Managing our diversified portfolio

Interim Report 2025

Custodian
PROPERTY INCOME REIT

Inside this report

Welcome to our Interim Report 2025

Custodian Property Income REIT plc ("Custodian Property Income REIT" or "the Company") is a UK real estate investment trust ("REIT") which seeks to deliver an enhanced income return by investing in a diversified portfolio of smaller, regional properties with strong income characteristics let to predominantly institutional grade tenants across the UK.

For more information, visit: **custodianreit.com**

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Annual Report 2025
custodianreit.com

Asset Management and Sustainability Report 2025
custodianreit.com

> The REIT of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate

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Property highlights

Continued capital investment and accretive disposals

Portfolio value[1]

£625.0m

31 March 2025: £594.4m,
30 September 2024: £582.4m

Capital investment

£6.2m

Primarily comprising:
- £3.6m refurbishing industrial assets in Plymouth and Biggleswade
- £0.7m combining two units to facilitate a letting at a retail warehouse in Southport

Disposal proceeds

£8.9m

At an aggregate 12% premium to pre-offer valuation[4] comprising:
- Two office buildings in Cheadle for an aggregate £6.9m
- A retail unit in Guildford for £1.6m
- A retail unit in Leicestershire for £0.4m

Valuation increases[2]

£15.4m

- £13.8m investment property, representing a 1.9% like-for-like increase, explained further in the Investment Manager's report
- £1.6m solar panels[3] , representing a 124% uplift on the cost of five of the Company's operational arrays

Occupancy

92.2%

Increased 1.2% since 31 March 2025 through letting eight vacant units across seven assets in the retail warehouse, industrial and office sectors

Disposal proceeds since the Period[5] end

£2.4m

Six assets in Leicestershire, acquired as part of the Merlin Portfolio

Shrewsbury

1. Including assets classified as held for sale.
2. Comprising unrealised gains on investment property and solar panels.
3. Classified as property, plant and equipment.
4. Latest external valuation prior to the disposal offer beingreflected in subsequent valuations.
5. The six months ended 30 September 2025.

Financial highlights and performance summary

Earnings growth supporting higher dividend

	6 months ended 30 Sept 2025	6 months ended 30 Sept 2024	12 months ended 31 Mar 2025	Comments
Returns				
EPRA[6] earnings per share[7]	**3.1p**	3.0p	6.1p	The impact of an improvement in occupancy and increase in income from solar panels have exceeded cost inflation
Basic and diluted earnings per share[8]	**6.1p**	3.4p	8.7p	Current period profit reflects improving valuations
Profit before tax (£m)	**27.6**	14.9	38.2	
Dividends per share[9]	**3.0p**	3.0p	6.0p	Target dividend per share for the year ended 31 March 2026 of not less than 6.0p, in line with the Company's policy of paying fully covered dividends
Dividend cover[10]	**101%**	100%	101%	
NAV per share[11] total return	**6.0%**	3.6%	9.5%	3.1% dividends paid and a 2.9% capital increase
Share price total return[12]	**10.2%**	8.8%	1.2%	Share price increased from 76.2p to 81.0p during the Period
Capital values				
NAV and EPRA NTA[13] (£m)	**456.3**	412.7	423.5	NAV increased during the Period due to £15.4m of valuation increases and the all-share acquisition of Merlin Properties Limited
NAV per share and NTA per share	**98.9p**	93.6p	96.1p	
Borrowings				
Net gearing[14]	**26.3%**	28.5%	27.9%	Decreased due to disposal proceeds exceeding capital expenditure and valuations increasing during the Period and acquiring the ungeared Merlin Portfolio in an all-share transaction
Weighted average cost of drawn debt facilities	**4.0%**	4.0%	3.9%	Majority fixed rate debt insulating the Company from high base rate
Costs				
Ongoing charges ratio ("OCR") excluding direct property expenses[15]	**1.34%**	1.28%	1.30%	Fixed cost inflation exceeding rate of valuation increases
Environmental				
Weighted average energy performance certificate ("EPC") rating[16]	**B (49)**	C(52)	C(51)	EPCs updated across 12 properties demonstrating continuing improvements in the environmental performance of the portfolio

The Company presents alternative performance measures ("APMs") to assist stakeholders in assessing performance alongside the Company's results on a statutory basis.

APMs are among the key performance indicators used by the Board to assess the Company's performance and are used by research analysts covering the Company. The Company uses APMs based upon the EPRA Best Practice Recommendations Reporting Framework which is widely recognised and used by public real estate companies. Certain other APMs may not be directly comparable with other companies' adjusted measures, and APMs are not intended to be a substitute for, or superior to, any IFRS measures of performance. Supporting calculations for APMs and reconciliations between APMs and their IFRS equivalents are set out in Note 19.

6. The European Public Real Estate Association ("EPRA").
7. Profit after tax, excluding net gains or losses on investment property and depreciation, divided by weighted average number of shares in issue (excluding treasury shares).
8. Profit after tax divided by weighted average number of shares in issue (excluding treasury shares).
9. Dividends paid and approved for the Period.
10. Profit after tax, excluding net gains or losses on investment property and depreciation, divided by dividends paid and approved for the Period.
11. Net Asset Value ("NAV") movement including dividends paid during the Period on shares in issue at 31 March 2025.
12. Share price movement including dividends paid during the Period.
13. EPRA net tangible assets ("NTA") does not differ from the Company's IFRS NAV or EPRA NAV.
14. Gross borrowings less cash (excluding restricted cash) divided by property portfolio value and solar panel value.
15. Expenses (excluding depreciation, cost of sold houses and operating expenses of rental property) divided by average quarterly NAV.
16. Weighted by floor area. For properties in Scotland, English equivalent EPC ratings have been obtained.

Business model and strategy

Purpose

Custodian Property Income REIT offers investors access to a diversified portfolio of UK commercial real estate through a closed-ended fund. The Company seeks to provide investors with an attractive level of income and the potential for capital growth from a portfolio with strong environmental credentials, becoming the REIT of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate.

Stakeholder interests

The Board recognises the importance of stakeholder interests and keeps these at the forefront of business and strategic decisions, ensuring the Company:

- Understands and meets the needs of its occupiers, owning fit for purpose properties with strong environmental credentials in the right locations which comply with regulations;
- Protects and improves its stable cash flows with long-term planning and decision making, implementing its policy of paying maintainable dividends fully covered by recurring earnings and securing the Company's future; and
- Adopts a responsible approach to communities and the environment, actively seeking ways to minimise the Company's impact on climate change and providing the real estate fabric of the economy, giving employers a place of business.

Irlam

Investment Policy summary

The Company's investment policy[17] is summarised below:

- To invest in a diverse portfolio of UK commercial real estate, principally characterised by smaller, regional, core/core-plus[18] properties that provide enhanced income;
- The property portfolio should be diversified by sector, location, tenant and lease term, with a maximum weighting to any one property sector or geographic region of 50%;
- To acquire modern buildings or those considered fit for purpose by occupiers, focusing on areas with:
  - High residual values;
  - Strong local economies; and
  - An imbalance between supply and demand.
- No one tenant or property should account for more than:
  - 5% of the rent roll for Governmental bodies or departments and single tenants with an 'above average risk' credit rating[19] risk; and
  - 10% of the rent roll at the time of purchase for other tenants or properties.
- Not to undertake speculative development, except for the refurbishment or redevelopment of existing holdings;
- To seek further growth, which may involve strategic property portfolio acquisitions and corporate consolidation; and
- The Company may use gearing provided that the maximum loan-to-value ("LTV") shall not exceed 35%, with a medium-term net gearing target of 25% LTV.

The Board reviews the Company's investment objectives at least annually to ensure they remain appropriate to the market in which the Company operates and in the best interests of shareholders.

17. A full version of the Company's Investment Policy is available at **www.custodianreit.com/wp-content/uploads/2024/01/CREI-Investment-Policy-amended-16-January-2024.pdf.**
18. 'Core' real estate is generally understood to offer the lowest risk and target returns, requiring little asset management and fully let on long leases. Core-plus real estate is generally understood to offer low-to-moderate risk and target returns, typically high-quality and well-occupied properties but also providing asset management opportunities.
19. Rated by Dun & Bradstreet as having a credit risk score worse than two.

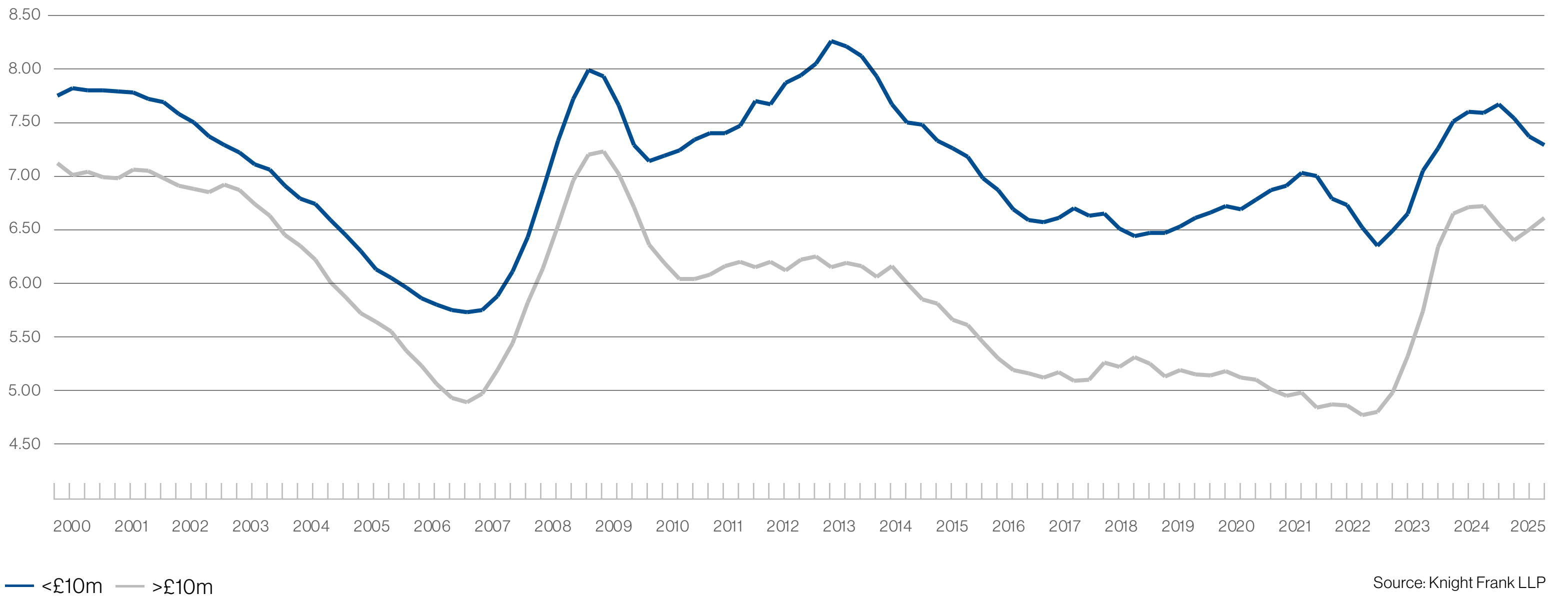
Business model and strategy continued

Differentiated property strategy

The Company's portfolio is focused on smaller, regional, core/core-plus assets which helps achieve our target of high and stable dividends from well-diversified real estate by offering:

- An enhanced yield on acquisition – with no need to sacrifice quality of property, location, tenant or environmental performance for income and with a greater share of value in 'bricks and mortar' rather than the lease;
- Greater diversification – spreading risk across more assets, locations and tenants and offering more stable cash flows; and
- A higher income component of total return – driving out-performance with forecastable and predictable returns.

