The Midlands

INVESTOR

REI

Real Estate Investors Plc

THE UK'S ONLY MIDLANDS FOCUSED REIT

RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2018

INVESTOR & ANALYST PRESENTATION

REAL ESTATE INVESTORS PLC

Who are REI?	• Midlands focused/Birmingham based UK REIT • Portfolio of £200 million+ and a growing income stream • Multi-sector diversification, no material reliance on any sector, asset or occupier – 250 occupiers
Strong Platform	• Internally managed REIT with proven track record and over 100 years of combined experience • REI's advantage is it's network and knowledge of our region • Scalable Property Management Platform
Active Asset Management	• Value creation through reviews, lease renewals, lettings, change of use and refurbishment • Criteria compliant acquisitions at high initial yields - Targets: 8-20% yield and £2m-£20m lot size • Disposals at/above book value post asset management with capital recycled/retained for income
Prudent Finance	• Prudent leverage providing certainty and security – current LTV 37.9% • Can execute quickly with cash/strong market reputation and access to debt • Fixed debt – 86% of debt now fixed, with an average cost of debt of 4.1% (now reduced to 3.7%)
Attractive Returns	• Aim to deliver capital growth and income enhancement through active asset management • Fully covered progressive dividend paid quarterly • 5 years of year on year dividend growth - up 16.7% on H1 2017

Highly experienced Board & Proven track record

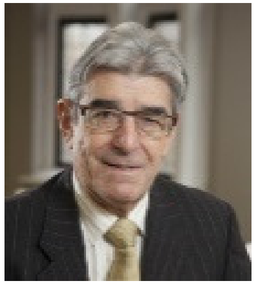
NON-EXECUTIVE

John Crabtree OBE D.UNIV
Non Executive Chairman

- Joined REI Board in 2010
- **0.12%** shareholder in REI
- Chairman of Glenn Howells Architects, Staffline Group plc, SLR Management Limited, White & Black Limited, Brandauer Holdings Ltd & Finch Consulting. Until 2003, Senior Partner of Wragge & Co
- In 2014, Government Secretary Eric Pickles named John as Chairman of the Birmingham Improvement Panel and now Chair of the organising committee for the 2022 Commonwealth Games
- In January 2017, John was appointed Her Majesty's Lord Lieutenant of the West Midlands.

William Wyatt
Non Executive Director

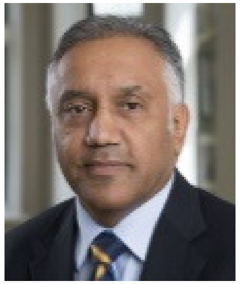
- Joined REI Board in 2010
- **0.05%** shareholder in REI
- Joined Caledonia in 1997 from Close Brothers Group Plc. He was appointed a director in 2005 and CEO in 2010.
- Director of Cobehold S.A., Chairman of Newmarket Racecourses and a Trustee of The Rank Foundation.



Peter London
Non Executive Director

- Joined REI Board in 2014
- **0.03%** shareholder in REI
- Currently Managing Director of BIA Financial Planning Limited
- Non-Executive Chairman of a number of property related companies.

EXECUTIVE



Paul Bassi CBE DL D.UNIV DSC Chief Executive Officer

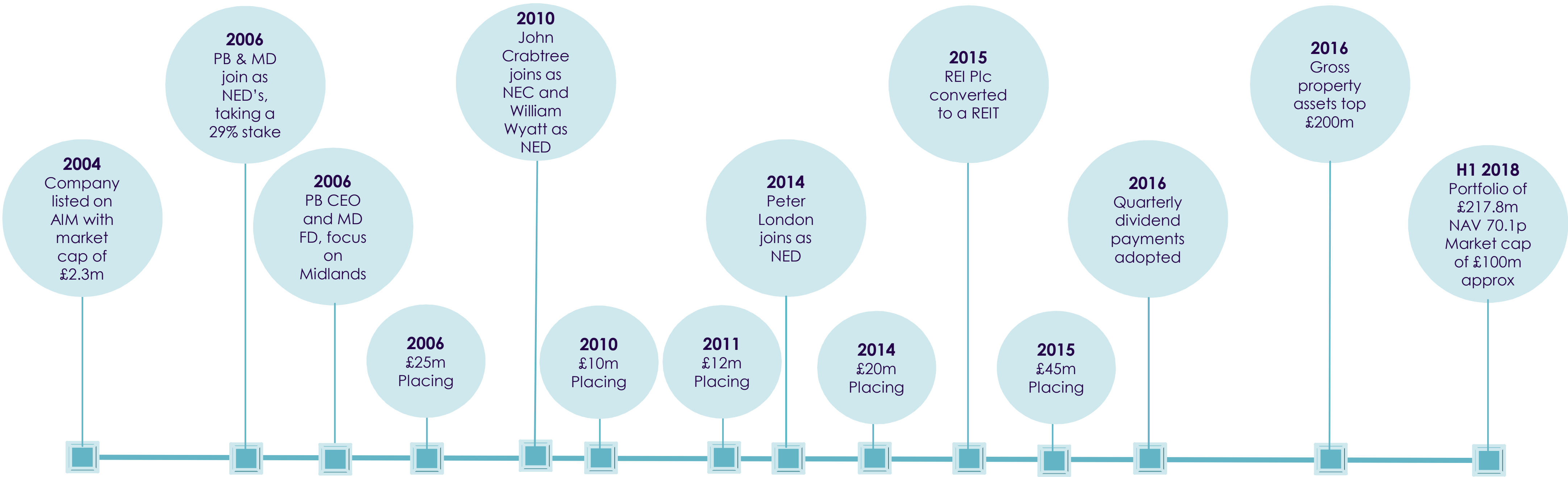
- Joined REI Board in 2006
- **5.51%** shareholder in REI
- Non-executive Chairman of Bond Wolfe
- Former Chairman of CP Bigwood Chartered Surveyors
- Former Regional Chairman & Strategy Advisor to Coutts Bank (West Midlands)

Marcus Daly FCA
Finance Director

- Joined REI Board in 2006
- **0.95%** shareholder in REI
- Chartered Accountant with 30 years experience in advising on strategic matters and corporate planning, particularly in the property sector.
- Former non-executive director of CP Bigwood Chartered Surveyors
- Former non-executive Chairman of the Tipton & Coseley Building Society.

REI PLC

Building a business of substance



THE REI BUSINESS MODEL

Active investor approach

REI
Real Estate Investors Plc

GENERATING VALUE THROUGH ASSET MANAGEMENT

Buys	REI Market Expertise	Sells/Holds
Institutional sales Retail Offices Vacant property Opportunistic Short leases	VALUE ADD 12 - 24 months of Asset Management • Lease renewals • Rent reviews • Small scale refurbishment • Income maximisation • Planning revision	Institutional quality assets HNW/investors/ pension funds - buyers now active in this segment High quality earnings to support dividend

12% | 11% | 10% | 9% | 8% | 7% | 6% | 5%

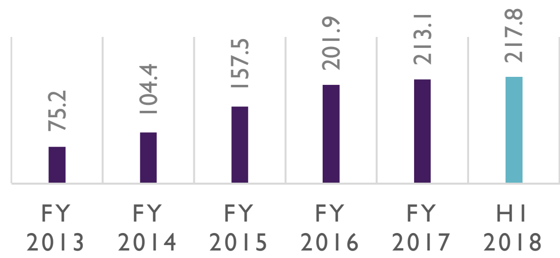
Unparalleled market insight via external relationships – e.g. Bond Wolfe, Knight Frank, Savills, GVA, CBRE & JLL

