

RDI REIT P.L.C.

("RDI" or the "Company")

(Incorporated in the Isle of Man)

(Registered number 010534V)

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JSE share code: RPL

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TRADING UPDATE AND ANNUAL GENERAL MEETING

RDI, the income focused UK Real Estate Investment Trust ("UK-REIT"), is pleased to provide an operational and rent collection update for the December 2020 quarter. The Company also announces further details regarding its Annual General Meeting ("AGM") to be held on 28 January 2021.

TRADING UPDATE**Operational update**

Portfolio occupancy, excluding RBH managed hotels and London Serviced Offices, remains high at 98.8 per cent. Asset management activity across the Office, Distribution and Industrial portfolios has been largely unaffected by the market backdrop, with a number of positive lease re-gears being completed since 31 August 2020. With UK retail exposure now limited to 5.7 per cent of the Group's portfolio on a pro-forma basis, the impact of COVID-19 related restrictions in that sector has been modest.

The restrictions imposed in November have deferred the anticipated recovery in the Group's operating assets which has impacted earnings in the first quarter. Revenue from operating assets is expected to remain under pressure while strict travel restrictions remain in place. However, the roll-out of a vaccine provides greater visibility on a progressive recovery in occupancy in the second half of the year. We remain confident that our operating assets are well positioned to benefit from the anticipated recovery.

Hotels

Trading across the hotel portfolio has been set back as a result of the renewed restrictions. Of the Group's 13 RBH managed hotels, five have been closed to reduce operating costs. However, this is being constantly reviewed against local demand, particularly for NHS related requirements as well as construction contracts. Occupancy is anticipated to remain limited during the current lockdown, but experience from the first lockdown has shown a fairly sharp improvement in occupancy and profitability once restrictions are lifted.

Rent demands for the RBH managed hotels have been deferred to the second half of the financial year to support operational cashflows during this period.

Rental income based on the CVA terms with Travelodge continues to be paid in full. The aggregate annual rent increased to £1.5 million from £1.1 million in January and will revert to the full pre CVA rent of £2.5 million in January 2022.

Distribution and Industrial

A number of key leasing deals were completed during the period:

A lease re-gear and a new lease has been completed with an existing tenant at Kingsthorpe Park, Kettering for an unexpired term of 15 years. The new rent of £0.2 million p.a. reflects an increase of 20.4 per cent above the previous passing rent and 1.7 per cent above ERV.

On the Kwik Fit portfolio, 24 leases were regearred to new 20-year unexpired terms, with no rent free incentives and five yearly rent reviews to the higher of open market rent and 1% compounded annually. All the leases were placed in the name of ETEL (European Tyre Enterprise Limited), the parent company, further strengthening the covenant. The leases on two units, with a total rent of £60,275 p.a., were surrendered as part of the transaction and the units are in the process of being sold with vacant possession.

Offices

Occupancy across the London Serviced Office portfolio reduced to 72.8 per cent (31 August 2020: 76.0%) with sales and renewal activity impacted by COVID-19 related restrictions. Following a positive increase in enquiries subsequent to the initial lockdown, activity is expected to remain subdued until restrictions are relaxed. Clients have been offered a 33 per cent licence fee discount from January to March to provide support while the Government's work from home guidance remains in place. Encouragingly, a number of clients who have not renewed licence fees have maintained virtual office contracts and have indicated an intention to return once restrictions are eased.

The remaining office portfolio has been largely unaffected with rent collection now over 85 per cent for all periods since March 2020.

Retail

Rent collection levels across both the UK and German retail portfolios have remained broadly unchanged when compared to the September quarter at 57.4 per cent and 93.5 per cent respectively. Collection rates for the UK retail portfolio, now limited to 5.7 per cent of the Group's portfolio on a pro-forma basis, have typically been delayed but are improving steadily and now averaging 77.6 per cent for the period from March 2020.

A limited number of rental concessions have been agreed in Germany, but these have typically taken the form of rent free periods in return for lease extensions.

