

# REI

Real Estate Investors Plc

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**REAL ESTATE INVESTORS PLC****FINANCIAL STATEMENTS**For the year ended 31 December 2025

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|                              |   |
|------------------------------|---|
| Company Registration Number: | 05045715  |
| Registered Office:           | 2 <sup>nd</sup> Floor<br>75-77 Colmore Row,<br>Birmingham<br>B3 2AP   |
| Directors:                   | W P Wyatt: Chairman<br>P London: Non-Executive Director<br>I M Stringer: Non-Executive Director<br>P P S Bassi CBE: Chief Executive<br>M H P Daly: Finance Director |
| Secretary:                   | M H P Daly  |
| Auditor:                     | Cooper Parry Group Limited<br>Statutory Auditor<br>Sky View, Argosy Road<br>Castle Donington<br>Derby<br>DE74 2SA   |
| Solicitor:                   | Gateley Plc<br>One Eleven<br>Edmund Street<br>Birmingham<br>B3 2HJ  |
| Nominated Adviser:           | Cavendish Capital Markets Limited<br>One Bartholomew Close<br>London<br>EC1A 7BL  |
| Broker:                      | Panmure Liberum Capital Limited<br>Ropemaker Place, Level 12<br>25 Ropemaker Street<br>London<br>EC2Y 9LY   |
| Bankers:                     | National Westminster Bank plc<br>3rd Floor<br>2 St Philips Place<br>Birmingham<br>B3 2RB<br><br>Lloyds Banking Group plc<br>125 Colmore Row<br>Birmingham<br>B3 3SD |
| Registrar:                   | MUFG Corporate Markets (UK) Limited<br>Central Square<br>29 Wellington Street<br>Leeds<br>LS1 4DL   |

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## REAL ESTATE INVESTORS PLC

## CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

For the year ended 31 December 2025

## FINANCIAL HIGHLIGHTS

- **REVENUE:** Revenue of £9.4 million (FY 2024: £10.8 million)
- **PROFIT:** Underlying profit before tax of £2.9 million (FY 2024: £3.4 million); with a pre-tax loss of £0.8 million (FY 2024: loss of £2.4 million), primarily as a result of a revaluation deficit of £3.0 million on investment properties (FY 2024: £6.3 million revaluation deficit) (non-cash item)
- **EPRA MEASUREMENTS:** EPRA\*\* Net Tangible Assets ("NTA") per share of 49.1p (FY 2024: 51.3p) and EPRA\*\* EPS of 1.7p (FY 2024: 1.9p). Basic loss per share of (0.5p) (FY 2024: (1.4p) loss)
- **FULLY COVERED DIVIDEND:** Final quarterly dividend in respect of FY 2025 of 0.4p per share, payable in April 2026 as a property income distribution, representing a fully covered dividend for 2025 of 1.6p per share (FY 2024: 1.9p) reflecting a yield of 5.2% based on a mid-market opening price of 30.9p on 23 March 2026. The level of dividend for 2026 will be determined by the pace of further disposals
- **SHAREHOLDER VALUE:** £56.7 million total declared/paid to shareholders since commencement of dividend policy in 2012

## DISPOSALS, DEBT AND BANKING

- **DISPOSALS:** Contracted or completed sales of £8.0 million during the period at 95.93% of December 2024 valuations (pre-costs)
- **REDUCING DEBT:** Disposal proceeds paid down £5 million of debt, reducing debt to £34.2 million (FY 2024: £39.2 million)
- **HEDGE CLOSURE:** Hedge facility closed in March 2025, at a cost of £25,000 in the period, with a total liability of £174,000. All debt now on variable rates
- **REDUCED DEBT COSTS:** Average cost of debt of 5.75% (FY 2024: 6.5%)
- **LOW GEARING:** Improved LTV (net of cash) of 24.8% (FY 2024: 26.4%)
- **CASH AT BANK:** £6.1 million cash at bank at 31 December 2025 (FY 2024: £6.9 million)

## OPERATIONAL PERFORMANCE

- **ROBUST PORTFOLIO:** Robust rent collection levels with overall rent collection for 2025 of 99.28% with contracted rental income of £8.3 million p.a. (FY 2024: £9.0 million p.a.) net of disposals and portfolio occupancy of 78.69% (FY 2024: 82.04%). Improved WAULT\*\*\* of 6.01 years to break and 7.50 years to expiry (FY 2024: 5.76 years and 6.99 years)
- **ASSET MANAGEMENT:** Completed 35 lease events during the year
- **STABLE CAPITAL VALUES:** Gross property assets of £115.7 million (FY 2024: £124.6 million) with 34 assets and 119 occupiers. Like-for-like portfolio valuation reduced by 2.62% to £113.3 million (FY 2024: £116.3 million)

## POST YEAR END ACTIVITY

- **OCCUPANCY/WAULT/INCOME:** Occupancy now at 78%, with contracted rental income at £8.2 million p.a. and WAULT of 5.99 years to break and 7.51 years to expiry
- **ASSET MANAGEMENT:** Healthy pipeline of new income to the portfolio of £289,880 p.a in legals
- **PIPELINE IN LEGALS:** £5.4 million in pipeline legals as at March 2026
- **ACTIVELY MARKETING:** £61.5 million in market in March 2026, predominantly retail mixed-use assets, where market demand has improved
- **REMAINING PORTFOLIO:** £47.2 million scheduled for sale in 2026 upon completion of ongoing asset management initiatives and improving market conditions
- **REDUCING DEBT:** Further £1 million of debt repaid since year end, resulting in reduced [gross] debt of £33.2 million, plus further scheduled debt repayment from contracted, but deferred completions
- **REFINANCING:** In March 2026, the Group extended the existing £9.6 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2027 and in February 2026 the £22.4 million facility with National Westminster Bank Plc for a further 12 months to 1 June 2027. As with the previous refinancing in 2025, the facilities have each been extended on a short-term basis to reflect the Group's intention to repay debt as a priority using disposal proceeds

## REAL ESTATE INVESTORS PLC

## CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

For the year ended 31 December 2025

## Financial and Operational Results

|                                 | 31 December 2025  | 31 December 2024   |
|---------------------------------|-------------------|--------------------|
| Revenue                         | £9.4 million      | £10.8 million      |
| Pre-tax loss                    | (£0.8 million)    | (£2.4 million)     |
| Underlying profit before tax*   | £2.9 million      | £3.4 million       |
| Contracted rental income        | £8.3 million      | £9.0 million       |
| EPRA EPS**                      | 1.7p              | 1.9p               |
| Basic loss per share            | (0.5)p            | (1.4)p             |
| Dividend per share              | 1.6p              | 1.9p               |
| Average cost of debt            | 5.75%             | 6.5%               |
| Like-for-like rental income     | £8.26 million     | £8.71 million      |
|                                 | 31 December 2025  | 31 December 2024   |
| Gross property assets           | £115.7 million    | £124.6million      |
| EPRA NTA per share              | 49.1p             | 51.3p              |
| Like-for-like capital value psf | £123.82 psf       | £127.16 psf        |
| Like-for-like valuation         | £113.3 million    | £116.3 million     |
| Tenants                         | 119               | 132                |
| WAULT to break***               | 6.01 years        | 5.76 years         |
| Total ownership (sq ft)         | 0.9 million sq ft | 1.04 million sq ft |
| Net assets                      | £85.9 million     | £89.5 million      |
| Loan to value                   | 30.2%             | 32.0%              |
| Loan to value net of cash       | 24.8%             | 26.4%              |

## Definitions

\* Underlying profit before tax excludes profit/loss on revaluation and sale of properties and interest rate swaps

\*\* EPRA = European Public Real Estate Association

\*\*\* WAULT = Weighted Average Unexpired Lease Term

**REAL ESTATE INVESTORS PLC****CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT**For the year ended 31 December 2025

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**Chairman's And Chief Executive's Statement**

The last two years have been among the most challenging conditions for UK commercial real estate markets in recent memory. Persistent political uncertainty, elevated inflation and fluctuating interest rate expectations have impacted heavily on investor confidence. Market disruption during the first 12 months of our sales programme in 2024 was followed by continued subdued activity throughout 2025, culminating in a period of transactional paralysis in the second half of 2025, ahead of the UK Budget in November.

Against this difficult backdrop, REI has remained disciplined in executing its stated strategy, delivering value to shareholders through an orderly and selective disposal programme, albeit it not at a rate that the Board had anticipated.

Since announcing the sales programme in January 2024, REI has completed and contracted disposals totalling £26.9 million, comprising £18.9 million in 2024 and a further £8.0 million during 2025. These transactions have been achieved predominantly within the private investor and owner-occupier market where demand has remained more resilient than the wider institutional market. Whilst this approach has resulted in a slower pace of completions due to the nature of the buyer pool and lengthier due diligence processes, it has enabled REI to transact in an otherwise dormant market and, in certain cases, to retain income post-exchange to support dividend payments.

Proceeds from disposals have been applied directly to debt reduction and since the commencement of the sales programme in January 2024, total drawn debt has reduced from £54.4 million (at 1 January 2024) to £34.2 million (at 31 December 2025). Post period end, debt has now been reduced to £33.2 million. REI remains conservatively geared with a Loan to Value (net of cash) of 24.8% (FY 2024: 26.4%), multi-banked, and fully compliant with all covenants. The closure of the hedge facility in March 2025 at a total cost of £174,000, has allowed the business to benefit from easing interest rates, further supporting cash flow and interest cover and aligning with management's priority of reducing costs. The Company's average cost of debt is now 5.75% (FY 2024: 6.5%).

Operationally, the portfolio has continued to perform robustly. At 31 December 2025, the remaining portfolio comprised of approximately 950,423 sq ft across 34 assets and 119 occupiers. Overall rent collection levels remained strong at 99.28% across the period, reflecting the quality of the portfolio covenants.

The asset management team has remained focused on protecting and enhancing income and capital values across the retained portfolio. Since the beginning of 2025, 35 lease transactions have been completed, securing £394,819 p.a. of new letting income, partially offsetting income lost through disposals and lease events. A number of initiatives remain underway to improve occupancy, reduce void costs, and position assets for future sale as market conditions improve.

Contracted rental income at the year-end stood at £8.3 million p.a. (FY 2024: £9.0 million p.a.), portfolio WAULT was 6.01 years to break and 7.50 years to expiry (FY 2024: 5.76 years/6.99 years) and occupancy reduced to 78.69% (FY 2024: 82.04%), reflecting a combination of sales, targeted vacant possession to facilitate sales, known lease events and a number of unexpected tenant insolvencies and CVAs, most notably River Island and Wilkos. Encouragingly, the majority of affected units are already attracting strong occupier interest, and management is confident in securing re-lettings.

Valuations across the UK commercial property sector have continued to reflect cautious sentiment. The portfolio saw a modest 2.62% valuation decline on a like-for-like basis in 2025 to £113.3 million (FY 2024: 4.63% valuation reduction), demonstrating the portfolio's resilience relative to wider market conditions. Management believes there is scope for valuation recovery on some assets in the remaining portfolio, as investor confidence improves, particularly in the office and retail sector.

Financially, revenue has reduced to £9.4 million (FY 2024: £10.8 million) as a result of completed disposals and lease events across the portfolio. However, underlying profitability has remained resilient at £2.9 million (FY 2024: £3.4 million) with a pre-tax loss of £0.8 million, primarily due to a £3 million loss on property revaluations.

Post period occupancy is now 78% and contracted rental income has reduced to £8.2 million with WAULT now at 5.99 years to break and 7.51 years to expiry.

**REAL ESTATE INVESTORS PLC****CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT**

For the year ended 31 December 2025

**Strategic Sales Programme**

Since announcing our orderly sales programme in January 2024, we have seen low levels of investment sales activity throughout 2024/2025 and a notably slow Q4 2025 caused by the November 2025 budget. This has resulted in our sales and debt repayment being slower than anticipated.

We remain focused on concluding the strategy within the 3-year time frame but, in view of current market conditions, a further extension to maximise value and the quantum of the return of capital to our shareholders may be necessary.

We intend to place further assets in the market for sale on an ongoing basis throughout 2026, and we are actively engaged with agents regarding the balance of the portfolio so that we have the ability to sell these quickly when the larger institutional buyers, funds and foreign investors begin to transact. This strategy provides a clear pathway to full repayment of borrowings and, thereafter, the commencement of capital returns to shareholders.

The Company's cost base continues to be rigorously reviewed to ensure operational efficiency, while retaining the necessary expertise to manage the portfolio and successfully conclude the disposal programme.

As the portfolio shrinks, the Board remain open to all options including portfolio sales, or the potential sale of the entire portfolio, in order to maximise shareholder value.

**Dividend**

Despite the reduction in income associated with asset sales and lease events, the Company has maintained an uninterrupted, fully covered dividend throughout 2025. The first three quarterly dividend payments in respect of 2025 were paid at a level of 0.4p per share, fully covered. The final dividend in respect of 2025 is confirmed at 0.4p per share, reflecting a total, fully covered dividend payment for 2025 of 1.6p (FY 2024: 1.9p) (the level of distributions in 2026 will be influenced by the timing and scale of further asset disposals) and a yield of 5.2% based on a mid-market opening price of 30.9p on 23 March 2026. The Board remains committed to paying a fully covered dividend, subject to business performance and the pace of further disposals.

Total dividends paid or declared since the commencement of the dividend policy in 2012 now exceed £56.7 million, underlining the Board's continued commitment to shareholder value.

The proposed timetable for the final dividend, which will be a property income distribution, is as follows:

|                        |               |
|------------------------|---------------|
| Ex-dividend date:      | 2 April 2026  |
| Record date:           | 7 April 2026  |
| Dividend payment date: | 30 April 2026 |

**Outlook for 2026**

During 2026, the Company will remain focused on concluding the strategy within the 3-year timeframe, repaying debt and returning capital to shareholders. Management remains fully aligned with shareholders in the pursuit of this objective. However, the Board are mindful of the conflict in the Middle East and its impact on financial markets, interest rates and investor confidence.

The Board remains committed to paying a fully covered dividend, subject to performance and the pace of disposals.

**Our Stakeholders**

We sincerely thank our shareholders, advisers, tenants and staff for their ongoing dedication and support.

**William Wyatt**  
Chairman  
23 March 2026

**Paul Bassi CBE D. Univ**  
Chief Executive  
23 March 2026

## REAL ESTATE INVESTORS PLC

### PROPERTY REPORT

For the year ended 31 December 2025

#### UK Property Overview

Despite a backdrop of gradually falling interest rates, ongoing economic and political uncertainty, and muted sentiment in 2025, the UK commercial property market showed signs of stabilisation and recovery albeit sector selective. Whilst data reveals that 2025 investment volumes improved compared with 2024, (with full-year data indicating total UK commercial real estate investment reaching approximately £62.8 billion), this was supported predominantly by a single deal of £5.2 billion in Q4 alongside notable interest from overseas capital. According to the latest Carter Jonas UK Investment Quarterly reports for 2025, overall transaction volumes have remained below longer-term averages even as sectors rebalance. In Q3 2025, alternatives (including student accommodation and hotels) accounted for the largest share of investment, followed by industrial, office and retail. Office investment in particular softened sharply, with volumes in Q3 down more than 50% on longer-term averages. Capital value trends demonstrate the differences in sectors, with data throughout 2025 suggesting stabilisation or modest growth in industrial and living segments whilst office and secondary retail asset sector continue to face downward valuation pressures. However, the overall picture is one of pricing adjustments alongside small pockets of recovery as the UK commercial property market navigates a more normalised interest-rate environment and shifts in demand.

#### Portfolio Disposals

During 2025, we capitalised on private investor and owner occupier demand disposing of 14 units/assets for a total of £8.0 million at 95.93% of our 2024 year-end valuations (pre-costs). Of these sales, 68.76% were retail units or parades and 31.24% offices (office disposals were to developers for residential conversion). We currently have a pipeline of disposals in legals of which some are expected to complete before the conclusion of H1 2026.

