

Custodian Property Income REIT plc

(“the Company” or “Custodian Property Income REIT”)

Final results for the year ended 31 March 2026

Corporate acquisitions, active asset management and a differentiated investment strategy driving valuation and earnings growth, underpinning a fully covered dividend

- ***Differentiated portfolio with 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***

Custodian Property Income REIT (LSE: CREI), which seeks to deliver an enhanced income return by investing in a diversified portfolio of smaller, UK regional properties with strong income characteristics, today announces its final results for the year ended 31 March 2026.

Commenting on the final results, Richard Shepherd-Cross, Managing Director of the Investment Manager, said: “This has been another year of positive operational performance which has provided a strong foundation to continue our long track record of delivering a fully covered dividend for our shareholders. Despite challenging capital markets conditions, we have been innovative in successfully continuing to scale the Company, through the majority-share acquisitions of three separate privately owned property companies. At the same time, we continue to see the benefits of our differentiated smaller lot sized investment strategy, which provides us with an enhanced yield, resilient income through cycle from a diverse mix of more than 350 tenants, further protecting earnings, with no need to sacrifice quality of property.

“Since 2024, valuations have been gradually recovering across most sectors within the Company’s portfolio and we have continued to focus on driving earnings growth through our active asset management programme as well as our ability to capture the latent rental growth in our portfolio. This has helped us deliver our strongest total return performance since 2022.

“With development activity reduced across the regions, the current supply of well-located modern buildings is increasingly limited, leading to rental growth in several sectors and supporting the returns from our refurbishment projects. Over the last 12 months, this favourable momentum combined with the quality of our portfolio has recorded like-for-like growth in estimated rental value in its two largest sectors of 4.1% in industrial and 2.7% in

retail warehousing. While the conflict in the Middle East has presented another hurdle for the recovery of UK listed real estate, we believe that the Company is well positioned for the headwinds that may lie ahead, with our diversified portfolio minimising the risk of sector specific downturns and providing defensive income for our investors.”

Commenting on the final results, David MacLellan, Chairman of the Company, said: “The Board’s commitment to seeking further growth for the Company through strategic corporate acquisitions and disciplined consolidation has resulted in the purchase of three privately owned property companies for a combined portfolio price of £63.8m. During the year, this innovative strategy proved to be an effective way to achieve scale, and we will continue to pursue similar opportunities with privately owned businesses facing succession issues in the UK that could benefit from our income focused strategy and tax efficient REIT status.

“The Company’s Investment Manager has curated a diversified portfolio that focuses on long-term income growth, delivering earnings enhancement through careful stock selection and increased exposure to higher yielding property sectors with the greatest potential for rental growth. As a result, we have continued to grow earnings, for the third consecutive year, as well as delivering another fully covered dividend to our shareholders. Income and income growth are likely to form the greater component of total return over the next phase of the property cycle if long-term interest rates continue to remain elevated with persistent inflation.

“Both the Board and the Investment Manager believe in the security of investing in real assets with well-diversified, contractual income supporting a fully covered dividend and forecast rental growth, which should continue to be attractive to shareholders in the inflationary environment seen since the start of the conflict in the Middle East.”

Highlights of the year:

- The purchase of three privately owned portfolios totalling £63.8m via the majority-share acquisition of the respective holding companies, adding 40 new assets primarily located in the Midlands and Buckinghamshire, which are highly complementary to the Company’s diversified portfolio
- 3.3% growth in EPRA earnings per share to 6.3p (FY25: 6.1p) with a 105% covered dividend per share of 6.0p, reflecting a 7.5% dividend yield as at 31 March 2026 (2025: 6.0p dividend, 7.9% yield).
- IFRS profit before tax increased to £48.3m (2025: £38.2m) with IFRS EPS of 10.4p (2025: 8.7p)
- 3.4% growth in like-for-like contractual rent, which increased to £49.2m (2025: £43.9m)
- Estimated rental value (“ERV”) grew 3.3% like-for-like, meaning that there is 13% of potential rental growth already baked into the portfolio when compared to current passing rent, which we expect to unlock at upcoming lease events, in addition to the other significant asset management opportunities to create value we have identified

- Nine rent reviews completed during the year at an average 6% ahead of previous passing rent and 7% ahead of ERV, with 53 new lettings, lease renewals and lease re-gears reflecting continued occupier demand for space in our properties.
- Occupancy improved by 1.3% to 92.4% during the year (31 March 2025: 91.1%)
- Like-for-like valuation of the Company's portfolio of 174 properties increased by 2.7% to £669.3m, supporting a 3.7% NAV per share increase and contributing to a 10.0% NAV total return (2025: 9.5%)
- We continued to progress our accretive capex programme, with £9.5m of investment into refurbishing industrial units in Plymouth, Biggleswade and Kettering, as well as the construction of a drive-through restaurant at a retail park in Carlisle
- £19.9m of proceeds from selective disposals achieved at an aggregate 23% premium to pre-offer valuation
- Net gearing remains low at 25.9% (31 March 2025: 27.9%) with 65% at a fixed rate of interest. During the year, the Company's RCF limit was increased from £50m to £75m to maintain headroom following repayment of a £20m loan which expired in August 2025, which increased the weighted average cost of debt from 3.9% to 4.1%

Further information:

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

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Custodian Property Income REIT plc Annual Report and Accounts for the year ended 31 March 2026

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.

