

AEW UK REIT plc (The Company) invests in and intensively asset manages a value-focused portfolio of high yielding commercial properties across the UK.

FINANCIAL HIGHLIGHTS

- NAV of £173.47 million or 109.32 pence per share as at 31 December 2025 (30 September 2025: £172.82 million or 109.09 pence per share).
- NAV total return of 2.05% for the quarter (30 September 2025 quarter: 2.04%).
- 0.33% like-for-like portfolio valuation decrease for the quarter (30 September 2025 quarter: 0.11% increase), outperforming the CBRE December UK Index.
- EPRA earnings per share (“EPRA EPS”) for the quarter of 2.36 pence (30 September 2025 quarter: 2.19 pence).
- Interim dividend of 2.00 pence per share for the three months ended 31 December 2025, paid for 41 consecutive quarters and in line with the targeted annual dividend of 8.00 pence per share, representing a dividend yield of 7.4% as at quarter-end.
- Loan to GAV ratio at the quarter end was 25.06% (30 September 2025: 25.17%). Significant headroom on all loan covenants.
- Company continues to benefit from a low fixed cost of debt of 2.959% until July 2027.
- Reissued 250,000 treasury shares during the quarter, taking advantage of periods of share price premium to NAV.

PORTFOLIO MANAGER'S COMMENTARY



“We are pleased to report another quarter of strong performance, with earnings of 2.36 pence per share and NAV total return of 2.05%. The Company’s earnings continue to benefit from a solid tenant base, contributing to another period of portfolio stability. This has led to reduced bad debt occurrences, as well as a decrease in professional fees, typically associated with times of greater transactional activity.

Following the disposal of a vacant office unit at the Company’s holding in Hitchin, there is circa £6.8 million of available capital cash at quarter-end above the Company’s retained £5.0 million cash buffer. We are progressing several near-term asset management opportunities, such as the planned refurbishment of Queen’s Square, Bristol, and are considering an exciting medium-term pipeline of potential acquisitions to increase income.

The Company’s shares continue to trade close to NAV, being at a 1.39% discount at quarter-end. On several occasions during the quarter, the Company’s shares traded at a premium to NAV, allowing the reissuance of 250,000 shares from treasury. We are delighted that the market is recognising the Company’s consistently strong performance during a period when property markets have remained subdued. This success demonstrates the effectiveness of the Company’s counter-cyclical investment approach and active asset management strategy in driving income and capital growth through market cycles.

Steady growth in the Company’s share price over the last year from 100.4p to 107.8p as at 31 December 2025 has been encouraging. This progress, combined with consistent payment of the Company’s quarterly dividend of 2.00 pence per share, which has now been paid for 41 consecutive quarters, has delivered a one-year shareholder total return of 15.3%. Against this backdrop of compelling NAV and shareholder total returns, the Company continues to assess opportunities for growth.”

VALUATION MOVEMENT

As at 31 December 2025, the Company owned investment properties with a total fair value of £215.34 million, as assessed by the Company’s independent valuer, CBRE. The like-for-like valuation decrease for the quarter of £0.71 million (0.33%) is broken down as follows by sector:

SECTOR	VALUATION 31 DECEMBER 2025		LIKE-FOR-LIKE VALUATION MOVEMENT FOR THE QUARTER	
	£ million	%	£ million	%
Industrial	79.73	37.03	(0.68)	(0.85)
High Street Retail	44.32	20.58	-	-
Other	38.66	17.95	(0.05)	(0.13)
Retail Warehouses	30.18	14.01	0.90	3.07
Office	22.45	10.43	(0.88)	(3.75)
Total	215.34	100.00	(0.71)	(0.33*)

* This is the overall weighted average like-for-like valuation decrease of the portfolio

TOP 10 ASSETS (BY VALUE)

Gresford Industrial Estate, Wrexham	£10-15m
Northgate House, Bath	£10-15m
London East Leisure Park, Dagenham	£10-15m
Freemans Leisure Park, Leicester	£10-15m
Bancroft, Hitchin	£5-10m
Cambridge House, Bath	£5-10m
25 George Hudson Street, York	£5-10m
40 Queen Square, Bristol	£5-10m
Sarus Court, Runcorn	£5-10m
Storeys Bar Road, Peterborough	£5-10m

FUND FACTS

Portfolio Manager

Laura Elkin

Assistant Portfolio Manager

Henry Butt



Investment Objective and Strategy

The Company exploits what it believes to be the compelling relative value opportunities offered by pricing inefficiencies in smaller commercial properties let on shorter occupational leases in strong commercial locations. The Company intends to supplement this core strategy with active asset management initiatives to improve the quality of income streams and maximise value.