#### The REI Portfolio

The REI portfolio, comprising of 34 assets with 119 occupiers, has a net initial yield of 6.85% and a reversionary yield of 9.38%. Valuations have seen a decline of 2.62% on a like-for-like basis to £113.3 million (FY 2024: £116.3 million). The portfolio has numerous opportunities to add capital value and enhance income from rent reviews, lease renewals and new lettings. Whilst investment activity has been depressed, occupier demand for retail has been stable and there are signs that office demand is improving, evidenced by Q4 2025 having the strongest quarterly office occupancy in 8 years, according to KWB's latest market review.

The current portfolio sector weightings are:

| Sector   | Income by Sector (£) | Income by Sector (%) |
|--|----------------------|----------------------|
| Office   | 4,239,046            | 51.33%               |
| Traditional Retail   | 1,006,635            | 12.19%               |
| Discount Retail - Poundstretcher/B&M etc                           | 793,500              | 9.61%                |
| Medical and Pharmaceutical - Boots/Holland & Barrett/Superdrug etc | 486,749              | 5.90%                |
| Food and Beverage - McDonalds/Subway etc                           | 301,786              | 3.65%                |
| Financial/Licences/Agency - Bank of Scotland/Ladbrokes etc         | 129,500              | 1.57%                |
| Food Stores - Iceland etc  | 125,000              | 1.51%                |
| Other - Hotels (Travelodge/Vine), Car parking, EV Charging         | 1,175,565            | 14.24%               |
| <b>Total</b>   | <b>8,257,781</b>     | <b>100.00%</b>       |

#### Asset Management

Asset management remains a core part of the business and the team successfully undertook 35 lease events during the period, securing £394,819 p.a. in new letting income, going some way towards offsetting rental income lost through disposals and lease events. The contracted rental income at the year-end (post sales), was £8.3 million p.a. with occupancy at 78.69%. The portfolio WAULT was 6.01 years to break and 7.50 years to expiry.

Key asset management initiatives undertaken during the year (and to the date of this announcement) include:

##### The Market Centre, Crewe

Following protracted negotiations, B&M renewed their lease for a further 3 years, remaining in their 15,446 sq ft unit. Furthermore, Greggs relocated into a High Street facing unit, occupying 3,182 sq ft on a 10-year lease at £22,500 p.a. This is an excellent result for the scheme and will help drive increased footfall. Elsewhere within the mall, Oriental Daily Meals Ltd took a lease on a unit for a period of 5 years at £20,000 p.a., which is in line with our ERV. The café space is now let to a local occupier, which is helping draw footfall from the car park side of the scheme. Renewals were also completed with, Signet, Max Spielmann and R. Roberts & Son.

**REAL ESTATE INVESTORS PLC****PROPERTY REPORT**

For the year ended 31 December 2025

Jasper Retail Park, Tunstall

Shoezone completed a lease renewal for a further 5 years at the scheme at £38,400 p.a. the scheme is now fully let and benefits from on-site McDonalds restaurant.

The Quadrant, Redditch

Following extensive marketing, The Rising Sun Ltd took 6,313 sq ft on a 10-year lease at £47,500 pa, with the scheme now fully let. Swanswell Charitable Trust renewed their lease for a further 5 years at the same rent.

Guardian House, West Bromwich

Serco have taken 4,593 sq ft on a 3-year letting, in addition to space they sub-let from another building tenant.

40 St Pauls Square, Birmingham

The break was removed in respect of Taylor Maxwell at this asset, with rent review settled, securing the Tenant until the lease-end in September 2030.

Westgate House, Warwick

Moore & Tibbetts (an existing tenant at £30,610 p.a.) has surrendered their existing space and moved to the third floor at £146,220 p.a. on a new 10-year lease. Clive Mark Schoolwear Limited have taken the previous M&S ground floor unit at £38,880 p.a. on 5-year lease. Both lettings required refurbishment works following historic tenancies. Elsewhere within the scheme, Myton renewed their lease for a further 6 years at £20,750 million p.a.

New tenants to the portfolio include Serco and Greggs.

**Post Year End Activity**

There are currently £289,880 p.a. of pipeline lettings that will improve our occupancy and contracted rental income levels and will reduce void costs across the portfolio.

Examples of lettings currently in legals, along with other asset management activity since the year end:

- High Street, Kingswinford: In legals at present to B&M at a rent of £112,500 p.a. Dilapidations claim ongoing and tenders received for the works
- Birchfield House, Oldbury: Letting to an education provider at a rent of £220,000 p.a, subject to outcome of an Ofsted report and change of use planning permission, with further lettings in discussions
- Commodore Court, Nottingham: Letting in legals to a dentistry practice at a rent of £62,500 p.a. whilst potential occupier seeks NHS funding
- Molineux House, Wolverhampton: Surrender & regrant of lease has now completed
- Westgate House, Warwick: Two lettings in legals to Dough & Brew at a rent of £20,000 p.a. (who are taking additional space in the building) and Clive Marks Schoolwear Limited (who are already in occupation) work now completed and lease completion imminent. Terms have also been agreed with Boots to regear their Lease at a rent of £55,000 p.a. which is progressing through legals
- Market Shopping Centre, Crewe: Argos in legals to take the Iceland unit at a rent of £55,000 p.a. over 5 years with 12-months' rent-free incentive
- The Parade, Leamington: EE and O2 lease renewals have now both completed
- Brandon Court, Coventry: Letting in legals to RSL Wealth Management Ltd at a rent of £56,000 p.a.

**Portfolio Summary**

|                  | Value (£)          | Area (Sq ft)   | Contracted Rent (£) | ERV (£)           | NIY (%)     | EQY (%)     | RY (%)      | Occupancy (%) |
|------------------|--------------------|----------------|---------------------|-------------------|-------------|-------------|-------------|---------------|
| <b>Portfolio</b> | 113,250,000        | 950,423        | 8,257,781           | 11,319,410        | 6.85        | 9.30        | 9.38        | 78.69         |
| <b>Land*</b>     | 2,403,962          | N/A            | N/A                 | N/A               | N/A         | N/A         | N/A         | N/A           |
| <b>Total</b>     | <b>115,653,962</b> | <b>950,423</b> | <b>8,257,781</b>    | <b>11,319,410</b> | <b>6.85</b> | <b>9.30</b> | <b>9.38</b> | <b>78.69</b>  |

\*Land holdings are excluded from the yield calculations

**Environmental, Social and Governance ("ESG")**

Management continues to recognise the importance of incorporating ESG into the working practices at REI. The ESG Committee, formed in 2021, continues to implement the ESG framework for the business and the reduction of the portfolio's carbon footprint remains a priority for the business. Working with Systemlink, we can confirm a 31% reduction in carbon emissions for electricity and gas (for landlord-controlled areas only) between 1 January 2025 and 31 December 2025. Going forward, as energy contracts expire, they are being replaced with 100% green-only electricity contracts where possible.

## REAL ESTATE INVESTORS PLC

## PROPERTY REPORT

For the year ended 31 December 2025

| Carbon Emissions                   | 1 Jan 2025 - 31 Dec 2025      | 1 Jan 2024 - 31 Dec 2024        |
|------------------------------------|-------------------------------|---------------------------------|
| Scope 1                            | 158 MTCO <sub>2</sub> e*      | 367 MTCO <sub>2</sub> e*        |
| Scope 2                            | 578 MTCO <sub>2</sub> e*      | 637 MTCO <sub>2</sub> e*        |
| <b>Total Scope 1 &amp; Scope 2</b> | <b>736 MTCO<sub>2</sub>e*</b> | <b>1,004 MTCO<sub>2</sub>e*</b> |

\*applies to landlord-controlled areas only

## Portfolio Energy Performance Certification

REI continues to ensure our assets meet the UK statutory regulations for EPCs. We will continue to upgrade assets when required. An overview of the asset EPC ratings across the portfolio is noted below:

| % of portfolio (by sq ft) |      |       |       |       |      |   |   |       |
|---------------------------|------|-------|-------|-------|------|---|---|-------|
| EPC Rating                | A    | B     | C     | D     | E    | F | G | Total |
| 31 Dec 2025               | 2.63 | 46.13 | 33.68 | 16.08 | 1.48 | 0 | 0 | 100   |
| 31 Dec 2024               | 2.52 | 36.05 | 26.07 | 33.38 | 1.98 | 0 | 0 | 100   |
| 31 Dec 2023               | 2.25 | 36.88 | 22.71 | 35.13 | 3.03 | 0 | 0 | 100   |

## REAL ESTATE INVESTORS PLC

## FINANCE DIRECTOR'S REPORT

For the year ended 31 December 2025

## FINANCIAL REVIEW

## Overview

During the year, the Company progressed its planned portfolio sales strategy, completing and contracting £8.0 million of property disposals. The progression of the strategy contributed to a reduction in underlying profit before tax to £2.9 million, compared with £3.4 million in FY 2024. Sales completed in the period resulted in a deficit after costs of £482,000 (FY 2024: £631,000 surplus).

The loss before tax reduced to £0.8 million from £2.4 million in 2024, mainly as a result of a £3.0 million non-cash downward revaluation of investment properties (FY 2024: £6.3 million deficit), reflecting poor market conditions. Cash generated from disposals was directed to repay £5.0 million of debt. As a result, total borrowings decreased to £34.2 million (FY 2024: £39.2 million). The loan-to-value ratio (net of cash) improved to 24.8%, compared with 26.4% a year earlier. The Company continues to maintain relationships with its three lenders and remains well within covenant limits, with additional headroom and cure facilities available.

Disposals, together with leasing activity during the year, led to a reduction in contracted rental income to £8.3 million (FY 2024: £9.0 million) and occupancy of 78.69% (FY 2024: 82.04%). Total revenue for the year was £9.4 million (FY 2024: £10.8 million), and like-for-like rental income decreased to £8.26 million p.a. (FY 2024: £8.71 million p.a.).

Despite lower revenues, the Board maintained its commitment to shareholder returns. Dividends of 0.4p per share were distributed in each of the first three quarters, fully covered by earnings. A final dividend of 0.4p per share has been declared, resulting in a total dividend for 2025 of 1.6p, also fully covered (FY 2024: 1.9p).

|                                 | 31 December 2025 | 31 December 2024 |
|---------------------------------|------------------|------------------|
| Gross property assets           | £115.7 million   | £124.6 million   |
| Underlying profit before tax    | £2.9 million     | £3.4 million     |
| Pre-tax loss                    | (£0.8 million)   | (£2.4 million)   |
| Revenue                         | £9.4 million     | £10.8 million    |
| EPRA EPS                        | 1.7p             | 1.9p             |
| EPRA NTA per share              | 49.1p            | 51.3p            |
| Net assets                      | £85.9 million    | £89.5 million    |
| Loan to value                   | 30.2%            | 32.0%            |
| Loan to value net of cash       | 24.8%            | 26.4%            |
| Average cost of debt            | 5.75%            | 6.5%             |
| Dividend per share              | 1.6p             | 1.9p             |
| Like-for-like rental income     | £8.26 million    | £8.71 million    |
| Like-for-like capital value psf | £123.82 psf      | £127.16 psf      |
| Like-for-like valuation         | £113.3 million   | £116.3 million   |

## Results for the Year

The Group reported a loss before tax of £0.8 million for the year, an improvement on the £2.4 million loss recorded in FY 2024. This was primarily the result of a £3.0 million non-cash downward revaluation of investment properties (FY 2024: £6.3 million deficit) and a £482,000 deficit on property disposals (FY 2024: £631,000 surplus).

Administrative and overhead expenses remained in line with previous year at £2.2 million (FY 2024: £2.3 million). A £200,000 provision was also provided in respect of the Short-Term Incentive Plan (FY 2024: £300,000), which is payable only upon completion in accordance with the scheme rules.

Underlying profit reduced to £2.9 million compared with £3.4 million in the prior year. Total revenue declined to £9.4 million (FY 2024: £10.8 million), primarily reflecting a reduction in rental income following asset sales and leasing activity.

During the year, £5.0 million of debt was repaid using proceeds from property disposals, strengthening the balance sheet. Interest costs reduced to £2.4 million (FY 2024: £3.3 million), due to the repayment of debt and benefiting from the reduction in interest rates as all debt is on variable rates following the close out of the hedging facility.

(Loss)/earnings per share were:

Basic: (0.48)p (FY 2024: (1.35p))

Diluted: (0.48)p (FY 2024: (1.35p))

EPRA: 1.7p (FY 2024: 1.9p)

Shareholders' funds decreased to £85.9 million at 31 December 2025 (FY 2024: £89.5 million) primarily as a result of the deficit on property portfolio revaluation.

**REAL ESTATE INVESTORS PLC****FINANCE DIRECTOR'S REPORT**

For the year ended 31 December 2025

Basic NAV: 49.1p (FY 2024: 51.3p)

EPRA NTA: 49.1p (FY 2024: 51.3p)

**Finance & Banking**

The Group completed and contracted £8.0 million of asset sales and repaid £5.0 million of borrowings, reducing total debt to £34.2 million as at 31 December 2025 (FY 2024: £39.2 million). Since the year end, borrowings have decreased further to £33.2 million. As at 31 December 2025, the loan-to-value ratio stood at 30.2% (FY 2024: 32.0%), with LTV net of cash at 24.8% (FY 2024: 26.4%). The Group remained fully compliant with all banking covenants throughout the period.

Following the close out of the hedging facility in March 2025, at a cost of £25,000 in the year, all debt is now subject to variable interest rates resulting in the average cost of borrowing declining to 5.75%. The Group is well positioned to benefit from the easing in interest rates. Management continues to prioritise the repayment of debt, while monitoring market conditions closely.

Cash balances at 31 December 2025 totalled £6.1 million, held across three banks. The majority of the cash balance is held on instant access deposit accounts, generating interest at approximately 3.25%, ensuring both flexibility and income generation.

| Lender                    | Debt Facility (£m) | Debt Maturity | Amount Fixed (£m) |
|---------------------------|--------------------|---------------|-------------------|
| National Westminster Bank | 22.4               | June 2027     | 0                 |
| Lloyds Banking Group      | 9.6                | May 2027      | 0                 |
| Barclays                  | 2.2                | June 2026     | 0                 |

**Refinancing**

In December 2025, the Group extended the £2.2 million facility with Barclays for a further 6 months to June 2026. In March 2026, the Group extended the £9.6 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2027 and in February 2026 the £22.4 million facility with National Westminster Bank Plc for a further 12 months to 1 June 2027. As with the previous refinancing in 2025, all the facilities have each been extended on a short-term basis to reflect the Group's intention to repay debt as a priority using disposal proceeds.

**Going Concern**

Whilst the Group remains very focused on concluding the strategic plan within the 3-year timeframe, a further extension to maximise value and the quantum of capital to shareholders may be necessary and so the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

**Taxation**

The Group converted to a Real Estate Investment Trust (REIT) on 1 January 2015. Under REIT status the Group does not pay tax on its rental income profits or on gains from the sale of investment properties. The Group continues to meet all REIT requirements for REIT status.

**Dividend**

Under the REIT status the Group is required to distribute at least 90% of rental income taxable profits arising each financial year by way of a Property Income Distribution. Quarterly dividends commenced in 2016.

Although rental income declined as the Company continued to execute its disposal strategy, strong underlying operational performance enabled dividends to be maintained throughout 2025. Quarterly dividends of 0.4p per share were paid for the first three quarters, each fully covered by earnings, and the Board has confirmed a final dividend of 0.4p per share for the year. This brings total dividends for 2025 to 1.6p per share, fully covered and paid without interruption (FY 2024: 1.9p). Based on the mid-market opening share price of 30.9p on 23 March 2026, the full-year dividend represents a yield of 5.2%. The level of distributions in 2026 will be influenced by the timing and scale of further asset disposals.

The final dividend for 2025 will be paid as a property income distribution on 30 April 2026 to shareholders on the register at 7 April 2026, with an ex-dividend date of 2 April 2026. The Board remains committed to maintaining a fully covered dividend policy, subject to the ongoing pace of portfolio disposals.

**Marcus Daly, Finance Director**  
23 March 2026

**REAL ESTATE INVESTORS PLC****DIRECTORS' REPORT**

For the year ended 31 December 2025

The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2025.

**Result and dividend**

The loss for the year before tax was £0.8 million (2024: £2.4 million).

The directors have recommended a final dividend of 0.4p per share, making a total dividend for the year of 1.6p (2024: 1.9p).