H1 2018

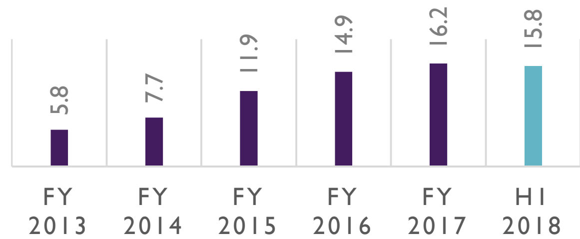
Operational Highlights

- Gross property assets: £217.8 million (FY 2017: £213.1 million), up 2.2%
- Contracted rental income: £15.8 million (FY 2017: £16.2 million)
- Acquisitions of £7.6 million (net of costs) at a net initial yield of 7.66% / reversionary yield of 8.31%
- Disposal proceeds totalling £5.0 million, as capital is recycled into criteria compliant assets
- Active asset management with 250 tenants (FY 2017: 258) across 56 assets
- Occupancy: 92% (FY 2017: 94%) secured void space for reletting on improved terms
- WAULT of 4.33 years to break and 6.38 years to expiry (FY 2017: 4.53 years/ 6.52 years)
- Total ownership of 1.500 million sq ft (FY 2017: 1.463 million sq ft)
- £41 million bank facility with RBS, fixed at 2.75% until February 2021
- New £10 million facility with RBS at 1.95% above Libor
- Agreed a 5-year extension to the term of our £20 million Lloyds facility

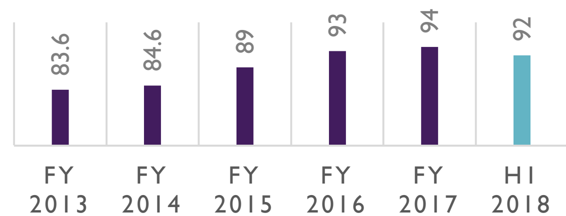
GROSS PROPERTY ASSETS £M



CONTRACTED RENTAL INCOME



OCCUPANCY %

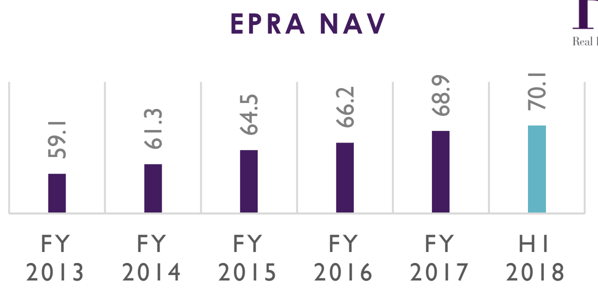


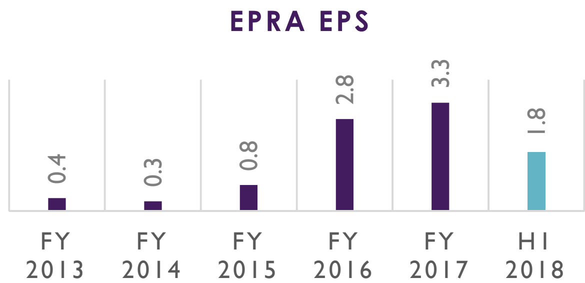
H1 2018

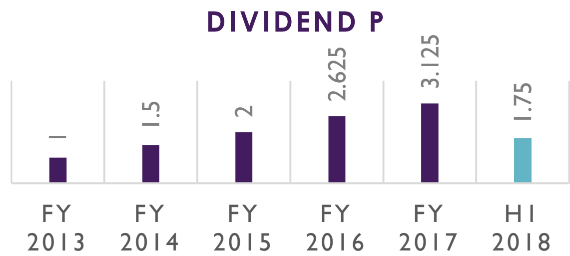
Financial Highlights

- EPRA NAV per share of 70.1p (FY 2017: 68.9p), up 1.7%
- EPRA EPS 1.8p (FY 2017: 1.6p), up 12.5%
- H1 Total Dividend per share of 1.75p, up 16.7%
- Revenue £7.4 million (H1 2017: £7.1 million), up 4.2%
- Underlying profit before tax* of £3.4 million (H1 2017: £3.1 million), up 9.7%
- NET LTV of 37.9% (FY 2017: 38.3%) up 1.0%
- Average cost of debt 4.1% (H1 2017: 4.0%)
- Like for like valuation £210.2 million (FY 2017: £208.0 million) up 1.06%
- Like for like capital value per sq ft £147psf (FY 2017: £145psf) up 1.38%
- Like for like rental income £15.2 million (FY 2017: £15.8 million) down 3.8%

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







H1 2018 Financials

Growing Income

- Revenue of £7.4 million – up 4.2%
- Underlying profit before tax of £3.4 million – up 9.7%*
- EPRA EPS of 1.8p - up 12.5%
- Pre-tax profit of £5.3 million (H1 2017: £6.4 million) surplus on revaluation of interest rate swaps of £565,000 (H1 2017: £465,000) and property revaluations and sales surplus of £1.4 million (H1 2017: £2.9 million), both non-cash items

Growing dividend

- Progressive, fully covered, dividend policy
- Quarterly dividend payments for 2018:
  - Q1 2018 dividend of 0.875p paid in July 2018
  - Q2 2018 dividend of 0.875 to be paid in October 2018

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

Income Statement	H1 2018 £m	H1 2017 £m	Change
Revenue	7.4	7.1	+4.2%
Cost of sales	(0.7)	(0.9)	+22.2%
Admin expenses	(1.5)	(1.5)	-
Property revaluation and sales	1.4	2.9	-51.7%
EBIT	6.6	7.6	-13.2%
Underlying profit before tax	3.4	3.1	+9.7%
Profit on ordinary activities before tax	5.3	6.4	-17.2%
Diluted EPS	2.8p	3.3p	-15.2%
EPRA EPS	1.8p	1.6p	+12.5%
DPS	1.75p	1.5p	+16.7%

