in softening yields and falling capital values across the market
- Directly impacted our valuations - declined by 8.44% on a like for like basis after 2 years of growth
- Valuations mitigated by active asset management, portfolio diversity & access to private investor market



2024 and beyond

- We anticipate a reduction in interest rates and election resolution will lead to possible yield stabilisation and a gradual market recovery, which would lead to an acceleration in our sales programme
- We anticipate traditional institutional investors returning to the market in Q4 2024 and 2025, which will bring a wider audience for sales and greater activity, leading to the disposal of our larger, corporate and institutional grade assets

PRIVATE INVESTOR & OWNER OCCUPIER
ACTIVE BUYER POOL

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Summary of 2023 & Outlook for next 24 months:

- Sales of **£17.97 million**
- **30 units/assets** sold in 2023 with an average lot size of **£600,000**
- **2.93%** (pre-costs) above 2022 year-end book values
- **£17.1 million** debt repaid using proceeds
- Strong pipeline of assets for sale in legals

Our diverse portfolio and ability to 'break up' assets, allows us to feed this demand for smaller, well-positioned regional assets and we have identified further sales, some of which are under offer and in legals.

Larger corporate and institutional buyers are yet to re-enter the market and we will therefore continue to intensively manage our larger assets, maximising rental income and occupancy levels to support dividend payments, until such demand resurges, which we anticipate to be in the latter part of 2024 and 2025.

Buyer Demand

LARGER LOT SIZES
OVEN READY FOR SALE

We have a number of properties in the portfolio which are ready for sale, all of which have undergone successful business plans and improvements. Due to the current subdued marketplace our normal buyer pool of property companies, REITs, UK funds, pension funds, overseas or private equity buyers are inactive. As a result, some assets are being held for income until we see an opportunity to sell. Examples include:

Avon House, Bromsgrove (Single let office building)
We recently re-negotiated the occupational lease with the tenant for a further 11.5 years with no breaks and let to AFH Financial Group Limited, with a passing rent of £396,077 p.a. and with the potential to grow the rent further.

Boundary House, Wythall (Single let office building)
We recently concluded an outstanding rent review which reflects a 22% increase in annual rent. The covenant strength is strong and would normally appeal to most institutional investors. The property is let to Grafton Group Plc, at a passing rent of £316,500 p.a.

Virginia House, Worcester (Single let student building)
After a comprehensive refurbishment including a change of use from offices to student accommodation, this property is now fully let to Virginia House Limited, a student accommodation provider with over 120 years remaining unexpired, at a passing rent of £145,000 p.a.

Jasper Retail Park, Tunstall (Multi-let retail warehouse park)
New imminent letting to McDonalds Restaurants on the last remaining vacant unit with a further 10 years unexpired. The park produces an overall rent of £750,900 pa.

Southgate Retail Park, Derby (Multi-let retail warehouse park)
Multi-occupied mixed-use retail park adjoining a busy Lidl Store. The park produces an overall rent of £279,059 pa, with over 30% of the income attributed to The Gym Group until 2031.

Wolverhampton job Centre (Single let office building)
The property is let to Department for Communities and Local Government, and we recently concluded an outstanding rent review at a passing rent of £324,370 p.a. The property is let until 2028 and has been occupied by the same tenant for many years and would normally appeal to most institutional investors.

Sandwell Valley School, 150 Birmingham Road, Birmingham (School)
Occupied on an over-riding lease to a strong tenant covenant, backed by Local Authority for use as a school. The property produces £100,000 pa, on an over-riding lease until Sept 2041.

Birch House, Oldbury (Single let office building)
A recent agreement to provide a newly refurbished office to DHU Health Care, backed by the NHS as a call centre. The property produces £625,607 pa on a new 10-year lease.

ACTIVE ASSET MANAGEMENT
90 LEASE EVENTS, IMPROVED WAULT

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During 2023, the asset management team completed 90 lease events (to include 10 lease renewals, 7 break removals and 26 new lettings) with new lettings during the year totalling just over £500,000k p.a., combatting some of the loss of income associated with sales and mitigating some valuation decline.