1 year rolling average net initial yield %



Source: Knight Frank LLP

Merlin - Workshop

Sector	Weighting by income 30 September 2025
Industrial	43%
Retail warehouse	22%
Office	14%
Other	14%
High street retail	7%

Location	Weighting by income 30 September 2025
West Midlands	19%
North-West	17%
East Midlands	16%
Scotland	14%
South-East	10%
South-West	10%
North-East	9%
Eastern	4%
Wales	1%

Business model and strategy continued

Our environmental, social and governance ("ESG") objectives

- **Improving the energy performance of our buildings -** investing in carbon-reducing technology, infrastructure and on-site renewables and ensuring redevelopments are completed to high environmental standards which are essential to the future leasing prospects and valuation of each property
- **Reducing energy usage and emissions -** liaising closely with our tenants to gather and analyse data on the environmental performance of our properties to identify areas for improvement
- **Achieving positive social outcomes and supporting local communities -** engaging constructively with tenants and local government to ensure we support the wider community through local economic and environmental plans and strategies and playing our part in providing the real estate fabric of the economy, giving employers safe places of business that promote tenant well-being
- **Understanding environmental risks and opportunities -** allowing the Board to maintain appropriate governance structures to ensure the Investment Manager is appropriately mitigating risks and maximising opportunities
- **Complying with all requirements and reporting in line with best practice where appropriate** - exposing the Company to public scrutiny and communicating our targets, activities and initiatives to stakeholders
- **Governance -** maintaining high standards of corporate governance and disclosure to ensure the effective operation of the Company and instil confidence amongst our stakeholders. We aim to continue to focus on our levels of governance and disclosure to maintain industry best practice

Eurocentral

> Our smaller-lot specialism has consistently delivered significantly higher yields without exposing shareholders to additional risk. We believe the recent narrowing of the margin between lot sizes is in large part due to a smaller sample set of transactions, as investment volumes are down, disproportionately impacted by a number of large, higher yielding office and shopping centre assets. We will watch the data with interest but expect a wider margin to be maintained in normalised markets

Richard Shepherd-Cross,
Investment Manager

Investment Manager

Custodian Capital Limited ("the Investment Manager") is appointed under an investment management agreement ("IMA") to provide property management and administrative services to the Company. Richard Shepherd-Cross is Managing Director of the Investment Manager. Richard has 30 years' experience in commercial property, qualifying as a Chartered Surveyor in 1996 and until 2008 worked for JLL, latterly running its national portfolio investment team.

Richard established Custodian Capital Limited as the Property Fund Management subsidiary of Mattioli Woods Limited ("Mattioli Woods") and in 2014 was instrumental in the launch of Custodian Property Income REIT from Mattioli Woods' syndicated property portfolio and its 1,200 investors. Following the successful IPO of the Company, Richard has overseen the growth of the Company to its current property portfolio of c. £600m.

Richard is supported by the Investment Manager's other key personnel: Ed Moore - Finance Director and Alex Nix - Assistant Investment Manager, along with a team of seven other surveyors and five accountants.

Read more in our Investment Manager's report →

Chairman's statement

A period of stable returns and valuation increases

David MacLellan
Chairman

Custodian Property Income REIT's strategy is to invest in a diversified, regional portfolio which, at 30 September 2025, comprised 175 properties geographically spread throughout the UK and across a diverse range of sectors, with a portfolio yielding 6.7%[20] (31 March 2025: 6.6%). With an average property value of c.£4m and no one tenant per property accounting for more than 1.8% of the Company's rent roll, property specific risk and tenant default risk are significantly mitigated.

This diversified strategy and strong focus on income has served to deliver continued and relatively stable returns and puts the Company in a strong position against a background of improving sentiment towards commercial property investment. For the six months to 30 September 2025 share price total return was 10.2%, supported by NAV per share total return of 6.0% with a fully covered dividend providing a significant and defensive component of total returns.

The Company's weighted average cost of debt has remained at c. 4% and earnings have been resilient with EPRA EPS of 3.1p (2024: 3.0p) for the Period, buoyed by rental growth and the letting of vacant space, increasing occupancy since 31 March 2025 from 91.1% to 92.2%. The rent roll has grown from £43.9m at 31 March 2025 to £45.9m and the estimated rental value ("ERV") of the portfolio has increased by £1.7m to £51.9m during the Period, providing a reversionary potential[21] of 13%.

Dividends

In line with the Company's objective to be the REIT of choice for institutional and private investors seeking high and stable dividends from well diversified UK commercial real estate, we were pleased to announce dividends per share of 3.0p (2024: 3.0p) relating to the six months to 30 September 2025. The Board expects to continue to pay quarterly dividends per share of 1.5p to achieve a fully covered target dividend per share for the year ending 31 March 2026 of no less than 6.0p.

The Board acknowledges the importance of income for shareholders and its objective remains to grow the dividend at a rate which is fully covered by net rental income and does not inhibit the flexibility of the Company's investment strategy.

> There is a positive outlook for real estate with rental growth across all sectors

York

Portfolio

During the Period and since the Period end the Company has generated sale proceeds of £11.3m which have been recycled into investments in accretive asset improvements whilst paying down variable rate debt to support net earnings. The Company's property investment strategy, which targets smaller regional properties, often provides strategic options to re-lease or to sell at lease expiry. This optionality exists because there is an active owner-occupier market for smaller regional properties, which is much less the case for larger assets.

Borrowings

The Company's net gearing decreased from 27.9% LTV at 31 March 2025 to 26.3% during the Period.

The proportion of the Company's drawn debt facilities with a fixed rate of interest decreased to 69% at 30 September 2025 (31 March 2025: 80%) due to a £20m fixed rate loan expiring in August 2025 and being repaid using the revolving credit facility ("RCF"). However, the Company's majority fixed rate debt still significantly mitigates interest rate risk for the Company and maintains a beneficial margin between the weighted average cost of debt of 4.0% (31 March 2025: 3.9%) and income returns from the property portfolio. The Company's debt is summarised in Note 14.

20. EPRA topped-up net initial yield.
21. Expected future increase in rents once reset to market rate.

Chairman's statement continued

Board

As previously reported, Nathan Imlach will retire from the Board on 31 December 2025. On behalf of the Board I would like to thank Nathan for his contribution and wish him well in the future. Following Nathan's retirement, the Board will be fully independent and will meet the FCA's target for 40% female Board representation.

Share buyback programme

During the Period the Company implemented a share buyback programme with a maximum aggregate consideration of £5.0m ("the Buyback Programme"). During the higher interest rate environment since 1 April 2023 the Company has prioritised re-investment of proceeds from selective disposals in funding capital expenditure ("capex") to improve the quality and environmental credentials of the portfolio and to pay down variable rate debt, aligning with the Company's strategy of providing shareholders with strong income returns. The Board believes the current share price materially undervalues the Company and its portfolio, including the security and quality of income offered through the fully covered dividend. Under the Buyback Programme shares will only be purchased if the Directors believed it would result in an increase in earnings per share or an increased NAV per share (or both) for remaining shareholders. At the current share price and given the latest expectations for future interest rates, the Directors believe the Buyback Programme is an attractive use of property disposal proceeds that will create value for shareholders.

Net asset value

The NAV of the Company at 30 September 2025 was £456.3m, approximately 98.9p per share:

	Pence per share	£m
NAV at 31 March 2025	96.1	**423.5**
Share repurchases	0.1	**(1.7)**
Acquisition of Merlin Properties Limited	(0.1)	**21.2**
Acquisition costs	(0.2)	**(1.0)**
Valuation increases[22] and depreciation	2.8	**13.1**
Profit on disposal	0.2	**0.8**
Net gains on investment property	3.0	**13.9**
Net earnings	3.0	**14.0**
Quarterly dividends paid during the Period	(3.0)	**(13.6)**
NAV at 30 September 2025	98.9	**456.3**

Merlin - Corby

> As interest rates fall and investors reconnect with real estate for its attractive income credentials, the Company's share price is well-placed to re-rate and trend back towards NAV

To date the Company has purchased 5,495,732 (30 September 2025: 2,210,000) shares under the Buyback Programme, which are held in treasury. Aggregate consideration for these buybacks was £4.3m (30 September 2025: £1.7m) at a weighted average cost per share of 79.0p (30 September 2025: 78.4p), representing an average 17.7% (30 September 2025: 18.5%) discount to prevailing dividend adjusted NAV per share.

Acquisitions

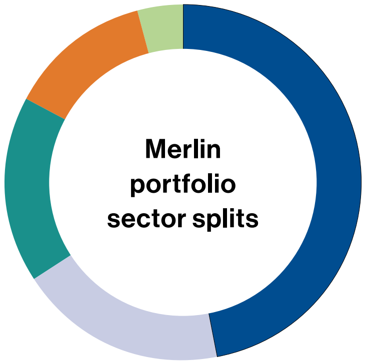
On 30 May 2025 the Company acquired 100% of the ordinary share capital of Merlin Properties Limited ("Merlin") for initial consideration of 22.9m new ordinary shares in the Company ("the Transaction"). A final tranche of consideration, comprising 1.2m shares, was issued on 23 October 2025. The aggregate consideration was calculated on an 'adjusted NAV-for-NAV basis', with each company's NAV being adjusted for respective acquisition costs and Merlin's investment property portfolio valuation adjusted to the agreed purchase price of £19.4m.

The Transaction provides the Company with a portfolio that is both a strong fit with our income-focused strategy and highly complementary to our existing property portfolio, augmenting our regional, industrial bias and adding further diversification by tenant. We have also successfully disposed of seven non-core properties from the Merlin portfolio since acquisition at an aggregate premium to allocated purchase cost, supporting the overall acquisition value.

22. Excluding the impact of the Merlin acquisition share price discount unwind.

Chairman's statement continued

Acquisitions continued



Industrial: 47%
High street retail: 13%
Retail warehouse: 19%
Other: 4%
Office: 17%

Custodian Property Income REIT remains committed to growth and over the first 11 years of trading the Company has grown, largely organically, but also via corporate acquisitions, with an over six-fold increase in the size of the portfolio from £90m of property assets at IPO to £625m at 30 September 2025. This growth has improved shareholder liquidity and increased diversification, mitigating property specific and tenant risk while stabilising earnings.

Following the Merlin acquisition, the Board of Custodian Property Income REIT and the Investment Manager are actively exploring further opportunities to purchase complementary portfolios via mergers or corporate acquisitions.

Merlin - Long Eaton

ESG

The Company has made further pleasing progress implementing its environmental policy during the Period, improving its floor area weighted average EPC score from C (51) to B (49) due primarily to completing refurbishments at two large industrial units. The Board was pleased to publish its Asset Management and Sustainability report in June which is available at:

custodianreit.com/environmental-social-and-governance-esg

This report contains details of the Company's asset management initiatives with a clear focus on their impact on ESG, including case studies of recent positive steps taken to improve the environmental performance of the portfolio.

Outlook

Sentiment towards real estate investment has been dominated by economic and political uncertainty, most particularly in the run up to the Budget on 26 November 2025. No Budget measures are expected to have a direct, negative impact on commercial real estate investment and, as summarised by Knight Frank, a relatively 'bond-friendly' budget has resulted in gilt yields edging down leaving the door firmly open for future base rate cuts. This further supports the existing positive outlook for real estate, with rental growth across all sectors, albeit not all properties. Valuations have been increasing, largely in line with rental growth, and vacancy rates have fallen during the Period. We have seen continued buying of our shares through the retail investor platforms which have committed a further £8m during the Period and a total of £39m over the last two years.

