12 February 2026

Custodian Property Income REIT plc

("Custodian Property Income REIT" or "the Company")

Q3 trading update shows active asset management and diversified portfolio continuing to drive income and valuation growth, underpinning fully covered dividend

Custodian Property Income REIT (LSE: CREI), which seeks to deliver an enhanced income return by investing in a diversified portfolio of smaller, regional properties with strong income characteristics across the UK, today provides a trading update for the third quarter ended 31 December 2025 ("Q3" or the "Quarter").

Commenting on the trading update, Richard Shepherd-Cross, Managing Director of the Investment Manager, said: "*During the Quarter we continued to drive occupancy and rental growth through strong leasing activity across our portfolio, underlining the strength of occupier demand for our properties, despite market headwinds. In addition to supporting growth in EPRA earnings per share, our asset management activities also led to a further increase in the portfolio ERV on a like-for-like basis and we now have around 14% of additional income growth already embedded when compared to current rents, which we will continue to unlock as lease events occur.*

"During the Quarter we issued the final tranche of shares in consideration for the Merlin portfolio. This corporate acquisition has given us a strong blueprint that we will continue to pursue. It has the double benefit of providing a solution to family offices when succession planning and / or seeking to simplify the structure of their property holdings, while allowing us to achieve our own ambitions for growth in an environment when issuing new equity for cash remains challenging. It has resulted in a number of enquiries from similar potential vendors, with whom we have entered initial discussions.

"2025 proved to be a challenging year for UK listed and direct real estate, with almost half the year 'on hold' as the country awaited the outcome of the November 2025 Budget, despite a promising start. However, we are seeing the market begin to react to some of the underlying positive metrics in the early weeks of 2026, which combined with the easing of longer-term gilt rates and stable property valuations over the last year seem to have started to shift the mindset of investors about the solid prospects for commercial property. This has been particularly notable amongst retail investors where we saw a notable uptick in investment into the Company through share trading platforms. This has been no doubt helped by the fact that following recent listed market consolidation these investors have fewer ways to invest in

commercial property and is in line with our goal of being the REIT of choice for investors seeking high and stable dividends from well-diversified UK real estate."

Highlights

Strong leasing activity continues to improve occupancy and drive rental growth, supporting a fully covered dividend

- 1.5p dividend per share approved for the Quarter, fully covered by unaudited European Public Real Estate Association ("EPRA") earnings per share[1], in line with the target of at least 6.0p for the year ending 31 March 2026 (FY25: 6.0p). This target dividend represents a 6.8% yield based on the prevailing 88.0p share price[2] and is in line with the Company's goal of being the REIT of choice to investors seeking high and stable dividends from well-diversified UK real estate
- EPRA earnings per share ("EPS") of 1.7p for the Quarter (Q2: 1.5p), with the 13% uplift due primarily to the receipt of a surrender premium on an industrial property in Hamilton, which added 0.2p
- During the Quarter, like-for-like[3] ERV increased by 0.5%, primarily driven by 0.7% like-for-like growth in the industrial sector, which represents 43% of the portfolio by income, bringing total ERV growth for the year to date to 2.5%
- 14% further income growth already embedded within the portfolio with ERV of £52.0m (30 September 2025: £51.9m) exceeding the current £45.8m of passing rent (30 September 2025: £45.9m). Based on our track record and strong occupier demand for space, we expect to capture this potential rental upside at (typically) five-yearly rent reviews or on re-letting, while continuing to drive passing rent and ERV growth further through asset management initiatives
- Positive leasing activity during the Quarter comprised:
    - Eight new leases, with £0.7m of new annual rental income added to the rent roll, in aggregate, 10% ahead of ERV;
    - Nine lease renewals/regears at a combined average of 6% ahead of passing rent and in line with ERV; and
    - Two rent reviews at an aggregate average of 7% ahead of previous passing rent, and 10 annual RPI linked rent reviews across 10 electric vehicle charger leases.
- £0.1m (Q2: £0.2m) of revenue generated from solar panel arrays across 12 assets, achieved through selling the renewable electricity generated to tenants and exporting any surplus.

[1] Profit after tax, excluding depreciation and net gains on investment property, divided by weighted average number of shares in issue (excluding treasury shares) during the Quarter.
[2] Price on 11 February 2026. Source: London Stock Exchange.
[3] Adjusting for property acquisitions, disposals and capital expenditure.

Continued valuation growth across the Company's c.£626m portfolio, with a 0.5% increase on a like-for-like basis

- Q3 net asset value ("NAV") total return per share[4] of 2.4%
- NAV per share increased to 99.8p (30 September 2025: 98.9p)
- NAV increased to £458.2m (30 September 2025: £456.3m), primarily due to valuation increases across most key property sectors

The value of the Company's investment property portfolio was £626.7m (30 September 2025: £625.0m), a like-for-like valuation increase of 0.5% during the Quarter, net of £1.3m of capital expenditure.