Property highlights

	2026	
	£m	<i>Comments</i>
Portfolio value	669.3	31 March 2025: £594.4m
Valuation increases ¹	21.5	<ul style="list-style-type: none"> £20.0m or a 2.7% like-for-like increase in investment property valuation, as explained further in the Investment Manager’s report £1.5m property, plant and equipment relating to solar panels
Property acquisitions	63.8	<p>Three acquisitions of privately owned property companies completed with portfolio prices of:</p> <ul style="list-style-type: none"> £35.9m - Grove Court Portfolio £19.4m - Merlin Portfolio £8.5m - Scorpion Portfolio
Capital investment	9.5	<p>Primarily comprising:</p> <ul style="list-style-type: none"> £4.3m refurbishing industrial assets in Plymouth, Biggleswade and Kettering £1.6m constructing a drive-through restaurant at a retail park in Carlisle £0.8m combining two units to facilitate a letting at a retail warehouse in Southport £0.8m acquiring the freehold interest of a long-leasehold retail park in Weymouth
Disposal proceeds	19.9	<p>Sales at an aggregate 23% premium to pre-offer valuation² comprising:</p> <ul style="list-style-type: none"> £6.9m for two office buildings in Cheadle £6.0m for offices in Glasgow £4.8m for 12 smaller units in Leicestershire acquired as part of the Merlin Portfolio £1.6m for a vacant retail unit in Guildford £0.6m retail unit in Portsmouth
EPRA ³ occupancy ⁴	92.4%	Occupancy has improved to 92.4% from 91.1% due to new lettings during the year

¹ Comprising unrealised gains on investment property and solar panels (included within property, plant and equipment), and excluding acquisition costs of £2.9m.

² Latest external valuation prior to the disposal offer being reflected in subsequent valuations.

³ The European Public Real Estate Association (“EPRA”).

⁴ Estimated rental values (“ERV”) of let property divided by total portfolio ERV.

Financial highlights and performance summary

	2026	2025	Comments
<i>Returns</i>			
*EPRA earnings per share ⁵	6.3p	6.1p	Increased by 3.3% due to rental growth and receiving a £1.0m surrender premium
Basic and diluted earnings per share ⁶	10.4p	8.7p	Increased profit resulting from a £20.0m investment property valuation increase (2025: £11.2m)
Profit before tax (£m)	48.3	38.2	
Dividends per share ⁷	6.0p	6.0p	Target dividend per share for the year ended 31 March 2027 of 6.0p
*Dividend cover ⁸	104.8%	101.3%	In line with the Company's policy of paying fully covered dividends
*NAV total return per share ⁹	10.0%	9.5%	6.3% dividends paid (2025: 6.6%) and a 3.7% capital increase (2025: 2.9%)
*Share price total return ¹⁰	12.7%	1.2%	Share price increased from 76.2p to 79.9p during the year. Since the year-end share price has increased to 88p
<i>Capital values</i>			
NAV and *EPRA NTA ¹¹ (£m)	486.7	423.5	Increased due to £21.5m of property and solar panel valuation gains (2025: £11.9m)
NAV per share and *NTA per share	99.7	96.1	
*Net gearing ¹²	25.9%	27.9%	Decreasing towards the Company's 25% target
*Weighted average cost of drawn debt facilities at year end	4.1%	3.9%	£30m of variable rate debt deployed during the year (5.5% rate) to refinance £20m fixed rate loan expiry in August 2025 (3.9%) and fund corporate acquisitions. Base rate (SONIA) decreased from 4.5% to 3.75% during the year.

Costs

5 Profit after tax, excluding depreciation and net gains on investment property, divided by weighted average number of shares in issue (excluding treasury shares).

6 Profit after tax divided by weighted average number of shares in issue.

7 Dividends paid and approved for the year.

8 Profit after tax, excluding depreciation and net gains on investment property, divided by dividends paid and approved for the year.

9 Net Asset Value ("NAV") per share movement including dividends per share paid during the year on shares in issue at 31 March 2025.

10 Share price movement including dividends paid during the year.

11 EPRA net tangible assets ("NTA") does not differ from the Company's IFRS NAV or EPRA NAV.

12 Gross borrowings less cash (excluding restricted cash) divided by investment property portfolio and solar panel value.

*Ongoing charges ratio ¹³ (“OCR”)	2.62%	2.48%	Average quarterly NAV has increased from £414.8m in FY25 to £454.7m in FY26
*OCR excluding direct property expenses ¹⁴	1.28%	1.30%	

Environmental

*Weighted average energy performance rating ¹⁵	average energy certificate (“EPC”)	B (48)	C (51)	EPCs updated at 44 units across 24 properties demonstrating continued improvements in the environmental performance of the portfolio
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**Alternative performance measures (“APMs”)* - the Company reports APMs to assist stakeholders in assessing performance alongside the Company’s results on a statutory basis, set out above. 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 22.

13 Expenses (excluding depreciation, the cost of sold houses and operating expenses of rental property recharged to tenants) divided by average quarterly NAV.

14 Expenses (excluding depreciation, the cost of sold houses and operating expenses of rental property) divided by average quarterly NAV.

15 Weighted by floor area. For properties in Scotland, English equivalent EPC ratings have been obtained.

Delivering maintainable income and value

<i>Active asset management</i>	<i>Rental growth and maintainable income</i>	<i>Capital recycling and reinvestment</i>
<ul style="list-style-type: none"> • Nine rent reviews at an aggregate 6% increase in annual rent from £2.2m to £2.3m and 7% ahead of estimated rental value (“ERV”) • 53 new lettings, lease renewals and lease re-gears, with rental levels remaining affordable to our occupiers. • EPRA occupancy improved to 92.4% (31 Mar 2025: 91.1%) 	<ul style="list-style-type: none"> • FY26 dividends of 6.0p are 105% covered by recurring income • 3.3% like-for-like growth in the portfolio ERV • 13% further income growth already embedded within ERV of £55.6m exceeding the current £49.2m passing rent 	<ul style="list-style-type: none"> • Disposal proceeds of £19.9m during the year, representing an aggregate 23% premium to pre-offer valuation • £9.5m of capital expenditure, invested in value and income-accretive property refurbishments • £1.5m valuation increase on solar panels installed during FY25

Differentiated property strategy

The Company’s portfolio of smaller, regional core/core-plus assets 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.

Richard Shepherd-Cross, Managing Director of the Company’s discretionary investment manager, commented: “Our smaller-lot specialism has consistently delivered significantly higher yields¹⁶ with lower volatility 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.”