Custodian Property Income REIT continues to provide shareholders with an income focused investment opportunity, with earnings supporting a fully covered dividend. We believe the twin drivers of interest rate cuts and continued rental growth will attract capital back to listed real estate and lead to a sustained share price recovery. In the meantime, we are making best use of our ability to buy-back shares, to support earnings per share, at prices that we believe undervalue the Company. We continue to look for opportunities to grow through corporate acquisitions while at the same time expect to progress selective and profitable disposals to further manage our revolving debt and support asset enhancing capex.

David MacLellan
Chairman

4 December 2025

Investment Manager's report

Positive occupier demand and stabilisation of values

Richard Shepherd-Cross
Investment Manager

The direct property market is continuing its recovery in the UK, with valuations improving quarter-on-quarter, driven by rental growth across all sectors.

Property market

The strong performance of the underlying assets should be expected to steadily flow through to listed property companies' share prices, but a further shift in market sentiment is required along with a willingness to consider the longer-term opportunity that exists in real estate.

At a property level, Custodian Property Income REIT is delivering on all fronts to provide shareholders with strong income returns by capturing portfolio reversion and driving sustainable earnings growth. During the Period, our targeted asset management programme grew the rent roll from £43.9m to £45.9m, primarily driven by lease renewals picking up ongoing rental growth, as well as the new lettings of vacant units and positive rent review results. In line with the growth of the rent roll and estimated rental value of the portfolio, we have witnessed continued valuation growth for the fifth consecutive quarter, with NAV per share increasing by 2.9% since 31 March 2025.

The portfolio has continued to deliver a fully covered dividend of 6.0p per share, with future rental growth potential of 13% embedded, and offering a road map to further earnings growth. Simultaneously, undertaking profitable sales ahead of pre-offer valuations has helped to fund various refurbishment initiatives within the existing portfolio, as well as proving valuations. Our ongoing share buyback programme has executed the timely acquisition of shares at a discount to NAV.

> "Strong income returns with future rental growth potential of 13% embedded

Manchester

Strong recent leasing activity demonstrates the resilience of Custodian Property Income REIT's well-diversified investment portfolio. 15 lease renewals/regears with £2.0m of annual rent have been signed during the Period. £2.1m of new rent has been added to the rent roll from:

- Completing four rent reviews on assets in the retail warehouse, industrial and retail sectors at an aggregate 8% above previous passing rent and in line with ERV, adding £0.5m of new rent; and
- Letting eight vacant units across seven assets in the retail warehouse, industrial and office sectors, in aggregate, 4% ahead of ERV.

EPRA occupancy[23] has improved to 92.2% (31 March 2025: 91.1%) due to the new lettings above and the sale of vacant, or part vacant, units in Cheadle and Guildford.

23. ERV of let property divided by total portfolio ERV.

Investment Manager's report continued

Property portfolio performance

Property portfolio summary

	30 Sept 2025	30 Sept 2024	31 March 2025
Property portfolio value	**£625.0m**	£582.4m	£594.4m
Separate tenancies	**430**	338	349
EPRA vacancy rate	**92.2%**	93.5%	91.1%
Assets	**175**	152	151
Weighted average unexpired lease term to first break of expiry	**5.0 yrs**	4.9 yrs	5.0 yrs
EPRA topped-up net initial yield ("NIY")	**6.7%**	6.9%	6.6%
Weighted average EPC rating	**B (49)**	C (52)	C (51)

The property portfolio is split between the main commercial property sectors in line with the Company's objective to maintain a suitably balanced investment portfolio. The Company has a relatively low and highly targeted exposure to office and high street retail combined with a relatively high exposure to industrial and to alternative sectors, often referred to as 'other' in property market analysis.

Ashby-de-la-Zouch

The current sector weightings are:

Sector	Valuation 30 Sept 2025 £m	Weighting by income[24] 30 Sept 2025	Valuation 31 March 2025 £m	Valuation movement £m	Weighting by value 30 Sept 2025	Weighting by value 31 March 2025
Industrial	319.2	43%	298.3	8.9	51%	50%
Retail warehouse	135.8	22%	127.3	2.8	21%	21%
Other	82.4	14%	78.2	2.0	13%	13%
Office	54.3	14%	57.7	(0.2)	9%	10%
High street retail	33.3	7%	32.9	0.3	6%	6%
Total	625.0	100%	594.4	13.8	100%	100%

For details of all properties in the portfolio please see **custodianreit.com/property/portfolio.**

Acquisitions

We completed the £22.1m acquisition of the Merlin portfolio on 30 May 2025. Since then, the Merlin properties have integrated well into the Company's portfolio, with Merlin occupancy remaining strong at almost 100% and a number of opportunities identified to drive value from increased rental income from upcoming lease events.

A key element of our growth strategy is to seek select opportunities to scale the business and enhance earnings through corporate and/or portfolio acquisitions. The strategic all-share acquisition of the Merlin portfolio provides a strong blueprint of how we can achieve that aim, despite a challenging capital markets backdrop. Looking ahead, we hope to position the Company for further growth by targeting similar opportunities for increased scale, which offer a more liquid investment and attractive income returns, while providing tax efficient solutions for family property companies in the UK.

24. Current passing rent plus ERV of vacant properties.

Investment Manager's report continued

Disposals

Owning the right properties at the right time is a key element of effective property portfolio management, which necessarily involves periodically selling properties to balance the property portfolio. Custodian Property Income REIT is not a trading company but identifying opportunities to dispose of assets ahead of valuation to crystallise profit or that no longer fit within the Company's investment strategy is important.

During the Period the Company sold the following assets for an aggregate £8.9m, 12% ahead of the pre-offer valuation:

- 5500 Lakeside, Cheadle, which was 66% let, for £4.0m;
- Wienerberger House, Cheadle, which was fully let, for £2.9m;
- A vacant retail unit in Guildford for £1.6m; and
- A retail unit in Leicestershire for £0.4m.

Since the Period end six further Leicestershire assets, acquired as part of the Merlin Portfolio, were sold for an aggregate £2.4m.

ESG

The sustainability credentials of both the building and the location have become ever more important for occupiers and investors. As Investment Manager we are absolutely committed to achieving the Company's ambitious goals in relation to ESG and believe the real estate sector should be a leader in this field.

The weighted average EPC across the portfolio achieved a weighted average B rating (equivalent to a score of between 25 and 50) during the Period. With energy efficiency a core tenet of the Company's asset management strategy and with tenant requirements aligning with our energy efficiency goals we see this as an opportunity to secure greater tenant engagement and higher rents.

During the Period the Company has updated EPCs at 23 units across 12 properties where existing EPCs had expired or where works had been completed, improving the weighted average EPC rating from C (51) at 31 March 2025 to B (49).

The table shows that the weighted average 'C' or better ratings has increased from 82% to 85% during the Period.

At 31 March 2025 the Company had eight 'F' rated units in two properties (Aberdeen and Arthur House, Manchester), both of which have undergone refurbishment which has improved individual unit ratings to A/B as well as significantly increasing rents.

Of the Company's 'E' rated assets, one is earmarked for disposal and three are within the Merlin portfolio, with improvements expected to be implemented as part of the portfolio integration plans.

The Company's EPC profile is illustrated below:

	Number of EPCs		Weighted average EPC rating[25]	
EPC rating	**30 Sept 2025**	31 March 2025	**30 Sept 2025**	31 March 2025
A	**30**	21	**8%**	6%
B	**164**	143	**42%**	41%
C	**136**	121	**35%**	35%
D	**52**	39	**13%**	11%
E	**6**	17	**2%**	5%
F	**-**	8	**-**	2%
G	**-**	-	**-**	-
	388	349	**100%**	100%

Outlook

The asset management of our carefully curated portfolio of regional property continues to deliver rental growth, income security and refurbished buildings with improved environmental credentials. Current refurbishment and capex plans should see all properties achieve an EPC rating of A-D over the next 12 months, thus making good progress towards our stated environmental targets. The current floor area weighted average EPC for the whole portfolio is B (49). Importantly, this work is also enhancing rents and capital values while keeping properties fit for purpose and in line with tenant demand.

In the inflationary environment that is likely to persist, real assets that can be enhanced to deliver rental and capital growth will protect the real value of both shareholders' investment and income. At the same time, we will continue to look for opportunities to grow through corporate acquisitions similar to the Merlin transaction we announced at the start of the Period.

Valuations have improved quarter on quarter for Custodian Property Income REIT since September 2024, driven by consistent rental growth. With rental growth potential in all sectors, the diversified nature of our portfolio is well positioned to benefit from the upside of both the real estate recovery and the improving market sentiment towards listed markets.

Richard Shepherd-Cross
Managing Director
for and on behalf of Custodian Capital Limited
Investment Manager

4 December 2025

25. Weighted by floor area.

Financial review

Ed Moore
Finance Director

A summary of the Company's financial performance for the Period is shown below:

Financial summary	**Period ended 30 Sept 2025 £000**	Period ended 30 Sept 2024 £000	Year ended 31 Mar 2025 £000
Rental revenue	**21,741**	20,731	42,828
Other income	**420**	242	476
Expenses, dilapidations and net tenant recharges	**(4,620)**	(4,087)	(9,159)
Net finance costs	**(3,478)**	(3,683)	(7,359)
EPRA profits	**14,063**	13,203	26,786
Net gain on investment property and depreciation	**13,573**	1,700	11,369
Profit before tax	**27,636**	14,903	38,155
EPRA EPS (p)	**3.1**	3.0	6.1
Dividend cover	**101%**	100%	101%
OCR excluding direct property costs	**1.34%**	1.28%	1.30%

During the Period the Company's rent roll increased by 4.6% from £43.9m at 31 March 2025 to £45.9m at 30 September 2025 primarily due to the Merlin acquisition. Rental revenue was 4.9% higher than the period ended 30 September 2024 as the impact of ongoing rental growth and acquisitions exceeded a 1.3% decrease in occupancy and the impact of property disposals.

Other income, which primarily comprises income from solar panels, also known as photovoltaics ("PV"), has increased by 74% compared to the period ended 30 September 2024, driven by the £1.4m invested in PV installations over the last 18 months.

In August 2025, the Company used its variable-rate RCF, with a prevailing interest rate of c.5.8%, to repay a £20m loan on expiry which had a 3.9% fixed-rate of interest. However, the Company's weighted average cost of debt only increased by 0.1% during the Period to 4.0% due to SONIA decreasing by 0.25% on both 8 May and 7 August 2025, and this expired loan only represented 11% of total drawn debt at 31 March 2025.

Overall, rental growth and an increase in PV income increased EPRA earnings per share to 3.1p (2024: 3.0p) to continue to fully cover this year's dividend. This increase in recurring earnings demonstrates the robust nature of the Company's diverse property portfolio despite economic headwinds.