**Directors**

The directors who served during the year and subsequently were as follows:

|              |                                   |
|--------------|-----------------------------------|
| W P Wyatt    | Chairman - Non-Executive Director |
| P London     | Non-Executive Director            |
| I M Stringer | Non-Executive Director            |
| P P S Bassi  | Chief Executive                   |
| M H P Daly   | Finance Director                  |

P London and P P S Bassi will retire and submit themselves for re-election at the forthcoming Annual General Meeting.

**Substantial shareholdings**

The Company has been notified of the following interests that represent 3% or more of the issued share capital of the Company at 5 March 2026:

|                                      | Number     | %     |
|--------------------------------------|------------|-------|
| Harwood Capital                      | 20,500,000 | 11.72 |
| J O Hambro Capital Management        | 18,199,875 | 10.41 |
| P P S Bassi                          | 18,000,000 | 10.29 |
| Hargreaves Lansdown Asset Management | 14,996,140 | 8.58  |
| Interactive Investor                 | 9,892,188  | 5.66  |
| Asset Value Investors                | 9,388,000  | 5.37  |
| Aberdeen                             | 7,481,259  | 4.28  |
| Panaso Capital                       | 7,064,157  | 4.01  |
| Lombard Odier Asset Management       | 6,188,072  | 3.54  |
| A J Bell Securities                  | 5,886,654  | 3.37  |
|                                      |            |       |

**Other matter**

Financial risk management objectives and policies are included in note 15 to the financial statements.

**Real Estate Investment Trust (REIT)**

With effect from 1 January 2015, the Group converted to REIT status under which the Group is not liable to Corporation Tax on its rental income or capital gains from qualifying activities.

**REAL ESTATE INVESTORS PLC****DIRECTORS' REPORT**For the year ended 31 December 2025

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**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with UK GAAP(FRS 101) and Group financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's and Group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's and the Group's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company and Group performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the Company and Group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**Directors' Section 172(1) statement**

Below the Directors outline the matters they must consider in meeting the requirements of Section 172(1) of the Companies Act 2006:

**The likely consequences of any decision in the long term**

Strategic and other long-term decisions made by the Board are made after Board, and where appropriate, senior management discussion and in conjunction with supporting information, compiled by either senior management or external advisers. The consideration outlined in the five points below form part of any decision that may have a long-term impact.

**REAL ESTATE INVESTORS PLC****DIRECTORS' REPORT**

For the year ended 31 December 2025

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**The interests of the Group's employees**

The Group values the interests of its employees, which are its biggest asset.

**The need to foster the Group's business relationships with suppliers, customers and others**

The Board understands that long term success relies upon good relations with a range of different stakeholder groups both internal (employees) and external (tenants, suppliers, banks, regulators and others). The Group is dedicating significant time to understanding and acting on the needs and requirements of each of these groups via meetings, feedback and appraisals.

**The impact of the Group's operations on the community and the environment**

The Group continues to look to make improvements to the impact it may have on the environment and to this end has set up an ESG committee to drive forward this responsibility.

**The desirability of the Company maintaining a reputation for high standards of business conduct**

As outlined in the Corporate Governance section of these financial statements, The Group has decided to apply, so far as it is reasonable and practical, to do so given the size of the Group, the QCA code and its ten principles. In addition to being guided by the QCA code, the Company has various policy and procedure documents in place to ensure employee conduct is of a high standard.

**The need to act fairly between members of the Group**

The group regularly seeks the advice of its Nomad on matters relating to this point. The Board and Company Secretary can be contacted by shareholders on matters of Governance and investor relations.

**Going concern**

Whilst the Group remains very focused on concluding the strategic plan within the 3 year timeframe, a further extension to maximise value and the quantum of capital to shareholders may be necessary and so the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

The Group has prepared and reviewed forecasts and made appropriate enquiries which indicate that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements to 23 March 2027. These enquiries considered the following:

- the significant cash balances the Group holds and the low levels of historic and projected operating cash outflows
- any property purchases will only be completed if cash resources or loans are available to complete those purchases
- the Group's bankers have indicated their continuing support for the Group.
- in March 2026 the Group extended the £9.6 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2027.
- In February 2026 the Group extended the £22.4 million facility with National Westminster Bank PLC by a further 12 months to 1 June 2027.
- The directors have at the time of approving these financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

For these reasons the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

**Future developments**

Details of future developments can be found in the Chairman's and Chief Executive's statement on pages 3 to 6.

**REAL ESTATE INVESTORS PLC****DIRECTORS' REPORT**

For the year ended 31 December 2025

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**Post balance sheet events**

In February 2026 the Group extended the £22.4 million facility with National Westminster Bank PLC for a further 12 months to 1 June 2027, and in March 2026 the Group extended the £9.6 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2027. The new facilities are all on variable rates and following the multiple decreases in interest rates by the Bank of England, the new average rate of bank interest is 5.75%. It is the Group's intention to prioritise the repayment of debt from property sales proceeds.

**Annual General Meeting**

The Annual General Meeting will be held at 75-77 Colmore Row, Birmingham, B3 2AP on 20 May 2026 at 11.00 am.

**Auditor**

Cooper Parry Group Limited offers itself for re-appointment as auditor in accordance with Section 489 of the Companies Act 2006.

BY ORDER OF THE BOARD

**M H P Daly**

**Secretary**

**Date: 23 March 2026**

**Company No 05045715**

**REAL ESTATE INVESTORS PLC****GROUP STRATEGIC REPORT**For the year ended 31 December 2025

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**Review of business**

Real Estate Investors PLC is a commercial property investment company specialising in the established and proven markets of the greater Midlands area. The Group's business model is based on generating rental and capital growth from an active approach to the management and development of a portfolio of quality buildings, predominantly within the office and retail sectors.

Recurring rental income from the portfolio underpins profits, which are supplemented by gains from the sale of investment properties. Disposal proceeds are recycled into new acquisitions with better growth prospects, whilst maintaining compliance with the terms of flexible secured bank finance.

The Group has built up a portfolio of good quality assets concentrated in these resilient established markets, without reliance on one sector or location (see pages 3 to 9) for the review of the business which forms part of this Strategic Report).

**Principal risks and uncertainties**

The directors consider the principal risks of the Group and the strategy to mitigate these risks, as follows:

**Risk area****Investment portfolio**

- Tenant default
- Change in demand for space
- Market pricing affecting value
- Inflation

**Mitigation**

- Not reliant on one single tenant or business sector
- Focussed on established business locations for investment
- Properties are valued externally twice per year, asset concentration is monitored, the Company maintains a borrowing headroom should there be a decline and all facilities have cure options
- Smaller lot size business model limits exposure to individual asset values
- Portfolio diversification between office and retail properties
- Building specifications not tailored to one user
- Continual focus on current vacancies and expected changes
- Neighbourhood retail and not shopping centres

**Financial**

- Going concern
- Reduced availability or increased cost of debt
- Interest rate sensitivity

- See going concern accounting policy on page 39
- Low gearing policy
- Fixed rate debt and hedging in place
- Existing facilities sufficient for spending commitments
- On-going monitoring and management of the forecast cash position
- Internal procedures in place to track compliance with bank covenants

**People**

- Retention/recruitment

- Remuneration structure reviewed
- Regular assessment of performance
- Shorter term incentive plan

**Corporate**

- Reputational risk
- Legal and regulatory risk
- Health & safety
- IT/Cyber

- External investor and public relations consultancy  
The Company employs experienced staff and external advisers to provide guidance on regulatory requirements
- Management system and support from specialist external advisors
- IT systems and anti-virus software and firewalls

**Taxation**

- REI non compliance

- Throughout the period the Company complied with the regulations and dividend distribution requirements

**REAL ESTATE INVESTORS PLC****GROUP STRATEGIC REPORT**For the year ended 31 December 2025

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**ESG**

- Failure to appropriately manage the environmental performance of the property portfolio
- The Company engaged specialist environmental consultants to advise the Board on compliance and has set up a dedicated ESG committee

**Key performance indicators (“KPIs”)**

The following KPIs are some of the tools used by management to monitor the performance of the Group against the aim of creating sustainable long-term returns for shareholders:

| <b>Indicator</b>              | <b>2025</b> | <b>2024</b> |
|-------------------------------|-------------|-------------|
| Loss before tax               | (£0.8m)     | (£2.4m)     |
| EPRA earnings per share       | 1.7p        | 1.9p        |
| Underlying profit before tax  | £2.9m       | £3.4m       |
| Investment property valuation | £113m       | £122m       |
| Net assets                    | £86m        | £90m        |
| EPRA NTA per share            | 49p         | 51p         |

BY ORDER OF THE BOARD

**M H P Daly**  
Secretary

Date: 23 March 2026

**REAL ESTATE INVESTORS PLC****CORPORATE GOVERNANCE REPORT**For the year ended 31 December 2025

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**2023 UK CORPORATE GOVERNANCE CODE**

This report sets out how we have applied and complied with the QCA corporate governance code 2023 edition for the financial year ended 31 December 2025.

- Culture - we have identified the need to articulate the company's values to preserve and strengthen our culture
- Understanding the views of all our stakeholders - bi-annually we meet with shareholders and analysts to discuss the annual and half yearly results presentation
- Engaging with our employees - having a small number of employees in one location there is a high level of employee engagement and communication
- Engaging with our shareholders - we believe that communication with our shareholders is key. In addition to our bi-annual investor relations presentations we are always available to talk and meet with our shareholders
- Management of risk and opportunities - consideration of risk is an integral part of how the company operates on a daily basis and is part of any transaction appraisal.

**STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE****Introduction**

The board of REI decided to apply the QCA Corporate Governance Code (2023 edition) (the **QCA Code**). The choice of code to adopt was important to us. We wanted to be sure that we would proactively embrace whatever code we opted for and not end up with a code that could stifle us and result, on a comply or explain basis, with us describing why certain requirements were not appropriate. We believe that the QCA Code provides us with the right governance framework: a flexible but rigorous outcome-orientated environment in which we can continue to develop our governance model to support our business.

**Corporate governance principles applicable to REI**

As a result of deciding to apply the QCA Code, the corporate governance principles which now apply to us are those contained in the QCA Code. These are:

**Corporate governance principles**

- Establish a strategy and business model which promote long-term value for shareholders
- Promote a corporate culture that is based on ethical values and behaviours
- Seek to understand and meet shareholder needs and expectations
- Take into account wider stakeholder and social responsibilities and their implications for long-term success
- Embed effective risk management, considering both opportunities and threats, throughout the organisation
- Maintain the board as a well-functioning, balanced team led by the chair
- Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities
- Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
- Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture
- Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

**Application of the QCA Code and required disclosures in our annual report or on our website**

The correct application of the QCA Code requires us to apply the principles set out above and also to publish certain related disclosures; these can appear in our annual report, be included on our website or we can adopt a combination

## REAL ESTATE INVESTORS PLC

### CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025

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of the two approaches. Recommended locations for each disclosure are specified in the QCA Code; we have chosen to follow these.

#### **Principle 1: Establish a strategy and business model which promote long-term value for shareholders**

The company is a commercial property investment company specialising in the established and proven markets of the greater Midlands area. The group's business model is based on generating rental and capital growth from an active approach to the management and development of a portfolio of quality buildings, predominantly within the office and retail sector. Recurring rental income from the portfolio underpins profits, which are supplemented by gains from the sale of investment properties. Disposal proceeds are recycled into new acquisitions with better growth prospects, whilst maintaining compliance with the terms of flexible secured bank finance.

The Board establishes the Company's purpose, values and strategy and reviews these regularly. The Board monitors and assesses the culture and there is a regular programme of the Board and list of committees. There is a clear division of responsibilities between the leadership of The Board and the executive.

With effect from 1 January 2015 the group converted to Real Estate Investment Trust (REIT) status under which the group is not liable to corporation tax on its rental income or capital gains from qualifying activities.

However, 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 to optimise returns to shareholders. The pace of the ongoing 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 dividend.

#### **Principle 2: Promote a culture that is based on ethical values and behaviours**

The Board aims to lead by example and to do what is best in the interests of the company, its stakeholders and employees and it is the Board's responsibility to ensure that good standards of corporate governance are embraced within the group. The Board sets clear standards concerning the group's culture, values and behaviours. The management team have regular meetings and updates with the executive directors, who firmly believe that encouraging the right way of thinking and behaving reinforces our corporate governance culture.

The Board has overall responsibility for establishing the Company's purpose and strategy and ensuring that these and the Company's culture are aligned. The Executive drives the embedding of the desired culture throughout the company and ensures that expected values and beliefs are sufficiently understood. The Board remains focused on enabling an inclusive and enabling culture, driven by the need for the Directors and employees to work together. This is achieved in many ways, from team meetings, personal assessments and reviews, discussions on Group strategy and input to the strategic plan, and adherence to Group policies and compliance with corporate governance.

#### **Principle 3: Seek to understand and meet shareholder needs and expectations**

The company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about us, and in turn, helping these audiences understand our business, is a key part of driving our business forward and we actively seek dialogue with the market. We do so via investor roadshows, attending investor conferences and our regular reporting.

The AGM is the main forum for dialogue with retail shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are subsequently published on the company's corporate website.

#### *Institutional shareholders*

The Directors actively seek to build a relationship with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer supported by the Finance Director. The Chief Executive Officer and Finance Director make presentations to institutional shareholders and analysts each year immediately following the release of the full-year and half-year results.

The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the Chief Executive Officer & Finance Director. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman is available to meet with major shareholders if required to discuss issues of importance to them.

**REAL ESTATE INVESTORS PLC****CORPORATE GOVERNANCE REPORT**For the year ended 31 December 2025

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**Principle 4: Take into account wider stakeholder and social responsibilities and their implications for long-term success**

This business model has been in place for many years. As such, any of the key resources and relationships needed by the group have now been in place for quite some time.

The group's stakeholders include shareholders, members of staff, customers, suppliers, regulators, industry bodies and creditors (including the group's lending banks). The principal ways in which their feedback on the group is gathered are via meetings and conversations. Following this feedback, the group has continued its clearly defined, customer-focused and people-led strategy and accompanying conservative approach to acquisitions and financing.

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making.

**Principle 5: Embed effective risk management, considering both opportunities and threats, throughout the organisation***Audit, risk and internal control*

The company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the company.

- The Board is responsible for reviewing and approving overall company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the company including treasury, tax and dividend policy.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and balance sheets. Quarterly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.
- The company has a consistent system of prior appraisal for investments, overseen by the Finance Director and Chief Executive Officer, with defined financial controls and procedures.

The Board has ultimate responsibility for the group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the group. The principal elements of the group's internal control system include:

- Close management of the day-to-day activities of the group by the Executive Directors
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks
- A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board
- Detailed quarterly reporting of performance against budget
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Board is responsible for continually reviewing the key risks to the business and assessing their likely impact on the business. Significant areas under constant review are property, financial and corporate risks. Further detail of the Company's principal risks and uncertainties are detailed on pages 17 and 18.

**Principle 6: Maintaining the Board as a well-functioning, balanced team led by the Chair**

The Board comprises the Non-Executive Chairman, two Executive Directors and two Non-Executive Directors. The Board considers that both the Non-Executive Directors are independent, in that they have no business or other relationship with the Company that might influence their independence or judgement.

## REAL ESTATE INVESTORS PLC

### CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025

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The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. During 2025 four Board meetings took place - all Board members attended all such meetings.

Audit Committee Meetings took place - all members attended such meetings. Remuneration Committee meetings took place - all members attended such meetings.

Key Board activities this year included:

- Input into the group corporate plan
- Continued an open dialogue with the investment community
- Considered our financial and non-financial policies
- Discussed strategic priorities
- Discussed the group's capital structure and financial strategy, including capital investments, shareholder returns and the dividend policy
- Discussed internal governance processes
- Reviewed feedback from shareholders post full and half year results.

#### *Directors' conflict of interest*

The company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

#### **Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities**

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, as detailed below:

- Will Wyatt - finance and strategy (formerly CEO of Caledonia)
- P London - shareholder return (IFA)
- I Stringer - property (Avison Young)
- P P S Bassi - property and finance (property expertise)
- M H P Daly - finance (qualified chartered accountant)

All Directors receive regular and timely information on the group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports quarterly on its headline performance against its agreed budget, and the Board reviews the quarterly update on performance and any significant variances are reviewed at each meeting. Contracts are available for inspection at the company's registered office and at the Annual General Meeting ("AGM").