¹⁶ Benchmarked against the EPRA NAREIT UK Index.

Diverse portfolio with institutional grade tenants

Sector	Weighting by income 31 March 2026	Location	Weighting by income 31 March 2026
Industrial	42%	West Midlands	18%
Retail warehouse	22%	North-West	16%
Other	15%	South-East	16%
Office	14%	East Midlands	15%
High street retail	7%	Scotland	12%
		South-West	9%
		North-East	9%
		Eastern	4%
		Wales	1%

Top 10 tenants	Asset locations	Annual passing rent (£m)	% portfolio income
InPost Distribution (formerly Menzies Distribution)	Aberdeen, Edinburgh, Glasgow, Ipswich, Norwich, Dundee, Swansea, York	1.7	3.5%
Wickes	Winnersh, Burton upon Trent, Southport, Nottingham	1.4	2.9%
B&M	Swindon, Ashton-under-Lyne, Plymouth, Carlisle	1.4	2.8%
B&Q	Banbury, Weymouth	1.0	2.0%
Matalan	Leicester, Nottingham	1.0	2.0%
First Title (t/a Enact Conveyancing)	Leeds	0.9	1.9%
DFS	Droitwich, Measham	0.9	1.8%
Romac Logistics	Motherwell	0.8	1.7%
Zavvi	Winsford	0.7	1.5%
Vertu Motors (t/a Mercedes of Beaconsfield)	Beaconsfield	0.7	1.5%
Next	Evesham, Motherwell	0.7	1.4%

Sector	Experian tenant risk rating	
	31 March 2026	31 March 2025
Government	1%	1%
Very low risk	57%	62%
Low risk	10%	11%
Below average risk	14%	11%
Above average risk	6%	5%
High risk	1%	1%
Other	11%	9%

Business model

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, with a focus on improving the environmental credentials of the portfolio, to become the REIT of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate.

Business model¹⁷

What we invest in	How we manage risk	How we grow	Outcome
<p>A diverse portfolio of UK commercial real estate, principally characterised by smaller, regional, core/core-plus¹⁸ properties that provide enhanced income</p> <p>Modern buildings or those considered fit for purpose by occupiers, focusing on areas with:</p> <ul style="list-style-type: none"> - High residual values; - Strong local economies; and - An imbalance between supply and demand. 	<p>A portfolio diversified by sector, location, tenant and lease term, with a maximum weighting by income to any one property sector or geographic region of 50%, and a maximum exposure to non-governmental tenants of 5%</p>	<p>Focus on the refurbishment or redevelopment of existing holdings, rather than speculative development.</p> <p>Seek further growth, which may involve strategic property portfolio acquisitions and corporate consolidation</p>	<p>EPRA EPS:</p> <ul style="list-style-type: none"> • FY26 – 6.3p • FY25 – 6.1p • FY24 – 5.8p • FY23 – 5.6p • FY22 – 5.9p <p>ERV like-for-like growth:</p> <ul style="list-style-type: none"> • FY26 – 3.3% • FY25 – 3.9% • FY24 – 3.6% • FY23 – 4.1% • FY22 – 3.8%

¹⁷ A full version of the Company's Investment Policy is shown in the Investment Policy section of this Annual Report.

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.

Stakeholder interests

The Board recognises the importance of all 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.

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

- **Improving the energy performance of our buildings** - investing in carbon-reducing technology, infrastructure and onsite 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

Success in achieving the Company's performance and sustainability objectives is primarily measured by performance against key performance indicators set out in detail in the Financial review and ESG Committee reports respectively. The Principal risks and uncertainties section of the Strategic Report sets out potential risks in achieving the Company's objectives.

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 over 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. £670m.

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 seven accountants.

Growth strategy

The Board is committed to seeking further growth in the Company to increase the liquidity of its shares and reduce the ongoing charges ratio. Our growth strategy involves:

- Strategic property portfolio acquisitions and corporate consolidation, in particular identifying portfolios held by family offices seeking a solution to succession and latent tax issues;
- Organic growth through share issuance at a premium to NAV;
- Broadening the Company's shareholder base, particularly through further penetration into online platforms;
- Becoming the natural choice for private clients and wealth managers seeking to invest in UK real estate; and
- Taking investor market share from peer group companies being wound down.

The Board ensures that property fundamentals are central to all decisions.

Corporate acquisitions

The Company has completed three corporate acquisitions during the year (the "Transactions"). For each transaction, the Company acquired 100% of the acquirees' ordinary share capital, with aggregate consideration calculated on an 'adjusted NAV-for-NAV basis', with each company's NAV being adjusted for respective acquisition costs and the acquiree investment property portfolio valuation adjusted to the agreed purchase price.

A summary of the Transactions is shown below:

Transaction	Merlin	Grove Court	Scorpion
Completion date	30 May 2025	13 February 2026	2 March 2026
Acquiree	Merlin Properties Limited	Grove Court Properties (Holdings) Limited ¹⁹	Scorpion Properties Limited
Number of properties	28	7	5
Portfolio primary location	East Midlands	Buckinghamshire	South Midlands
<i>Consideration</i>			
Cash consideration ²⁰	-	£9.3m	£3.4m
Adjusted equity consideration ²¹	£19.4m	£26.6m	£5.1m
Portfolio price	£19.4m	£35.9m	£8.5m
Other assets acquired	10 newly built residential properties for £2.7m	None	None
Largest tenant	Halfords	Vertu Motors (t/a Mercedes of Beaconsfield)	Steer Automotive
Portfolio topped-up net initial yield	8.1%	6.8%	6.8%
Net gearing on acquisition	None	25%	38%
Sector (% income)			
- Industrial	47%	-	100%
- Retail warehouse	19%	-	-
- Office	17%	37%	-
- High street retail	13%	17%	-
- Other	4%	46%*	-
	100%	100%	100%

*comprises 24% motor trade, 19% residential, 3% leisure

The Transactions provide us with portfolios that are both a strong fit with our income-focused strategy and highly complementary to our existing property portfolio, augmenting our regional coverage and adding further diversification by tenant.