"This increase in recurring earnings demonstrates the robust nature of the Company's diverse property portfolio

Sheffield

Financial review continued

Debt financing

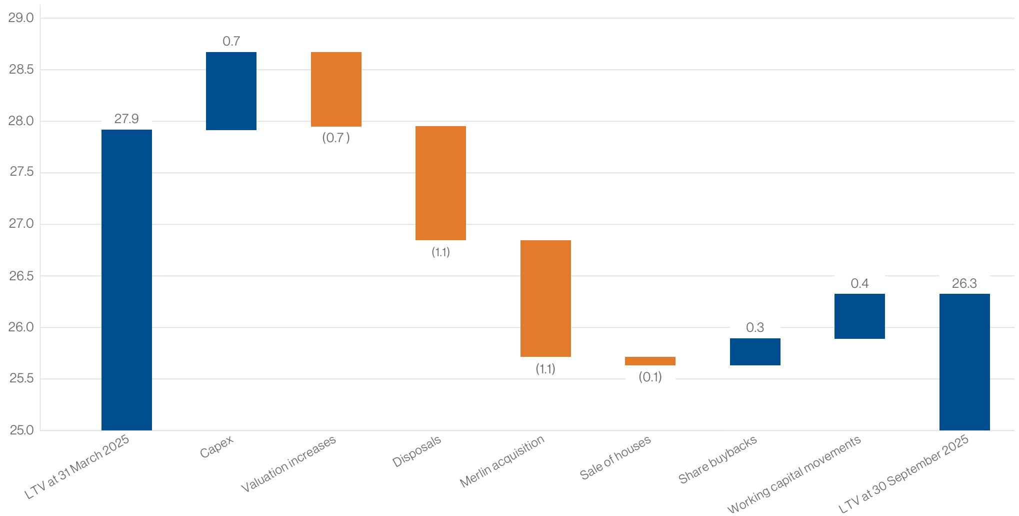
The Company's debt profile at 30 September 2025 is summarised below:

	30 Sept 2025	30 Sept 2024	31 Mar 2025
Gross debt	**£173.5m**	£174.0m	£175.0m
Net gearing	**26.3%**	28.5%	27.9%
Weighted average cost	**4.0%**	4.0%	3.9%
Weighted average maturity	**4.3 years**	4.8 years	4.5 years
Percentage of facilities at a fixed rate of interest	**69%**	80%	80%

Of the Company's £173.5m of drawn debt facilities 69% are at fixed rates of interest. The Company's weighted average term and cost of drawn debt at 30 September 2025 were 4.3 years and 4.0% respectively (fixed rate only: 5.3 years and 3.3%). This high proportion of fixed rate debt significantly mitigates medium-term interest rate risk for the Company and provides shareholders with a beneficial margin between the fixed cost of debt and income returns from the property portfolio.

The Company operates with a conservative level of net gearing, with target borrowings over the medium-term of 25% of the aggregate market value of all properties at the time of drawdown. The Company's net gearing decreased from 27.9% LTV at 31 March 2025 to 26.3% during the Period primarily due to disposals and acquiring the ungeared Merlin Portfolio for all-share consideration.

LTV (%)



At the Period end the Company had the following facilities available:

- A £60m RCF with Lloyds Bank plc ("Lloyds") with interest of between 1.62% and 1.92% above SONIA, determined by reference to the prevailing LTV ratio of a discrete security pool of assets, and expiring on 10 November 2027. The facility was £52m drawn at the Period-end. Options remain in place to extend the term by a further year to 2028, and to increase the facility limit to £75m, both subject to Lloyds' consent.
- A £45m term loan facility with Scottish Widows ("SWIP") repayable in June 2028, with fixed annual interest of 2.987%; and
- A £75m term loan facility with Aviva Real Estate Investors ("Aviva") comprising:
  - A £35m tranche repayable on 6 April 2032, with fixed annual interest of 3.02%;
  - A £15m tranche repayable on 3 November 2032 with fixed annual interest of 3.26%; and
  - A £25m tranche repayable on 3 November 2032 with fixed annual interest of 4.10%.

  Each facility has a discrete security pool, comprising a number of the Company's individual properties, over which the relevant lender has security and covenants:

- The maximum LTV of each discrete security pool is either 45% or 50%, with an overarching covenant on the Company's property portfolio of a maximum of either 35% or 40% LTV; and
- Historical interest cover, requiring net rental income from each discrete security pool, over the preceding three months, to exceed either 150% (RCF) or 250% (fixed rate loans) of the facility's quarterly interest liability.

The Company's debt facilities contain market-standard cross-guarantees such that a default on an individual facility will result in all facilities falling into default.

At the Period end the Company had £183.7m (29% of the property portfolio) of unencumbered assets which could be charged to the security pools to enhance the LTV and interest cover on the individual loans, of which a further £4.5m is in the process of being charged.

On 13 August 2025 the Company increased the limit on the RCF from £50m to £60m and repaid a £20m loan from SWIP on its expiry using its RCF facility.

Dividends

The Company has declared dividends per share of 3.0p relating to the Period, 101% covered by EPRA earnings. The Company paid dividends per share of 3.0p during the Period relating to FY25 Q4 and FY26 Q1.

The Company paid an interim dividend per share of 1.5p relating to FY26 Q2 on Friday 28 November 2025 to shareholders on the register on 7 November 2025, which was designated as a property income distribution ("PID").

Ed Moore
Finance Director
for and on behalf of Custodian Capital Limited
Investment Manager

4 December 2025

Principal risks and uncertainties

The Company's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the UK commercial property market in general, the particular circumstances of the properties in which it is invested and their tenants.

The Company's Annual Report for the year ended 31 March 2025 set out the principal risks and uncertainties facing the Company at that time, and the way in which they are mitigated and managed, which are summarised below:

- Loss of contractual revenue;
- Decreases in property portfolio valuations;
- Reduced availability or increased costs of debt and complying with loan covenants;
- Inadequate performance, controls or systems operated by the Investment Manager;
- Non-compliance with regulatory or legal changes;
- Business interruption from cyber or terrorist attack, or pandemics;
- Failure to meet environmental compliance requirements or occupier market expectations, and physical risks to properties due to environmental factors and extreme weather; and
- Unidentified risk and liabilities associated with the acquisition of new properties (whether acquired directly or via a corporate structure).

The following emerging risks were added to the Company's risk register during the year ended 31 March 2025, but are not considered by the Board to be principal risks:

- Increases in yields of long-term fixed-rate government bonds impacting demand for the Company's shares; and
- Shareholder activists in the Investment Company sector become shareholders and do not act in the best interests of all shareholders.

The Company's share price has also been impacted by geo-political risk relating to the conflicts in Ukraine and Gaza, tensions between the USA and its trading partners and its volatile political climate, and UK specific factors including apparent declining health of public markets and a 'cost of living crisis'. However, these factors are not considered direct emerging risks because of the Company's diverse property portfolio covering all sectors and geographical areas in the UK with over 400 individual tenancies.

We do not anticipate any changes to the other risks and uncertainties disclosed over the remainder of the financial year.

Nottingham

Condensed consolidated statement of total comprehensive income
For the six months ended 30 September 2025

	Note	Unaudited 6 months to 30 Sept 2025 £000	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Revenue	4	**25,703**	24,757	47,997
Investment management fee		**(1,849)**	(1,692)	(3,417)
Operating expenses of rental property				
– rechargeable to tenants		**(2,418)**	(2,942)	(3,562)
– directly incurred		**(2,315)**	(2,413)	(4,891)
Professional fees		**(371)**	(369)	(823)
Directors' fees		**(182)**	(172)	(345)
Other expenses		**(1,149)**	(409)	(1,099)
Expenses		**(8,284)**	(7,997)	(14,137)
Operating profit before net gains on investment property		**17,419**	16,760	33,860
Unrealised gains on revaluation of investment property:				
– relating to property revaluations	9	**13,831**	1,699	11,211
– relating to acquisition costs		**(953)**	–	(1)
Profit on disposal of investment property		**818**	127	444
Net gains on investment property		**13,696**	1,826	11,654
Operating profit		**31,115**	18,586	45,514
Finance income	5	**64**	56	127
Finance costs	6	**(3,543)**	(3,739)	(7,486)
Net finance costs		**(3,478)**	(3,683)	(7,359)
Profit before tax		**27,636**	14,903	38,155
Income tax	7	**–**	–	–
Profit for the Period, net of tax		**27,636**	14,903	38,155
Other comprehensive income		**1,551**	–	714
Total comprehensive income for the Period, net of tax		**29,187**	14,903	8,869
Attributable to:				
Owners of the Company		**27,636**	14,903	38,155
Earnings per ordinary share:				
Basic and diluted (p)	3	**6.1**	3.4	8.7
EPRA (p)	3	**3.1**	3.0	6.1

The profit and total comprehensive income for the period arise from continuing operations and is all attributable to owners of the Company. Other comprehensive income represents items that will not be subsequently reclassified to profit or loss.

Condensed consolidated statement of financial position
At 30 September 2025

	Note	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Non-current assets				
Investment property	9	**622,838**	582,437	594,364
Property, plant and equipment	10	**6,213**	3,448	4,711
Total non-current assets		**629,051**	585,885	599,075
Current assets				
Assets held for sale	9	**2,196**	–	–
Housing inventory		**1,291**	–	–
Trade and other receivables	11	**7,066**	6,567	5,201
Cash and cash equivalents	13	**7,922**	10,919	10,118
Total current assets		**18,475**	17,486	15,319
Total assets		**647,526**	603,371	614,394
Equity				
Issued capital	15	**4,638**	4,409	4,409
Share premium		**250,970**	250,970	250,970
Merger reserve		**37,684**	18,931	18,931
Treasury shares		**(1,735)**	–	–
Retained earnings		**162,513**	138,416	148,442
Revaluation reserve		**2,265**	–	714
Total equity attributable to equity holders of the Company		**456,335**	412,726	423,466
Non-current liabilities				
Borrowings	14	**172,317**	152,526	153,641
Other payables	12	**2,093**	570	2,087
Total non-current liabilities		**174,410**	153,096	155,728
Current liabilities				
Borrowings	14	**–**	19,974	19,989
Trade and other payables	12	**8,691**	9,759	7,029
Deferred income		**8,090**	7,816	8,182
Total current liabilities		**16,781**	37,549	35,200
Total liabilities		**191,191**	190,645	190,928
Total equity and liabilities		**647,526**	603,371	614,394

These interim financial statements of Custodian Property Income REIT plc were approved and authorised for issue by the Board of Directors on 4 December 2025 and are signed on its behalf by:

David MacLellan
Chairman

Registered number: 08863271

Condensed consolidated statement of cash flows
For the six months ended 30 September 2025

	Note	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Operating activities				
Profit for the Period		**27,636**	14,903	38,155
Net finance costs	5,6	**3,478**	3,683	7,359
Valuation increase of investment property, net of acquisition costs	9	**(12,878)**	(1,699)	(11,211)
Impact of rent free	9	**(1,450)**	(789)	(1,470)
Amortisation of right-of-use asset	9	**3**	3	7
Profit on disposal of investment property		**(818)**	(127)	(444)
Depreciation	10	**122**	126	285
Cash flows from operating activities before changes in working capital and provisions		**16,093**	16,100	32,681
Increase in trade and other receivables		**(1,721)**	(3,237)	(1,871)
(Decrease)/increase in trade/other payables and deferred income		**(171)**	2,131	1,286
Decrease in housing stock		**576**	–	–
Cash generated from operations		**(1,316)**	14,994	32,096
Interest and other finance charges	6	**(3,332)**	(3,514)	(7,068)
Net cash flows from operating activities		**11,445**	11,480	25,028
Investing activities				
Purchase of investment property		**–**	–	–
Capital expenditure and development	9	**(6,126)**	(4,055)	(6,843)
Acquisition costs		**(953)**	–	–
Purchase of property, plant and equipment	10	**(73)**	(617)	(1,326)
Disposal of investment property		**8,907**	13,650	15,050
Costs of disposal of investment property		**(143)**	(297)	(331)
Interest and finance income received	5	**64**	56	127
Net cash flows from investing activities		**1,676**	8,737	6,677