Launch date: 12 May 2015

Fund structure

UK Real Estate Investment Trust

SRI policy: [Click here](#)

Year end: 31 March

Fund size (Net Asset Value): £173.47m

Property valuation: £215.34m

Number of properties held: 34

Average lot size: £6.33m

Property portfolio net initial yield (% p.a.)
8.08%

Property portfolio reversionary yield: 8.84%

Loan to GAV: 25.06%

Cost of Debt: 2.96% fixed

Average weighted unexpired lease term

To break: 3.95 years **To expiry:** 5.65 years

Occupancy: 94.25%* * As a % of ERV

Number of tenants: 133

Share price as at 31 Dec: 107.8p

NAV per share: 109.32p

Premium/(discount) to NAV: (1.39%)

Shares in issue: 158.67m

Market capitalisation: £171.05m

Annual management charge

0.9% per annum of invested NAV

Dividend target

The Directors will declare dividends taking into account the level of the Company's net income and the Directors' view on the outlook for sustainable recurring earnings. As such, the level of dividends paid may increase or decrease from the current annual dividend, which was 8 pence per Share declared for the year ended 31 March 2025. Based on the current market conditions as at the date of this Registration Document, the Company expects to pay an annualised dividend of 8 pence per Share in respect of the financial year ending 31 March 2026.

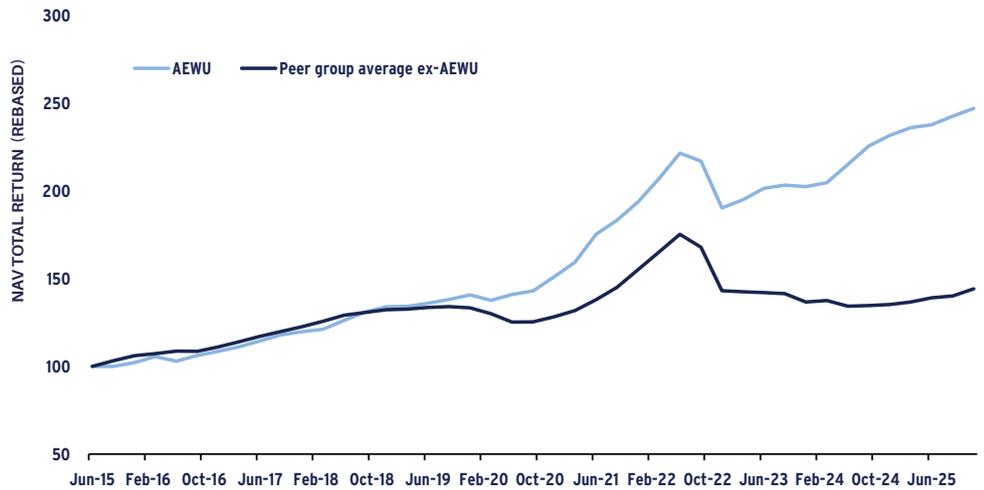
ISIN: GB00BWD24154

Broker: Panmure Liberum

Ticker: AEWU **SEDOL:** BWD2415

HISTORIC PERFORMANCE

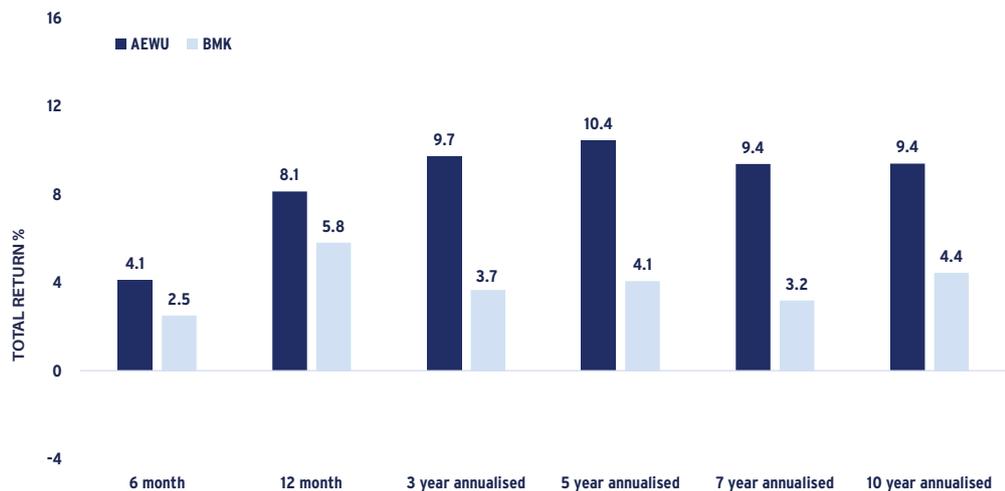
AEWU vs. Peer Group NAV Total Return Performance



Source: Panmure Liberum, December 2025.