Rent collection

Approximately 86.4 per cent of gross rental income or income due and demanded was collected for either the December quarter or the month of December where rents are billed monthly. This compares to 81.5 per cent for the September 2020 quarter at approximately the equivalent time. These figures exclude the RBH managed hotel portfolio where rents have been deferred to the second half of the financial year.

We have continued to experience improved collection rates for past periods following negotiations and the receipt of delayed payments. Average collection rates for rents due and demanded (excluding RBH managed hotels) for all prior periods impacted by COVID-19 up to the September 2020 quarter now stands at 96.8 per cent.

Rent collection summary	Annualised gross rental income	% of rent collected – adjusted⁽²⁾
June quarter	£m⁽¹⁾	31 December 2020
Offices	7.1	89.2
Distribution and Industrial	15.3	88.4
Retail	6.3	57.4
UK total (excl. UK Hotels and LSO)	28.7	88.7
Europe	7.3	93.5
Total (excl. UK Hotels and LSO)	36.0	85.9
RBH Managed Hotels	8.9	-
Travelodge portfolio	1.5	100.0
London Serviced Offices	8.5	90.7
Total	54.9	86.4

(1) Annualised gross rental income as at 31 December 2020. RBH Managed Hotels and London Serviced Offices annualised gross rental income is based on prior year EBITDA.

(2) Rent collections adjusted for certain tenants which have indicated they are paying monthly and have paid one third of quarterly rent demanded

Financing and liquidity

The Group's financial and liquidity position remains exceptionally strong with access to approximately £220 million of cash and available facility headroom. Capex commitments across the Group remain limited to £1.5 million. LTV on a pro-forma basis remains broadly unchanged at 32.3 per cent.

Stephen Oakenfull, CEO at RDI, commented:

“Despite the latest national lockdown impacting our operating assets, we anticipate a clearer path to recovery with the UK vaccination programme well underway. Our balance sheet strength and significant levels of liquidity place RDI in a strong position to manage the operating assets through a period of recovery and to capitalise on any market dislocation. Our high-quality distribution and industrial portfolio, which makes up 26.6 per cent of our portfolio on a pro-forma basis, continues to benefit from strong occupational demand and a very competitive investment market.”

ANNUAL GENERAL MEETING

As previously announced, the Company will hold its Annual General Meeting on 28 January 2021 at 11.00am GMT. A webcast and conference call facility will be provided for shareholders to access the AGM remotely and follow the business of the meeting. These details are now available on the website at www.rdireit.com/investors/shareholder-information.

Shareholders are encouraged to submit questions on the business of the meeting in advance, by writing to the Company Secretary via LHibberd@rdireit.com, or by submitting a question when voting online (UK only).

A facility will also be available during the meeting for shareholders to submit questions via the webcast platform. The Board will endeavour to answer shareholder questions received in advance of the meeting before the proxy cut-off date on 26 January 2021.

To date, we have received a number of queries regarding the amendment to the RDI Articles of Association. The amendments are being sought in light of the current restrictions and would allow the Company to hold physical, virtual or hybrid meetings. It is intended that virtual meetings be held in exceptional circumstances only, with physical meetings held whenever possible.

For further information:

RDI REIT P.L.C.

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Note to editors:

About RDI

RDI is an income focused UK Real Estate Investment Trust (UK-REIT) with a diversified portfolio invested principally in the UK. The investment approach is driven by an in depth understanding of occupational demand including the impact of technology, transport and infrastructure investment. The portfolio has been repositioned in recent years to increase its weighting to London and the South East and to provide greater exposure to our leading hotel and serviced office operating platforms.

RDI is committed to delivering attractive income led total returns across the real estate cycle. The current strategic objectives of a lower leverage capital structure and more focused allocation of capital are targeted at delivering an industry leading and sustainable income return.

RDI holds a primary listing on the London Stock Exchange and a secondary listing on the JSE. The Company is included within the EPRA, GPR, JSE All Property and JSE Tradeable Property indices.

For more information on RDI, please refer to the Company's website www.rdireit.com