¹⁹ Plus its subsidiaries Grove Court Properties (Beaconsfield) Limited and Gerrards House Limited.

²⁰ Including cash paid to shareholders on acquisition, cash settlement of debt on acquisition and expected cash settled overage, and excluding acquisition costs.

²¹ Including final expected equity consideration on settlement of deferred consideration and overage at adjusted NAV, less working capital acquired. Equity consideration represents the number of shares issued or expected to be issued at the contractual subscription share price per the SPA, which does not represent the fair value share price on actual issue date.

Hubert Lynch, outgoing Founder Director of Merlin Properties, said: *“Operating the Merlin Portfolio, which our family has compiled and managed over the last 40 years, had become increasingly demanding in today’s complex environment. We have undertaken the transaction in a tax efficient manner to ensure our family’s continued exposure to property investment both currently and for future generations through a professionally managed fund. As already significant, supportive shareholders of Custodian Property Income REIT we have a strong relationship with the Investment Management team which we look forward to continuing for many years.”*

Dan Pilling, outgoing Director of Grove Court Properties, said: *“This transaction has provided us with a tax efficient solution and simplified ownership structure that ensures our family can continue to benefit from our property investments but within a larger, more diversified portfolio through a fund with a strong track record of income returns. We have built an excellent working relationship with the Custodian team and we look forward to continuing this in the future.”*

Chairman's statement

During the year, the Board demonstrated its commitment to further scale the Company through strategic corporate acquisitions and disciplined consolidation, with the purchase of three separate privately-owned property companies with a combined portfolio price of £63.8m. At the same time the Company has delivered another strong operational performance from its existing portfolio.

The resultant growth in the Company's portfolio has further diversified the tenant base, while increasing rental income and profit, all of which supports the fully covered dividend we consistently deliver to shareholders.

The acquisitions were funded in part through the issue of new shares to the vendors providing an additional benefit of both expanding the Company's share register and further increasing liquidity in the Company's shares. We intend to continue growing the Company's portfolio through similar acquisitions and believe that Custodian Property Income REIT's income focused and differentiated strategy of investing in a diversified portfolio of smaller regional properties, coupled with the Company's REIT tax status and dividend policy, is particularly well-suited for families seeking a tax efficient solution, while achieving their goal of retaining investment exposure to UK property.

Demand for UK listed real estate has shown signs of recovery during the year, although the recent UK political instability and geopolitical events have once again unsettled confidence in the UK economy as well as the bond markets, and by extension the nascent recovery in the Company's share price. Nevertheless, the Company has made progress throughout the year with positive asset management activity and rental growth performance, as well as the successful and continued delivery of our growth strategy.

Performance

Custodian Property Income REIT's strategy is to invest in a diversified portfolio which, as at 31 March 2026, comprised 174 properties diversified by UK geographical spread and across a range of sectors. The year-end portfolio valuation reflected a net yield ("NIY") of 6.4%²² (2025: 6.6%). With an average property value of c.£4m, and no one tenant or property accounting for more than 3.5%, or 1.7%, respectively of the Company's rent roll, property specific risk and tenant default risk are significantly mitigated.

The Company's NAV per share increased by 3.7% during the year, supported by a c. 3% like-for-like portfolio valuation uplift and contributing to a 10.0% NAV total return per share. However, we believe the conflict in the Middle East is likely to slow this positive valuation trajectory as investors pause to wait and see whether the Bank of England reacts to upward pressure on interest rates from persistent inflation. This positive underlying property

²² EPRA topped-up net initial yield.

portfolio performance was reflected in the share price performance with a share price total return for the year of 12.7%.

One of the ongoing challenges for listed real estate has been the increasingly strong correlation between share prices and long-term gilt yields, which have been volatile over the last 12 months. 30-year gilt rates recently reached a 28-year high of 5.8%, with 10-year gilts at an 18 year high. These rates have an inversely proportional impact on Custodian Property Income REIT's dividend yield. As at 31 March 2026, the Company's dividend yield was 7.5%, fully covered by earnings and supported by rental growth, and the Board believes this represents a compelling opportunity for investors, even before considering the potential for future portfolio valuation growth as the market recovers.

Custodian Property Income REIT combines sector expertise with high quality asset management, tenant covenant management and portfolio construction, to provide an institutional offering to shareholders in a diversified regional portfolio, that has a long track record of generating a superior income return. Notwithstanding recent volatility in pricing, and acknowledging our belief that 2024 witnessed the bottom of a property valuation cycle, the Company has delivered an average annual NAV total return per share of 6.2% in the 12 years since IPO, driven by strong recurring earnings with a fully covered dividend.

The NAV of the Company at 31 March 2026 was £486.7m, approximately 99.7p per share:

	Pence per share	£m
NAV at 31 March 2025	96.1	423.5
Share buybacks	0.2	(4.8)
Share issuance	(0.3)	49.7
Valuation increases ²³ and depreciation	3.5	17.0
Profit on disposal of investment property	0.5	2.6
Acquisition costs	(0.6)	(2.9)
Net gain on property portfolio	3.4	16.7
EPRA earnings	5.9	29.0
Quarterly dividends paid during the year ²⁴	(5.6)	(27.4)
	0.3	1.6
NAV at 31 March 2026	99.7	486.7

²³ Excluding £4.5m IFRS valuation increases arising from issuing shares as consideration for acquisitions at adjusted NAV which exceeded the prevailing share price on issue, which is included within share issuance.

²⁴ Quarterly interim dividends totalling 6.0p per share (1.5p relating to the prior year and 4.5p relating to the year) were paid on shares in issue throughout the year.

The movement in NAV reflects the payment of interim dividends during the year, but does not include any provision for the dividend of 1.5p per share relating to Q4 which was paid on Friday 29 May 2026.

Dividends

The Company's dividend objective is to deliver a property strategy that maintains a relatively high dividend, fully covered by EPRA earnings.