The company does not provide formal training for the directors at present but may do so in the future. However, the directors understand their duties as directors of a company quoted on AIM. The directors have access to the Company's Nominated Adviser, auditors, solicitors and other advisers as and when required. These advisers may provide formal training to the Board from time to time. The directors are also able, at the Company's expense to obtain advice from external advisers if required.

All Directors retire by rotation at regular intervals in accordance with the company's Articles of Association.

#### *Appointment, removal and re-election of Directors*

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. The company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all Directors must stand for re-election at least once every three years; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

#### *Independent advice*

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the company's expense. In addition, the Directors have direct access to the advice and services of the Finance Director.

## REAL ESTATE INVESTORS PLC

### CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025

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#### *Board programme*

The Board meets at least four times each year in accordance with its scheduled meeting calendar. The Board sets direction for the company through a formal schedule of matters reserved for its decision. Prior to the start of each financial year, a schedule of dates for that year's Board meetings is compiled to align as far as reasonably practicable with the company's financial calendar.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the company's management.

#### *Roles of the Board, Chairman and Chief Executive Officer*

The Board is responsible for the long-term success of the company. There is a formal schedule of matters reserved to the Board. It is responsible for overall group strategy; approval of major investments; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of the group. There is a clear division of responsibility at the head of the company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the company through the Executive Team.

All Directors receive regular and timely information on the group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports quarterly on its headline performance against its agreed budget, and the Board reviews the quarterly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level attend Board meetings where appropriate to present business updates.

#### *Executive Team*

The Executive Team consists of Paul Bassi and Marcus Daly with input from the management team. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The Chief Executive Officer reports to the Board on issues, progress and recommendations for change. The controls applied by the Executive Team to financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

#### *Board committees*

The Board is supported by the Audit and Remuneration committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the company, to enable the committee to discharge its duties. The terms of reference of each committee are available at [www.reiplc.com](http://www.reiplc.com).

#### *Audit Committee*

Its primary focus is on corporate reporting (from an external perspective) and on monitoring the company's internal control and risk management systems (from an internal perspective).

#### *Remuneration Committee*

Its primary function is to determine, on behalf of the Board, the remuneration packages of the Executive Directors.

### **Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

Will Wyatt assesses the individual contributions of each of the members of the team to ensure that:

- Their contribution is relevant and effective
- That they are committed
- Where relevant, they have maintained their independence

Succession planning is an ongoing process that identifies necessary competencies, and then works to assess what would be required to ensure a continuity of leadership for all critical positions.

**REAL ESTATE INVESTORS PLC****CORPORATE GOVERNANCE REPORT**For the year ended 31 December 2025

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**Principle 9: Establish a remuneration policy that which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Remuneration Committee is made up of the three non-executive directors and the chief executive, by invitation. The terms of reference of the committee are to review and make recommendations to the Board regarding the terms and conditions of employment of the executive directors.

The executive directors' remuneration packages are designed to attract, motivate and retain directors of the high calibre needed to help the Group successfully compete in its market place. The Group's policies are to pay executive directors a salary at market levels for comparable jobs in the sector whilst recognising the relative size of the Group.

The performance management of the executive directors and the determination of their annual remuneration package is undertaken by the Remuneration Committee. No director plays a part in any decision about his own remuneration. Annual bonuses will be paid at the discretion of the Remuneration Committee as an incentive and to reward performance during the financial year pursuant to specific performance criteria. In exercising its discretion, the committee will take into account (among other things) NAV growth, dividend growth, rental growth, management performance and overall financial performance. The Remuneration Committee believes that incentive compensation should recognise the growth and profitability of the business.

To support the Disposal Strategy and the return of capital to shareholders, the Company implemented a new Shorter Term Incentive Plan ("STIP") in 2024. The STIP replaced the existing Long Term Incentive Plan ("LTIP"), and will 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 has been 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 receive a proportion of a notional cash pool (the "Pool") which was 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 had been completed in 2024 then the Pool would have been calculated as 10% of the Gain. If the strategy had been completed in 2025 the Pool reduced 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.

In determining the revised remuneration policy and STIP, the Company's Remuneration Committee has consulted with REI's largest institutional shareholders.

**Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders. A range of corporate information (including all company announcements and presentations) is also available to shareholders, investors and the public on the company's corporate website, [www.reiplc.com](http://www.reiplc.com).

The Board receives regular updates on the views of shareholders through briefings and reports from the Chief Executive Officer, Finance Director and the company's brokers. The company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

**Marcus Daly**  
**Finance Director**  
**23 March 2026**

**REAL ESTATE INVESTORS PLC****REMUNERATION REPORT**

For the year ended 31 December 2025

**Remuneration Committee**

As a company trading on AIM, the Company is not obliged to comply with the provisions of the Directors' Remuneration Reports Regulations. However, as part of its commitment to good corporate governance practice the Company provides the following information.

The Remuneration Committee is made up of the three non-executive directors and the chief executive, by invitation. The terms of reference of the committee are to review and make recommendations to the Board regarding the terms and conditions of employment of the executive directors.

**Service agreements**

No director has a service agreement with a notice period that exceeds 12 months.

**Policy on directors' remuneration**

The executive directors' remuneration packages are designed to attract, motivate and retain directors of the high calibre needed to help the Group successfully compete in its market place. The Group's policies are to pay executive directors a salary at market levels for comparable jobs in the sector whilst recognising the relative size of the Group.

The performance management of the executive directors and the determination of their annual remuneration package is undertaken by the Remuneration Committee. No director plays a part in any decision about his own remuneration. Annual bonuses will be paid at the discretion of the Remuneration Committee as an incentive and to reward performance during the financial year pursuant to specific performance criteria. In exercising its discretion, the committee will take into account (among other things) NAV growth, dividend growth, rental growth, management performance and overall financial performance. The Remuneration Committee believes that incentive compensation should recognise the growth and profitability of the business.

**Directors' remuneration (forming part of the financial statements and subject to audit)**

The remuneration of directors for the year ended 31 December 2025 was as follows:

|             | Salary | Salary in lieu of benefits | Bonus | Share - based payment gain | Total | Employers' national insurance contributions | 2025 Total | 2024 Total | Share options 2025 | Share options 2024 |
|-------------|--------|----------------------------|-------|----------------------------|-------|---|------------|------------|--------------------|--------------------|
|             | £000   | £000                       | £000  | £000                       | £000  | £000  | £000       | £000       | Number             | Number             |
| P P S Bassi | 293    | 74                         | -     | 52                         | 419   | 53  | 472        | 506        | -                  | 371,308            |
| M H P Daly  | 183    | 46                         | -     | 33                         | 262   | 33  | 295        | 315        | -                  | 232,068            |
| W Wyatt     | 29     | -                          | -     | -                          | 29    | 4   | 33         | 32         | -                  | -                  |
| P London    | 26     | -                          | -     | -                          | 26    | 3   | 29         | 28         | -                  | -                  |
| I Stringer  | 26     | -                          | -     | -                          | 26    | 3   | 29         | 28         | -                  | -                  |
|             | 557    | 120                        | -     | 85                         | 762   | 96  | 858        | 909        | -                  | 603,376            |

During the year P P S Bassi and M H P Daly exercised options on 185,654 (2024: 264,264) shares and 116,034 (2024: 165,165) shares respectively.

**Policy on non-executive directors' remuneration**

The remuneration of the non-executive directors is determined by the Board and based upon independent surveys of fees paid to non-executive directors of similar companies. The non-executive directors do not receive any benefits apart from their salary and fees which are paid directly to the individual involved.

## REAL ESTATE INVESTORS PLC

## REMUNERATION REPORT

For the year ended 31 December 2025

## REVISED REMUNERATION POLICY (EFFECTIVE 1 JANUARY 2024)

1. **Basic salary:** Executive salaries were 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 were reduced by one third
2. **Annual discretionary bonus:** The Executives' bonus was 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 were 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 equated 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.

## SHORTER TERM INCENTIVE PLAN

To support the Disposal Strategy and the return of capital to shareholders, the Company implemented a new Shorter Term Incentive Plan ("STIP") in 2024. The STIP replaced the existing Long Term Incentive Plan ("LTIP"), and will 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 has been 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 receive a proportion of a notional cash pool (the "Pool") which was created from the excess ("Gain") of Total Shareholder Return ("TSR") over the market value of the Company as at 31 December 2023.
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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 had been completed in 2024 then the Pool would have been calculated as 10% of the Gain. If the strategy had been completed in 2025 the Pool reduced 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.

In determining the revised remuneration policy and STIP, the Company's Remuneration Committee has consulted with REI's largest institutional shareholders.

Approved by the Board of Directors  
 P London  
 Chairman, Remuneration Committee  
 Date: 23 March 2026

**Independent auditor's report to the members of Real Estate Investors plc****Opinion**

We have audited the financial statements of Real Estate Investors plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**An overview of the scope of our audit**

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces. The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified risks of the consolidated financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality.

We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We performed a full-scope audit of the financial statements of the parent company, Real Estate Investors plc. The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues and 100% of consolidated net assets

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Risk of fraud in revenue recognition****Matter**

Under ISA (UK) 240 there is a presumed risk that revenue is misstated due to fraud. Revenue is represented by rental income recognised at a point in time and from tenancy contracts recognised over time. There is relatively little judgement involved in determining the timing and value of the amount to be recognised. We therefore assess the significant risk to be specifically with respect to manual journals posted to revenue in respect of lease incentives, rent concessions and deferred income.

**Response**

Our procedures in response to the risk included:

- We assessed accounting policies for consistency and appropriateness with the applicable financial reporting framework and reviewed for the consistency of application of the accounting policies;
- We obtained an understanding of the processes through which the business initiates, records, processes and reports revenue transactions;
- We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations were designed and implemented correctly throughout the transaction cycle;
- We obtained a complete listing of journals posted to revenue nominal codes and reviewed the listing for any unexpected entries. These were then tested to supporting evidence;
- We held discussions with management over a sample of properties to understand if any new lease incentives or concessions were given to tenants during the year and considered the impact this has had on manual adjustments posted to revenue;
- We performed testing over a sample of lease incentives, rent free periods, or other incentives to ensure that these have been correctly accounted for;
- We tested a sample of deferred income to ensure that the expected deferred income amount is in line with expectations per the contract;
- We performed a proof in total on a sample of investment properties to ensure revenue is being recognised in line with signed contracts. Further to this testing, we performed a recalculation of any deferred revenue balances to ensure correct cut off is being applied.

Our procedures did not identify any material misstatements in the revenue recognised during the year.

**Valuation of investment properties****Matter**

We identified the valuation of investment properties as a key audit matter due to the significant levels of judgement applied in the valuation. In determining a property's valuation, the valuers consider specific property information such as the current tenancy agreement and rental income. Assumptions are then applied for yields and estimated market rents, which are influenced by prevailing market yields and comparable market transactions to arrive at the final valuation. In view of the judgements involved, we consider this to be an area giving rise to a significant risk of material misstatement in the financial statements.

**Response**

Our procedures in response to the risk included:

- We obtained an understanding of the relevant controls in relation to the valuation process;
- We obtained year end valuations for each property from management's valuation expert, ensuring that the valuation approach for each valuation is appropriate and in line with Royal Institute of Chartered Surveyors ('RICS') - Professional Standards as required by IAS 40, Investment Property, and has been recorded appropriately in the general ledger;
- We obtained the source information provided by management to the valuation expert and tested a sample of this to source data such as lease agreements;
- We discussed the valuation process with management's valuation expert to gain a further understanding of the key assumptions ensuring that the valuations have been prepared in accordance with IAS 40 and fair value is measured in accordance with the criteria of IFRS 13, Fair Value Measurement;

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL ESTATE INVESTORS PLC

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- We assessed the valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work in accordance with auditing standards;
- We analysed year-on-year valuation movements and discussed significant fluctuations with both management and the management's valuation expert;
- We benchmarked the assumptions used in the valuations to comparable market data; and
- We agreed the information provided by management to the valuer and tested the integrity of this information.

Based on our audit work performed, the judgements and assumptions used in the valuation are considered to be reasonable and in line with market data.

### Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £1,250,000. This has been determined with reference to the benchmark of the group's total assets which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1% of the group's total assets. Performance materiality has been set at 80% of group materiality at £996,000.

We have determined a lower level of materiality for testing revenue and expenditure which has been determined with reference to the benchmark of the group's total revenue which equates to £93,700. Materiality has been set at 1% of revenue and performance materiality has been set at 80% of this figure, which equates to £75,000.

The materiality for the parent company financial statements as a whole was set at £1,250,000, the same as for the group, determined with reference to the parent company's total assets. Given that the parent company accounts for substantially all of the group's assets and revenues, and the remaining subsidiaries are immaterial and dissolved during the year, we consider this an appropriate benchmark.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Obtaining the latest loan facilities and renewal documentation;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets;
- Reviewing management's forecasting accuracy by comparing the prior year budgets to actual results;
- Reviewing management's disclosures in the financial statements;
- Evaluating management's disclosures relating to going concern and the Group's strategy for consistency;
- Discussing the timing and execution of the Group's strategic plan with management and considering whether potential extensions could impact the going concern conclusion;
- 

From our work, we noted that management's forecasts, including the expected timing of property disposals and potential extensions of the strategic plan, support the directors' assessment that the Group will continue to be able to meet its liabilities as they fall due.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. In forming this conclusion, we considered that management may

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL ESTATE INVESTORS PLC

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extend the timing of the Group's strategic plan if necessary to maximise value from property disposals and optimise shareholder returns.

The going concern assessment reflects this potential flexibility, and management's forecasts demonstrate that the Group expects to maintain sufficient liquidity and covenant headroom throughout the period. Therefore, while the timing of strategy execution may vary, it does not, at present, constitute a material uncertainty requiring disclosure. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, particularly over the valuation of non-current assets.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

***Use of our report***

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Melanie Hopwell (Senior Statutory Auditor)**  
For and on behalf of Cooper Parry Group Limited  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA  
23 March 2026

## REAL ESTATE INVESTORS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

|   | Note | 2025<br>£000   | 2024<br>£000   |
|---|------|----------------|----------------|
| Revenue   | 2    | 9,367          | 10,772         |
| Cost of sales   |      | <u>(2,160)</u> | <u>(2,220)</u> |
| Gross profit  |      | 7,207          | 8,552          |
| Administrative expenses   |      | (2,232)        | (2,312)        |
| (Deficit)/gain on sale of investment properties                               |      | (482)          | 631            |
| Deficit in fair value of investment properties                                | 9    | <u>(3,005)</u> | <u>(6,334)</u> |
| Profit from operations  |      | 1,488          | 537            |
| Finance income  | 5    | 135            | 163            |
| Finance costs   | 5    | (2,437)        | (3,339)        |
| (Deficit)/gain on financial liabilities at fair value through profit and loss | 16   | <u>(25)</u>    | <u>282</u>     |
| Loss before taxation  | 3    | (839)          | (2,357)        |
| Income tax charge   | 6    | -              | -              |
| Net loss after taxation and total comprehensive expense                       |      | <u>(839)</u>   | <u>(2,357)</u> |
| Total and continuing earnings per ordinary share                              |      |                |                |
| Basic   | 7    | (0.48)p        | (1.35)p        |
| Diluted   | 7    | <u>(0.48)p</u> | <u>(1.35)p</u> |

The results of the Group for the current and prior year related entirely to continuing operations.