As a result, the portfolio WAULT improved to 5.24 years to break and 6.01 years to expiry (FY 2022: 4.98 years & 6.29 years) and occupancy remained stable at 83.03% (FY 2022: 84.54%).

New tenants to the portfolio in 2023 include SpaMedica Limited, Luxury Leisure and Swarco Smart Charging Limited.

Key asset management initiatives undertaken during the year and subsequently to the date of this presentation include:

- **Boundary House** - 2023 rent review has been settled, achieving an increase from £260,000 p.a. to £316,500 p.a., a strong result in a challenging office market
- **Titan House** - Refurbished to Grade A. Let to BohoMoon Ltd at £111,145 p.a. and SpaMedica Ltd at £112,779 p.a. (10- year lease for 3rd floor with tenant break at year 5)
- **Oldbury** - Agreement for Lease with DHU Health Care CIC taking whole space 35,749 sq ft at Birch House at £625,608 p.a. Refurbishment is due to complete in April 2024
- **Avon House** - AFH Financial Group Limited took out a new 11.5-year lease at a passing rent of £396,077 p.a. (at ERV) no break, now occupying entire space
- **Acocks Green** - Following a number of sales, the ex-Argos unit was refurbished and let to Poundstretcher on a 10-year lease at £62,500 p.a. with a tenant break at year 5
- **Walsall** - Following planning negotiations, Luxury Leisure signed a 10-year lease at £60,000 p.a. with a break at year 5 and undertook a tenant fit out of units 9-11 Park Street
- **Topaz Business Park** – Costa have signed an Agreement for Lease at £89,000 p.a. The forward sale of the Lease is proceeding, despite the challenges in the investment market. The contract to build the Costa unit has been secured with completion due in September 2024

MAXIMISING OCCUPANCY & INCOME

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BREAKDOWN OF CONTRACTED RENTAL INCOME CHANGE

Contracted rental income as at 31 Dec 2022 - **£12.6 million p.a.**

Contracted rental income as at 31 Dec 2023 – **£10.9 million p.a.**

Breakdown of rental change since 31 December 2022:

Rent lost to sales:	- £1,524,747 p.a.
Rent lost to tenants vacating: (due to known lease events)	- £415,715 p.a.
Rent lost to lease renewals/other:	- £319,094 p.a.
Total rental loss in 2023:	**- £2,259,556 p.a**
New income to portfolio in 2023:	**£574,568 p.a**
Overall rent lost in 2023:	**- £1,684,988 p.a**

UNLOCKING VOID POTENTIAL

Of the 16.97% vacancy (as at 31 December 2023) within the portfolio, almost two thirds of this (10.72%) can be attributed to spaces at 4 properties (Barracks Road, Newcastle-under-Lyme; Crewe Shopping Centre; Kingston House and Birch House). We have already reduced this void in the period since 31 December 2023, with the sale of Units 1&2 at Barracks Road, increasing occupancy to **84.98%** (as at March 2024).

We also have active sales or asset management initiatives to reduce void, holding costs.

Should 'key' lettings in pipeline complete they would translate into:

- Improved contracted rental income of **£11.37 million p.a.***
- Improved occupancy of **88%***
- Potential upside in capital valuations