	Note	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Financing activities				
New borrowings origination costs	14	**(25)**	(15)	(78)
Net repayment of RCF		**(1,500)**	(5,000)	(4,000)
Dividends paid	8	**(13,565)**	(13,997)	(27,223)
Share buybacks		**(1,735)**	–	–
Equity issuance costs		**(48)**	–	–
Net cash flows used in financing activities		**(16,873)**	(19,012)	(31,301)
Net (decrease)/increase in cash and cash equivalents		**(3,752)**	1,205	404
Cash and cash equivalents at start of the period		**10,118**	9,714	9,714
Cash and cash equivalents acquired		**1,556**	–	–
Cash and cash equivalents at end of the period		**7,922**	10,919	10,118

Condensed consolidated statement of changes in equity
For the six months ended 30 September 2025

	Note	Issued capital £000	Merger reserve £000	Treasury shares £000	Share premium £000	Retained earnings £000	Revaluation reserve £000	Total equity £000
At 31 March 2025 (audited)		4,409	18,931	–	250,970	148,442	714	423,466
Profit for the Period		–	–	–	–	27,636	–	27,636
Revaluation of PPE	10	–	–	–	–	–	1,564	1,564
Depreciation of PPE revaluation surplus	10	–	–	–	–	–	(13)	(13)
Total comprehensive income for Period		–	–	–	–	27,636	1,551	29,187
Transactions with owners of the Company, recognised directly in equity								
Dividends	8	–	–	–	–	(13,565)	–	(13,565)
Purchase of own shares into treasury		–	–	(1,735)	–	–	–	(1,735)
Share issuance	15	229	18,753	–	–	–	–	18,982
At 30 September 2025 (unaudited)		**4,638**	**37,684**	**(1,735)**	**250,970**	**162,513**	**2,265**	**456,335**
At 31 March 2024 (audited)		4,409	18,931	–	250,970	137,510	–	411,820
Profit and total comprehensive income for the period		–	–	–	–	14,903	–	14,903
Transactions with owners of the Company, recognised directly in equity								
Dividends	8	–	–	–	–	(13,997)	–	(13,997)
At 30 September 2024 (unaudited)		4,409	18,931	–	250,970	138,416		412,726
At 31 March 2024 (audited)		4,409	18,931	–	250,970	137,510	–	411,820
Profit for the year		–	–	–	–	38,155	–	38,155
Revaluation of PPE	10	–	–	–	–	–	714	714
Total comprehensive income for year		–	–	–	–	38,155	714	38,869
Transactions with owners of the Company, recognised directly in equity								
Dividends	8	–	–	–	–	(27,223)	–	(27,223)
At 31 March 2025 (audited)		**4,409**	**18,931**	**–**	**250,970**	**148,442**	**714**	**423,466**

Notes to the interim financial statements
for the period ended 30 September 2025

1. Corporate information

The Company is a public limited company incorporated and domiciled in England and Wales, whose shares are publicly traded on the London Stock Exchange plc's main market for listed securities. The interim financial statements have been prepared on a historical cost basis, except for the revaluation of investment property, and are presented in pounds sterling with all values rounded to the nearest thousand pounds (£000), except when otherwise indicated. The interim financial statements were authorised for issue in accordance with a resolution of the Directors on 4 December 2025.

2. Basis of preparation and accounting policies

2.1. Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statements. The Annual Report for the year ending 31 March 2026 will be prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB (together "IFRS") as adopted by the United Kingdom, and in accordance with the requirements of the Companies Act applicable to companies reporting under IFRS.

The information relating to the Period is unaudited and does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. A copy of the statutory financial statements for the year ended 31 March 2025 has been delivered to the Registrar of Companies. The auditor's report on those financial statements was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

2.2. Significant accounting policies

The principal accounting policies adopted by the Company and applied to these interim financial statements are consistent with those policies applied to the Company's Annual Report and financial statements.

During the Period the Company acquired housing stock as part of the Merlin acquisition, to which the following policy has been applied:

Housing inventory

Housing inventory comprises residential properties acquired for sale measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale. Housing stock is assessed for impairment at each reporting date, and any write-downs to net realisable value are recognised in cost of sales.

During the Period the Company commenced a share buyback programme, to which the following policy has been applied:

Treasury shares

Consideration for the purchase of the Company's own equity instruments (treasury shares), including any directly attributable incremental costs, is recognised as a deduction from equity within a treasury shares reserve. Treasury shares are not recognised as a financial asset.

When treasury shares are sold or reissued, any difference between the carrying amount and the consideration received is recognised within share premium.

The number of treasury shares held is excluded from the calculation of basic and diluted earnings per share.

2.3. Critical judgements and key sources of estimation uncertainty

Preparation of the interim financial statements requires the Company to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of preparation of the interim financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Judgements

No significant judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised within the interim financial statements.

Notes to the interim financial statements continued
for the period ended 30 September 2025

2. Basis of preparation and accounting policies continued

2.3. Critical judgements and key sources of estimation uncertainty continued

Estimates

The accounting estimate with a significant risk of a material change to the carrying values of assets and liabilities within the next year relates to the valuation of investment property. Investment property is valued at the reporting date at fair value. Where an investment property is being redeveloped the property continues to be treated as an investment property. Surpluses and deficits attributable to the Company arising from revaluation are recognised in profit or loss. Valuation surpluses reflected in retained earnings are not distributable until realised on sale. In making its judgement over the valuation of properties, the Company considers valuations performed by the independent valuers in determining the fair value of its investment properties. The valuers make reference to market evidence of transaction prices for similar properties. The valuations are based upon assumptions including future rental income, anticipated capex and maintenance costs (particularly in the context of mitigating the impact of climate change) and appropriate discount rates (ie property yields). The key sources of estimation uncertainty within these inputs above are future rental income and property yields. Reasonably possible changes to these inputs across the portfolio would have a material impact on its valuation and are set out in Note 9.

2.4. Going concern

The Directors believe the Company is well placed to manage its business risks successfully and the Company's projections show that it should be able to operate within the level of its current financing arrangements for at least the 12 months from the date of approval of these financial statements. The Board assesses the Company's prospects over the long-term, taking into account rental growth expectations, climate related risks, longer-term debt strategy, expectations around capital investment in the portfolio and the UK's long-term economic outlook. At quarterly Board meetings, the Board reviews summaries of the Company's liquidity position and compliance with loan covenants, as well as forecast financial performance and cash flows.

Forecast

The Investment Manager maintains a detailed forecast model projecting the financial performance of the Company over a period of three years, which provides a reasonable level of accuracy regarding projected lease renewals, asset-by-asset capex, property acquisitions and disposals, rental growth, interest rate changes, cost inflation and refinancing of the Company's debt facilities ahead of expiry. The detailed forecast model allows robust sensitivity analysis to be conducted and over the three year forecast period included the following key assumptions:

- 1% annual loss of contractual revenue through Company Voluntary Arrangements or tenant default;
- 70% tenant retention rate at lease break or expiry with vacated assets followed by an appropriate period of void;
- Rental growth, captured at the earlier of rent review or lease expiry, based on current ERVs adjusted for consensus forecast changes;
- Portfolio valuation movements based on consensus forecast changes;
- Selling assets currently earmarked for disposal;
- The Company's capex programme to invest in its existing assets continues as expected; and
- Interest rates follow the prevailing forward curve.

In accordance with Provision 35 of the AIC Code the Directors have assessed the Company's prospects as a going concern over a period of 12 months from the date of approval of the Interim Report, using the same forecast model and assessing the risks against each of these assumptions.

The Directors note that the Company has performed strongly during the Period despite economic headwinds with like-for-like rents increasing over the last six months.

Sensitivities

Sensitivity analysis involves flexing these key assumptions, taking into account the principal risks and uncertainties and emerging risks detailed in the Annual Report. This analysis includes stress testing the point at which covenants would breach through rent losses and property valuation movements, and assessing their impact on the following areas:

Notes to the interim financial statements continued
for the period ended 30 September 2025

2. Basis of preparation and accounting policies continued

2.4. Going concern continued

Sensitivities continued

Covenant compliance

The Company operates the loan facilities summarised in Note 14. At 30 September 2025 the Company had the following headroom on lender covenants at a portfolio level with:

- Net gearing of 26.3% compared to a maximum LTV covenant of 35% on its Aviva facilities and 40% on its Lloyds and SWIP facilities, with £183.7m (29% of the property portfolio) unencumbered by the Company's borrowings; and
- 126% minimum headroom on interest cover covenants for the quarter ended 30 September 2025.

Over the three year assessment period the Company's forecast model projects a small increase in net gearing with a small increase in headroom on interest cover covenants. Reverse stress testing has been undertaken to understand what circumstances would result in potential breaches of financial covenants over these periods. While the assumptions applied in these scenarios are possible, they do not represent the Board's view of the likely outturn, but the results help inform the Directors' assessment of the viability of the Company. The testing indicated that:

- The rate of loss or deferral of contractual rent on the borrowing facility with least headroom would need to deteriorate by 22% from the levels included in the Company's prudent base case forecasts to breach interest cover covenants from the levels included in the Company's prudent base case forecasts, assuming no unencumbered properties were charged; or
- To risk breaching the applicable covenant, property valuations would have to decrease from the 30 September 2025 position by:
  - 25% at a portfolio level; or
  - 12% at an individual charge pool level, assuming no further properties were charged.

The Board notes that the latest IPF Forecasts for UK Commercial Property Investment survey suggests an average 2.7% increase in rents during 2026 with capital value increases of 3.6%. The Board believes that the valuation of the Company's property portfolio will prove resilient due to its higher weighting to industrial assets and overall diverse and high-quality asset and tenant base comprising over 150 assets and over 300 typically 'institutional grade' tenants across all commercial sectors.

Liquidity

At 30 September 2025 the Company had £5.9m of unrestricted cash and £6.5m undrawn RCF, with gross borrowings of £173.5m resulting in net gearing of 26.3%. The Company increased its RCF limit during the Period from £50m to £60m to maintain headroom on using the RCF to repay the £20m SWIP loan on expiry. The Company's forecast model projects it will have sufficient cash and undrawn facilities to continue its programme of capital investment, pay its target dividends and its expense and interest liabilities.

Results of the assessments

Based on the prudent assumptions within the Company's forecasts regarding the factors set out above, the Directors expect that over the period of their assessment:

- The Company has surplus cash to continue in operation and meet its liabilities as they fall due;
- Borrowing covenants are complied with; and
- REIT tests are complied with.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these condensed consolidated financial statements and, therefore, the Board continues to adopt the going concern basis in their preparation.

2.5. Segmental reporting

An operating segment is a distinguishable component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker (the Board) to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available. As the chief operating decision maker reviews financial information for, and makes decisions about the Company's investment properties as a portfolio, the Directors have identified a single operating segment, that of investment in commercial properties.