Property Total Return Vs. MSCI Benchmark

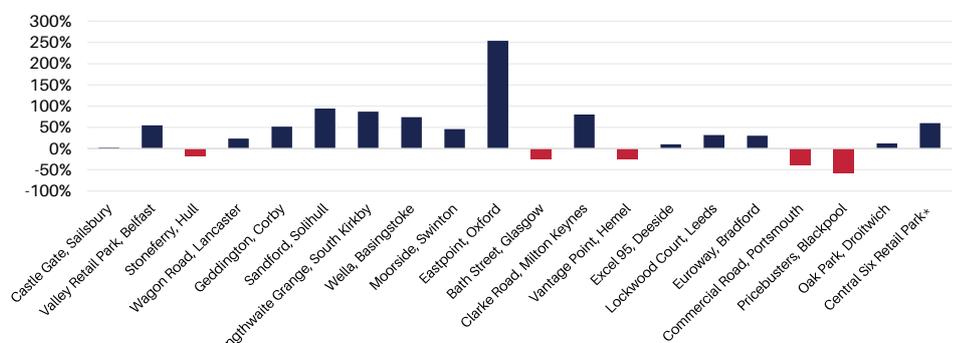
5-year annualised property total return outperformance of 6.7% above the MSCI benchmark.



Source: MSCI, 31 December 2025. Benchmark refers to MSCI/AREF UK PFI Balanced Funds Quarterly Index.

Sales to Purchase Price Premium %

38% average sales to purchase price premium



* Part disposal (Units 1-11). 'Triangle site' retained.

KEY CONTACT

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INVESTMENT UPDATE

The Company completed the following part disposal during the quarter:

3-4 Portmill Lane, Hitchin (Office)

On 14 October 2025, the Company completed the sale of 3-4 Portmill Lane, a vacant office block comprising 5,225 sq. ft., located behind the main retail parade on Bancroft in Hitchin. Competitive pricing was secured from a local owner-occupier at £1,000,000 (£191 per sq. ft.), significantly above the assets September 2025 book value of circa £497,000 (£95 per sq. ft.). The sale boosts the net initial yield of the remaining asset from 8.29%, as at 30 September,

to 8.67%, as at 31 December 2025.

The decision to sell was driven by the office's non-core location with limited demand for occupational use, which did not align with the three retail frontages on Bancroft. Additionally, there was a risk of incurring vacant holding costs while exploring alternative uses for the property. This consideration was particularly relevant as the 12-month rent and shortfall guarantee, provided by the vendor at the time of purchase, is set to expire on 12 March 2026.



No acquisitions were made during the quarter.

ASSET MANAGEMENT

The Company completed and exchanged on the following asset management transactions during the quarter:

Barnstaple Retail Park, Barnstaple (Retail Warehouse)

The Company completed a reversionary lease with B&Q Limited (B&Q) for a duration of seven years and seven months, resulting in a new lease expiry of 31 December 2040 (15 years in total). As part of this agreement, B&Q also signed a Deed of Variation increasing the rent from £348,000 per annum (£9.75 psf) to £428,280 per annum (£12.00 psf), reflecting an increase of £80,280 per annum. In return, the Company has granted B&Q a six-month rent-free period which started on 1 January 2026. Subsequently, the valuation of the property increased by £900,000, representing an 11.94% increase.

The Company billed SportsDirect.com Retail Limited a £125,000 dilapidations payment from following the refurbishment of its unit, which subsequently facilitated the letting to Farmfoods Limited in Q4 2024.



Railway Centre, Dewsbury (Retail Warehouse)

After protracted negotiations, the Company completed a five-year lease renewal to SportsDirect.com Retail Limited, commencing on 31 December 2025, at an annual rent of £140,000 (£9.10 psf).

The previous passing rent was £122,544 per annum (£7.96 psf), reflecting an increase of £17,456 per annum. Six months rent-free was given as an incentive.



Pearl House, Nottingham (High Street Retail)

Costa Limited, whose lease expired in September 2025 paying a rent of £52,000 per annum, has renewed its lease at the same rent for a term of 10 years with a break on the anniversary of the sixth year, with no rent-free tenant incentive.



Circuit, Cardiff (Leisure)

Neos 13 Ltd (trading as Circuit nightclub), has been billed turnover rent for the period 1 October 2024 to 30 September 2025, equating to £57,862 per annum.