H1 2018 Financials

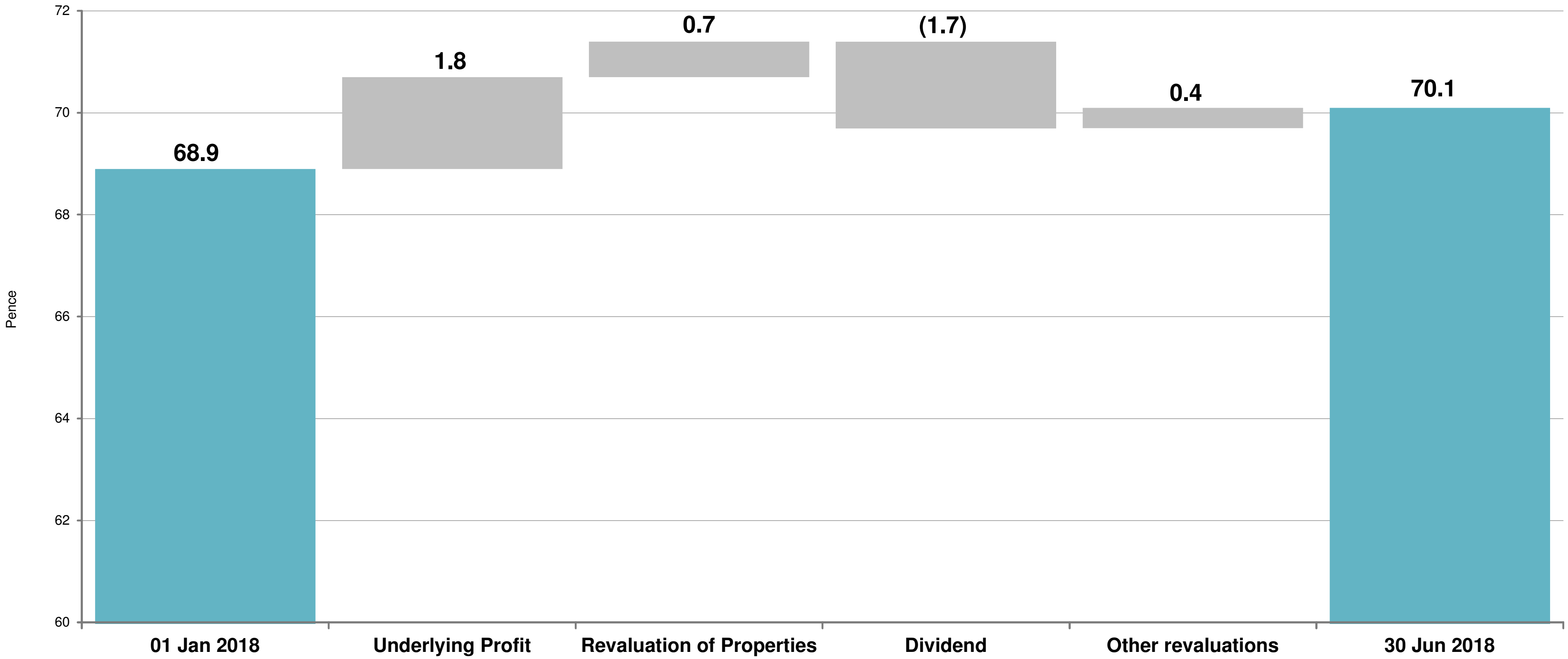
Strong Balance Sheet

- Gross property assets increased to £217.8 million, up 2.2%
- Net assets increased to £129.2 million
- EPRA NAV per share increased by 1.7% to 70.1p
- Well capitalised with net LTV of 37.9% and net debt of £81.1million

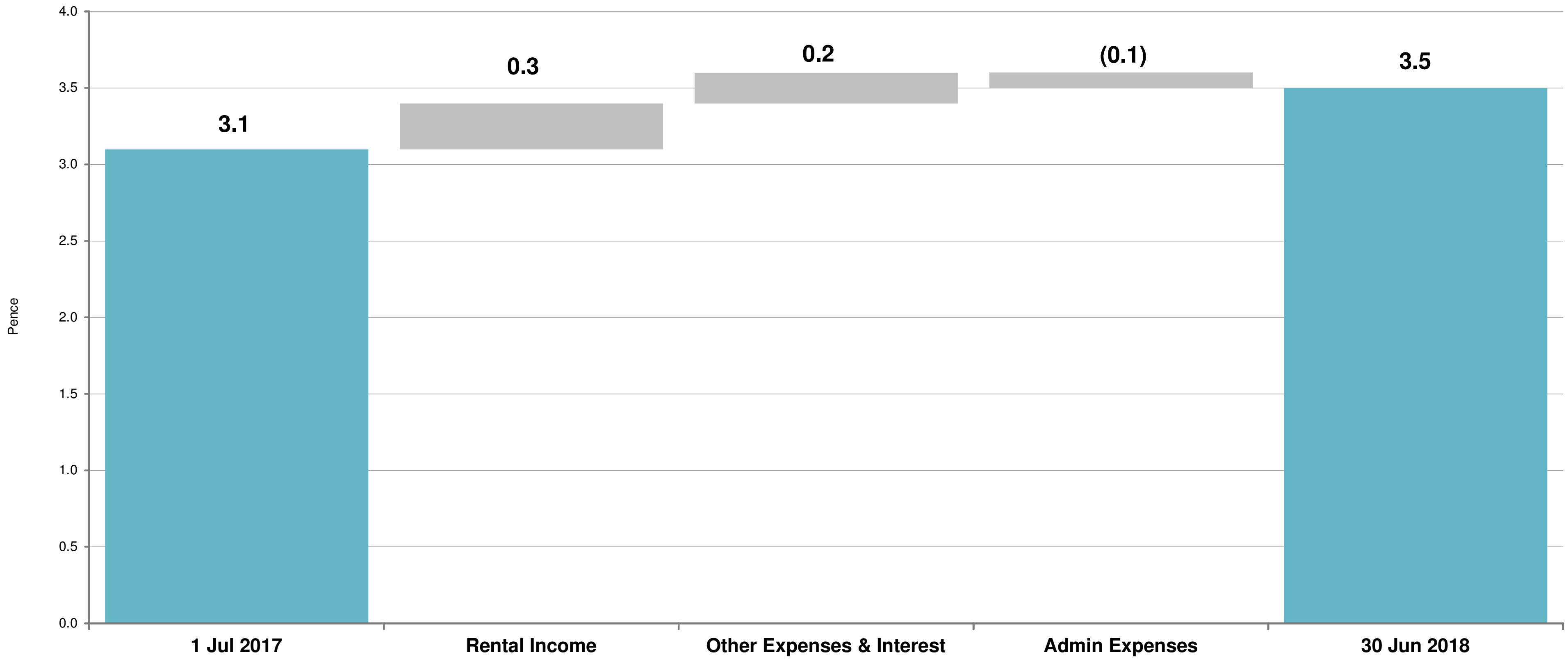
Balance Sheet	H1 2018 £m	FY 2017 £m	Change
Property	217.8	213.1	+2.2%
Cash	7.9	4.3	+83.7%
Debt	(89.0)	(84.6)	-5.2%
Other	(7.5)	(5.7)	-31.6%
Net assets	129.2	127.1	+1.7%
Adjustments	2.8	3.3	-
EPRA NAV	132.0	130.4	+1.2%
EPRA NAV per share	70.1p	68.9p	+1.7%
Net Debt	81.1	80.3	-1.0%
LTV (net of cash)	37.9%	38.3%	+0.4%

Movement in

EPRA NAV per share



Movement in
EPRA earnings per share



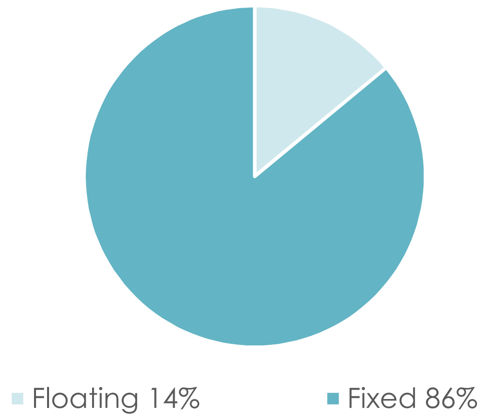
H1 2018 Financials:

Simplified Debt Position

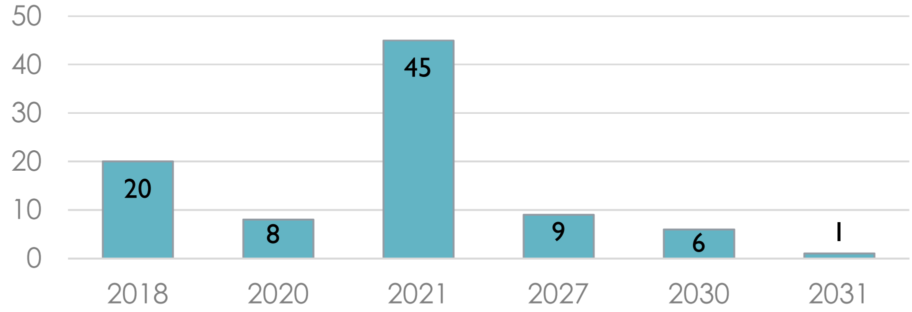
- Cost of debt 4.1% at 30 June 2018 (H1 2017: 4.0%)
- Cost of debt now reduced to 3.7% post period end
- Property net LTV 37.9% (FY 2017: 38.3%) (We aim to keep LTV below 40%)
- 86% of debt is fixed
- Fixed £41 million of facilities with RBS at 2.75% until February 2021
- Since the half year end, we have agreed terms with RBS for a new £10 million facility at 1.95% above LIBOR
- Agreed a 5-year extension to the term of our £20 million Lloyds facility effective from October 2018
- Current interest rate environment
- Interest cover of 2.8x (FY 2017: 2.8x)