Notes to the interim financial statements continued
for the period ended 30 September 2025

3. Earnings per ordinary share

Basic earnings per share ("EPS") amounts are calculated by dividing net profit for the Period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the Period.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the Period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There are no dilutive instruments.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Net profit and diluted net profit attributable to equity holders of the Company (£000)	**27,636**	14,903	38,155
Net gain on investment property and depreciation (£000)	**(13,573)**	(1,700)	(11,369)
EPRA net profit attributable to equity holders of the Company (£000)	**14,063**	13,203	26,786
Weighted average number of ordinary shares (excluding treasury shares):			
Issued ordinary shares at start of the Period (thousands)	**440,850**	440,850	440,850
Effect of shares issued and repurchased during the Period (thousands)	**14,309**	–	–
Basic and diluted weighted average number of shares (thousands)	**455,160**	440,850	440,850
Basic and diluted EPS (p)	**6.1**	3.4	8.7
EPRA EPS (p)	**3.1**	3.0	6.1

4. Revenue

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Rental income from investment property	**21,741**	20,731	42,828
Sale of housing stock	**583**	–	–
Income from recharges to tenants	**2,189**	2,942	3,562
Income from dilapidations	**770**	842	1,131
Other income	**420**	242	476
	25,703	24,757	47,997

5. Finance income

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Bank interest	**64**	56	127
	64	56	127

6. Finance costs

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Amortisation of arrangement fees on debt facilities	**210**	225	418
Other finance costs	**51**	120	443
Bank interest	**3,282**	3,394	6,625
	3,543	3,739	7,486

Notes to the interim financial statements continued
for the period ended 30 September 2025

7. Income tax

The effective tax rate for the Period is lower than the standard rate of corporation tax in the UK during the Period of 25.0% (2024: 25.0%). The differences are explained below:

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Profit before income tax	**27,636**	14,903	38,155
Tax at a standard rate of 25.0% (30 September 2024: 25.0%, 31 March 2025: 25.0%)	**6,909**	3,726	9,539
Effects of:			
REIT tax exempt rental profits and gains	**(6,909)**	(3,726)	(9,539)
Income tax expense for the Period	**–**	–	–
Effective income tax rate	**0.0%**	0.0%	0.0%

The Company operates as a REIT and hence profits and gains from the property rental business are normally exempt from corporation tax.

8. Dividends

	Unaudited 6 months to 30 Sept 2025	Unaudited 6 months to 30 Sept 2024	Audited 12 months to 31 Mar 2025
Interim equity dividends paid on ordinary shares relating to the periods ended:			
31 March 2024: 1.375p	**–**	6,062	6,062
30 June 2024: 1.5p	**–**	6,613	6,613
30 September 2024: 1.5p	**–**	–	6,613
31 December 2024: 1.5p	**–**	–	6,613
31 March 2025: 1.5p	**6,613**	–	–
30 June 2025: 1.5p	**6,952**	–	–
Special equity dividends paid on ordinary shares relating to the year ended 31 March 2024: 0.3p	**–**	1,322	1,322
	13,565	13,997	27,223

The Directors approved an interim dividend relating to the quarter ended 30 September 2025 of 1.5p per ordinary share in October 2025 which has not been included as a liability in these interim financial statements. This interim dividend was paid on Friday 28 November 2025 to shareholders on the register at the close of business on 7 November 2025.

Notes to the interim financial statements continued
for the period ended 30 September 2025

9. Investment property and assets held for sale

Assets held for sale	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Unaudited at 31 Mar 2025 £000
Balance at the start of the period	–	11,000	11,000
Reclassification from investment property	2,196	–	–
Disposals	–	(11,000)	(11,000)
Balance at the end of the period	**2,196**	–	–

Investment property	£000
At 31 March 2025	594,364
Impact of lease incentives and lease costs	1,450
Additions	18,165
Acquisition costs	(953)
Capital expenditure	6,126
Disposals	(7,947)
Amortisation of right-of-use asset	(3)
Reclassification as held for sale	(2,196)
Valuation increase	13,831
At 30 September 2025	**622,838**

	£000
At 31 March 2024	578,122
Impact of lease incentives and lease costs	789
Additions	–
Capital expenditure	4,055
Disposals	(2,225)
Amortisation of right-of-use asset	(3)
Valuation decrease	1,699
At 30 September 2024	582,437

	£000
At 31 March 2024	578,122
Impact of lease incentives and lease costs	1,470
Amortisation of right-of-use asset	(7)
Capital expenditure	6,843
Disposals	(3,275)
Valuation increase	11,211
At 31 March 2025	594,364

£441.3m (2024: £476.8m) of investment property was charged as security against the Company's borrowings at the Period end with a further £4.5m in the process of being charged. £0.6m (2024: £0.6m) of investment property comprises right-of-use assets.

Investment property is stated at the Directors' estimate of its 30 September 2025 fair value. Savills (UK) Limited ("Savills") and Knight Frank LLP ("KF"), professionally qualified independent property valuers, each valued approximately half of the property portfolio at 30 September 2025 in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors ("RICS"). Savills and KF have recent experience in the relevant locations and categories of the property being valued.

Investment property and assets held for sale have been valued using the investment method which involves applying a yield to rental income streams. Inputs include yield, current rent and ERV. For the Period end valuation, the following inputs were used:

Sector	Valuation 30 September 2025 £000	Weighted average passing rent of let properties (£ per sq ft)	ERV range (£ per sq ft)	Equivalent yield	EPRA topped-up NIY
Industrial	319.2	6.1	2.1 – 15.0	7.0%	5.6%
Retail warehouse	135.8	11.6	5.2 – 28.4	7.7%	7.5%
Other	82.4	10.5	1.5 – 80.0*	8.1%	7.5%
Office	54.3	14.0	6.6 – 38.0	11.1%	7.9%
High street retail	33.3	17.8	3.1 – 67.0	8.2%	9.7%
	625.0				

* Drive-through restaurants' ERV per sq ft are based on building floor area rather than area inclusive of drive-through lanes.

Notes to the interim financial statements continued
for the period ended 30 September 2025

9. Investment property and assets held for sale continued

Valuation reports are based on both information provided by the Company eg current rents and lease terms, which are derived from the Company's financial and property management systems and are subject to the Company's overall control environment, and assumptions applied by the property valuers eg ERVs, expected capex and yields. These assumptions are based on market observation and the property valuers' professional judgement. In estimating the fair value of each property, the highest and best use of the properties is their current use.

All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation of investment property, and an increase in the current or estimated future rental stream would have the effect of increasing capital value, and vice versa. However, there are interrelationships between unobservable inputs which are partially determined by market conditions, which could impact on these changes.

	30 Sept 2025 £000	31 Mar 2025 £000
Increase in equivalent yield of 0.25%	**36,264**	34,941
Decrease in equivalent yield of 0.25%	**(32,175)**	(30,975)
Increase of 5% in ERV	**1,963**	1,864
Decrease of 5% in ERV	**(1,939)**	(1,834)

10. Property, plant and equipment

	PV cells £000	EV chargers £000	Total £000
Cost/valuation			
At 31 March 2025	3,808	1,126	4,934
Additions	73	–	73
Valuation increase net of depreciation eliminated on revaluation	1,513	–	1,513
At 30 September 2025	**5,393**	**1,126**	**6,519**
Depreciation			
At 31 March 2025	–	(223)	(223)
Depreciation	(52)	(83)	(135)
Eliminated on revaluation	52	–	52
Accumulated at 30 September 2025	**–**	**306**	**306**
Net book value at 30 September 2025	**5,393**	**820**	**6,213**

	PV cells £000	EV chargers £000	Total £000
Cost/valuation			
At 31 March 2024	2,076	1,126	3,202
Additions	617	–	617
At 30 September 2024	2,693	1,126	3,819
Depreciation			
At 31 March 2024	(123)	(122)	(245)
Depreciation	(76)	(50)	(126)
Accumulated at 30 September 2024	(199)	(172)	(371)
Net book value at 30 September 2024	2,494	954	3,448
Cost/valuation			
At 31 March 2024	2,076	1,126	3,202
Additions	1,326	–	1,326
Valuation increase net of depreciation eliminated on revaluation	406	–	406
At 31 March 2025	3,808	1,126	4,934
Depreciation			
At 31 March 2024	(123)	(122)	(245)
Depreciation	(185)	(100)	(285)
Eliminated on revaluation	308	(1)	307
Accumulated at 31 March 2025	–	(223)	(223)
Net book value at 31 March 2025	3,808	903	4,711

Notes to the interim financial statements continued
for the period ended 30 September 2025

11. Trade and other receivables

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Trade receivables before expected credit loss provision	**5,335**	4,476	4,387
Expected credit loss provision	**(539)**	(499)	(627)
Trade receivables	**4,796**	3,977	3,760
Other receivables	**1,756**	2,250	1,146
Prepayments and accrued income	**514**	340	295
	7,066	6,567	5,201

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk, for example a deterioration in a tenant's or sector's outlook or rent payment performance, and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before amounts become past due.

Tenant rent deposits of £1.6m (2024: £1.8m) are held as collateral against certain trade receivable balances.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Available information indicates the debtor is unlikely to pay its creditors.

Such balances are provided for in full. For remaining balances the Company has applied an expected credit loss ("ECL") matrix based on its experience of collecting rent arrears. The majority of tenants are invoiced for rental income quarterly in advance and are issued with invoices before the relevant quarter starts. Invoices become due on the first day of the rent quarter and are considered past due if payment is not received by this date. Other receivables are considered past due when the given terms of credit expire.

Expected credit loss provision	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Opening balance	**627**	855	855
Decrease in provision relating to trade receivables that are credit-impaired	**(92)**	(235)	196
Utilisation of provisions	**(8)**	(121)	(424)
Acquired	**12**	–	–
Closing balance	**539**	499	627

The ageing of receivables considered credit impaired is as follows:

Group and Company	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
0 – 3 months	**351**	471	106
3 – 6 months	**50**	10	40
Over 6 months	**342**	541	551
Closing balance	**743**	1,022	697

Notes to the interim financial statements continued
for the period ended 30 September 2025

12. Trade and other payables

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Falling due in less than one year:			
Trade and other payables	5,100	3,745	2,603
Social security and other taxes	325	942	760
Accruals	3,163	3,307	3,601
Rental deposits and retentions	103	1,765*	65
	8,691	9,759	7,029
Falling due in more than one year:			
Rental deposits	1,527	–*	1,521
Other creditors	566	570	566
	2,093	570	2,151

* The ageing of rental deposits was not disclosed for the period ended 30 September 2024.

The Directors consider that the carrying amount of trade and other payables approximates their fair value. Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. For most suppliers interest is charged if payment is not made within the required terms. Thereafter, interest is chargeable on the outstanding balances at various rates. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timescale.

13. Cash and cash equivalents

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Cash and cash equivalents	7,922	10,919	10,118

Cash and cash equivalents at 30 September 2025 include £1.6m (2024: £4.4m, 31 March 2025: £2.2m) of restricted cash comprising: £1.6m (2024: £1.8m, 31 March 2025: £1.6m) rental deposits held on behalf of tenants, £nil (2024: £2.6m, 31 March 2025: £Nil) disposal proceeds held in charged disposal accounts or in solicitor client accounts.