Dividends relating to the year ended 31 March 2026 were 6.0p (2025: 6.0p), 104.8% covered by recurring (EPRA) earnings (2025: 101.3%). Our Investment Manager continues to keep a tight control on costs, while the Company's majority fixed-rate debt profile is keeping borrowing costs below the current market rate.

The Board's ambition remains to grow the dividend at a rate which is fully covered by net recurring income and does not inhibit the flexibility of the Company's investment strategy.

Borrowings

During the year, the Company further reduced net gearing to 25.9% loan-to-value (“LTV”) from 27.9% as at 31 March 2025, driven primarily by the £19.9m of proceeds from property disposals exceeding capital expenditure of £9.5m and the all-share acquisition of the ungeared Merlin Portfolio, drawing the LTV closer to the Company’s 25% medium-term target.

The proportion of the Company’s drawn debt facilities with a fixed rate of interest was 65% at 31 March 2026 (2025: 80%), significantly mitigating interest rate risk for the Company and maintaining the accretive margin between the Company’s 4.1% (2025: 3.9%) weighted average cost of debt and property portfolio EPRA topped-up NIY²⁵ of 6.4% (2025: 6.6%).

The Company’s debt is summarised in Note 16.

Acquisitions

Custodian Property Income REIT remains committed to growth and over the first 12 years of trading the Company has scaled, largely organically, but also through the acquisition of private property portfolios, with the portfolio increasing from £90m at IPO to £670m at 31 March 2026. This growth has improved shareholder liquidity and increased diversification, mitigating property specific and tenant risk while stabilising earnings.

Following completion of the Transactions summarised in the Growth strategy section, the Board of Custodian Property Income REIT and the Investment Manager are actively exploring further opportunities to acquire similar complementary privately owned property portfolios.

Sustainability

The Company has made further progress in implementing its environmental policy during the year, improving its weighted average EPC score from C (51) to B (48), following further sustainability-led refurbishments within the portfolio. The Company’s Asset Management and Sustainability report is available at:

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

²⁵ Annualised cash rents at the year-end date, adjusted for the expiration of lease incentives, less estimated non-recoverable property operating expenses (excluding letting and rent review fees), divided by property valuation plus estimated purchaser’s costs. Considered an APM.

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.

Investment Manager

The performance of the Investment Manager is reviewed each year by the Management Engagement Committee, which noted the successful completion of the Transactions, continued positive asset management initiatives and capital improvements to the Company's portfolio, with resulting valuation increases, enhanced environmental performance and maintained occupancy and income. As a result the Board believes the continued appointment of the Investment Manager is in the best interest of shareholders.

During the year the fees charged by the Investment Manager resulted in an ongoing charges ratio excluding direct property expenses of 1.28% (2025: 1.30%), which compares favourably to the peer group²⁶. Details of fees payable to the Investment Manager are set out in Note 19.

Board

As planned Nathan Imlach, formerly Chief Strategic Adviser to Mattioli Woods, stepped down from the Board on 31 December 2025 resulting in the Board becoming fully independent from the Company's Investment Manager. On behalf of the Board and our shareholders I thank Nathan for his support and contribution to the Company.

Share buyback programme

In July 2025, the Company implemented a share buyback programme with a maximum aggregate consideration of £5.0m ("the Buyback Programme"). During the recent higher interest rate environment, the Company prioritised re-investment of proceeds from selective disposals in funding capital expenditure to improve the quality and environmental credentials of its existing portfolio, as well as paying 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 believe this would result in an increase in earnings per share and/or an increased NAV per share 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.

²⁶ Source: Deutsche Numis.

To date the Company has purchased 6.0m shares under the Buyback Programme, which are held in treasury. Aggregate consideration for these buybacks was £4.8m at a weighted average cost per share of 79.1p, representing an average 17.7% discount to prevailing dividend adjusted NAV per share.

In May 2026 the Board approved a further £2.0m aggregate consideration of the Buyback Programme.

Outlook

The Company's Investment Manager has curated a diversified portfolio that focuses on long-term income, delivering earnings enhancement through careful stock selection and increased exposure to higher growth sectors with the greatest potential for rental growth. As a result the portfolio has supported growing earnings and a fully covered dividend, with 105% dividend cover for the year. Income and income growth are likely to form the greater component of total return over the next phase of the property cycle if long-term interest rates remain elevated for the foreseeable future with persistent inflation.

The Board is grateful for the support of its wide range of shareholders, with the majority classified as private client or discretionary wealth management investors, and also extends a warm welcome to the families joining the share register as a result of the three private property portfolio acquisitions this financial year.

David MacLellan

Chairman

10 June 2026

Investment Manager's report

The UK property market

The advent of the conflict in the Middle East, and its impact on inflation and interest rate expectations as well as supply chain pressures, created volatility at a time of renewed confidence in UK commercial real estate. Listed real estate share prices suffered a sharp decrease in late 2022, as interest rates rose, with associated weak valuations continuing throughout 2023 and into 2024. By mid-2024 we could see the bottom of the valuation cycle in most property sectors, yet investor confidence was weighed down by uncertainty over longer-term interest rates and more recently the November 2025 Budget. In the three months between the Budget and the start of the conflict in Iran, Custodian Property Income REIT enjoyed a 12.3% recovery in share price, consistent with most listed real estate. What followed was sharp volatility, with those gains reversing by 31 March 2026, but subsequently recovering some of the lost ground. We believe the underlying positivity towards listed real estate can be explained by the structural forces supporting a rental growth story which will support long-term total returns.

Valuations across the Company's portfolio have been recovering since Q3 2024, largely through positive asset management, securing lease renewals and rental growth or from delivering modern, energy efficient buildings through refurbishment. This theme has been widespread across the market with a strong focus from occupiers on good quality buildings. Subject to further negative news from the Middle East or elsewhere, we expect this steady valuation recovery to continue, however, unlike in previous cycles we do not expect this to derive from significant yield shift²⁷ supported by falling long-term gilt rates, but from primarily asset management led rental growth.