Net Debt (£m)	30 Jun 2018	31 Dec 2017
Borrowings	89.0	84.6
Cash	(7.9)	(4.3)
	81.1	**80.3**

Debt Structure %
At 30 Jun 2018



Debt Maturity £m
At 30 Jun 2018



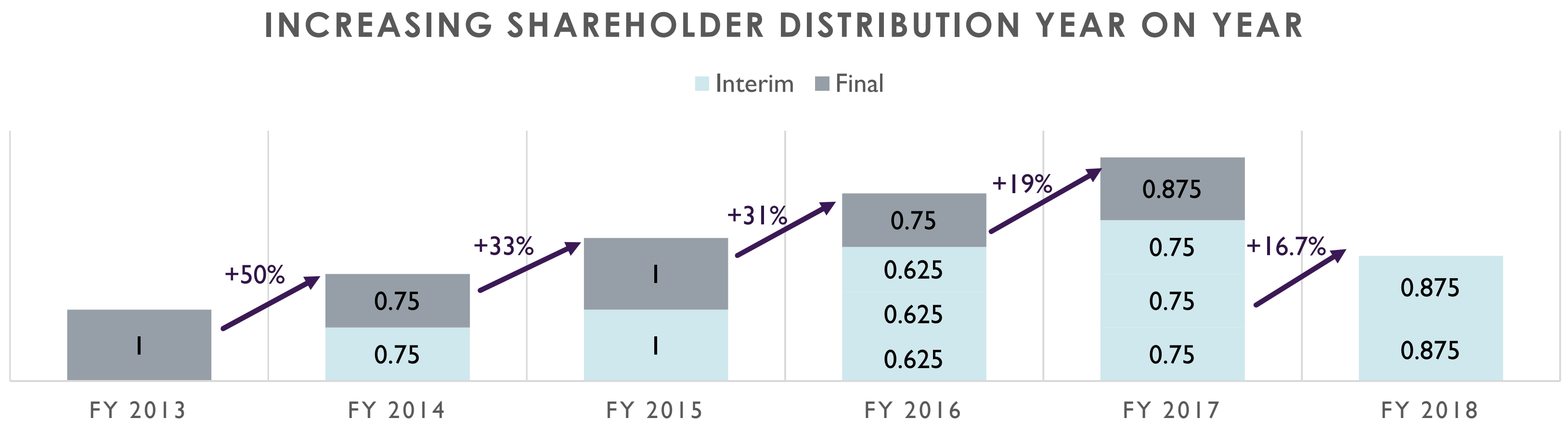
H1 2018 Financials:

Growing, fully covered dividend

- REI adopted a quarterly dividend policy with effect from the financial year beginning 1 January 2016
- Dividend is fully covered by EPRA earnings
- Aim to grow dividend in line with earnings

Dividend	Total	Announcement	Payment
Q1 2018	0.875p	June 2018	July 2018
Q2 2018	0.875p	September 2018	October 2018
Q3 2018	-	December 2018	January 2019
Q4 2018	-	March 2019	April 2019

Note: Timings for quarterly payments are indicative only



REBIRTH OF A REGION

Host of the
2022
Commonwealth Games

Coventry
2021
City of Culture

HS2
reduces the journey times to around 49 minutes between Birmingham and London

Coventry
UK's largest independent vehicle battery manufacturer to open in Coventry in 2019

HSBC
will transfer 1,000 jobs from London to Birmingham's Arena Central

Andy Street
Birmingham's first City Mayor is already having a positive impact

£500M
investment plan by Midland car maker Aston Martin to increase trade with Japan

HMRC
transfers 3,500 staff to Birmingham

PwC
transfers 1,500 staff to new 150,000sq ft Birmingham Paradise scheme offices

Channel 4
Birmingham shortlisted as a possible new home alongside only two other cities

Paradise
one of the major regeneration schemes expected to make Birmingham one of the best European cities with 1.4m sq ft under construction in the City

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An emerging ECONOMY

- **The Next London? -** Midlands is emerging as a UK economic powerhouse - outperforming it's peers and gaining the title as the strongest economy outside London
- **Migration –** No 1 destination for those migrating from London – boosted by HS2/ major business relocations – attracting young professionals/families to the regions homes, schools and jobs
- **Leadership –** Pro-active leadership with City Mayor and Council Head of Regeneration
- **Economy -** Midlands £217bn economy - grew by 18% over last 5 years, ahead of UK growth rate
- **Big wins –** Commonwealth Games alone promises to boost the region's economy by £1.5 bn
- **Infrastructure** – A new era of vast infrastructure and transport improvements with the arrival of HS2 and record breaking regeneration for inner-City areas and areas surrounding HS2 stations
- **Housing** – Demand outstripping supply – a record number of developments - house price rises are outperforming London – region up 5.8% by June 2018, with London down 0.7% year on year
- **Commercial market** – Occupier /investment demand strong with rising rents, low stock availability and no exposure to volatile London market – 1.4 m sq ft offices under construction
- **Tourism & Leisure** – record levels of visitors to the region in 2017and record airport passengers - benefitting from numerous leisure schemes/highest Michelin starred restaurants outside London
- **Education** - More schools receiving an 'outstanding' OFSTED rating than any other region
- **Business Activity -** The West Midlands posted the highest business activity score than any other UK region in June 2018, within the Regional Purchasing Managers Index (PMI)
- **Unemployment –** low levels of unemployment coupled with above national average wage
- **GVA** - Forecast for West Midlands over next decade = 23% and Birmingham = 25.5%
- **Hub** – Reputation as a creative, manufacturing, digital, business and technology hub

64.4%
Resident Employment Q1 2018

12,108
New business start ups

No 1
City destination for London migration

+£1.2bn
Economic Output Nominal (GVA)