14. Borrowings

	Bank borrowings £000	Costs incurred in the arrangement of bank borrowings £000	Total £000
Falling due within one year:			
At 31 March 2025	20,000	(11)	19,989
Repayment	(20,000)	–	(20,000)
Amortisation of arrangement fees	–	11	11
At 30 September 2025	**–**	**–**	**–**
Falling due in more than one year:			
At 31 March 2025	155,000	(1,359)	153,641
Costs incurred in the arrangement of bank borrowings	–	(23)	(121)
Net drawdown of RCF	18,500	–	18,500
Amortisation	–	199	297
At 30 September 2025	**173,500**	**(1,183)**	**172,317**
Total borrowings at 30 September 2025	**173,500**	**(1,183)**	**172,317**

Notes to the interim financial statements continued
for the period ended 30 September 2025

14. Borrowings continued

	Bank borrowings £000	Costs incurred in the arrangement of bank borrowings £000	Total £000
Falling due within one year:			
At 31 March 2024	–	–	–
Reclassification	20,000	(40)	19,960
Amortisation of arrangement fees	–	14	14
At 30 September 2024	20,000	(26)	19,974
Falling due in more than one year:			
At 31 March 2024	179,000	(1,710)	177,290
Reclassification	(20,000)	40	(19,960)
New borrowings	–	–	–
Costs incurred in the arrangement of bank borrowings	–	(15)	(15)
Net repayment of RCF	(5,000)	–	(5,000)
Amortisation	–	211	211
At 30 September 2024	154,000	(1,474)	152,526
Total borrowings at 30 September 2024	174,000	(1,500)	172,500

	Borrowings £000	Costs incurred in the arrangement of borrowings £000	Total £000
Falling due within one year:			
At 31 March 2024	–	–	–
Reclassification	20,000	(11)	19,989
Repayment of borrowings	–	–	–
Amortisation of arrangement fees	–	–	–
At 31 March 2025	20,000	(11)	19,989
Falling due in more than one year:			
At 31 March 2024	179,000	(1,710)	177,290
Reclassification	(20,000)	11	(19,989)
Repayment of borrowings	(4,000)	–	(4,000)
Arrangement fees incurred	–	(78)	(78)
Amortisation of arrangement fees	–	418	418
At 31 March 2025	155,000	(1,359)	153,641
Total borrowings at 31 March 2025	175,000	1,370	173,630

The Company's borrowing facilities require minimum interest cover of either 150% or 250% of the net rental income of the security pool. The maximum LTV of the Company combining the value of all property interests (including the properties secured against the facilities) must be no more than 35%.

Notes to the interim financial statements continued
for the period ended 30 September 2025

15. Issued capital and reserves

Share capital	Ordinary shares of 1p	£000
At 31 March 2024, 30 September 2024 and 31 March 2025	440,850,398	4,409
Issue of share capital during the Period	22,928,343	229
At 30 September 2025	**463,778,741**	**4,638**

The following table describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amounts subscribed for share capital in excess of nominal value less any associated issue costs that have been capitalised.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Merger reserve	A non-statutory reserve that is credited instead of a company's share premium account in circumstances where merger relief under section 612 of the Companies Act 2006 is obtained.
Treasury shares	Ordinary share capital repurchased by the Company.
Revaluation reserve	The unrealised fair value of PV assets in excess of their historical cost less accumulated depreciation.

During the Period the Company:

- Issued 22,928,343 new ordinary shares as initial consideration for the purchase of Merlin Properties Limited; and
- Commenced a share buyback programme, purchasing 2,210,000 of its own ordinary shares during the Period, which are held in treasury. Aggregate consideration for these buybacks was £1.7m at a weighted average cost per share of 78.4p, representing an average 18.5% discount to prevailing NAV per share.

Since the Period end, the Company has:

- Issued 1.2m new ordinary shares as final consideration for the purchase of Merlin Properties Limited; and
- Bought-back a further 5.5m ordinary shares under the share buyback programme.

16. Financial instruments

The fair values of financial assets and liabilities are not materially different from their carrying values in the financial statements. The fair value hierarchy levels are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers between Levels 1, 2 and 3 during the Period. The main methods and assumptions used in estimating the fair values of financial instruments and investment property are detailed below.

Investment property, assets held-for-sale and PV – Level 3

Fair value is based on valuations provided by independent firms of valuers, which use the inputs set out in Notes 9 and 10. These values were determined after having taken into consideration recent market transactions. The fair value hierarchy of investment property, assets held-for-sale and PV is level 3. At 30 September 2025, the fair value of the Company's investment properties and assets held-for-sale was £625.0m (2024: £582.4m), with PV of £5.4m (2024: £2.5m).

Interest bearing loans and borrowings – Level 3

At 30 September 2025 the gross value of the Company's loans with Lloyds, SWIP and Aviva all held at amortised cost was £173.5m (2024: £174.0m).

Trade and other receivables/payables – Level 3

The carrying amount of all receivables and payables deemed to be due within one year are considered to reflect their fair value.

17. Related party transactions

Save for transactions described below, the Company is not a party to, nor had any interest in, any other related party transaction during the Period.

Transactions with directors

Each of the directors is engaged under a letter of appointment with the Company and does not have a service contract with the Company. Under the terms of their appointment, each director is required to retire by rotation and seek re-election annually (2024: at least every three years).

Each director's appointment under their respective letter of appointment is terminable immediately by either party (the Company or the director) giving written notice and no compensation or benefits are payable upon termination of office as a director of the Company becoming effective.

Nathan Imlach is Chief Strategic Advisor of Mattioli Woods, the parent company of the Investment Manager. As a result, Nathan Imlach is not independent. The Company Secretary, Ed Moore, is a director of the Investment Manager.

Notes to the interim financial statements continued
for the period ended 30 September 2025

17. Related party transactions continued

Investment Management Agreement

The Investment Manager is engaged as AIFM under an IMA with responsibility for the management of the Company's assets, subject to the overall supervision of the Directors. The Investment Manager manages the Company's investments in accordance with the policies laid down by the Board and the investment restrictions referred to in the IMA. The Investment Manager also provides day-to-day administration of the Company and acts as secretary to the Company, including maintenance of accounting records and preparing the annual and interim financial statements of the Company.

Annual management fees payable to the Investment Manager under the IMA are:

- 0.9% of the NAV of the Company as at the relevant quarter day which is less than or equal to £200m divided by 4;
- 0.75% of the NAV of the Company as at the relevant quarter day which is in excess of £200m but below £500m divided by 4;
- 0.65% of the NAV of the Company as at the relevant quarter day which is in excess of £500m but below £750m divided by 4; plus
- 0.55% of the NAV of the Company as at the relevant quarter day which is in excess of £750m divided by 4.

Administrative fees payable to the Investment Manager under the IMA are:

- 0.125% of the NAV of the Company as at the relevant quarter day which is less than or equal to £200m divided by 4;
- 0.115% (2022: 0.08%) of the NAV of the Company as at the relevant quarter day which is in excess of £200m but below £500m divided by 4;
- 0.02% (2022: 0.05%) of the NAV of the Company as at the relevant quarter day which is in excess of £500m but below £750m divided by 4; plus
- 0.015% (2022: 0.03%) of the NAV of the Company as at the relevant quarter day which is in excess of £750m divided by 4.

The IMA is terminable by either party by giving not less than 12 months' prior written notice to the other. The IMA may also be terminated on the occurrence of an insolvency event in relation to either party, if the Investment Manager is fraudulent, grossly negligent or commits a material breach which, if capable of remedy, is not remedied within three months, or on a force majeure event continuing for more than 90 days.

Transactions with the Mattioli Woods Group

	Unaudited 6 months to 30 Sept 2025 £000	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Mattioli Woods			
Merlin introduction	210	–	–
Maven Capital Partners LLP			
Company Secretarial Consultancy	10	–	3
Custodian Capital Limited			
Investment Management	1,850	1,692	3,417
Administration	261	246	494
Merlin transaction	56	–	–
Marketing fee	–	–	–
	2,387	1,938	3,911

The vendors of Merlin are advised clients of Mattioli Woods.

The Investment Manager receives a marketing fee of 0.25% (2024: 0.25%) of the aggregate gross proceeds from any issue of new shares in consideration of the marketing services it provides to the Company.

Mattioli Woods arranges insurance on behalf of the Company's tenants through an insurance broker and the Investment Manager is paid a commission by the Company's tenants via their premiums for administering the policy.

Notes to the interim financial statements continued
for the period ended 30 September 2025

18. Events after the reporting date

Dividends

On Friday 28 November 2025 the Company paid a fourth quarterly interim dividend per share of 1.5p.

Since the Period end, the Company has:

- Bought-back a further 5.5m ordinary shares under the share buyback programme; and
- Sold six assets in Leicestershire, acquired as part of the Merlin Portfolio, for £2.4m.

19. Additional disclosures

NAV per share total return

An alternative measure of performance taking into account both capital returns and dividends by assuming dividends declared are reinvested at NAV at the time the shares are quoted ex-dividend, shown as a percentage change from the start of the period.

	Calculation	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Net assets (£000)		**456,335**	412,726	423,466
Shares in issue at the period end (excluding treasury shares (thousands)		**461,569**	440,850	440,850
NAV per share at the start of the period (p)	A	**96.1**	93.4	93.4
Dividends per share paid during the period (p)	B	**3.0**	3.175	6.175
NAV per share at the end of the period (p)	C	**98.9**	93.6	96.1
NAV per share total return	(C-A+B)/A	**6.0%**	3.6%	9.5%

Share price total return

An alternative measure of performance taking into account both share price returns and dividends by assuming dividends declared are reinvested at the ex-dividend share price, shown as a percentage change from the start of the period.

	Calculation	Unaudited at 30 Sept 2025 Pence	Unaudited at 30 Sept 2024 Pence	Audited at 31 Mar 2025 Pence
Share price at the start of the period	A	**76.2**	81.4	81.4
Dividends per share for the period	B	**3.0**	3.175	6.175
Share price at the end of the period	C	**81.0**	85.4	76.2
Share price total return	(C-A+B)/A	**10.2%**	8.8%	1.2%

Dividend cover

The extent to which dividends relating to the Period are supported by recurring net income (EPRA earnings), indicating whether the level of dividends is sustainable.

	Unaudited 6 months to 30 Sept 2025 £000	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Dividends paid relating to Q1	**6,952**	6,613	19,838
Dividends paid or approved relating to Q2	**6,921**	6,613	6,613
	13,874	13,226	26,451
Profit after tax	**27,636**	14,903	38,155
One-off costs	**–**	–	–
Net gain on investment property and depreciation	**(13,573)**	(1,700)	(11,369)
EPRA earnings	**14,063**	13,203	26,786
Dividend cover	**101%**	100%	101%

Notes to the interim financial statements continued
for the period ended 30 September 2025

19. Additional disclosures continued

Net gearing

Gross borrowings less cash (excluding deposits), divided by property portfolio[26] value. This ratio indicates whether the Company is meeting its investment objective to target 25% loan-to-value in the medium-term to balance enhancing shareholder returns without facing excessive financial risk.

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Gross borrowings	**173,500**	174,000	175,000
Cash	**(7,922)**	(10,919)	(10,118)
Other	**(344)**	–	–
Restricted cash	**712**	2,700	2,188
Net borrowings	**165,946**	165,781	167,070
Investment property and assets held for sale	**625,034**	582,437	594,364
PV	**5,393**	–*	3,808
	630,427	582,437	598,172
Net gearing	**26.3%**	28.5%	27.9%

* PV was not included in the net gearing calculation in the prior period.

26. Comprising investment property, assets held-for-sale and PV.

Weighted average cost of debt

The interest rate payable on bank borrowings at the period end weighted by the amount of borrowings at that rate as a proportion of total borrowings.