Ongoing capital investment programme continues to enhance the portfolio, and asset recycling from the Merlin acquisition continues to be accretive

- During the Quarter, the Company sold:
    - Six assets in Leicestershire, acquired as part of the Merlin Portfolio, for an aggregate £2.4m. Two assets were sold to special purchasers, which helped deliver aggregate proceeds £0.7m (41%) ahead of the allocated purchase price; and
    - A retail unit in Portsmouth for £0.6m, in line with valuation.
- Post Quarter end the Company sold a single-let office in Glasgow for £6.0m at a 24% premium to latest valuation
- £1.3m of capital expenditure primarily relating to the construction of a drive-through restaurant in Carlisle

Prudent debt levels

- Net gearing[5] was 26.2% loan-to-value at 31 December 2025 (30 September 2025: 26.4%)
- £172.5m (30 September 2025: £173.5m) of drawn debt at 31 December 2025, comprising £120m (70%) of fixed rate debt and £52.5m (30%) drawn under the Company's £75m variable rate revolving credit facility ("RCF")
- Weighted average cost ("WAC") of aggregate borrowings decreased to 3.95% (30 September 2025: 4.04%) due to a 0.25% decrease in base rate during December 2025. The Company's remaining £120m of longer-term fixed-rate debt facilities have a weighted average term of 5.0 years and a WAC of 3.3%, offering significant medium-term interest rate risk mitigation.

Dividends

[4] NAV per share movement including dividends paid during the Quarter on shares (excluding treasury shares) in issue at 30 September 2025.
[5] Gross borrowings less cash (excluding rent deposits) divided by property portfolio and solar panel valuations.

The Company paid an interim dividend per share of 1.5p on Friday 28 November 2025 relating to Q2, fully covered by EPRA earnings.

The Board has approved a fully covered interim dividend per share of 1.5p for the third quarter to be paid on Friday 27 February 2025 to shareholders on the register on 16 January 2026, designated as a property income distribution ("PID").

The Board is targeting a dividend per share of no less than 6.0p for the year ending 31 March 2026.

Net asset value

The Company's unaudited NAV increased to £458.2m, or approximately 99.8p per share, at 31 December 2025:

	Pence per share	£m
NAV at 30 September 2025	98.9	456.3
Shares repurchased	0.1	(1.8)
Net income for the Quarter	1.7	7.7
Interim quarterly dividends paid during the Quarter	(1.5)	(6.9)
Valuation movements of property portfolio and housing stock, and depreciation	0.6	2.9
Profit on disposal	-	-
NAV at 31 December 2025	99.8	458.2

The unaudited NAV attributable to the ordinary shares of the Company is calculated under International Financial Reporting Standards and incorporates the independent portfolio valuation at 31 December 2025 and net income for the Quarter.

The movement in unaudited NAV reflects the payment of an interim dividend per share of 1.5p during the Quarter, but as usual this does not include any provision for the approved dividend of 1.5p per share for the Quarter under review to be paid on Friday 27 February 2026.

Market update

The 12 months to 31 December 2025 proved challenging for UK listed real estate, and the direct commercial property market, with five of the 12 months ‘on hold’ as the country awaited the outcome of the November 2025 Budget. Despite strong investment volumes in the second quarter of the year, volumes dropped to 26% below the five-year quarterly average, according to Carter Jonas, in Q3 and early indications show that Q4 was little better.

We believe that the Q2 investment volumes point to the confidence in a property recovery that would have continued without the budget fear hiatus. The impact of the budget on commercial real estate was very limited, extending only to a proposed reorganisation of business rates. The gloom that hung over the economy in anticipation of the November 2025 budget masked some strongly positive metrics for property and we are seeing the market react to this positivity in the early weeks of 2026.

Rental growth continues to underpin performance, with Custodian Property Income REIT showing a reversionary potential (estimated rental value over passing rent) of 14%, or £52.0m over £45.8m and like-for-like rental growth of 2.4% over the financial year to date. As detailed below eight new lettings were agreed in the Quarter, 10% ahead of estimated rental value, in aggregate, adding £0.7m to the rent roll.

Easing longer-term gilt rates, with 10-year rates falling from c.4.6% to c.4.4% over the last 12 months, have also had a positive effect on listed real estate. Combined with stable property valuations, these rate movements have convinced a growing number of more generalist investors that the prospects for commercial property are strongly positive. Notable amongst these investors who have seen the opportunity are retail investors and Custodian Property Income REIT’s retail shareholder base, through share trading platforms alone, grew by 1.1m shares in the Quarter and by over 18.7m shares during 2025.