*Subject to sales and other lease activity that cannot be foreseen

Rent Collection

Overall 2023 rent collection remained resilient at **99.82%**

DIVERSE AND ATTRACTIVE PORTFOLIO
BALANCED RISK

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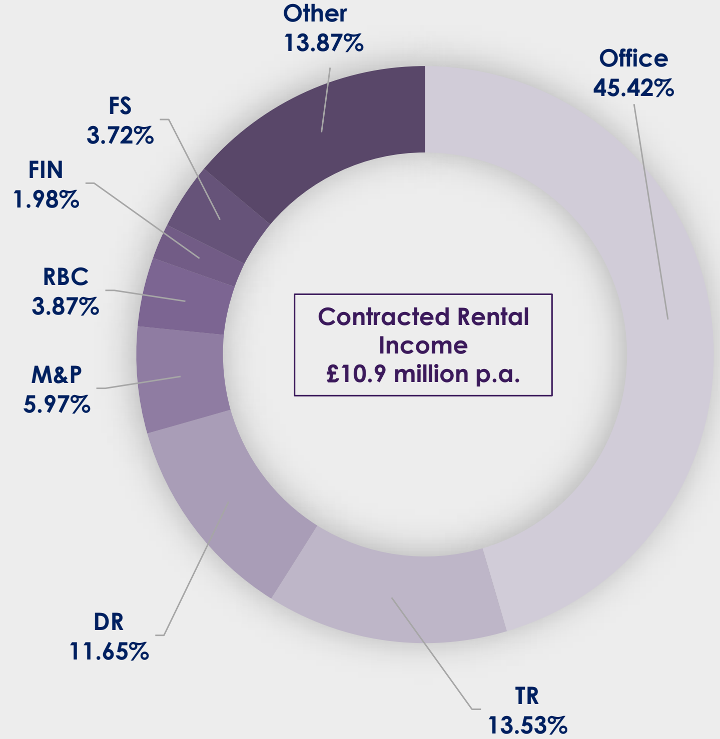

Sector	Income by Sector (£)	Income by Sector (%)
Office	4,968,850	45.42%
Traditional Retail	1,480,039	13.53%
Discount Retail - Poundland/B&M etc	1,274,000	11.65%
Medical & Pharmaceutical - Boots/Holland & Barrett etc	652,649	5.97%
Restaurant/Bar/Coffee - Costa Coffee etc	423,751	3.87%
Financial/Licences/Agency - Bank of Scotland etc	216,500	1.97%
Food Stores - Co-op, Iceland etc	406,545	3.72%
Other - Hotels (Travelodge & Vine Hotels), Lesiure (The Gym Group & Luxury Leisure), Car parks, AST	1,517,306	13.87%
Total	10,939,640	100%

84.98% of our office investments are 'non- Birmingham City centre core'

14.02% of our office income is government income

30.59% of our portfolio is neighbourhood, convenience and essential

TOP 10 TENANTS BY INCOME
DIVERSITY IS KEY

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Rank	Tenant	Rent £'000	%	Sector	Property
1	MATALAN	450	4.11	Discount Retail	Jasper, Tunstall
2	GOV.UK	420	3.84	Office	Molineux House, Wolverhampton & Titan House, Telford
3	AFH wealth management	396	3.62	Office	Avon House, Bromsgrove
4	Grafton Group plc	317	2.89	Office	Boundary House, Wythall
5	VINE HOTELS	300	2.74	Hotel	West Plaza, West Bromwich
6	NHS	286	2.61	Office	Westgate House, Warwick
7	The Midcounties Co-operative	282	2.57	Retail	Kingswinford, Dudley
8	DHU Healthcare	274	2.50	Office	Birchfield House, Oldbury
9	HOLLAND & BARRETT	230	2.10	Retail	Gateway House, Birmingham
10	Travelodge	222	2.03	Hotel	Maypole, Birmingham
		3,177	**29.01**		

