AEW UK REIT PLC (AEWU)

Quarterly Update

Q2 26

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 £171.05 million or 107.80 pence per share as at 30 June 2026 (31 March 2026: £171.97 million or 108.38 pence per share).
- NAV total return of 1.31% for the quarter (31 March 2026 quarter: 0.96%).
- Shareholder total return of 7.47% for the quarter (31 March 2026 quarter: -6.31%).
- 0.11% like-for-like portfolio valuation increase for the quarter. Thirteenth quarter of like-for-like capital growth out of the past 14 quarters (31 March 2026 quarter: 0.05% increase).
- EPRA earnings per share ("EPRA EPS") for the quarter of 1.89 pence (31 March 2026 quarter: 1.71 pence).
- Interim dividend of 2.00 pence per share for the three months ended 30 June 2026, in line with the targeted annual dividend of 8.00 pence per share, representing a dividend yield of 7.7% as at quarter-end.
- Loan to GAV ratio at the quarter end was 25.33% (31 March 2026: 25.21%). Significant headroom on all loan covenants.
- The Company continues to benefit from a low fixed cost of debt of 2.959% until July 2027, and has arranged an interest rate cap to protect against the risk of higher rates when it refinances.
- £427,250 per annum uplift in contractual income from three industrial transactions completed during the quarter.

PORTFOLIO MANAGER'S COMMENTARY

"The Company concluded several key transactions this quarter that will secure future earnings for shareholders, completing new lettings on vacant accommodation in the portfolio totalling approximately 3% of total ERV. These lettings include space at the Company's office holding at Queen Square in Bristol, which is now fully occupied, and at its multi-let industrial estate at Sarus Court in Runcorn, which attracted two new lettings during the quarter, both achieving a new high rent for the estate on a per sq. ft. basis. Together with a strong lease renewal at Walkers Lane in St Helen's, where a 48% uplift in the passing rent was achieved, these new lettings are reflected in an improved EPRA EPS figure of 1.89p for the quarter, representing a dividend cover of 94.5%.

Despite NAV falling by 0.5%, the Company's underlying portfolio experienced a modest valuation gain of 0.11%, marking the thirteenth quarter of like-for-like capital growth out of the past 14 quarters and continuing to outperform valuation indices, albeit marginally.

We remain confident in the outlook for AEWU's strategy and believe that the portfolio is robustly positioned to continue to achieve the Company's investment objective. Reflecting this confidence, the Board has, for the 43rd consecutive quarter, announced a dividend payment of 2.00 pence per share.

We continue to see significant attractive buying opportunities in the UK real estate market and are working with the Company's Board and advisers to explore routes to raise capital, with a view to taking advantage of these."

VALUATION MOVEMENT

As at 30 June 2026, the Company owned investment properties with a total fair value of £215.68 million, as assessed by the Company's independent valuer, CBRE. The like-for-like valuation increase for the quarter of £0.23 million (0.11%) is broken down as follows by sector:

	VALUATION 30 JUNE 2026		LIKE-FOR-LIKE VALUATION MOVEMENT FOR THE QUARTER	
SECTOR	£ million	%	£ million	%
Industrial	80.06	37.12	(0.05)	(0.06)
High Street Retail	44.25	20.52	(0.11)	(0.24)
Other	37.88	17.56	0.32	0.85
Retail Warehouses	30.27	14.03	0.07	0.22
Office	23.22	10.77	0.00	0.00
Total	**215.68**	**100.00**	**0.23**	**0.11**

TOP 10 ASSETS (BY VALUE)

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

FUND FACTS



Portfolio Manager
Laura Elkin
Assistant Portfolio Manager
Henry Butt

Investment Objective & 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): £171.05m

Property Valuation: £215.68m

Number of properties held: 34

Average lot size: £6.34m

Property portfolio net initial yield (p.a.): 7.28%

Property portfolio reversionary yield (p.a.): 8.87%

Loan to GAV: 25.33%

Cost of Debt: 2.96% fixed

Average weighted unexpired lease term
To break: 3.79 years **To expiry:** 5.69 years

Occupancy: 93.57%* * As a % of ERV

Number of tenants: 130

Share price as at 30 Jun: 104.40p
NAV per share: 107.80p
Premium (discount) to NAV: (3.15)%

Shares in issue: 158.67m

Market capitalisation: 165.66m

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 2026. 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 2027.