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

|  | Share<br>capital<br>£000 | Share<br>premium<br>account<br>£000 | Capital<br>redemption<br>reserve<br>£000 | Share-based<br>payment<br>reserve<br>£000 | Retained<br>Earnings<br>£000 | Total<br>£000 |
|--|--------------------------|-------------------------------------|--|---|------------------------------|---------------|
| At 1 January 2024                                    | 17,385                   | 52,044                              | 1,463                                    | 425                                       | 24,241                       | 95,558        |
| Share issue  | 54                       | 129                                 | -  | (183)                                     | -                            | -             |
| Dividends  | -                        | -                                   | -  | -   | (3,702)                      | (3,702)       |
| Transactions with owners                             | 54                       | 129                                 | -  | (183)                                     | (3,702)                      | (3,702)       |
| Loss for the year and total<br>comprehensive income  | -                        | -                                   | -  | -   | (2,357)                      | (2,357)       |
| At 31 December 2024                                  | 17,439                   | 52,173                              | 1,463                                    | 242                                       | 18,182                       | 89,499        |
| Share issue  | 46                       | 84                                  | -  | (130)                                     | -                            | -             |
| Transfer between reserves                            | -                        | -                                   | -  | (112)                                     | 112                          | -             |
| Dividends  | -                        | -                                   | -  | -   | (2,796)                      | (2,796)       |
| Transactions with owners                             | 46                       | 84                                  | -  | (242)                                     | (2,684)                      | (2,796)       |
| Loss for the year and total<br>comprehensive expense | -                        | -                                   | -  | -   | (839)                        | (839)         |
| At 31 December 2025                                  | 17,485                   | 52,257                              | 1,463                                    | -   | 14,659                       | 85,864        |

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

|   | Share<br>capital<br>£000 | Share<br>premium<br>account<br>£000 | Capital<br>redemption<br>reserve<br>£000 | Share -<br>based<br>payment<br>reserve<br>£000 | Retained<br>Earnings<br>£000 | Total<br>£000 |
|---|--------------------------|-------------------------------------|--|--|------------------------------|---------------|
| At 1 January 2024                                     | 17,385                   | 52,044                              | 1,463                                    | 425  | 20,086                       | 91,403        |
| Share issue   | 54                       | 129                                 | -  | (183)  | -                            | -             |
| Dividends   | -                        | -                                   | -  | -  | (3,702)                      | (3,702)       |
| Transactions with owners                              | 54                       | 129                                 | -  | (183)  | (3,702)                      | (3,702)       |
| Loss for the year and total<br>comprehensive income   | -                        | -                                   | -  | -  | (2,789)                      | (2,789)       |
| At 31 December 2024                                   | 17,439                   | 52,173                              | 1,463                                    | 242  | 13,595                       | 84,912        |
| Share issue   | 46                       | 84                                  | -  | (130)  | -                            | -             |
| Transfer between reserves                             | -                        | -                                   | -  | (112)  | 112                          | -             |
| Dividends   | -                        | -                                   | -  | -  | (2,796)                      | (2,796)       |
| Transactions with owners                              | 46                       | 84                                  | -  | (242)  | (2,684)                      | (2,796)       |
| Profit for the year and total<br>comprehensive income | -                        | -                                   | -  | -  | 3,748                        | 3,748         |
| At 31 December 2025                                   | 17,485                   | 52,257                              | 1,463                                    | -  | 14,659                       | 85,864        |

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

|                                     | Note | 2025<br>£000    | 2024<br>£000    |
|-------------------------------------|------|-----------------|-----------------|
| <b>Assets</b>                       |      |                 |                 |
| <b>Non-current</b>                  |      |                 |                 |
| Intangible assets                   | 8    | -               | -               |
| Investment properties               | 9    | 111,570         | 122,200         |
| Property, plant and equipment       | 10   | 5               | 1               |
|                                     |      | <u>111,575</u>  | <u>122,201</u>  |
| <b>Current</b>                      |      |                 |                 |
| Inventories                         | 12   | 2,409           | 2,404           |
| Investment properties held for sale | 9    | 1,680           | -               |
| Trade and other receivables         | 13   | 2,730           | 2,444           |
| Cash and cash equivalents           |      | 6,109           | 6,876           |
|                                     |      | <u>12,928</u>   | <u>11,724</u>   |
| <b>Total assets</b>                 |      | <u>124,503</u>  | <u>133,925</u>  |
| <b>Liabilities</b>                  |      |                 |                 |
| <b>Current</b>                      |      |                 |                 |
| Bank loans                          | 15   | (34,161)        | (39,196)        |
| Trade and other payables            | 14   | (4,478)         | (5,081)         |
|                                     |      | <u>(38,639)</u> | <u>(44,277)</u> |
| <b>Non-current</b>                  |      |                 |                 |
| Derivative financial liabilities    | 16   | (-)             | (149)           |
|                                     |      | <u>(-)</u>      | <u>(149)</u>    |
| <b>Total liabilities</b>            |      | <u>(38,639)</u> | <u>(44,426)</u> |
| <b>Net assets</b>                   |      | <u>85,864</u>   | <u>89,499</u>   |

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

|                             | Note | 2025<br>£000  | 2024<br>£000  |
|-----------------------------|------|---------------|---------------|
| <b>Equity</b>               |      |               |               |
| Share capital               | 18   | 17,485        | 17,439        |
| Share premium account       |      | 52,257        | 52,173        |
| Capital redemption reserve  |      | 1,463         | 1,463         |
| Share-based payment reserve |      | -             | 242           |
| Retained earnings           |      | 14,659        | 18,182        |
| <b>Total Equity</b>         |      | <b>85,864</b> | <b>89,499</b> |
| Net assets per share        |      | <b>49.1p</b>  | <b>51.3p</b>  |

These financial statements were approved and authorised for issue by the Board of Directors on 23 March 2026.

Signed on behalf of the Board of Directors

W Wyatt - Chairman

M H P Daly - Finance Director  
Company No 05045715

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## COMPANY STATEMENT OF FINANCIAL POSITION

At 31 December 2025

|                                     | Note | 2025<br>£000    | 2024<br>£000    |
|-------------------------------------|------|-----------------|-----------------|
| <b>Assets</b>                       |      |                 |                 |
| <b>Non-current</b>                  |      |                 |                 |
| Investment properties               | 9    | 111,570         | 122,200         |
| Property, plant and equipment       | 10   | 5               | 1               |
| Investments                         | 11   | -               | -               |
|                                     |      | <u>111,575</u>  | <u>122,201</u>  |
| <b>Current assets</b>               |      |                 |                 |
| Inventories                         | 12   | 2,409           | 2,404           |
| Investment properties held for sale | 9    | 1,680           | -               |
| Trade and other receivables         | 13   | 2,730           | 2,398           |
| Cash and cash equivalents           |      | 6,109           | 6,874           |
|                                     |      | <u>12,928</u>   | <u>11,676</u>   |
| <b>Total assets</b>                 |      | <u>124,503</u>  | <u>133,877</u>  |
| <b>Liabilities</b>                  |      |                 |                 |
| <b>Current</b>                      |      |                 |                 |
| Bank loans                          | 15   | (34,161)        | (39,196)        |
| Trade and other payables            | 14   | (4,478)         | (9,620)         |
| <b>Net current liabilities</b>      |      | <u>(38,639)</u> | <u>(48,816)</u> |
| <b>Non-current</b>                  |      |                 |                 |
| Derivative financial liabilities    | 16   | (-)             | (149)           |
|                                     |      | <u>(-)</u>      | <u>(149)</u>    |
| <b>Total liabilities</b>            |      | <u>(38,639)</u> | <u>(48,965)</u> |
| <b>Net assets</b>                   |      | <u>85,864</u>   | <u>84,912</u>   |
| <b>Equity</b>                       |      |                 |                 |
| Ordinary share capital              | 18   | 17,485          | 17,439          |
| Share premium account               |      | 52,257          | 52,173          |
| Capital redemption reserve          |      | 1,463           | 1,463           |
| Share-based payment reserve         |      | -               | 242             |
| Retained earnings                   |      | 14,659          | 13,595          |
| <b>Total Equity</b>                 |      | <u>85,864</u>   | <u>84,912</u>   |

The company's profit for the year was £3,748,000 (2024: (£2,789,000) loss).

These financial statements were approved by the Board of Directors on 23 March 2026.

Signed on behalf of the Board of Directors

W Wyatt - Chairman

M H P Daly - Finance Director

Company No 05045715

The accompanying notes form an integral part of these financial statements.

## REAL ESTATE INVESTORS PLC

## CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2025

|  | 2025            | 2024            |
|--|-----------------|-----------------|
|  | £000            | £000            |
| <b>Cash flows from operating activities</b>                                |                 |                 |
| Loss after taxation  | (839)           | (2,357)         |
| Adjustments for:   |                 |                 |
| Depreciation   | 1               | 1               |
| Net deficit on valuation of investment property                            | 3,005           | 6,334           |
| Deficit/(gain) on sale of investment property                              | 482             | (631)           |
| Finance income   | (135)           | (163)           |
| Finance costs  | 2,437           | 3,339           |
| Loss/(gain) on financial liabilities at fair value through profit and loss | 25              | (282)           |
| Increase in inventories  | (5)             | (9)             |
| (Increase)/decrease in trade and other receivables                         | (286)           | 106             |
| Decrease in trade and other payables                                       | (528)           | (359)           |
|  | <u>4,157</u>    | <u>5,979</u>    |
| <b>Cash flows from investing activities</b>                                |                 |                 |
| Expenditure on investment properties                                       | (529)           | (3,109)         |
| Expenditure on plant and equipment   | (5)             | -               |
| Proceeds from sale of investment properties                                | 5,993           | 18,311          |
| Interest received  | 135             | 163             |
|  | <u>5,594</u>    | <u>15,365</u>   |
| <b>Cash flows from financing activities</b>                                |                 |                 |
| Interest paid  | (2,437)         | (3,339)         |
| Equity dividends paid  | (2,871)         | (3,900)         |
| Hedge settlement   | (174)           | -               |
| Payment of bank loans  | (5,036)         | (15,210)        |
|  | <u>(10,518)</u> | <u>(22,449)</u> |
| Net decrease in cash and cash equivalents                                  | (767)           | (1,105)         |
| Cash and cash equivalents at beginning of year                             | 6,876           | 7,981           |
| Cash and cash equivalents at end of year                                   | <u>6,109</u>    | <u>6,876</u>    |

## NOTES:

Cash and cash equivalents consist of cash in hand and balances with banks only.

The accompanying notes form an integral part of these financial statements.

**REAL ESTATE INVESTORS PLC**

**COMPANY STATEMENT OF CASHFLOWS**

For the year ended 31 December 2025

|   | 2025                | 2024                |
|---|---------------------|---------------------|
|   | £000                | £000                |
| <b>Cash flows from operating activities</b>                                   |                     |                     |
| Profit/(loss) after taxation  | 3,748               | (2,789)             |
| Adjustments for:  |                     |                     |
| Depreciation  | 1                   | 1                   |
| Impairment of investment in subsidiaries                                      | -                   | -                   |
| Net deficit on valuation of investment property                               | 3,005               | 6,334               |
| Deficit/(gain) on sale of investment property                                 | 482                 | (325)               |
| Finance income  | (135)               | (163)               |
| Finance costs   | 2,437               | 3,339               |
| Deficit/(gain) on financial liabilities at fair value through profit and loss | 25                  | (282)               |
| Gain on derecognition of amounts owed to group undertakings                   | (4,569)             | -                   |
| Increase in inventories   | (5)                 | (9)                 |
| Increase in trade and other receivables                                       | (332)               | (3)                 |
| (Decrease)/increase in trade and other payables                               | (498)               | 3,032               |
|   | <u>4,159</u>        | <u>9,135</u>        |
| <b>Cash flows from investing activities</b>                                   |                     |                     |
| Expenditure on investment properties  | (529)               | (3,109)             |
| Expenditure on plant and equipment  | (5)                 | -                   |
| Proceeds from sale of investment properties                                   | 5,992               | 15,154              |
| Interest received   | 135                 | 163                 |
|   | <u>5,593</u>        | <u>12,208</u>       |
| <b>Cash flows from financing activities</b>                                   |                     |                     |
| Interest paid   | (2,437)             | (3,339)             |
| Equity dividends paid   | (2,871)             | (3,900)             |
| Hedge settlement  | (174)               | -                   |
| Payment of bank loans   | (5,035)             | (15,210)            |
|   | <u>(10,517)</u>     | <u>(22,449)</u>     |
| Net decrease in cash and cash equivalents                                     | (765)               | (1,106)             |
| Cash and cash equivalents at beginning of year                                | <u>6,874</u>        | <u>7,980</u>        |
| Cash and cash equivalents at end of year                                      | <u><u>6,109</u></u> | <u><u>6,874</u></u> |

**NOTES**

Cash and cash equivalents consist of cash in hand and balances with banks only.

The accompanying notes form an integral part of these financial statements.

## 1. Accounting policies

### Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Company comprise the results of Real Estate Investors PLC (the company) and its subsidiary undertakings. The company is a public limited company, limited by shares, incorporated in England and Wales. The financial statements are for the year ended 31 December 2025 (2024: year ended 31 December 2024) and have been prepared in the Group's functional currency, GBP £ and rounded to the nearest thousand.

The company financial statements have been prepared under the historical cost convention, except for the revaluation of properties and financial instruments held at fair value through profit and loss, and in accordance with UK GAAP (FRS 101) and the Group financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The principal accounting policies of the Group are set out below and are consistent with those applied in the prior year financial statements, except where new standards have been issued and applied retrospectively. Further details of these standards and their application by the Group are set out on page 45.

### Going concern

Whilst the Group remains very focused on concluding the strategic plan within the 3 year timeframe, a further extension to maximise value and the quantum of capital to shareholders may be necessary and so the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

The Group has prepared and reviewed forecasts and made appropriate enquiries which indicate that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements to 23 March 2027. These enquiries considered the following:

- the significant cash balances the Group holds and the low levels of historic and projected operating cash outflows
- any property purchases will only be completed if cash resources or loans are available to complete those purchases
- the Group's bankers have indicated their continuing support for the Group.
- In March 2026 the Group extended the £9.6 million facility with Lloyds Banking Group Plc for 12 months to 31 May 2027.
- In February 2026 the Group extended the facility of £22.4 million with National Westminster Bank PLC by 12 months to 1 June 2027.
- The new facilities are all on variable rates to benefit from the downward trajectory in interest rates by the Bank of England, the new average rate of bank interest is 5.75%. It is the Group's intention to prioritise the repayment of debt from property sales proceeds.
- The directors have at the time of approving these financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements.

For these reasons the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

### Business combinations

Subsidiaries are all entities over which the Group has control. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent Company as well as those entities controlled by the Group by full consolidation.

Acquired subsidiaries are subject to application of the acquisition method. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

**1. Accounting policies (continued)**

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of the fair value of consideration transferred, the recognised amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of the identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

No statement of comprehensive income is presented for the Company as permitted by Section 408 of the Companies Act 2006. The Company's profit for the financial year was £3,748,000 (2024: (£2,789,000) loss).

**Investments**

Investments in subsidiary undertakings are recorded at cost less provision for impairment.

**Income recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration receivable, excluding discounts, rebates, VAT and other sales taxes or duties. The following criteria must be met before income is recognised:

***Rental income***

As a lessor the Group classifies its leases as operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Rental income arising from operating leases and/or profit share arrangements on properties owned by the Group is accounted for on a straight-line basis over the period commencing on the later of the start of the lease or acquisition of the property by the Group, and ending on the end of the lease, unless it is reasonably certain that the break option will be exercised. Rent reviews are recognised in the period to which they relate. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

***Sale of properties***

Income from the sale of properties held as inventory is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer, usually when legally binding contracts which are irrevocable and unconditional are completed, which is when legal title passes to the purchaser, on completion.

**Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially recognised at cost including direct transaction costs.

Investment properties are subsequently valued externally or by the directors on an open market basis at the balance sheet date and recorded at valuation. Any gain or deficit arising on revaluing investment properties is recognised in profit or loss in the period in which they arise. The valuations exclude prepaid or accrued operating lease income, because it is recognised as a separate liability or asset.

Dilapidation receipts are held in the balance sheet and offset against subsequent associated expenditure. Any ultimate gains or shortfalls are recognised in profit or loss, offset against any directly corresponding movement in fair value of the investment property to which they relate.

Gain or deficit on sale of investment properties is recognised when legally binding contracts which are irrevocable and unconditional are completed and when legal title passes to the purchaser on completion.

**Investment properties held for sale**

Investment properties are classified as held for sale when they are actively marketed at year-end and it is highly probable that the carrying amount will be recovered principally through a sale transaction within 12 months.

## 1. Accounting policies (continued)

Investment properties classified as held for sale are included within current assets within the Statement of Financial Position and measured at lower of carrying amount and fair value less costs to sell.