Top 10 tenants represent only **29%** of REI's contracted income

Government income accounts for **6.45%** of our total income

Aside from government, no tenant is more than **5%** of total income

*Data is as at 31 December 2023

ESG & THE REI PORTFOLIO

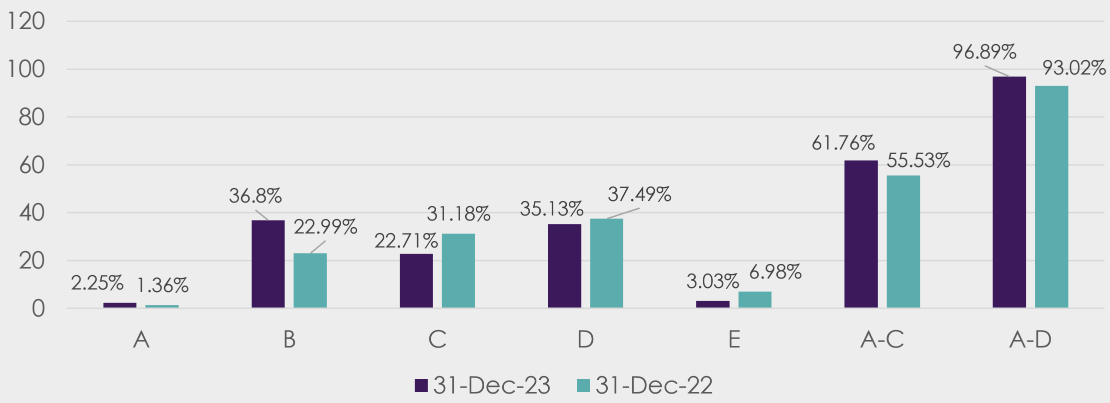
REI
Real Estate Investors Plc

Energy Performance Certification

In accordance with government guidelines, REI has undertaken a programme to ensure our assets meet the UK statutory regulations and timeframes for EPCs. None of the portfolio is below a grade 'E' (in line with April 2023 regulations) and we will continue to upgrade assets when required to meet 2027 regulations.

An overview of the asset EPC ratings across the portfolio is noted below:

PROGRESS MADE ON PORTFOLIO EPC RATINGS



Carbon Emissions Reporting

REI is now working alongside Systemslink, (a leading energy management software provider), to collect, track and report carbon emissions data across REI's landlord-controlled areas.

As at the date of this presentation, accurate and certified data for the Scope 1 and 2 emissions for 2021-2022 is unavailable, as this is being verified. The reduction of the portfolio's carbon footprint is a priority for the business.

What does ESG look like in 2024 for REI?

- Continued ESG committee meeting & assessment of framework and legislation
- Portfolio EPC programme of works to ensure compliance
- Continuing to collect and report carbon emissions data
- Wellness programme for employees
- Ongoing EV charging & solar panel programme

FY24 OUTLOOK
DISPOSAL STRATEGY TO MAXIMISE RETURNS

REI
Real Estate Investors Plc

Disposals Programme – Accelerate disposals programme to the strong private investor/owner-occupier markets. Prepare larger assets for sale in anticipation of institutional/corporate buyers returning to the market in Q4 2024/ 2025

Debt Repayment – Prioritise the repayment of Company's total drawn debt using disposal proceeds, with a view to reducing portfolio gearing levels and interest costs in this higher interest rate environment, strengthening the balance sheet and supporting growth in NTA

Asset Management – Intensively manage remaining portfolio, taking advantage of the strength of the occupier market to secure lettings, with a view to reducing portfolio vacancy levels and void costs, maximising rental income and capital values and maintaining rent collection levels

Quarterly Dividend – Maintain attractive shareholder returns via a fully covered dividend policy, subject to the pace of disposal programme

Flexibility & Optionality – Consider a corporate transaction to sell whole portfolio on terms aligned with shareholder best interests or a share buyback

Management Alignment – New STIP & revised remuneration policies introduced from 1 January 2024 to better align management with company strategy (see appendices)

ESG – Continue to act responsibly, operating an efficient portfolio, monitoring and targeting carbon reduction, whilst meeting EPC regulations

APPENDICES

DISPOSAL STRATEGY ALIGNMENT
STIP AND REMUNERATION CHANGES

REI
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Shorter Term Incentive Plan ("STIP")

To support the Disposal Strategy and the return of capital to shareholders, the Company is implementing a new Shorter Term Incentive Plan ("STIP"). The STIP will replace the existing Long Term Incentive Plan ("LTIP"), help to retain Paul Bassi, Chief Executive Officer and Marcus Daly, Finance Director (the "Executives"), and the wider management team and incentivise them to achieve an orderly and timely disposal of the Company's assets to maximise the capital return to shareholders. The STIP is being implemented to compensate the Executives for the retrospective reduction in awards and cancellation of future awards under the LTIP.