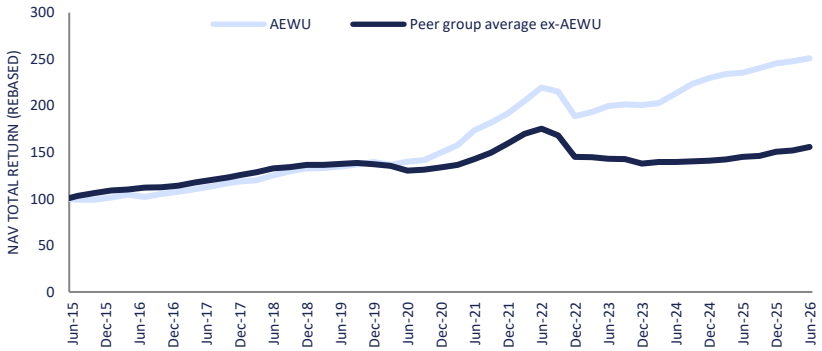
ISIN: GB00BWD24154

Broker: Panmure Liberum

Ticker: AEWU **SEDOL:** BWD2415

HISTORIC PERFORMANCE

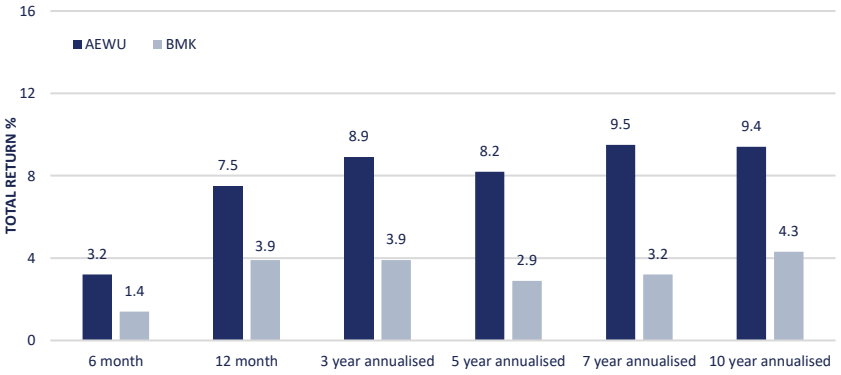
AEWU vs Peer Group NAV Total Return Performance



Source: Panmure Liberum, August 2026

Property Total Return Vs. MSCI Benchmark

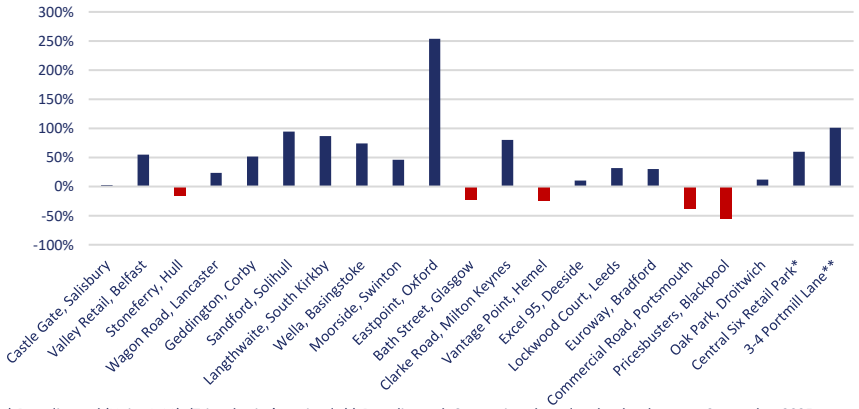
5-year annualised property total return outperformance of 5.3% above the MSCI benchmark



Source: MSCI 30 June 2026. Benchmark refers to MSCI/AREF UK PFI Balanced Funds Quarterly Index.

Sales to Purchase Price Premium %

41% average sales to purchase price premium



* Part disposal (Units 1-11). 'Triangle site' retained. ** Part disposal. Comparison based on book value as at September 2025.