More widely, this growing confidence in listed real estate was reported by Citywire which noted that the main UK REIT index delivered 11% growth in 2025. This was consistent with Custodian Property Income REIT which enjoyed a 12% increase in share price over the year and a share price total return of 20%, demonstrating the importance of the income component of this metric.

Asset management

Custodian Capital Limited, the Investment Manager, has remained focused on active asset management during the Quarter, completing:

- Eight new leases, with £0.7m of new annual rental income added to the rent roll in aggregate, 10% ahead of ERV;
- Nine lease renewals/regears at a combined average of 6% ahead of passing rent and in line with ERV; and

- Two rent reviews at an aggregate average of 7% ahead of previous passing rent, and 10 annual RPI linked rent reviews across 10 electric vehicle charger leases.

Further details of these asset management initiatives are shown below:

New leases

£0.7m of new annual rental income was added to the rent roll through the letting of eight vacant units, in aggregate, 10% ahead of ERV:

- A 15-year lease to JD Gyms at a retail warehouse unit in Gloucester, at an annual rent of £200k, 33% ahead of ERV;
- A 15-year lease to Farmfoods at a retail warehouse unit Leicester, increasing annual rent 100% to £175k;
- A 15-year lease to Home Asia Foods at two industrial units in Knowsley, following a refurbishment project, increasing passing rent 72% to £126k;
- A 10-year lease to Jolleys Pets at a retail warehouse unit Carlisle, at a passing rent of £84k, 21% ahead of ERV;
- A 10-year lease to Crepe Trading Limited at a retail unit in St. Albans, following the former tenant entering administration, decreasing annual rent 17% to £60k in line with prevailing market rates;
- Five-year lease to NWAA at a retail warehouse unit in Southport, with a mutual break option on the third anniversary of the term, at an annual rent of £60k;
- 15-year lease to Saddisons Associates at a retail warehouse unit in Dunfermline, at an annual rent of £30k; and
- Five-year lease to Smart Makeovers Limited at an industrial unit in Atherstone, with a tenant break option in the third anniversary of the term, increasing annual rent by 68% to £14k.

Renewals/regears

Nine lease renewals/regears at a combined average of 6% ahead of passing rent and in line with ERV:

- 10-year reversionary lease with Restore Plc at an industrial unit in Salford, maintaining the passing rent at £605k, securing 13 years term certain from completion;
- 10-year lease renewal with Sainsburys at a retail warehouse unit in Torpoint, maintaining the passing rent at £218k, securing 12 years term certain from completion;
- Five-year lease renewal with DHL at an industrial unit in Speke, with a tenant break option on the third anniversary of the term, increasing the passing rent 49% to £177k;
- A one-year lease with Yates at a pub in High Wycombe maintaining the passing rent at £123k;

- Licence to underlet with Instavolt at a drive-through unit in Nottingham, increasing passing rent 4% for the remainder of the term, subject to reviews;
- Five-year reversionary lease with Pets at Home at a retail warehouse unit in Sheldon, maintaining the passing rent at £82k;
- 10- year reversionary lease to Nucana at an office unit in Glasgow, increasing the passing rent 15% to £94k and extending the term by five years;
- 10-year lease renewal with UCKG at a retail unit in Stratford, increasing passing rent 11% to £63k; and
- A rolling licence with Commercial Property Care at an office suite in Birmingham, maintaining the passing rent at £5k.

Rent reviews

Two rent reviews at an aggregate 7% ahead of previous passing rent, and 10 annual RPI linked rent reviews across the portfolio on Instavolt EV chargers.

- A retail warehouse unit in Carlisle, increasing passing rent 2% from £118k to £120k;
- A drive-through unit in York, increasing passing rent by 16% from £83k to £96k; and
- 10 RPI linked rent reviews with Instavolt electric vehicle chargers across the portfolio, increasing passing rent 4% in aggregate from £63k to £65k.

During the Quarter, Ichor Systems surrendered the remaining 3.5 years of its lease at an industrial unit in Hamilton for a premium of £950k (equivalent to 3.25 years of passing rent), along with completing dilapidations works of c.£1.0m. This surrender premium increased FY26 Q3 EPRA earnings per share by c. 0.2p. The completion of dilapidations works and a light refurbishment is expected to increase the unit's ERV by approximately 10-15%, and due to a lack of local supply we are optimistic regarding its re-letting potential.

Since the Quarter end the Company has let its largest void, a 60,000sq ft industrial unit in Redditch which was redeveloped in 2023, to Sonas Bathrooms at an annual rent of £669k, in line with ERV.