A key support to the current delivery of positive asset management outcomes is the limited supply of modern or refurbished buildings. Supply has been restricted by limited development since 2022 in all but a few property sub-sectors, with an acute reduction in speculative development projects more recently. In the two largest sectors of the Company's portfolio, industrial and retail warehousing, which account for 42% and 22% of income respectively, the supply side effect has had the greatest impact, supporting refurbishment projects and rental growth. Over the last 12 months the portfolio has recorded like-for-like growth in estimated rental value of 4.1% in industrial and 2.7% in retail warehousing.

In addition to supply/demand dynamics, rental growth in commercial property is also driven by inflation which has been, and will likely continue to be, a feature of the economy. Build cost and labour cost inflation requires rents to grow to support refurbishment and new development. Without higher rents cost inflation will restrict supply, which will in turn put pressure on rents to grow. In short, commercial property should perform relatively well in an inflationary environment as investors are naturally drawn to real assets. It has certainly been the case that the

²⁷ Yield shift refers to a change in the percentage return (yield) an investor receives on a property due to movement in its capital value due to investor market sentiment rather than movement in rental expectations.

high inflation we experienced over the last few years has been met with higher rental levels across most sectors of real estate.

Unlike in 2018-2023 when rental growth was focused principally on logistics assets, which brought forward significant investment and development capital, the market is now much flatter with rental growth potential a feature of all sectors, as seen in the Custodian Property Income REIT portfolio in the year to 31 March 2026. Investors appear less focused on single sector investing and more attracted to the diversified portfolios than previously.

On a sectoral basis there has been positive news for all the main commercial property sectors. Industrial continues to lead the way on rental growth, but we have also recorded rental growth in retail warehousing, office and high street retail. Like-for-like ERV growth by sector is shown below:

Sector	31 March 2026
Industrial	4.1%
Other	3.7%
Retail warehouse	2.7%
Office	1.6%
Retail	1.3%

The table below shows the reversionary potential of the portfolio by sector, by comparing EPRA topped-up NIY to the equivalent yield, which factors in expected rental growth and the letting of vacant units. Across the whole portfolio, valuers' ERV are 13% (2025: 14%) ahead of passing rent and while part of the reversionary potential is due to vacancy, the balance is this latent rental growth which will be unlocked at rent review and lease renewal.

Sector	EPRA topped-up NIY 31 March 2026	Equivalent yield ²⁸ 31 March 2026	EPRA topped-up NIY 31 March 2025	Equivalent yield 31 March 2025
Industrial	5.6%	7.1%	5.5%	6.9%
Retail warehouse	7.3%	7.6%	7.5%	7.6%
Other	7.6%	7.9%	7.7%	8.4%
Office	7.8%	11.4%	8.1%	11.1%
High street retail	9.2%	8.1%	9.4%	8.4%
Whole portfolio	6.4%	7.8%	6.6%	7.8%

Prevailing property investment approach

Based on our assessment of the current market, our strategy to maintain a regionally focused diversified portfolio, as set out below, has proven resilient. We expect to reinvest the proceeds from selective disposals in funding capital expenditure to improve the environmental credentials of the portfolio and to pay down variable rate debt. Over the long-term we intend to focus on:

- Maintaining weighting to industrial and logistics – assets in this sector still have latent rental growth and strong occupier demand for small/'mid-box' units;
- Retail warehousing let off low rents which are starting to show rental growth and supply side restrictions;
- Selective regional offices with a focus on strong city centre locations instead of out-of-town business parks;
- Drive-through expansion involving acquisition and development where rental growth is anticipated;
- Selective high street retail assets in the country's strongest locations where rents have stabilised and there is potential for growth; and
- Refurbishment of existing property, maximising all opportunities to invest in the quality of our assets and support our ESG goals.

²⁸ Weighted average of annualised cash rents at the year-end date and ERV, less estimated non-recoverable property operating expenses, divided by property valuation plus estimated purchaser's costs. Source: Knight Frank.

Sectoral view

Industrial

Rental growth remains strongest in the industrial and logistics sector which accounts for the largest share of the Company's rent roll. Lack of supply, and in some urban areas reducing supply, limited development of smaller and 'mid-box' industrial units and construction cost inflation have all combined to focus occupational demand and create low vacancy rates, driving rental growth for new-build regional industrial units and well specified, refurbished space. The industrial sector is also providing the greatest opportunity for solar panels, generally referred to as photovoltaic ("PV") installations, which is not only delivering on our environmental commitments but also growing revenue through the sale of the electricity generated to tenants via a power purchase agreement.

In summary:

- Occupational demand is robust
- Limited supply of modern, 'low carbon', buildings
- Latent rental growth potential
- Target sector for well-priced opportunities

Retail warehouse

Retail warehousing is the sector in our portfolio which the Investment Property Forum Consensus Forecast expects to record the highest total return in 2026, showing some rental growth but with strong capital performance. Our preferred sub-sectors are food, homewares, DIY and the discounters. Vacancy rates are very low and future rental growth appears affordable for occupiers.

The combination of convenience, lower costs per square foot and the complementary offer to online retail has kept these assets trading strongly. As the second largest sector in the Custodian Property Income REIT portfolio, the recovery in market sentiment towards out-of-town retail is positive and vacancy rates remain low.

In summary:

- Units let off low rents
- Lower costs of occupation
- Complementary to online

Office

In the office sector, we have pursued a strategy of reducing exposure to business park assets, where we believe tenant demand is weaker and rental growth prospects are much more limited. While only a small percentage of the portfolio despite acquisitions during the year, our offices are typically city centre buildings that can be or have been brought up to modern occupier requirements and have low environmental impact standards.

In summary:

- Occupier demand is stronger in city centre locations
- Strong rental growth in select locations
- Valuations have stabilised

High street retail

We continue to see low vacancy rates in prime locations and occupier demand, from both retail and leisure operators, should be supportive of future rental growth.