### Deferred income

Deferred income represents rent invoiced related to a period after the Group year end and is recognised under the terms of the lease and in accordance with IFRS 16.

### Leasehold improvements and office equipment

Leasehold improvements and office equipment are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on the cost of these assets less their residual value on a straight-line basis over the estimated useful economic life of each asset, by equal annual instalments over the following periods:

|                        |   |                 |
|------------------------|---|-----------------|
| Leasehold improvements | - | length of lease |
| Office equipment       | - | five years      |

Residual values and useful lives are reassessed annually.

### Inventories

Inventories are held at the lower of cost and net realisable value. Cost includes all fees relating to the purchase of the property and improvement expenses. Net realisable value is based on estimated selling price less future costs expected to be incurred to sale. Any provisions to impair inventories below cost are reversed in future periods if market conditions subsequently support a higher fair value but only up to a maximum of the original cost.

### Operating leases

#### Group company is the lessor

Properties leased out to tenants under operating leases are included in investment properties in the statement of financial position when all the risks and rewards of ownership of the property are retained by the Group.

### Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the year end date. They are calculated according to the tax rates and tax laws enacted and substantively enacted at the year end date, based on the taxable profit for the year.

The Group elected for Real Estate Investment Trust (REIT) status with effect from 1 January 2015. As a result, providing certain conditions are met, the Group's profits from property investment are exempt from United Kingdom corporation tax. Therefore, for 2025 there is no income tax payable on the Group's property investment transactions and no provision for deferred tax arising on the revaluation of properties or on unused trading losses, substantially all of which relate to property investment.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of relevant assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised on the initial recognition of goodwill, or on initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will reverse. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided that they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in the value of assets or liabilities that is charged directly to other comprehensive income are charged or credited directly to other comprehensive income.

**1. Accounting policies (continued)**

**Financial assets**

The Group's financial assets include cash and cash equivalents and trade and other receivables.

All financial assets are initially recognised at fair value plus transaction costs, when the Group becomes party to the contractual provisions of the instrument.

The Group's financial assets are all classified as financial assets held at amortised cost. This classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

The Group's financial assets were all classified as loans and receivables under IAS 39.

Financial assets held at amortised cost are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within administrative expenses.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition.

A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset.

**Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'.

Instruments within the scope of the requirements include trade and other receivables as well as amounts due from subsidiary undertakings.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and;
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

## 1. Accounting policies (continued)

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

### Equity

- Share capital represents the nominal value of equity shares that have been issued.
- Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares, net of expenses of the share issue.
- The capital redemption reserve represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the Group.
- Share based payment reserves represent the provision for expected share-based payment gain.
- Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.
- Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

### Defined contribution pension scheme

Contributions to the Company's defined contribution scheme are charged to the Statement of Comprehensive Income in the year to which they relate.

### Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, trade and other payables and liabilities at fair value through profit and loss. Additionally, the parent company's financial liabilities include amounts owed to subsidiary undertakings.

Financial liabilities are recognised when the Group becomes a party to the contractual agreement of the instrument. All interest related charges are recognised as an expense in "finance costs" in the statement of comprehensive income using the effective interest method.

Bank overdrafts are raised for support of the short-term funding of the Group's operations.

Bank loans are raised for support of the long-term funding of the Group's operations. They are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the statement of comprehensive income. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

All derivative financial instruments are valued at fair value through profit and loss. No derivative financial instruments have been designated as hedging instruments. All interest related charges are included within finance costs or finance income. Changes in an instrument's fair value are disclosed separately in the statement of comprehensive income. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists.

A financial liability is derecognised only when the obligation is extinguished, that is when the obligation is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

**1. Accounting policies (continued)**

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classed as financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to equity.

**Reserves**

- Share capital represents the nominal value of the issued share capital
- Share premium represents any consideration received in excess of nominal value of the share issued
- Capital redemption reserve represents the nominal value of the Company's own shares that have been repurchased and cancelled
- Share based payments represent the provision for share based payments
- Profit and loss represents the cumulative profit or loss position less dividend distributions

**Share warrants and share options**

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to other reserves.

Upon exercise of share warrants or share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

When the share warrants or share options have vested and then lapsed, the amount previously recognised in other reserves is transferred to retained earnings.

**Share based payments**

The company had a Long-Term Incentive Plan for certain of its employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated on the date of grant using a binomial valuation model, according to the characteristics of the option, and is based on certain assumptions. Those assumptions include, among others, the dividend growth rate, expected volatility, and the expected life of the options. Management then apply the fair value to the number of options expected to vest. The resulting fair value is amortised through the statement of comprehensive income on a straight-line basis over the vesting period with a corresponding credit to other reserves. The charge is reversed if it is likely that any non-market-based criteria will not be met. If a category of share options is cancelled, this is accounted for as an acceleration of vesting and any remaining fair value is recognised in full at the date of cancellation.

**Segmental reporting**

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

**1. Accounting policies (continued)**

As the chief operating decision maker reviews financial information for and makes decisions about the Group's investment properties and properties held for trading as a portfolio, the directors have identified a single operating segment, that of investment in and trading of commercial properties.

**New standards adopted for the year ended 31 December 2025**

The Group has not adopted any new standards or interpretations in these financial statements.

**Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group.

Management anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

**Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are as follows:

**Investment property valuation**

The Group uses the valuations performed by its independent valuers or the directors as the fair value of its investment properties. The valuation is based upon assumptions including future rental income, anticipated maintenance costs, the appropriate discount rate and post year end sales values. The valuer and directors also make reference to market evidence of transaction prices for similar properties. The impact of changes in property yields used to ascertain the valuation of investment properties are considered (see notes 15 and 16).

**Critical judgements in applying the Group's accounting policies**

The Group makes judgements in applying the accounting policies. The critical judgements that have been made are as follows:

**Investment entity status**

The directors believe that despite having REIT status, the Parent company is not an investment entity as defined under IFRS 10. The directors have considered all facts and circumstances and have assessed that the Parent company is not an investment company as defined under IFRS 10 based on the following circumstances:

- the Parent company's business purpose is not to invest solely for capital appreciation, investment income (such as dividends, interest or rental income) or both. The parent Company has a separate substantial business activity that involves the active management of its property portfolio, including lease negotiations, refurbishments and development activities, and marketing of properties to provide benefits other than capital appreciation and/or investment income
- the Parent company's investment plans do not include specified exit strategies for its investments; as such, it intends to hold its investments to maturity (that is, the directors have no intention to sell these assets in the near future and realise capital appreciation from substantially all of its equity investments and non-financial asset investments)
- although the investment properties are reported at fair value under IAS 40, the fair value is not the primary measurement attribute used by the directors to evaluate the performance of its investments. Other performance indicators are used to evaluate performance and make investment decisions.

The Group does not meet the definitions of an investment entity and as such it remains appropriate to consolidate all of the subsidiaries.

## REAL ESTATE INVESTORS PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1. Accounting policies (continued)

##### Surrender premiums

The Group is required to judge whether amounts due under lease surrenders are sufficiently irrevocable that income can be accrued. Judgement is also required in establishing whether income relates to an exit fee for terminating the leased asset (recognised immediately), or whether it represents accelerated rental income (recognised over the remaining lease term). Surrender premiums received during the year are shown in note 2.

##### REIT status

The Group and Company elected for Real Estate Investment Trust (REIT) status with effect from 1 January 2015. As a result, providing certain conditions are met, the Group and Company's profit from property investment and gains are exempt from UK corporation tax. In the Directors' opinion the Group and Company have met these conditions.

#### 2. Segmental information

The segmental information is provided to the Chief Executive, who is the chief operating decision maker.

|   |                      | Investment in and trading of properties |                 |
|---|----------------------|---|-----------------|
|   |                      | 2025                                    | 2024            |
|   |                      | £000                                    | £000            |
| Segment revenues                                  | - Rental income      | 8,747                                   | 10,237          |
|   | - Surrender premiums | 620                                     | 535             |
|   |                      | <b>9,367</b>                            | <b>10,772</b>   |
| Cost of sales                                     | - Direct costs       | (2,160)                                 | (2,220)         |
|   |                      | <b>7,207</b>                            | <b>8,552</b>    |
| Administrative expenses                           |                      | (2,232)                                 | (2,312)         |
| (Deficit)/gain on disposal of investment property |                      | (482)                                   | 631             |
| Deficit on valuation of investment properties     |                      | (3,005)                                 | (6,334)         |
| Segment operating profit                          |                      | <b>1,488</b>                            | <b>537</b>      |
| Segment assets                                    |                      | <b>124,503</b>                          | <b>133,925</b>  |
| Segment liabilities                               |                      | <b>(38,639)</b>                         | <b>(44,426)</b> |

The segmental information provided to the Chief Executive also includes the following:

|                | 2025    | 2024    |
|----------------|---------|---------|
|                | £000    | £000    |
| Finance income | 135     | 163     |
| Finance costs  | (2,437) | (3,339) |
| Depreciation   | (1)     | (1)     |

Revenue from external customers and non-current assets arises wholly in the United Kingdom. All revenue for the year is attributable to the principal activities of the Group. Revenue from the largest customer represented 6% (2024: 7%) of the total rental income revenue for the year.

## REAL ESTATE INVESTORS PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 3. Loss before taxation

Loss before taxation is stated after:

|  | 2025 | 2024 |
|--|------|------|
|  | £000 | £000 |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 79   | 76   |
| Fees payable to the Company's auditor for other services                             | 1    | 1    |
| Depreciation of owned property and equipment   | 1    | 1    |

#### 4. Directors and employees

Staff costs during the year (including directors) were as follows:

|                                     | 2025         | 2024         |
|-------------------------------------|--------------|--------------|
|                                     | £000         | £000         |
| Wages and salaries                  | 1,110        | 1,139        |
| Social security costs               | 155          | 139          |
| Shorter Term Incentive Plan expense | 200          | 300          |
|                                     | <u>1,465</u> | <u>1,578</u> |

The highest paid director received £419,000 (2024: £457,000).

The average number of employees (including executive directors) of the Group and the Company during the period was seven (2024: seven), all of whom were engaged in administration. The executive and non-executive directors are also the key management personnel of the Group and the Company and details of their remuneration are included within the directors' remuneration report on pages 24 and 25.

#### 5. Finance income/finance costs

|                                | 2025           | 2024           |
|--------------------------------|----------------|----------------|
|                                | £000           | £000           |
| Finance income:                |                |                |
| Interest receivable            | <u>135</u>     | <u>163</u>     |
| Finance costs:                 |                |                |
| Interest payable on bank loans | <u>(2,437)</u> | <u>(3,339)</u> |

#### 6. Income tax charge

|                              | 2025       | 2024       |
|------------------------------|------------|------------|
|                              | £000       | £000       |
| Loss for the year before tax | (839)      | (2,357)    |
| Tax rate                     | <u>25%</u> | <u>25%</u> |
| Expected tax charge          | (210)      | (589)      |
| REIT exempt income and gains | <u>210</u> | <u>589</u> |
| Actual tax charge            | <u>-</u>   | <u>-</u>   |

## REAL ESTATE INVESTORS PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 7. Earnings per share

The calculation of earnings per share is based on the result for the year after tax and on the weighted average number of shares in issue during the year.

Reconciliations of the earnings and the weighted average numbers of shares used in the calculations are set out below.

|                                  | Earnings<br>£000 | 2025<br>Average<br>number of<br>shares | Earnings per<br>Share | Earnings<br>£000 | 2024<br>Average<br>number of<br>shares | Earnings<br>per share |
|----------------------------------|------------------|--|-----------------------|------------------|--|-----------------------|
| Basic loss per share             | (839)            | 174,507,154                            | (0.48)p               | (2,357)          | 174,181,683                            | (1.35)p               |
| Dilutive effect of share options | -                | -                                      | -                     | -                | -                                      | -                     |
| Diluted loss per share           | <u>(839)</u>     | <u>174,507,154</u>                     | <u>(0.48)p</u>        | <u>(2,357)</u>   | <u>174,181,683</u>                     | <u>(1.35)p</u>        |

The European Public Real Estate Association indices below have been included in the financial statements to allow more effective comparisons to be drawn between the Group and other businesses in the real estate sector.

#### EPRA EPS per share

|   | Earnings<br>£000 | 2025<br>Shares<br>No | Earnings<br>per share<br>p | Earnings<br>£000 | 2024<br>Shares<br>No | Earnings<br>per share<br>P |
|---|------------------|----------------------|----------------------------|------------------|----------------------|----------------------------|
| Loss per share                                      | (839)            | 174,507,154          | (0.48)                     | (2,357)          | 174,181,683          | (1.35)                     |
| Net deficit on valuation of investment properties   | 3,005            |                      |                            | 6,334            |                      |                            |
| Deficit/(gain) on disposal of investment properties | 482              |                      |                            | (631)            |                      |                            |
| STIP provision                                      | 200              |                      |                            | 300              |                      |                            |
| Loss/(gain) in fair value of derivatives            | <u>25</u>        |                      |                            | <u>(282)</u>     |                      |                            |
| EPRA earnings per share                             | <u>2,873</u>     | <u>174,507,154</u>   | <u>1.65</u>                | <u>3,364</u>     | <u>174,181,683</u>   | <u>1.93</u>                |

7. Earnings per share (continued)

NET ASSET VALUE PER SHARE

The Group has adopted the new EPRA NAV measures which came into effect for accounting periods starting 1 January 2020. EPRA issued new best practice recommendations (BPR) for financial guidelines on its definitions of NAV measures. The new NAV measures as outlined in the BPR are EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV).

The Group considered EPRA Net Tangible Assets (NTA) to be the most relevant NAV measure for the Group and we are now reporting this as our primary NAV measure, replacing our previously reported EPRA NAV and EPRA NNNAV per share metrics. EPRA NTA excludes the intangible assets and the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

|  | 31 December 2025 |                  |                  |
|--|------------------|------------------|------------------|
|  | EPRA NTA<br>£000 | EPRA NRV<br>£000 | EPRA NDV<br>£000 |
| <b>Net assets</b>  | <b>85,864</b>    | <b>85,864</b>    | <b>85,864</b>    |
| Fair value of derivatives  | -                | -                | -                |
| Real estate transfer tax   | -                | 5,662            | -                |
| <b>EPRA NAV</b>  | <b>85,864</b>    | <b>91,526</b>    | <b>85,864</b>    |
| Number of ordinary shares issued for diluted and EPRA net assets per share | 174,848,215      | 174,848,215      | 174,848,215      |
| EPRA NAV per share   | 49.1p            | 52.3p            | 49.1p            |

The adjustments made to get to the EPRA NAV measures above are as follows:

- Real estate transfer tax: Gross value of property portfolio as provided in the Valuation Certificate (i.e. the value prior to any deduction of purchasers' costs).
- Fair value of derivatives: Exclude fair value financial instruments that are used for hedging purposes where the company has the intention of keeping the hedge position until the end of the contractual duration.

|  | 31 December 2024 |                  |                  |
|--|------------------|------------------|------------------|
|  | EPRA NTA<br>£000 | EPRA NRV<br>£000 | EPRA NDV<br>£000 |
| <b>Net assets</b>  | <b>89,499</b>    | <b>89,499</b>    | <b>89,499</b>    |
| Fair value of derivatives  | 149              | 149              | -                |
| Real estate transfer tax   | -                | 6,110            | -                |
| <b>EPRA NAV</b>  | <b>89,648</b>    | <b>95,758</b>    | <b>89,499</b>    |
| Number of ordinary shares issued for diluted and EPRA net assets per share | 174,738,511      | 174,738,511      | 174,738,511      |
| EPRA NAV per share   | 51.3p            | 54.8p            | 51.2p            |

REAL ESTATE INVESTORS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. Earnings per share (continued)

|  | 31 December 2025<br>No. of shares | 31 December 2024<br>No. of shares |
|--|-----------------------------------|-----------------------------------|
| Number of ordinary shares issued at end of period                          | 174,848,215                       | 174,381,971                       |
| Dilutive impact of options   | -                                 | 356,540                           |
| Number of ordinary shares issued for diluted and EPRA net assets per share | <u>174,848,215</u>                | <u>174,738,511</u>                |
| Net assets per ordinary share  |                                   |                                   |
| EPRA NTA   | <u>49.1p</u>                      | <u>51.3p</u>                      |
| EPRA NRV   | <u>52.3p</u>                      | <u>54.8p</u>                      |
| EPRA NDV   | <u>49.1p</u>                      | <u>51.2p</u>                      |

8. Intangible assets

|  | Goodwill<br>£000 |
|--|------------------|
| Gross carrying amount                  |                  |
| Cost                                   |                  |
| At 1 January 2025 and 31 December 2025 | <u>171</u>       |
| Accumulated impairment losses          |                  |
| At 1 January 2025 and 31 December 2025 | <u>171</u>       |
| Net book amount at 31 December 2025    | <u>-</u>         |
| Net book amount at 31 December 2024    | <u>-</u>         |

## REAL ESTATE INVESTORS PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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#### 9. Investment properties

##### Group

Investment properties are those held to earn rentals and for capital appreciation.