2.3 m
'International' Visitors to the City in 2017

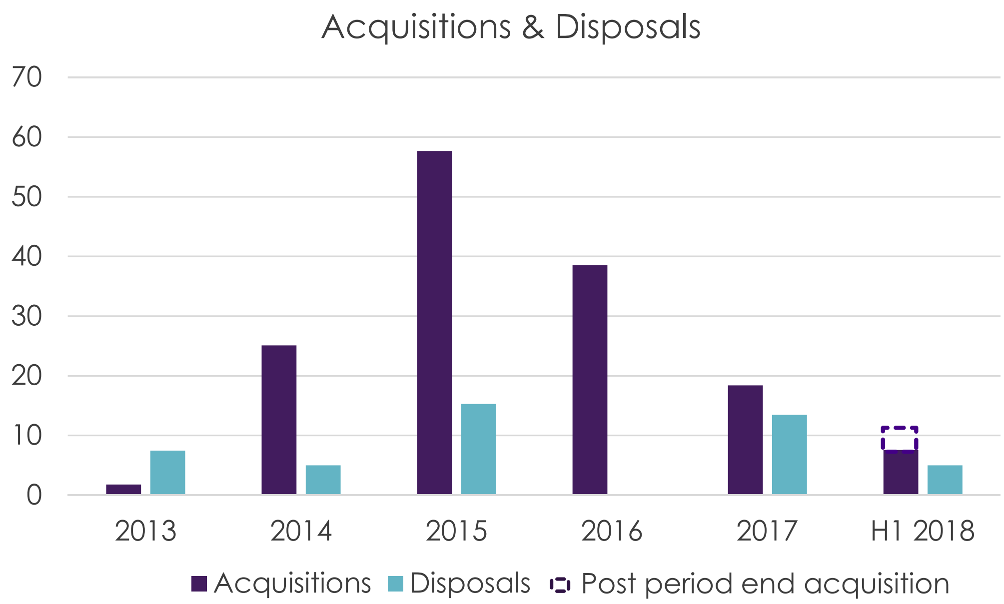
13 m
Birmingham Airport passengers

SOURCES: ONS & BIRMINGHAM CITY COUNCIL ECONOMIC RESEARCH

Active Capital Recycling

Making capital work

- Acquisitions of £7.6 million (net of acquisition costs), with a combined income of £618,364, at an average Net Initial Yield of 7.66% and a Reversionary Yield of 8.31%
- Sales of £5.0 million, which produced a combined income of £439,094 per annum and a running yield of 5.25%, as REI recycles capital into criteria compliant assets
- Disposals considered when assets are fully valued, or where they can realise significant value on an opportunistic basis
- Proven track record of putting capital to work
- Proposed £20-30 million spend over next 12 months



Active Capital Recycling						
	2013	**2014**	**2015**	**2016**	**2017**	***H1 2018***
Rent Roll	£5.8m	£7.7m	£11.9m	£14.9m	£16.2m	***£15.8m***
Portfolio Value	£75.2m	£104.4m	£157.5m	£201.9m	£213.1m	***£217.8m***

Diverse and attractive

PORTFOLIO

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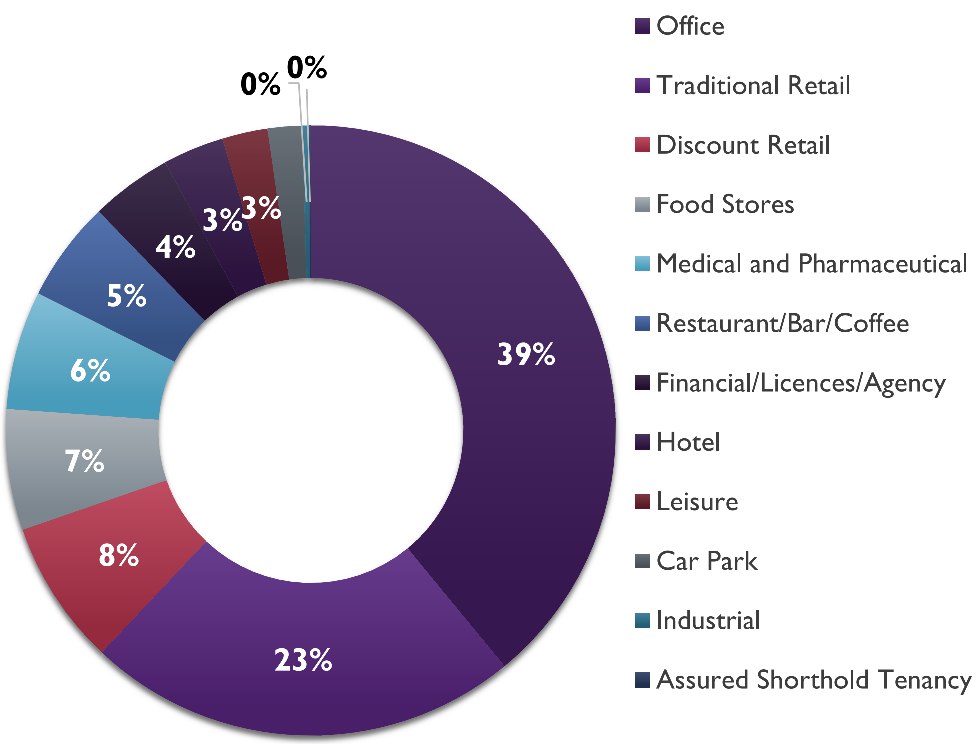

Sector	£	30 June 2018 % by Income	31 Dec 2017 % by Income	Change
Office	6,155,963	39.05%	37.89%	+1.16%
Traditional Retail	3,623,982	22.99%	23.79%	-0.80%
Discount Retail	1,210,290	7.68%	7.46%	+0.22%
Food Stores	1,011,150	6.41%	6.45%	-0.04%
Medical and Pharmaceutical	991,040	6.29%	6.11%	+0.18%
Restaurant/Bar/Coffee	840,552	5.33%	6.32%	-0.99%
Financial/Licences/Agency	681,502	4.32%	4.40%	-0.08%
Hotel	511,000	3.24%	3.15%	+0.09%
Leisure	381,596	2.42%	2.43%	-0.01%
Car Park	284,323	1.80%	1.59%	+0.21%
Industrial	57,094	0.37%	0.35%	+0.02%
Assured Shorthold Tenancy	16,400	0.10%	0.06%	+0.04%
TOTAL	**15,764,892**	**100%**	**100%**	

Midlands focused:
1.5m sq ft ownership

H1 2018 Acquisitions

- Molineux House, Wolverhampton
- Topaz Business Park, Bromsgrove
- High Street, Kings Heath (Post Half Year)

H1 2018 Disposals

- 24 Bennetts Hill, Birmingham
- High Street, West Bromwich
- Metro Court, West Bromwich (completion due December 2018)

Top 10 Tenants by Income
No material Exposure

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22.56%
Top 10 tenants represent only 22.56% of REI's contracted income

>5%
No tenant to represent more than 5% of group contracted rent

>10%
No asset to represent more than 10% of group portfolio value

Rank	Tenant	Rent £'000	%	Sector	Property
1	wilko	519	3.28	Discounted Retail	Crewe Shopping Centre, Acocks Green & Wythall
2	npower	518	3.28	Office	Birch House, Oldbury
3	MATALAN	450	2.85	Traditional Retail	Jasper, Tunstall
4	GOV.UK	324	2.05	Office	Molineux House, Wolverhampton
5	Premier Inn	310	1.96	Hotel	West Plaza, West Bromwich
6	ALDI	300	1.90	Food Stores	Bearwood, Birmingham
7	hp	290	1.84	Office	Titan House, Telford
8	NHS	289	1.83	Office	Westgate House, Warwick & Kingston House
9	Midlands Co-operative	282	1.79	Food Stores	Kingswinford
10	RIVER ISLAND	281	1.78	Traditional Retail	Dudley Street, Wolverhampton/Crewe
		3,563	**22.56**		

Untapped Residential Value:
Permitted development rights

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- Identified 250,000 sq ft of possible permitted development
- Permitted development rights allow owners of a building to make certain building changes and changes of use without having to make a planning application. The new rules allow the change of use of buildings from B1 offices to C3 homes in order to provide new homes in existing buildings
- An example:
  - Existing Office Investment value - £102.66 psf
  - Under offer for £143.89 psf with PD potential – an uplift of £745,000 against Dec 2017 valuation
  - Conversion cost to Developer - £110 psf
  - Residential value £300 psf
  - No Development risk to REI
  - Where end residential values are more – REI would look to JV/Develop

Spotlight on:
Midlands Residential Market

Source: Rightmove

Performance

- House prices in the West Midlands rose the fastest in the UK, with annual growth in property values in the region at 5.8% by June 2018, according to ONS. The biggest fall was in London where prices dropped by 0.7% year-on-year
- West Midlands house prices could surpass London over next 5 years according to KPMG, with the region's prices projected to grow the most, at an average of 3.8 per cent
- £300-£450psf new build development prices compared to £1,000-£2,000psf plus in London