KEY CONTACT

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INVESTMENT UPDATE

There were no acquisitions or disposals during the quarter.

ASSET MANAGEMENT

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

40 Queen Square, Bristol (office) – The Company entered into a 10 year management agreement with Development UK 04 Ltd (IWG), operating under its Signature brand, for all the vacant office space in the property. This space represents 32% of the total floor area, amounting to 11,681 sq. ft.

The management agreement, which exchanged on 1 May 2025, was conditional on the Company completing a Cat A+ refurbishment and Cat B fit out to IWG's specification. Additional capex was also required for M&E modifications to the already refurbished first and third floors to accommodate a cellular serviced office layout. The total cost of the refurbishment project was circa £1.3 million.

IWG's management fees are set as a percentage of gross revenue. With a projected stabilised occupancy rate of 80% by year three, the Company anticipates annual revenue notably greater than the ERV of £418,500 per annum (£35 per sq. ft.).

The Company also completed a five-year lease renewal with Beale & Company Solicitors LLP, who were previously paying a rent of £123,000 per annum (£31.92 per sq. ft.). The new lease, which commenced on 13 July 2026, is at a rent of £144,490 per annum (£37.50 per sq. ft.) and includes a tenant-only break option at the third anniversary. In return for committing to the new lease, the tenant has received a three-month rent-free incentive, with a further two months' rent-free conditional on the break option not being exercised.



Walkers Lane, St Helens (industrial) – The Company completed a 10-year lease renewal with Kverneland Group UK Limited, whose previous lease expired on 30 September 2025 paying a rent of £389,000 per annum. The new lease is at a rent of £575,000 per annum (£6.15 per sq. ft.), reflecting an uplift of approximately 48%, and includes a tenant-only break option at the fifth anniversary. In return for committing to the new lease, the tenant has received a six-month rent-free incentive, which is subject to a six-month rent penalty if the break option is exercised at the end of the fifth year. The valuation was subsequently up by 11.05% for the quarter.

The Kverneland Group was founded in 1879 and is a leading international company developing, producing and distributing agricultural machinery and services. Walkers Lane represents the Group's only UK warehouse and is used for the storage and distribution of agricultural machinery and spare parts.



entered into a straight 10-year lease at a rent of £116,250 per annum (£9.50 per sq. ft.), compared with an ERV of £107,000 per annum (£8.75 per sq. ft.). This represents a significant increase on the previous rent of £81,646 per annum (£6.67 per sq. ft.), reflecting an uplift of approximately 42%, following refurbishment of the unit at a cost of £425,000 (£34.75 per sq. ft.). In return for committing to the new lease, the tenant benefits from a six-month rent-free period and has provided a rent deposit equivalent to four months' rent.

The Company also completed a new letting of Unit 1003, comprising 13,097 sq. ft., to New Performance Health Limited. The tenant has entered into a 10-year lease, with a tenant-only break option at the fifth anniversary, at a rent of £125,000 per annum (£9.55 per sq. ft.), compared with an ERV of £114,500 per annum (£8.75 per sq. ft.). This represents a significant increase on the previous rent of £88,029 per annum (£6.72 per sq. ft.), reflecting an uplift of approximately 42% following refurbishment of the unit at a cost of £393,000 (£30 per sq. ft.). In return for committing to the new lease, the tenant benefits from a six-month rent-free period and has provided a rent deposit equivalent to three months' rent and a parent company guarantee.

Diamond Business Park, Wakefield – The Company completed a three-year lease renewal with Compac UK Ltd from 16 July 2026 at a rent of £69,035 per annum subject to a tenant-only break options after 12 months. The rent of £5.00 per sq. ft. exceeds valuers' ERV by 25%.



Tanner Row, York (other) – Further to the announcement made on 17 March regarding NCP, which occupies the multi storey car park at Tanner Row and currently pays 78% of the annual rent received from this multi-let property, the Company confirms that the administrator (PwC) continues to pay rent monthly in arrears and has confirmed that it has no intention of vacating the site or seeking to alter the terms of the existing lease.