The carrying amount of investment properties for the periods presented in the consolidated financial statements is reconciled as follows:

|  | Total<br>£000         |
|--|-----------------------|
| Carrying amount at 1 January 2024          | 143,105               |
| Additions - subsequent expenditure         | 3,109                 |
| Disposals                                  | (17,680)              |
| Change in fair value                       | <u>(6,334)</u>        |
| Carrying amount at 31 December 2024        | 122,200               |
| Additions - subsequent expenditure         | 529                   |
| Disposals                                  | (6,474)               |
| Change in fair value                       | <u>(3,005)</u>        |
| <b>Carrying amount at 31 December 2025</b> | <b><u>113,250</u></b> |

The figures stated above for the gross carrying amount include valuations and are classified as follows:

|   | 2025<br>£000   | 2024<br>£000   |
|---|----------------|----------------|
| Investment properties held for sale at Directors' valuation | 1,680          | -              |
| Investment properties at professional valuation             | 111,570        | 122,200        |
|   | <u>113,250</u> | <u>122,200</u> |

Properties held for sale at 31 December 2025 represents two properties in Leamington which have been sold - contracts had been exchanged with completion due in June 2026 or before.

If investment properties had not been revalued, they would have been included on the historical cost basis at the following amounts:

|   | 2025<br>£000   | 2024<br>£000   |
|---|----------------|----------------|
| Cost and net book amount at 31 December | <u>138,759</u> | <u>146,885</u> |

Investment properties with a value of £99,350,000 (2024: £107,660,000) have been pledged as security against bank loans.

9. Investment properties (continued)

| Company                             | £000                  |
|-------------------------------------|-----------------------|
| Carrying amount at 1 January 2024   | 140,255               |
| Additions - subsequent expenditure  | 3,109                 |
| Disposals                           | (14,830)              |
| Change in fair value                | (6,334)               |
| Carrying amount at 31 December 2024 | <u>122,200</u>        |
| Additions - subsequent expenditure  | 529                   |
| Disposals                           | (6,474)               |
| Change in fair value                | (3,005)               |
| Carrying amount at 31 December 2025 | <u><u>113,250</u></u> |

The figures stated above for cost or valuation include valuations and are classified as follows:

|   | 2025<br>£000          | 2024<br>£'000         |
|---|-----------------------|-----------------------|
| Investment properties held for sale at Directors' valuation | 1,680                 | -                     |
| Investment properties at professional valuation             | 111,570               | 122,200               |
|   | <u><u>113,250</u></u> | <u><u>122,200</u></u> |

If investment properties had not been revalued, they would have been included on the historical cost basis at the following amounts:

|   | 2025<br>£000          | 2024<br>£000          |
|---|-----------------------|-----------------------|
| Cost and net book amount at 31 December | <u><u>138,759</u></u> | <u><u>146,885</u></u> |

Investment properties are either leased to third parties on operating leases or are vacant. Rental income from investment properties in the year ended 31 December 2025 was £9,367,000 (2024: £10,772,000) and direct operating expenses in relation to those properties were £2,130,000 (2024: £2,190,000). Direct operating expenses in relation to those properties which did not generate rental income in the period were £30,000 (2024: £30,000).

All of the Group and Company's investment properties are held as either freehold or long leasehold and are held for use in operating leases. The Group and Company uses the fair value model for all of their investment properties.

The valuation at 31 December 2025 has been carried out by Colliers, independent professional valuers. The professional valuers have recent experience in the location and type of properties held. Directors' valuations are reflected at values as per sales agreements or recent purchases.

Although the risks associated with rights that the group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks, for example, it ensures lease contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear and tear during the lease term.

REAL ESTATE INVESTORS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. Property, plant & equipment

Group and Company

|                                    | Leasehold<br>Improvements<br>£000 | Office<br>Equipment<br>£000 | Total<br>£000 |
|------------------------------------|-----------------------------------|-----------------------------|---------------|
| <b>Cost</b>                        |                                   |                             |               |
| At 31 December 2024                | 112                               | 85                          | 197           |
| Additions                          | -                                 | 5                           | 5             |
| At 31 December 2025                | <u>112</u>                        | <u>90</u>                   | <u>202</u>    |
| <b>Depreciation and Impairment</b> |                                   |                             |               |
| At 31 December 2024                | 112                               | 84                          | 196           |
| Charge for the year                | -                                 | 1                           | 1             |
| At 31 December 2025                | <u>112</u>                        | <u>85</u>                   | <u>197</u>    |
| <b>Net book carrying amount</b>    |                                   |                             |               |
| At 31 December 2025                | <u>-</u>                          | <u>5</u>                    | <u>5</u>      |
| At 31 December 2024                | <u>-</u>                          | <u>1</u>                    | <u>1</u>      |

11. Interests in subsidiaries

|  | £000           |
|--|----------------|
| <b>Cost</b>                                |                |
| At 31 December 2024                        | 4,223          |
| Elimination on dissolution of subsidiaries | <u>(4,223)</u> |
| At 31 December 2025                        | <u>-</u>       |
| <b>Impairment</b>                          |                |
| At 31 December 2024                        | 4,223          |
| Elimination on dissolution of subsidiaries | <u>(4,223)</u> |
| At 31 December 2025                        | <u>-</u>       |
| <b>Net book carrying amount</b>            |                |
| At 31 December 2025                        | <u>-</u>       |
| At 31 December 2024                        | <u>-</u>       |

During the year the following wholly owned subsidiaries were dissolved at companies house:

| Name                           | Principal activity  | Country of incorporation |
|--------------------------------|---------------------|--------------------------|
| 3147398 Limited                | Property investment | England and Wales        |
| Southgate Derby Retail Limited | Property investment | England and Wales        |
| Real Homes One Limited         | Dormant             | England and Wales        |

The Group had control over each of these subsidiaries by virtue of its 100% shareholding in each. The provision for impairment was a result of the underlying property asset in the subsidiary being disposed of and therefore the carrying value of the investment is reduced to reflect the underlying net assets.

12. Inventories

|                       | Group |       | Company |       |
|-----------------------|-------|-------|---------|-------|
|                       | 2025  | 2024  | 2025    | 2024  |
|                       | £000  | £000  | £000    | £000  |
| Land held for trading | 2,409 | 2,404 | 2,409   | 2,404 |

All land held for trading is included at the lower of cost and net realisable value, being their fair value less costs to sell. No inventory (2024: £Nil), is pledged as security for bank loans.

13. Trade and other receivables

|                   | Group        |              | Company      |              |
|-------------------|--------------|--------------|--------------|--------------|
|                   | 2025         | 2024         | 2025         | 2024         |
|                   | £000         | £000         | £000         | £000         |
| Trade receivables | 277          | 20           | 277          | 10           |
| Other receivables | 761          | 509          | 761          | 473          |
| Accrued income    | 1,354        | 1,610        | 1,354        | 1,610        |
| Prepayments       | 338          | 305          | 338          | 305          |
|                   | <b>2,730</b> | <b>2,444</b> | <b>2,730</b> | <b>2,398</b> |

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision of £90,000 (2024: £141,000) has been recorded accordingly.

Expected credit loss is recognised when there no reasonable expectation of recovery of receivables. The movement in the provision for impairment during the year is as follows:

|                           | Group and Company |            |
|---------------------------|-------------------|------------|
|                           | 2025              | 2024       |
|                           | £000              | £000       |
| At 1 January              | 141               | 91         |
| Increase in provisions    | 10                | 50         |
| Utilisation of provisions | (61)              | (-)        |
| At 31 December            | <b>90</b>         | <b>141</b> |

In addition, some of the trade receivables not impaired are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

|   | Group and Company |           |
|---|-------------------|-----------|
|   | 2025              | 2024      |
|   | £000              | £000      |
| Not more than three months past due                         | 277               | 20        |
| More than three months but no more than six months past due | -                 | -         |
|   | <b>277</b>        | <b>20</b> |

REAL ESTATE INVESTORS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. Trade and other receivables (continued)

Financial assets by category

The categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

Group

|                           | 2025                                       |                              |                             | 2024                                       |                              |                             |
|---------------------------|--|------------------------------|-----------------------------|--|------------------------------|-----------------------------|
|                           | Financial assets at amortised Cost<br>£000 | Non financial assets<br>£000 | Balance sheet total<br>£000 | Financial assets at amortised Cost<br>£000 | Non financial Assets<br>£000 | Balance sheet total<br>£000 |
| Trade receivables         | 277  | -                            | 277                         | 20   | -                            | 20                          |
| Other receivables         | 761  | -                            | 761                         | 509  | -                            | 509                         |
| Accrued income            | -  | 1,354                        | 1,354                       | -  | 1,610                        | 1,610                       |
| Prepayments               | -  | 338                          | 338                         | -  | 305                          | 305                         |
| Cash and cash equivalents | 6,109                                      | -                            | 6,109                       | 6,876                                      | -                            | 6,876                       |
|                           | <b>7,147</b>                               | <b>1,692</b>                 | <b>8,839</b>                | <b>7,405</b>                               | <b>1,915</b>                 | <b>9,320</b>                |

Company

|                           | 2025                                       |                              |                             | 2024                                       |                              |                             |
|---------------------------|--|------------------------------|-----------------------------|--|------------------------------|-----------------------------|
|                           | Financial assets at amortised cost<br>£000 | Non financial assets<br>£000 | Balance sheet total<br>£000 | Financial assets at amortised cost<br>£000 | Non financial assets<br>£000 | Balance sheet total<br>£000 |
| Trade receivables         | 277  | -                            | 277                         | 289  | -                            | 289                         |
| Other receivables         | 761  | -                            | 761                         | 243  | -                            | 243                         |
| Accrued income            | -  | 1,354                        | 1,354                       | -  | 1,513                        | 1,513                       |
| Prepayments               | -  | 338                          | 338                         | -  | 350                          | 350                         |
| Cash and cash equivalents | 6,109                                      | -                            | 6,109                       | 7,980                                      | -                            | 7,980                       |
|                           | <b>7,147</b>                               | <b>1,692</b>                 | <b>8,839</b>                | <b>8,512</b>                               | <b>1,863</b>                 | <b>10,375</b>               |

REAL ESTATE INVESTORS PLC

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For the year ended 31 December 2025

14. Trade and other payables

|   | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2025<br>£000 | 2024<br>£000 | 2025<br>£000 | 2024<br>£000 |
| Trade payables                          | 570          | 619          | 570          | 619          |
| Amounts owed to subsidiary undertakings | -            | -            | -            | 4,579        |
| Other payables                          | 323          | 309          | 323          | 275          |
| Social security and taxation            | 839          | 1,501        | 839          | 1,495        |
| Deferred income                         | 1,316        | 1,321        | 1,316        | 1,321        |
| Accruals                                | 731          | 557          | 731          | 557          |
| Dividend payable                        | 699          | 774          | 699          | 774          |
|   | <b>4,478</b> | <b>5,081</b> | <b>4,478</b> | <b>9,620</b> |

Financial liabilities by category

The categories of financial liabilities included in the balance sheet and the headings in which they are included are as follows:

Group

|                                  | 2025  |   |                                   |                             | 2024  |   |                                   |                             |
|----------------------------------|---|---|-----------------------------------|-----------------------------|---|---|-----------------------------------|-----------------------------|
|                                  | Financial liabilities at fair value through profit and loss<br>£000 | Other financial liabilities at amortised cost<br>£000 | Non-financial liabilities<br>£000 | Balance sheet total<br>£000 | Financial liabilities at fair value through profit and loss<br>£000 | Other financial liabilities at amortised cost<br>£000 | Non-financial liabilities<br>£000 | Balance sheet total<br>£000 |
| <b>Current</b>                   |   |   |                                   |                             |   |   |                                   |                             |
| Bank loans                       | -   | 34,161  | -                                 | 34,161                      | -   | 39,196  | -                                 | 39,196                      |
| Trade payables                   | -   | 570   | -                                 | 570                         | -   | 619   | -                                 | 619                         |
| Other payables                   | -   | 323   | -                                 | 323                         | -   | 309   | -                                 | 309                         |
| Social security and taxation     | -   | -   | 839                               | 839                         | -   | -   | 1,501                             | 1,501                       |
| Deferred income                  | -   | -   | 1,316                             | 1,316                       | -   | -   | 1,321                             | 1,321                       |
| Accruals                         | -   | 731   | -                                 | 731                         | -   | 557   | -                                 | 557                         |
| Dividend payable                 | -   | 699   | -                                 | 699                         | -   | 774   | -                                 | 774                         |
|                                  | -   | <b>36,484</b>   | <b>2,155</b>                      | <b>38,639</b>               | -   | <b>41,455</b>   | <b>2,822</b>                      | <b>44,277</b>               |
| <b>Non-current</b>               |   |   |                                   |                             |   |   |                                   |                             |
| Derivative financial liabilities | -   | -   | -                                 | -                           | 149   | -   | -                                 | 149                         |
|                                  | -   | -   | -                                 | -                           | 149   | -   | -                                 | 149                         |
|                                  | -   | <b>36,484</b>   | <b>2,155</b>                      | <b>38,639</b>               | <b>149</b>  | <b>41,455</b>   | <b>2,822</b>                      | <b>44,426</b>               |

14. Trade and other payables (continued)

Company

|   | 2025  |   |                                   |                             | 2024  |   |                                   |                             |
|---|---|---|-----------------------------------|-----------------------------|---|---|-----------------------------------|-----------------------------|
|   | Financial liabilities at fair value through profit and loss<br>£000 | Other financial liabilities at amortised cost<br>£000 | Non-financial liabilities<br>£000 | Balance sheet total<br>£000 | Financial liabilities at fair value through profit and loss<br>£000 | Other financial liabilities at amortised cost<br>£000 | Non-financial liabilities<br>£000 | Balance sheet total<br>£000 |
| <b>Current</b>                          |   |   |                                   |                             |   |   |                                   |                             |
| Bank loans                              | -   | 34,161  | -                                 | 34,161                      | -   | 39,196  | -                                 | 39,196                      |
| Trade payables                          | -   | 570   | -                                 | 570                         | -   | 619   | -                                 | 619                         |
| Amounts owed to subsidiary undertakings | -   | -   | -                                 | -                           | -   | 4,579   | -                                 | 4,579                       |
| Other payables                          | -   | 323   | -                                 | 323                         | -   | 275   | -                                 | 275                         |
| Social security and taxation            | -   | -   | 839                               | 839                         | -   | -   | 1,495                             | 1,495                       |
| Deferred income                         | -   | -   | 1,316                             | 1,316                       | -   | -   | 1,321                             | 1,321                       |
| Accruals                                | -   | 731   | -                                 | 731                         | -   | 557   | -                                 | 557                         |
| Dividend payable                        | -   | 699   | -                                 | 699                         | -   | 774   | -                                 | 774                         |
|   | -   | 36,484  | 2,155                             | 38,639                      | -   | 46,000  | 2,816                             | 48,816                      |
| <b>Non-current</b>                      |   |   |                                   |                             |   |   |                                   |                             |
| Derivative financial instruments        | -   | -   | -                                 | -                           | 149   | -   | -                                 | 149                         |
|   | -   | -   | -                                 | -                           | 149   | -   | -                                 | 149                         |
|   | -   | 36,484  | 2,155                             | 38,639                      | 149   | 46,000  | 2,816                             | 48,965                      |

**15. Financial risk management objectives and policies**

The Group and Company's financial instruments are bank borrowings, cash, bank deposits, interest rate swap agreements and various items such as short-term receivables and payables that arise from its operations. The main purpose of these financial instruments is to fund the Group and Company's investment strategy and the short-term working capital requirements of the business.