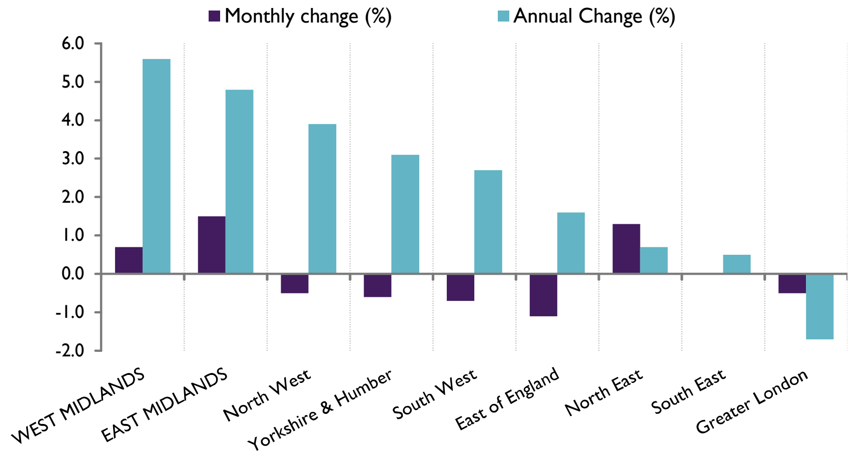
Factors

- Underpinned by low supply vs high demand
- Driven by economic growth, occupier demand, business and population relocations
- Significant completed or pipeline regeneration/infrastructure projects attracting more migration
- Notably lower residential pricing than London and other regions, with prices 21% lower than UK average, making the City a hotspot for affordable living and commuters
- Commonwealth Games and other wins for the region are boosting growth

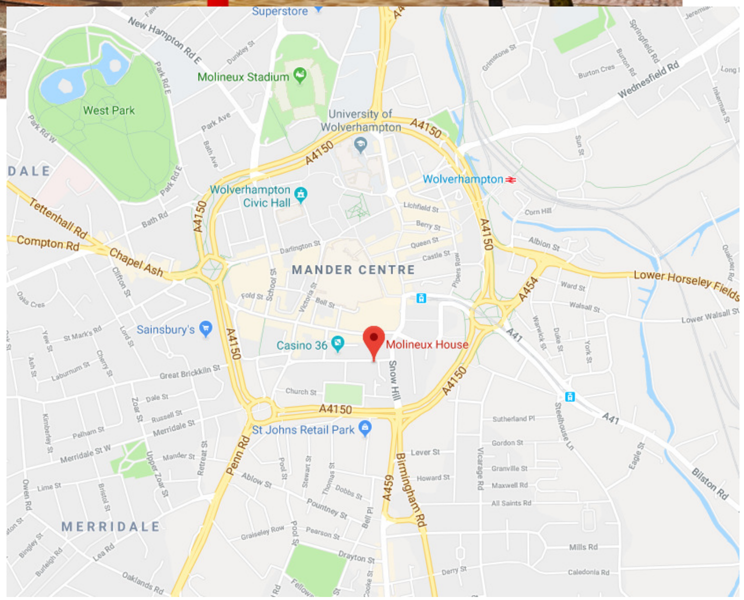
Consequence

- 3,577 additional dwellings are required in Birmingham each year until 2026 (Knight Frank)
- Widespread residential development as the region struggles to keep up with demand from new buyers relocating within the region
- Housebuilders enjoying record profits due to the health of the Midlands housing market
- Population expected to rise by 1.3 million by 2039 so further demand expected

Home asking price increases in the year to July 2018



Source: Rightmove



ACQUISITION:

MOLINEUX HOUSE, WOLVERHAMPTON

- A city centre office which is let to the Secretary of State, Department for Communities and Local Government on a recently re-geared 10-year full repairing and insuring lease with a tenant break at the fifth year. The building is well located and comprises 31,935 square feet of office accommodation, arranged over four floors, together with 44 on site car parking spaces.
- Acquired for £3.58 million in July 2018 (excluding costs), with a current rental of £324,370 per annum, representing a Net Initial Yield of 8.50%.
- With an unexpired lease term of 4.77 years to break and 9.7 years to expiry.

ASSET OPPORTUNITIES/BENEFITS

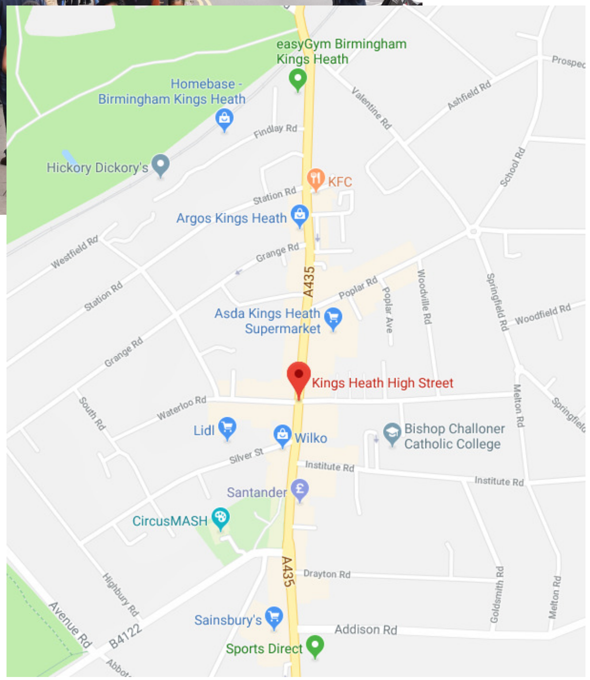
- The property provides an excellent yield together with a Government-backed covenant.
- The purchase price reflects a low level of £112 per square foot and has strong potential for residential conversion which will under-pin future valuations.

ACQUISITION:
TOPAZ BUSINESS PARK, BROMSGROVE

- A prominent high-quality office business park incorporating ten self-contained office buildings, located close to Junction 1 of the M42 and comprising a total of 45,071 square feet of high specification office accommodation.
- Acquired for £4.00 million in June 2018 (excluding costs) with a current rental income of £293,994 per annum and a net initial yield of 6.90%.
- Property is multi-let with tenants including QS Finance, MV Kelly, Handelsbanken, Fuelsoft, Toshiba and Instinctive Technologies with a WAULT of 1.30 years to break and 2.20 years to expiry.

ASSET OPPORTUNITIES/BENEFITS

- The current total rental represents £16.72 per square foot. Levels of £19.00 per square foot have recently been achieved in the property, which is in line with other local market transactions and we therefore anticipate positive future rental growth.
- The property comprises additional land with an overall low-density site, offering prospects for future development.



ACQUISITION SINCE HALF YEAR :

KINGS HEATH, BIRMINGHAM

- A prominent High Street parade in a popular and busy residential suburb of Birmingham
- Acquired for £4.8 million in September 2018 (excluding costs) from a pension fund, with a current rental income of £445,860 per annum and a net initial yield of 8.7%.
- Property is fully let to 7 tenants including Wilkinson Hardware Stores Limited, Scrivens Ltd, Burton/ Dorothy Perkins Properties Limited, Lloyds Pharmacy Limited, Specsavers Optical Superstores Limited, Greggs Plc and Bonmarche Limited with a WAULT of 4.00 years to break and 4.25 years to expiry.

ASSET OPPORTUNITIES/BENEFITS

- The purchase price provides a high initial yield, with scope to extend leases and further improve value
- Attractive and diverse tenant line up, with no material reliance on any particular covenant

SALE:
24 BENNETTS HILL, BIRMINGHAM

- Purchased off-market in December 2014 for the sum of £2.06 million (excluding costs) from a private local investor at a net initial yield of 10.8%
- Following office refurbishment we reduced void and increased the overall rental tone within the building.
- We were also successful in achieving an £18k per annum rental increase following the Punch Taverns rent review.
- The investment sold in January 2018 for £4.0 million, reflecting 5.90% (a 23.8% premium to December 2016 valuation of £3.23 million). The transaction exchanged in December 2017 and completed in January 2018.