In summary:

- Low vacancy rates in prime locations
- Rents are starting to show growth
- Rental yields support dividends

Other

Sub-sector of 'Other' sector assets	Weighting by income 31 March 2026	Weighting by income 31 March 2025
Motor trade	23%	16%
Gym	17%	20%
Drive-through	15%	17%
Pub and restaurant	12%	15%
Other, including day nursery and hotel	10%	13%
Leisure	10%	12%
Residential	7%	-
Trade counter	6%	7%
	100%	100%

Property portfolio balance

Property portfolio summary

	2026	2025
Property portfolio value ²⁹	£669.3m	£594.4m
Number of separate tenancies	470	349
EPRA vacancy rate	7.6%	8.9%
Number of assets	174	151
Weighted average unexpired lease term to first break of expiry ("WAULT")	5.1 years	5.0 years
EPRA topped-up NIY	6.4%	6.6%
Weighted average EPC rating	B (48)	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's strategy since IPO has been a relatively low exposure to office and high street retail combined with a relatively high weighting to the industrial, retail warehouse and alternative sectors, often referred to as 'other' in property market analysis.

²⁹ 2026 includes £nil of assets sold since the year end classified as 'held-for-sale' (2025: £11.0m).

The current sector weightings are:

Sector	Valuation 31 March 2026 £m	Weighting by income ³⁰ 31 March 2026	Valuation 31 March 2025 £m	Weighting by income 31 March 2025	Valuation movement ³¹ £m	Weighting by value 31 March 2026	Weighting by value 31 March 2025
Industrial	332.2	42%	298.3	42%	11.7	50%	50%
Retail warehouse	138.8	22%	127.3	22%	2.6	21%	21%
Other	100.7	15%	78.2	13%	2.1	15%	13%
Office	59.5	14%	57.7	16%	(1.2)	8%	10%
High street retail	38.1	7%	32.9	7%	0.3	6%	6%
Total	669.3	100%	594.4	100%	15.5	100%	100%

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

Portfolio acquisitions undertaken during the year are detailed in the Growth strategy section.

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 significantly ahead of valuation or that do not fit within the Company's longer-term investment strategy is important.

The Company sold the following properties during the year for an aggregate £19.9m, 23% ahead of pre-offer valuation:

- Single-let offices in Glasgow for £6.0m at a 24% premium to the 30 September 2025 valuation;
- 12 primarily retail units in Leicestershire for £4.8m, with certain assets sold to special purchasers, resulting in an aggregate 52% premium to purchase price allocation as part of the Merlin Portfolio;
- Offices at 5500 Lakeside, Cheadle, which were 66% let, for £4.0m in line with valuation;
- Offices at Wienerberger House, Cheadle which were fully let, for £2.9m, a 29% premium to valuation;
- Retail unit in Guildford for £1.6m, £0.1m ahead of valuation; and
- Retail unit in Portsmouth for £0.6m, in line with valuation.

³⁰ Current passing rent plus ERV of vacant properties.

³¹ Excluding £4.5m IFRS valuation increases arising from issuing shares as consideration for acquisitions at adjusted NAV which exceeded the prevailing share price on issue.

Since the year end the Company has sold an industrial unit in Scunthorpe, acquired as part of the Scorpion Portfolio, for £0.1m in line with valuation.

Asset management

During the year we have remained focused on active asset management, completing nine rent reviews at an aggregate 6% increase in annual rent from £2.2m to £2.3m and 7% ahead of ERV. We also completed 53 new lettings, lease renewals and lease re-gears, with rental levels remaining affordable to our occupiers.

EPRA occupancy has improved to 92.4% (31 Mar 2025: 91.1%) due to the new lettings above and the sale of vacant, or part vacant, units in Cheadle and Guildford.

During the year we invested £9.5m in capital expenditure, primarily on property refurbishments. £2.1m of this capital expenditure related to the refurbishment of an industrial unit in Plymouth which moved the property's EPC from 'E' to 'A' and facilitated a new letting at a new headline rent for the area. The new tenant, Altilium Metals, will use the site for 'Accelerating Carbon Capture and Storage Technologies' which will support the UK's first commercial refinery for the recovery of critical battery materials from end-of-life EV batteries.

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 challenging 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 reached an average B rating during the year (equivalent to a score of between 25 and 50). 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 year the Company has updated EPCs at 44 units across 24 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 (48).

Richard Shepherd-Cross

Managing Director

for and on behalf of Custodian Capital Limited
Investment Manager
10 June 2026

Financial review

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

<i>Financial summary</i>	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Rental revenue excluding surrender premiums	44,312	42,828
Surrender premiums	1,134	-
Rental revenue	45,446	42,828
Other income	605	476
Expenses, dilapidations and net tenant recharges	(9,889)	(9,159)
Net finance costs	(7,205)	(7,359)
EPRA earnings	28,957	26,786
Net gain on investment property and depreciation	19,341	11,369
Profit before tax	48,298	38,155
EPRA EPS (p)	6.3	6.1
Dividend cover	104.8%	101.3%
OCR excluding direct property costs	1.28%	1.30%
<i>Borrowings</i>		
Net gearing	25.9%	27.9%
Weighted average debt maturity	5.0 years	4.5 years
Weighted average cost of drawn debt	4.1%	3.9%

Revenue

Rental revenue excluding surrender premiums increased by 3.5% compared to the year ended 31 March 2025, with like-for-like passing rent increasing by 3.4% as rental growth was captured throughout most sectors of the portfolio.

Acquiring £63.8m of properties via corporate acquisitions added c. £5.5m to the annual rent roll during the year and, net of disposals, year end annual contractual passing rent increased by 12.1% to £49.2m (2025: £43.9m).

During the year the Company received a £0.95m surrender premium, reflecting c. three years' rent, following the early exit of a tenant of an industrial unit in Hamilton. Total surrender premiums of £1.1m increased FY26 EPRA earnings per share by c. 0.2p.