The main risks arising from the Group and Company's financial instruments are credit risk, liquidity risk, interest rate risk and property yield risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the period.

**Credit risk**

The Group and Company's principal financial assets are bank balances and trade and other receivables. The Group and Company's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is objective evidence that the Group or Company will not be able to collect all amounts due according to the original terms of the receivables concerned. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group and Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

|                           | Group        |              | Company      |              |
|---------------------------|--------------|--------------|--------------|--------------|
|                           | 2025         | 2024         | 2025         | 2024         |
|                           | £000         | £000         | £000         | £000         |
| Cash and cash equivalents | 6,109        | 6,876        | 6,109        | 6,874        |
| Trade receivables         | 277          | 20           | 277          | 10           |
|                           | <b>6,386</b> | <b>6,896</b> | <b>6,386</b> | <b>6,884</b> |

The Group and Company continuously monitors defaults of tenants and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. External credit ratings and/or reports on tenants and other counterparties are obtained and used. The policy is to deal only with credit worthy counterparties.

The Group and Company's management consider that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. In respect of trade and other receivables, the Group or Company are not exposed to any significant risk exposure to any single counterparty or any group of counterparties having similar characteristics.

**Liquidity risk**

The Group and Company seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group and Company do this by taking out loans with banks to build up cash resources to fund property purchases.

15. Financial risk management objectives and policies (continued)

**Bank loans**

The Group and Company borrowings analysis (all of which are undiscounted) at 31 December 2025 is as follows:

|                               | Group         |               | Company       |               |
|-------------------------------|---------------|---------------|---------------|---------------|
|                               | 2025          | 2024          | 2025          | 2024          |
|                               | £000          | £000          | £000          | £000          |
| <b>In less than one year:</b> |               |               |               |               |
| Bank borrowings               | 34,253        | 39,347        | 34,253        | 39,347        |
| Deferred arrangement costs    | (92)          | (151)         | (92)          | (151)         |
|                               | <b>34,161</b> | <b>39,196</b> | <b>34,161</b> | <b>39,196</b> |
| Financial instruments*        | -             | 149           | -             | 149           |
|                               | <b>34,161</b> | <b>39,345</b> | <b>34,161</b> | <b>39,345</b> |

\*Disclosed as financial liabilities at fair value through profit or loss.

The changes in the Group's and Company's liabilities arising from financing activities can be classified as follows:

|                         | Group               |                         |                     |                         |
|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                         | 2025                | 2025                    | 2024                | 2024                    |
|                         | £000                | £000                    | £000                | £000                    |
|                         | Current liabilities | Non-current liabilities | Current liabilities | Non-current liabilities |
| At 1 January            | 39,196              | -                       | 54,407              | -                       |
| Reclassification        | -                   | -                       | -                   | -                       |
| Repayment of bank loans | (5,035)             | -                       | (15,211)            | -                       |
| <b>At 31 December</b>   | <b>34,161</b>       | <b>-</b>                | <b>39,196</b>       | <b>-</b>                |

|                         | Company             |                         |                     |                         |
|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                         | 2025                | 2025                    | 2024                | 2024                    |
|                         | £000                | £000                    | £000                | £000                    |
|                         | Current liabilities | Non-current liabilities | Current liabilities | Non-current liabilities |
| At 1 January            | 39,196              | -                       | 54,407              | -                       |
| Reclassification        | -                   | -                       | -                   | -                       |
| Repayment of bank loans | (5,035)             | -                       | (15,211)            | -                       |
| <b>At 31 December</b>   | <b>34,161</b>       | <b>-</b>                | <b>39,196</b>       | <b>-</b>                |

15. Financial risk management objectives and policies (continued)

**Maturity of financial liabilities**

The gross contractual cashflows relating to non-derivative financial liabilities are as follows:

|  | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2025<br>£000  | 2024<br>£000  | 2025<br>£000  | 2024<br>£000  |
| <b>In less than one year:</b>          |               |               |               |               |
| Trade payables                         | 570           | 619           | 570           | 619           |
| Amount owed to subsidiary undertakings | -             | -             | -             | 4,579         |
| Other payables                         | 323           | 309           | 323           | 275           |
| Accruals                               | 731           | 557           | 731           | 557           |
| Dividend                               | 699           | 774           | 699           | 774           |
| Bank borrowings                        | 35,730        | 40,359        | 35,730        | 40,359        |
|  | <b>38,053</b> | <b>42,618</b> | <b>38,053</b> | <b>47,163</b> |
|  | <b>38,053</b> | <b>42,618</b> | <b>38,053</b> | <b>47,163</b> |

During the year the Group closed out and settled the interest rate swap agreement which covered £10 million of its bank borrowings with Lloyds Banking Group.

**Borrowing facilities**

The Group and Company has undrawn committed borrowing facilities at 31 December 2025 of £Nil (2024: £Nil).

**Market risk**

**Interest rate risk**

The Group and Company finance their operations through retained profit, cash balances and the use of medium-term borrowings. When medium term borrowings are used either fixed rates of interest apply or where variable rates apply, interest rate swap arrangements are entered into. When the Group or Company places cash balances on deposit, rates used are fixed in the short term and for sufficiently short periods that there is no need to hedge against implied risk.

15. Financial risk management objectives and policies (continued)

The interest rate exposure of the financial liabilities of the Group and Company at 31 December 2025 was:

| Bank loans               | Interest % | Expiry Date  | Group         |              | Company      |              |
|--------------------------|------------|--------------|---------------|--------------|--------------|--------------|
|                          |            |              | 2025<br>£000  | 2024<br>£000 | 2025<br>£000 | 2024<br>£000 |
| Fixed until January 2028 | 4.75       | January 2028 | -             | 10,000       | -            | 10,000       |
| Variable rate            |            |              | <b>34,253</b> | 29,347       | 34,253       | 29,347       |
|                          |            |              | <b>34,253</b> | 39,347       | 34,253       | 39,347       |
| Loan arrangement fees    |            |              | <b>(92)</b>   | (151)        | (92)         | (151)        |
|                          |            |              | <b>34,161</b> | 39,196       | 34,161       | 39,196       |

The Directors consider the fair value of the loans not to be significantly different from their carrying value.

The following table illustrates the sensitivity of the net result after tax and equity to a reasonably possible change in interest rates of + half a percentage point (2024: + half a percentage point) with effect from the beginning of the year:

|   | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Decrease in result after tax and equity | <b>171</b>   | <b>146</b>   |

**Property yield risk**

The valuation of investment properties is dependent on the assumed rental yields. However, the impact on the net result after tax and equity is difficult to estimate as it inter relates with other factors affecting investment property values.

**15. Financial risk management objectives and policies (continued)**

**Capital risk management**

The Group and Company's objectives when managing capital are:

- to safeguard the ability to continue as a going concern, so that they continue to provide returns and benefits for shareholders;
- to ensure that key bank covenants are not breached
- to maintain sufficient facilities for operating cashflow needs and to fund future property purchases
- to support the Group and Company's stability and growth;
- to provide capital for the purpose of strengthening the risk management capability;
- to provide capital for the purpose of further investment property acquisitions; and
- to provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

**16. Fair value disclosures**

The methods and techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

**Fair value measurement of financial instruments**

Financial assets and financial liabilities measured at fair value in the consolidated and company statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial instruments measured at fair value on a recurring basis in the statement of financial position, which relate to interest rate swaps, are grouped into the fair value hierarchy as follows:

|                                | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|--------------------------------|-----------------|-----------------|-----------------|---------------|
| Interest rate swap agreements: |                 |                 |                 |               |
| At 1 January 2024              | -               | (431)           | -               | (431)         |
| Income statement - gain        | -               | 282             | -               | 282           |
| At 31 December 2024            | -               | (149)           | -               | (149)         |
| Repaid                         | -               | (174)           | -               | (174)         |
| Income statement - deficit     | -               | (25)            | -               | (25)          |
| At 31 December 2025            | -               | -               | -               | -             |

The Group and Company's interest rate swap agreements were settled during the year.

16. Fair value disclosures (continued)

**Measurement of other financial instruments**

The measurement methods for financial assets and liabilities accounted for at amortised cost are described below:

**Trade and other receivables, cash and cash equivalents and trade and other payables**

The carrying amount is considered a reasonable approximation of fair value due to the short duration of these instruments.

**Bank loans and overdrafts**

Fair values are considered to be equivalent to book value as loans and overdrafts were obtained at market rates.

**Fair value measurement of non-financial assets**

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2025:

|  | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|--|-----------------|-----------------|-----------------|---------------|
| <b>Investment property:</b>  |                 |                 |                 |               |
| <b>Group</b> - held to earn rentals and for capital appreciation   | -               | -               | 113,250         | 113,250       |
| <b>Company</b> - held to earn rentals and for capital appreciation | -               | -               | 113,250         | 113,250       |

The reconciliation of the carrying value of non-financial assets classified within level 3 are as follows:

|                                       | Investment properties |                 |
|---------------------------------------|-----------------------|-----------------|
|                                       | Group<br>£000         | Company<br>£000 |
| At 1 January 2025                     | 122,200               | 122,200         |
| Acquired during the year              | 529                   | 529             |
| Disposals during the year             | (6,474)               | (6,474)         |
| Deficit recognised in profit and loss | (3,005)               | (3,005)         |
| - decrease in fair value              |                       |                 |
| <b>At 31 December 2025</b>            | <b>113,250</b>        | <b>113,250</b>  |

Fair value of the Group and Company's property assets is estimated based on appraisals performed by independent, professionally qualified property valuers on certain properties and the directors on the remaining properties. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the directors and audit committee at each reporting date.

**Measurement of fair value of investment property held to earn rentals and for capital appreciation**

Properties valued by external valuers are valued on an open market basis based on active market prices adjusted for any differences in the nature, location or condition of the specified asset such as plot size, encumbrances and current use. Properties valued by the directors use the same principles as the external valuers. If this information is not available, alternative valuation methods are used such as recent prices on less active markets, or discounted cashflow projections. The significant unobservable input is the adjustment for factors specific to the properties in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for the valuation. Although this input is a subjective judgement, management consider that the overall valuation would not be materially altered by any reasonable alternative assumptions.

The market value of the investment properties has been supported by comparison to that produced under income capitalisation techniques applying a key unobservable input, being yield. The range of yield applied is 7.5% to 11.0%.

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#### 16. Fair value disclosures (continued)

The fair value of an investment property reflects, among other things, rental income from current leases and assumptions about future rental lease income based on current market conditions and anticipated plans for the property.

#### 17. Deferred taxation

No temporary differences resulting from investments in subsidiaries or interests in joint ventures qualified for recognition as deferred tax assets or liabilities. Under the current fiscal environment, these entities are exempt from capital gains taxes. See note 6 for information on the Group's tax expense.

#### 18. Share capital

|                                  | 2025<br>Number of<br>Shares | 2025<br>£000  | 2024<br>Number of<br>Shares | 2024<br>£000 |
|----------------------------------|-----------------------------|---------------|-----------------------------|--------------|
| Allotted, issued and fully paid: |                             |               |                             |              |
| Ordinary shares of 10p           | <b>174,848,215</b>          | <b>17,485</b> | 174,381,971                 | 17,439       |

During the year 466,244 shares were issued with a nominal value of 10p each for 28p on 8 April 2025, generating a share premium of £84,000. P P S Bassi and M H P Daly exercised options on 185,654 (2024: 264,264) shares and 116,034 (2024: 165,165) shares respectively. These options were satisfied by the issue of shares during the year.

To support the Disposal Strategy and the return of capital to shareholders, the Company implemented a new Shorter Term Incentive Plan ("STIP") in 2024. The STIP replaced the existing Long Term Incentive Plan ("LTIP"), and will 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.

#### SHORTER TERM INCENTIVE PLAN

The STIP has been 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 receive a proportion of a notional cash pool (the "Pool") which was created from the excess ("Gain") of Total Shareholder Return ("TSR") over the market value of the Company as at 31 December 2023. TSR is cash per Ordinary Share returned to shareholders, excluding ordinary dividends.
2. To ensure the timely disposal of assets, the Gain attributable to the Pool will be reduced over time.
3. If the Company's sell down strategy had been completed in 2024 then the Pool would have been calculated as 10% of the Gain. If the strategy had been completed in 2025 the Pool reduced to 7.5% and if by 2026, the Pool reduces to 5%.
4. Of the Pool, a minimum figure of £410k is ringfenced for the management team (excluding the Executives) equivalent to a bonus of 100% salary.
5. 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.

During the year a provision of £200,000 was made (2024: £300,000) as an employee remuneration expense.

**19. Leases**

**The Group as lessee**

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. At 31 December 2025 the Group was committed to short term leases and the total commitment at that date was £71,000 (2024: £71,000).

At 31 December 2025 and 31 December 2024 the Group had lease commitments on two long leasehold properties within its portfolio. These are held as investment properties and measured and disclosed within these financial statements in accordance with IAS 40 (see note 9). The Group pays peppercorn rents on these properties and under IFRS 16, the associated lease liability is not material and as such the more extensive disclosures required by that Standard are not presented as they are not material.

**The Group as lessor**

Non-cancellable operating lease commitments receivable:

|   | 2025          | 2024          |
|---|---------------|---------------|
|   | £000          | £000          |
| Within one year                                   | 6,854         | 7,628         |
| Later than one year but not later than five years | 15,333        | 17,792        |
| Later than five years                             | 27,277        | 27,636        |
|   | <u>49,464</u> | <u>53,056</u> |

Rent receivable by the Group under current leases from tenants is from commercial and retail property held.

Although the risks associated with rights the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear and tear during the lease term. The lessee does not have an option to purchase the property at the expiry of the lease period.

**20. Contingent liabilities**

There were no contingent liabilities at 31 December 2025 or at 31 December 2024.

**21. Capital commitments**

Capital commitments authorised at 31 December 2025 were £Nil (2024: £Nil).

**22. Pension scheme**

The Group has signed up to the government auto enrolment pension scheme.

**23. Post balance sheet events**

In February 2026 the Group extended the £22.4 million facility with National Westminster Bank PLC for a further 12 months to 1 June 2027, and in March 2026 the Group extended the £9.6 million facility with Lloyds Banking Group Plc for a further 12 months to 31 May 2027. All the facilities are on variable rates, and following the reduction in interest rates by the Bank of England, the new average rate of bank interest is 5.75%. It is the Group's intention to prioritise the repayment of debt from property sales proceeds.

**24. Related party transactions**

The Group's related parties are its key management personnel and certain other companies which are related to certain directors of the Group. The Company's related parties are its key management personnel, certain other companies which are related to certain directors of the Group and its subsidiary undertakings.

The executive and non-executive directors are also the key management personnel and details of their remuneration are included within the directors' remuneration report on pages 24 and 25.

During the period the Company and Group incurred agency fees of £130,222 (2024: £180,270) in respect of professional services and rent, service and support charges of £96,000 (2024: £96,000) to Bond Wolfe Limited, a business in which P P S Bassi has an interest. Amounts outstanding owed to Bond Wolfe at the year end were £26,160 (2024: £300). During the year the Company and the Group incurred £59,999 (2024: £74,200) in respect of property management fees to CBGA Robson, a business in which P P S Bassi and M H P Daly have an interest. Amounts outstanding to CBGA Robson at the year end were £16,176 (2024: £17,500).

During the period the Company's transactions with subsidiary companies related to inter-company dividends and repayment of loans. Details of amounts outstanding at 31 December 2025 are shown in notes 13 and 14.

During the period the Company paid dividends to its directors in their capacity as shareholders, as follows:

|              | 2025<br>£000 | 2024<br>£000 |
|--------------|--------------|--------------|
| W P Wyatt    | 5            | 7            |
| P London     | 4            | 6            |
| I M Stringer | 2            | 2            |
| P P S Bassi  | 284          | 377          |
| M H P Daly   | 73           | 91           |