1. Under the STIP, the participants will receive a proportion of a notional cash pool (the "Pool") which will be created from the excess ("Gain") of Total Shareholder Return ("TSR") over the market value of the Company as at 31 December 2023.
2. TSR is cash per Ordinary Share returned to shareholders, excluding ordinary dividends.
3. To ensure the timely disposal of assets, the Gain attributable to the Pool will be reduced over time.
4. If the Company's sell down strategy is completed in 2024 then the Pool is calculated as 10% of the Gain. If the strategy is completed in 2025 the Pool reduces to 7.5% and if by 2026, the Pool reduces to 5%.
5. Of the Pool, a minimum figure of £410k is ringfenced for the management team (excluding the Executives) equivalent to a bonus of 100% salary.
6. The STIP will pay out as soon as reasonably practicable after the earliest of (1) the sale of all the assets, (2) a takeover of the Company or (3) when the Remuneration Committee determine that a sufficient proportion of the assets have been sold and that the STIP has achieved its original purpose.

Revised Remuneration Policy (Effective 1 January 2024)

In addition, the Company's Remuneration Committee has approved changes to the Executives' remuneration to align the policy with the wider Company strategy.

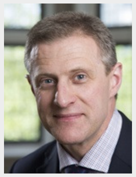
1. **Basic salary:** Executive salaries to be reduced by one third. New salaries – Paul Bassi, CEO reduced to £367k (previously £550k) and Marcus Daly, CFO reduced to £229k (previously £344k) amounting to a cost saving of approximately £330k (including National Insurance contributions). In addition, Non-Executive Directors' fees also to be reduced by one third
2. **Annual discretionary bonus:** The Executives' bonus is reduced from up to a maximum of 100% of basic salary to a maximum of 50% of the new reduced basic salary
3. **Executives' service contracts:** If contracts are to be paid up following a corporate transaction or equivalent, then compensation under the Executives' service contracts reverts to old salary levels
4. **LTIP Awards:** The Executives' entitlement to awards under the Company's existing LTIP scheme have been amended as follows:
   - Unvested awards granted re: FY2020 – to be reduced by one third
   - Unvested awards granted re: FY2021 – to be reduced by two thirds
   - Unvested awards granted re: FY2022 – to be cancelled
   - No further awards under the LTIP going forward
   - The approximate value in the reduction in the awards equates to approximately 4 million Ordinary Shares, which at a share price of 30p equates to £1.2 million
5. **Shorter Term Incentive Plan ("STIP"):** To compensate the Executives (albeit not to the same extent) for the retrospective reduction in LTIPs in relation to FY2020 and FY2021, the cancelling of awards relating to FY2022 and no further issuing of awards under the LTIP in relation to FY2023 or going forward, the Executives will be entitled to participate in the STIP.

OPERATIONAL TEAM

REI
Real Estate Investors Plc

Anna Durnford
Director, Investor Relations

- Joined REI in 2007
- Provides executive assistance to the Board & oversees investor relations and operations within the business
- Over 20 years experience within the legal, financial, accountancy and property sectors
- Previously worked for Ernst & Young & Independent HNW IFA



Ian Clark
BSc (Hons) MRICS
Director, Asset Manager

- Joined REI in 2011
- Responsible for the coordinating portfolio asset management strategy across the portfolio
- Qualified chartered surveyor with over 25 years experience in the property market
- Previously worked for GVA and Argent Estates Limited as Asset Manager where he was responsible for the asset management of the 1.5 million sq ft Brindleyplace Estate

Andrew Osborne
BSc (Hons)
Investment Manager

- Joined REI in 2014
- Responsible for coordinating investment strategy, specialising in investment acquisition and disposals of commercial properties
- He began his career as an Investment surveyor at CBRE and is a previous Senior Asset Manager at Square Metre Properties, on behalf of Goldman Sachs and Property Fund Manager at Canada Life and Regional Director of Highcross in Birmingham

Jack Sears
BSc (Hons) MRICS
Asset Management

- Joined REI in 2016
- Responsible for the management of portfolio assets, liaising with agents
- Qualified Chartered Surveyor with a decade of experience in the property market
- Previously worked at Bilfinger GVA and BNP Paribas Real Estate as a property manager, assisting corporate clients with the management of their residual properties

Donna Mooney
Receptionist/Administrator

- Joined REI in 2016
- Provides Front of House support and administrative support to the Executive team and operations function
- Donna has had a long and varied career as a Personal Assistant most recently supporting members of the UK&I Leadership team within Corporate Finance and Tax at Ernst & Young LLP