Share capital

Share buyback programme

During Q2 the Company implemented a share buyback programme with an initial maximum aggregate consideration of £5.0m ("the Buyback Programme"). 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 continues to be an attractive use of property disposal proceeds that will create value for shareholders.

The Company has purchased a total of 5.7m shares under the Buyback Programme, which are held in treasury. Aggregate consideration for these buybacks was £4.5m at a weighted average cost per share of 79.1p, representing an average 17.6% discount to prevailing NAV.

Deferred consideration relating to the acquisition of Merlin Properties Limited

During the Quarter, the Company issued 1.2m new shares in the Company at 92p per share as final consideration for the corporate acquisition of Merlin Properties Limited ("Merlin") which completed on 30 May 2025.

This acquisition set a strong blueprint as a solution to family offices when succession planning and / or seeking to simplify the structure of their properties holdings and has resulted in a number of enquiries from potential similar vendors, which the Company is now progressing in line with its growth ambitions.

Borrowings

At 31 December 2025, the Company had £172.5m of debt drawn comprising:

- £52.5m (30%) at a variable prevailing interest rate of 5.5% and a remaining maturity of 2.1 years; and
- £120m (70%) at a weighted average fixed rate of 3.3% with a weighted average maturity of 5.0 years.

At 31 December 2025, the Company's borrowing facilities were:

Variable rate borrowing

- A £60m RCF with 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, expiring on 10 November 2027. The facility limit can be increased to £75m with Lloyds' approval.

Fixed rate borrowing

- A £45m term loan with SWIP repayable on 5 June 2028 with interest fixed at 2.987%; and
- A £75m term loan with Aviva comprising:
  - A £35m tranche repayable on 6 April 2032 with fixed annual interest of 3.02%;
  - A £25m tranche repayable on 3 November 2032 with fixed annual interest of 4.10%; and

– A £15m tranche repayable on 3 November 2032 with fixed annual interest of 3.26%.

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

- The maximum LTV of the discrete security pools is either 45% or 50%, with an overarching covenant on the property portfolio of a maximum of 35% or 40% LTV; and
- Historical interest cover, requiring net rental receipts from the discrete security pools, over the preceding three months, to exceed either 150% or 250% of the associated facility's quarterly interest liability.

On 10 February 2026 the Company and Lloyds Bank plc agreed to extend the term of the RCF by one year to expire on 10 November 2028 and increased the RCF facility limit from £60m to £75m.

Portfolio analysis

At 31 December 2025, the investment property portfolio was split between the main commercial property sectors, in line with the Company's objective to maintain a suitably balanced investment portfolio. Sector weightings are shown below:

	31 December 2025					30 September 2025	
Sector	Valuation £m	Weighting by value	Weighting by income	Quarter valuation movement £m	Quarter valuation movement	Weighting by value	Weighting by income
Industrial	321.1	51%	43%	2.1	0.7%	51%	43%
Retail warehouse	137.2	22%	22%	0.3	0.2%	22%	22%
Other[6]	82.9	13%	14%	1.0	1.2%	13%	14%
Office	54.1	9%	14%	(0.4)	(0.7%)	8%	14%
High street retail	31.4	5%	7%	-	-	6%	7%
Total	626.7	100%	100%	3.0		100%	100%

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

Board

As previously reported, Nathan Imlach retired as a Director of the Company on 31 December 2025.

[6] Comprises drive-through restaurants, car showrooms, trade counters, gymnasiums, restaurants and leisure units.

- Ends -

Further information:

Further information regarding the Company can be found at the Company's website custodianreit.com or please contact:

Custodian Capital Limited

Richard Shepherd-Cross – Managing Director | Tel: +44 (0)116 240 8740

Ed Moore – Finance Director

Ian Mattioli MBE DL – Chairman

www.custodiancapital.com

Deutsche Bank AG, London Branch

Hugh Jonathan / George Shiel | Tel: +44 (0)20 7260 1000

www.DBnumis.com/funds

FTI Consulting

Richard Sunderland / Ellie Sweeney / Andrew Davis / Oliver Parsons | Tel: +44 (0)20 3727 1000

custodianreit@fticonsulting.com

Notes to Editors

Custodian Property Income REIT plc is a UK real estate investment trust, which listed on the main market of the London Stock Exchange on 26 March 2014. Its portfolio comprises properties predominantly let to institutional grade tenants throughout the UK and is principally characterised by smaller, regional, core/core-plus properties.

The Company offers investors the opportunity to secure an attractive level of income with the potential for capital growth through a diversified portfolio of UK commercial real estate comprising principally smaller, regional, core/core-plus properties, accessed via a closed-ended listed fund.

Custodian Capital Limited is the discretionary investment manager of the Company.

For more information visit custodianreit.com and custodiancapital.com.