30 September 2025	Amount drawn £m	Interest rate	Weighting
Lloyds RCF	53.5	5.780%	1.78%
Variable rate	53.5		
SWIP £45m loan	45.0	2.987%	0.77%
Aviva			
– £35m tranche	35.0	3.020%	0.61%
– £15m tranche	15.0	3.260%	0.28%
– £25m tranche	25.0	4.100%	0.60%
Fixed rate	140.0		
Weighted average drawn facilities	**173.5**		**4.04%**

30 September 2024	Amount drawn £m	Interest rate	Weighting
Lloyds RCF	34.0	6.720%	1.31%
Variable rate	34.0		
SWIP £20m loan	20.0	3.935%	0.45%
SWIP £45m loan	45.0	2.987%	0.77%
Aviva			
– £35m tranche	35.0	3.020%	0.61%
– £15m tranche	15.0	3.260%	0.28%
– £25m tranche	25.0	4.100%	0.59%
Fixed rate	140.0		
Weighted average drawn facilities	**174.0**		**4.01%**

Notes to the interim financial statements continued
for the period ended 30 September 2025

19. Additional disclosures continued

31 March 2025	Amount drawn £m	Interest rate	Weighting
RCF	35.0	6.080%	1.22%
Total variable rate	35.0		
SWIP £20m loan	20.0	3.935%	0.77%
SWIP £45m loan	45.0	2.987%	0.45%
Aviva			
– £35m tranche	35.0	3.020%	0.60%
– £15m tranche	15.0	3.260%	0.28%
– £25m tranche	25.0	4.100%	0.59%
Total fixed rate	140.0		
Weighted average drawn facilities	**175.0**		**3.91%**

Ongoing charges
A measure of the regular, recurring costs of running an investment company expressed as a percentage of average NAV, and indicates how effectively costs are controlled in comparison to other property investment companies.

Group	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Average quarterly NAV during the period	**442,856**	411,615	414,786
Expenses excluding depreciation and the cost of sold houses (annualised)	**15,401**	15,994*	13,852
Operating expenses of rental property rechargeable to tenants (annualised)	**(4,835)**	(5,884)	(3,562)
Operating expenses of rental property directly incurred (annualised)	**(4,630)**	(4,826)	(4,891)
Ongoing charges excluding direct property expenses (annualised)	**5,936**	5,284	5,399
OCR excluding direct property expenses	**1.34%**	1.28%	1.30%

* Depreciation was not deducted from total expenses in the prior period calculation.

EPRA earnings per share
A measure of the Company's operating results excluding gains or losses on investment property, giving an alternative indication of performance compared to basic EPS which sets out the extent to which dividends relating to the Period are supported by recurring net income.

Group	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Profit for the period after taxation	**27,636**	14,903	38,155
Net gains on investment property and depreciation	**(13,573)**	(1,700)	(11,369)
EPRA earnings	**14,063**	13,203	26,786
Weighted average number of shares (excluding treasury shares) in issue (thousands)	**455,160**	440,850	440,850
EPRA earnings per share (p)	**3.1**	3.0	6.1

EPRA vacancy rate
EPRA vacancy rate is the ERV of vacant space as a percentage of the ERV of the whole property portfolio and offers insight into the additional rent generating capacity of the portfolio.

Group	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Annualised potential rental value of vacant premises	**4,033**	3,198	4,467
Annualised potential rental value for the property portfolio	**51,943**	49,328	50,194
EPRA vacancy rate	**7.8%**	6.5%	8.9%

Notes to the interim financial statements continued
for the period ended 30 September 2025

19. Additional disclosures continued

EPRA cost ratios

EPRA cost ratios reflect overheads and operating costs as a percentage of gross rental income and indicate how effectively costs are controlled in comparison to other property investment companies.

Group	**Unaudited 6 months to 30 Sept 2025 £000**	Unaudited 6 months to 30 Sept 2024 £000	Audited 12 months to 31 Mar 2025 £000
Directly incurred operating expenses and other expenses, excluding depreciation and cost of houses sold	**5,284**	5,055	10,290
Ground rent costs	**(38)**	(38)	(38)
EPRA costs (including direct vacancy costs)	**5,246**	5,017	10,252
Property void costs	**(1,148)**	(794)	(1,806)
EPRA costs (excluding direct vacancy costs)	**4,098**	4,223	8,446
Gross rental income	**21,741**	20,732	42,828
Ground rent costs	**(38)**	(38)	(38)
Rental income net of ground rent costs	**21,703**	20,694	42,790
EPRA cost ratio (including direct vacancy costs)	**24.2%**	24.2%	24.0%
EPRA cost ratio (excluding direct vacancy costs)	**18.9%**	20.4%	19.7%

EPRA Net Tangible Assets ("NTA")

Assumes that the Company buys and sells assets for short-term capital gains, thereby crystallising certain deferred tax balances.

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
IFRS NAV	**456,335**	412,726	423,466
Fair value of financial instruments	**–**	–	–
Deferred tax	**–**	–	–
EPRA NTA	**456,335**	412,726	423,466
Closing number of shares (excluding treasury shares) in issue (thousands)	**461,569**	440,850	440,850
EPRA NTA per share (p)	**98.9**	93.6	96.1

Notes to the interim financial statements continued
for the period ended 30 September 2025

19. Additional disclosures continued

EPRA topped-up NIY

Annualised rental income based on cash rents passing at the balance sheet date less non-recoverable property operating expenses and adjusted for the expiration of lease incentives (rent free periods or other lease incentives such as discounted rent periods and stepped rents), divided by property valuation plus estimated purchaser's costs.

	Unaudited at 30 Sept 2025 £000	Unaudited at 30 Sept 2024 £000	Audited at 31 Mar 2025 £000
Investment property[27]	**625,033**	582,437	594,364
Allowance for estimated purchaser's costs[28]	**40,627**	37,858	38,634
Gross-up property portfolio valuation	**665,661**	620,295	632,998
Annualised cash passing rental income[29]	**42,585**	42,405	41,135
Property outgoings[30]	**(1,451)**	(1,431)	(2,122)
Impact of expiry of current lease incentives	**3,305**	1,862	2,780
Annualised net rental income	**44,439**	42,836	41,793
EPRA topped-up NIY	**6.7%**	6.9%	6.6%

27. Including assets held-for-sale.
28. Assumed at 6.5% of investment property valuation.
29. Annualised cash rents at the period-end date.
30. Non-recoverable directly incurred operating expenses of vacant rental property, excluding letting and rent review fees.

Directors' responsibilities for the interim financial statements

The Directors have prepared the interim financial statements of the Company for the Period from 1 April 2025 to 30 September 2025.

We confirm that to the best of our knowledge:

a) The condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom;

b) The condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

c) The interim financial statements include a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

d) The interim financial statements include a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being material related party transactions that have taken place in the first six months of the current financial year and any material changes in the related party transactions described in the last Annual Report.

A list of the current directors of Custodian Property Income REIT plc is maintained on the Company's website at: **custodianreit.com.**

By order of the Board

David MacLellan
Chairman

4 December 2025

Independent review report
to Custodian Property Income REIT plc

Conclusion
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, consolidated statements of changes in equity and related notes 1 to 19.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2.1, the annual financial statements of the Company are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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 company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom

4 December 2025

Glossary of terms

Term	Explanation
2019 AIC Corporate Governance Code for Investment Companies (AIC Code)	The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code, as well as setting out additional provisions on issues that are of specific relevance to the Company and provide more relevant information to shareholders
Alternative Investment Fund Manager (AIFM)	External investment manager with appropriate FCA permissions to manage an 'alternative investment fund'
Alternative performance measures (APMs)	Assess Company performance alongside IFRS measures
Core real estate	Generally offers the lowest risk and target returns, requiring little asset management and fully let on long leases
Core-plus real estate	Generally offers low-to-moderate risk and target returns, typically high-quality and well-occupied properties but also providing asset management opportunities
Dividend cover	EPRA earnings divided by dividends paid and approved for the period
Earnings per share (EPS)	Profit before tax dividend by number of shares in issue (excluding treasury shares)
Energy performance certificate (EPC)	Required certificate whenever a property is built, sold or rented. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient). An EPC contains information about a property's energy use and typical energy costs, and recommendations about how to reduce energy use and save money
EPRA earnings per share	Profit after tax, excluding net loss on property portfolio, divided by weighted average number of shares in issue (excluding treasury shares)
EPRA occupancy	ERV of occupied space as a percentage of the ERV of the whole property portfolio
EPRA topped-up net initial yield	Annualised cash rents at the period-end date, adjusted for the expiration of lease incentives (rent free periods or other lease incentives such as discounted rent periods and stepped rents), less non-recoverable property operating expenses, divided by property valuation plus estimated purchaser's costs
Estimated rental value (ERV)	The external property valuers' opinion of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property
Equivalent yield	Weighted average of annualised cash rents at the period-end date and ERV, less estimated non-recoverable property operating expenses, divided by property valuation plus estimated purchaser's costs

Term	Explanation
Expected credit loss (ECL)	Unbiased, probability-weighted amount of doubtful debt provision, using reasonable and supportable information that is available without undue cost or effort at the reporting date
Institutional grade tenants	Tenants with strong credit ratings and financial stability, with a proven track record which are more highly sought after by institutional investors
Investment management agreement (IMA)	The Investment Manager is engaged under an IMA to manage the Company's assets, subject to the overall supervision of the Directors
Investment policy	Published, FCA approved policy that contains information about the policies which the Company will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures
Key performance indicator (KPI)	The Company's environmental and performance targets are measured by KPIs which provide a strategic way to assess its success towards achieving its objectives
Like-for-like	Comparisons adjusted to exclude assets bought or sold during the current or prior period
Net asset value (NAV)	Equity attributable to owners of the Company
NAV per share total return	The movement in EPRA Net Tangible Assets per share plus the dividend paid during the period expressed as a percentage of the EPRA net tangible assets per share at the beginning of the period
Net gearing/loan-to-value (LTV)	Gross borrowings less cash (excluding rent deposits), divided by property portfolio and solar panel value
Net initial yield (NIY)	Annualised cash rents at the period-end date, adjusted for the expiration of lease incentives, divided by property valuation plus estimated purchaser's costs
Net rental income	Annualised cash rents at the period-end date, adjusted for the expiration of lease incentives, less estimated non-recoverable property operating expenses including void costs and net service charge expenses
Net tangible assets (NTA)	NAV adjusted to reflect the fair value of trading properties and derivatives and to exclude deferred taxation on revaluations
Ongoing charges ratio (OCR)	Expenses (excluding operating expenses of rental property recharged to tenants) divided by average quarterly NAV, representing the annual running costs of the Company
Passing rent	Annualised cash rents at the period-end date, adjusted for the expiration of lease incentives

Glossary of terms continued

Term	Explanation
Real Estate Investment Trust (REIT)	A property company which qualifies for and has elected into a tax regime which is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties
Revolving credit facility (RCF)	Variable rate loan which can be drawn down or repaid periodically during the term of the facility
Reversionary potential	Expected future increase in rents once reset to market rate
Share price total return	Share price movement including dividends paid during the period
Sterling Overnight Index Average (SONIA)	Base rate payable on variable rate bank borrowings before the bank's margin
Weighted average cost of drawn debt facilities	The total loan interest cost per annum, based on prevailing rates on variable rate debt, divided by the total debt in issue
Weighted average unexpired lease term to first break or expiry	Average unexpired lease term across the investment portfolio weighted by contracted rent

Company information

Directors
David MacLellan
(Independent Non-Executive Chairman)

Elizabeth McMeikan
(Senior Independent Non-Executive Director)

Nathan Imlach
(Non-Executive Director)

Malcolm Cooper
(Independent Non-Executive Director)

Hazel Adam
(Independent Non-Executive Director)

Chris Ireland
(Independent Non-Executive Director)

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Ed Moore

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