ASSET MANAGEMENT CASE STUDIES:
ENHANCING PORTFOLIO VALUE

PEAT HOUSE, LEICESTER

- Prime Leicester City centre office building
- Acquired from Aviva for £4.4 million in December 2011 (excluding costs)
- WAULT is 3.73 years to break and 8.12 years to expiry
- Weightmans dilapidations settled at £85,000 and KPMG dilapidations settled at £250,000
- Property is now fully let to Bellrock FM, Charles Alexander Design Limited, Innes England & KPMG
- First and second office space and common areas comprehensively refurbished, with first and second floor space let off £13.75 per sq ft (primarily from the recycling of dilapidations monies), with space previously achieving £10.00 per sq ft
- Value in June 2018 was £8.00million (an uplift to the Dec 2017 valuation of £7.84 million, up 2.04%)
- Land identified within the ownership that is being let to a neighbouring building for car parking at £16,500 per annum

GATEWAY HOUSE, BIRMINGHAM

- Building consists of a mixed retail and office scheme of 27,071 sq ft over seven floors
- Acquired from Aviva for £3.85 million in December 2011 (excluding costs)
- Following the refurbishment of the second floor offices, Instant Offices have taken two floors in the building at £13.00 per sq ft, a new high for the building
- The letting on the ground floor to Holland & Barrett already shows signs of a reversionary yield
- Overriding lease with Shelter over 2 floors at higher rent and overall improved WAULT
- Dilapidation settlement agreed from the previous occupiers of the ground floor
- Value in June 2018 - £6.765 million (an uplift to the Dec 2017 valuation of £6.750 million, up 0.22%)
- Number of parties interested in a purchase with a premium to value to capture the long term potential of HS2

ASSET MANAGEMENT CASE STUDIES:

VALUE ADD – NOT PASSIVE INVESTORS

CITYGATE HOUSE, LEICESTER

- The property occupies a prominent position on a main route to Leicester City Centre and comprises a self-contained, four storey office building with parking
- Acquired from receivers for £1.8 million in 2014 (excluding costs)
- The property provides a total net office space of 18,070 sq ft and is let entirely to the Secretary of State until August 2024, with a tenant break in April 2021. The rental income is £157,500 p.a
- With a current WAULT of 2.76 years
- Value in June 2018 - £2.2 million (an uplift to the Dec 2017 valuation of £1.855 million, up 18.6%)
- Under offer for residential at £2.60 million

33 BENNETTS HILL, BIRMINGHAM

- An impressive Grade II listed period building, constructed in 1835, this property was the original branch of Midlands Bank and is located in the heart of Birmingham's business district
- Acquired from the receivers in 2014 for £1.575 million (excluding costs)
- Change of use consent granted from Offices (B1) to Leisure (A3)
- In 2015, REI oversaw the refurbishment of the façade of this beautiful and historic building
- In 2015, Loungers Limited, trading as Cosy Club, signed a 25 year lease at £135,000 p.a and during the same year, Discovery Group opted to take a 10 year lease at £45,000 p.a. to occupy the space adjoining the Banking Hall
- WAULT of 18.10 years
- Value in June 2018 - £4.37 million (an uplift to the Dec 2017 valuation of £4.345 million, up 0.58%)
- Rent reviews in 2020 to ERV of (current) £250k V £180k passing

Why REI?

Platform, Outlook & Opportunities

Platform

- Management with proven track record
- Diversified multi-sector portfolio – a long-term strategy – mitigating risks that are present within sub-sectors
- Debt – a mature and simplified debt structure with 86% fixed. Low geared with a 37.9% LTV
- Strong & progressive dividend yield
- £30m available to capitalise on downturn

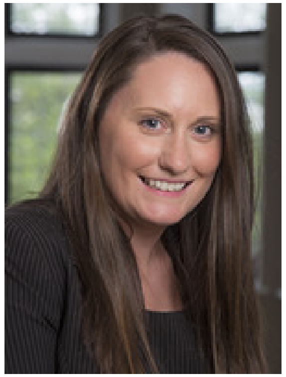
Outlook

- Operating in a transformational region in the process of rebirth
- Growing economy
- Well publicised relocations of businesses and population migration
- Huge infrastructure projects complete or underway and arrival of HS2
- Booming residential market
- Limited supply of stock in high demand
- Low interest rate environment in a strong regional investment market
- Attracting international investors who traditionally invest in London

Opportunities

- Selective Investment Sales – where asset management has been completed and value fully enhanced
- Possible JV – Local authority ownership restructure (£50-£100m)
- Opportunity to acquire institutional orphaned assets
- Brexit 'Cliff Edge' – we believe there will be short-term pressured sellers
- Permitted development gains
- Add value via letting of void to generate rental and capital growth (£1.6m ERV)
- Pipeline of known opportunities in advanced discussions

Q&A



Anna Durnford
Investor Relations

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

Ian Clark BSc (Hons) MRICS
Senior Asset Manager

- Joined REI in 2011
- Responsible for the portfolio asset management strategy and the overall portfolio
- Qualified chartered surveyor with over 21 years experience in the property market
- Previously worked for Argent Estates Limited as Asset Manager and GVA Grimley and was responsible for the Asset Management of the 1.5 million sq ft Brindleyplace Estate

Andrew Osborne BSc (Hons)
Investment Manager

- Joined REI in 2014
- Responsible for co-ordinating investment strategy, specialising in investment acquisition and disposals of commercial properties
- Over 20 years experience in the UK commercial property market
- Previously Senior Asset Manager at Square Metre Properties, on behalf of Goldman Sachs and Fund Manager at Canada Life

Jack Sears BSc (Hons) MRICS
Asset Management

- Joined REI in 2016
- Responsible for the management of the assets across the portfolio, liaising with managing and letting agents
- Qualified Chartered Surveyor with 5 years experience in the property market
- Previously worked at Bilfinger GVA and BNP Paribas Real Estate as a property manager

Catherine Gee
Property Management

- Joined REI in 2015
- Provides administrative assistance and property related support to management team in the areas of Health and Safety, System Training and Property/Asset Management
- Also provides marketing and social media support
- Previously worked for Highcross Strategic Advisers for 8 years

Donna Mooney
Receptionist/Administrator

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

“Birmingham is undoubtedly in a new era of redevelopment and repurposing, spurred on by the arrival of HS2”

Deloitte Real Estate Crane Survey

“An uplift in job creation and amenity should underpin demand for homes in Birmingham. Improvements to transport infrastructure are likely to further augment this trend.”

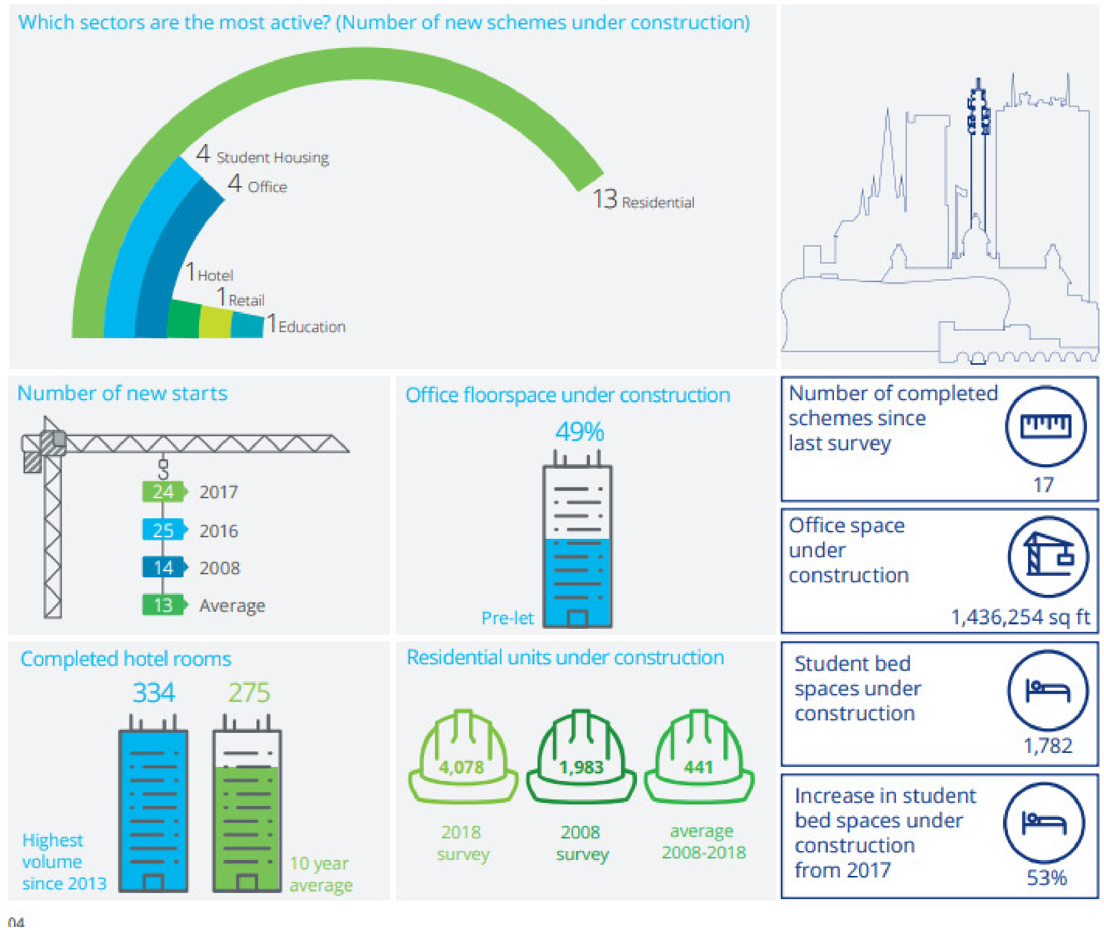
Knight Frank

“West Midlands is out-performing the Capital and most other regions on a number of key factors, and land-owners and developers are keen to maximise on its strong national position”

Harris Lamb

Birmingham development snapshot

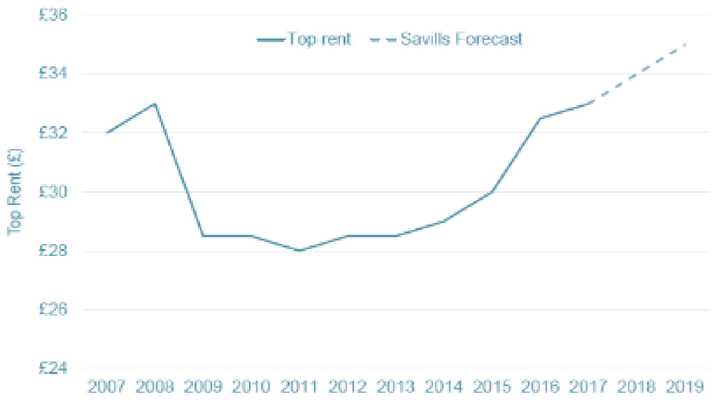
Deloitte Real Estate Crane Survey



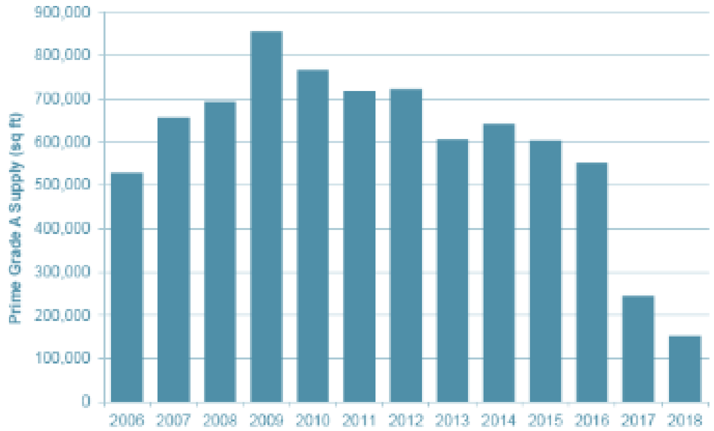
Booming Midlands:

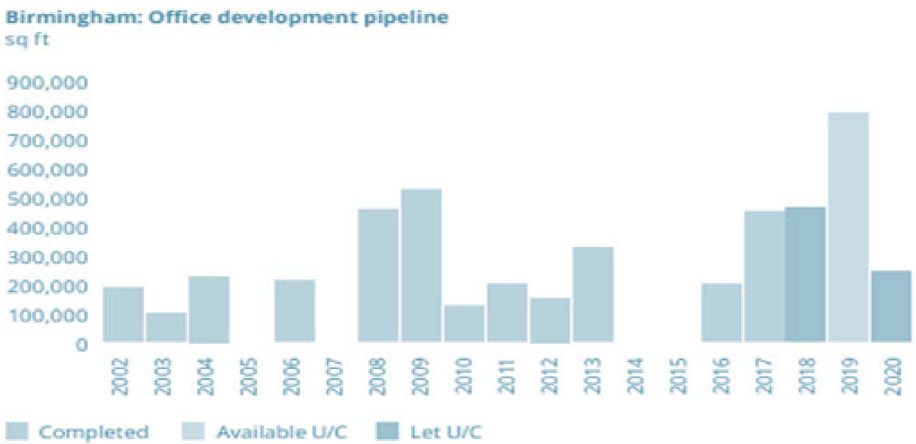
REI
Real Estate Investors Plc

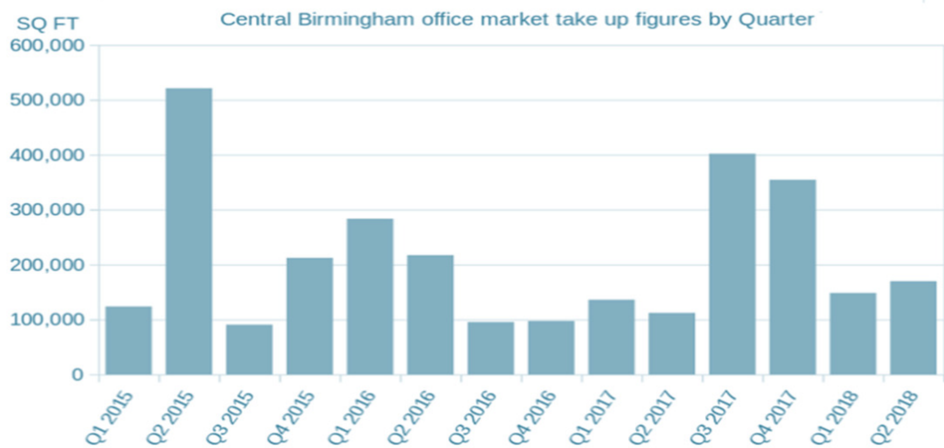
Top rents (£ per sq ft)



Prime Grade A availability (sq ft)







SOURCES: SAVILLS & DELOITTE REAL ESTATE RESEARCH