During the year we saw a further five PV installations complete a full operational year, which increased other income by 27%. We expect PV revenues to continue to grow as recent installations go live and we continue to roll-out PV via our pipeline of anticipated refurbishments.

Finance costs

Net finance costs decreased by £0.2m during the year, primarily due to base rate (SONIA) decreasing from 4.5% to 3.75% and disposal proceeds of £19.9m exceeding £9.5m of capital expenditure on the existing portfolio. These factors more than offset the impact of refinancing a £20m loan with a fixed rate of 3.9% on expiry in August 2025 using the Company's variable rate revolving credit facility ("RCF") with a prevailing 5.5% rate.

During the final quarter of the year the Company funded the £12.7m cash element of consideration for corporate acquisitions. Together with £2.9m of associated acquisition costs for the year, these factors resulted in a net £10m increase in drawn debt during the year and increased the year-end weighted average cost of debt from 3.9% to 4.1%.

Earnings

The positive movements in revenue and finance costs increased EPRA earnings per share to 6.3p (2025: 6.1p). During the year sentiment towards real estate improved despite concerns over high long-term gilt rates and the impact of the Iran conflict. Investment property portfolio valuation increases were £20.0m (2.7% like-for-like increase), with the Company's portfolio of solar panels also seeing a £1.5m uplift. During the year the Company sold 17 properties generating a profit on disposal of £2.6m, which contributed to a profit before tax of £48.3m (2025: £38.2m).

Dividends

The Board acknowledges the importance of income for shareholders and during the year its policy was to pay dividends at a rate fully covered by EPRA earnings.

The Company paid dividends totalling 6.0p per share during the year (£27.4m) comprising a fourth interim dividend relating to the year ended 31 March 2025 of 1.5p, and three quarterly interim dividends of 1.5p per share relating to the year ended 31 March 2026.

On Friday 29 May 2026 the Company paid a fourth quarterly interim dividend per share of 1.5p for the quarter ended 31 March 2026 of £7.3m. Dividends relating to the year ended 31 March 2026 of 6.0p (2025: 6.0p) were 104.8% (2025: 101.3%) covered by EPRA earnings of £29.0m (2025: £26.8m), as calculated in Note 22.

Debt financing

The Company's debt profile at 31 March 2026 is summarised below:

	31 March 2026	31 March 2025
Gross debt	£185.0m	£175.0m
Net gearing	25.9%	27.9%
Weighted average cost	4.1%	3.9%
Weighted average maturity	5.0 years	4.5 years
Percentage of drawn debt at a fixed rate of interest	65%	80%

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 last year to 25.9% at the year-end primarily due to £21.5m of valuation increases.

On 10 February 2026 the Company and Lloyds Bank plc ("Lloyds") 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 its maximum £75m.

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

- A £75m 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, and expiring on 10 November 2028;
- 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 the following 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 40% LTV; and
- Historical interest cover, requiring net rental income from each discrete security pool, over the preceding three months, to exceed either 200% or 250% of the facility's quarterly interest liability.

At the year end the Company had £227.4m (34% of the property portfolio) of unencumbered assets which could be charged to the security pools to enhance the LTV on the individual loans. On 25 March 2026 the Company secured an asset in Dundee valued at £1.9m to its Aviva loan pool. An £11.5m unencumbered industrial asset in Winsford is in the process of being charged to the RCF loan pool.

The weighted average cost of the Company's drawn debt facilities at 31 March 2026 was 4.1% (2025: 3.9%), with a weighted average maturity of 5.0 years (2025: 4.5 years). At 31 March 2026 the Company had £65.0m (2025: £35.0m) drawn under its Lloyds RCF, meaning 65% (2025: 80%) of the Company's drawn debt facilities were at fixed rates of interest.

This high proportion of fixed rate debt significantly mitigates long-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.

Key performance indicators

The Board reviews the Company's quarterly performance against a number of key financial and non-financial measures:

- EPS and EPRA EPS – reflect the Company's ability to generate recurring earnings from the property portfolio which underpin dividends;
- Dividends per share and dividend cover - to provide an attractive level of income to shareholders, fully covered from net rental income. The Board reviews target dividends in conjunction with detailed financial forecasts to ensure that target dividends are being met and are maintainable;
- Target dividend per share – an expectation of the Company's ability to deliver an income stream to shareholders for the forthcoming year;
- NAV per share total return – reflects both the NAV growth of the Company and dividends payable to shareholders. The Board assesses NAV per share total return over various time periods and compares the Company's returns to those of its peer group of listed, closed-ended property investment funds;

- Share price total return – reflects the movement in share price and dividends payable to shareholders, giving returns that were available to shareholders over the year;
- NAV/NTA per share, share price and market capitalisation – reflect various measures of shareholder value at a point in time;
- Net gearing – measures the Company’s borrowings less restricted cash as a proportion of its investment property, balancing the additional returns available from utilising debt with the need to effectively manage risk;
- Weighted average cost of debt – measures the cost of the Company’s borrowings based on amounts drawn and base rate at the year end;
- OCR – measures the annual running costs of the Company and indicates the Board’s ability to operate the Company efficiently, keeping costs low to maximise earnings from which to pay fully covered dividends; and
- Weighted average EPC rating – measures the overall environmental performance of the Company’s property portfolio.

The Board considers the key performance measures over various time periods and against similar funds. A record of these measures is disclosed in the Financial highlights and performance summary, the Chairman’s statement and the Investment Manager’s report.

EPRA performance measures

EPRA Best Practice Recommendations, which are APMs, have been disclosed to facilitate comparison with the Company’s peers through consistent reporting of key real estate specific performance measures.

	2026	2025
EPRA EPS (p)	6.3	6.1
EPRA Net Tangible Assets (“NTA”) and Net Reinstatement Value (“NRV”) per share (p)	99.7	96.1
EPRA Net Disposal Value (“NDV”) per share (p)	101.1	99.9
EPRA NIY	5.8%	6.2%
EPRA ‘topped-up’ NIY	6.4%	6.6%
EPRA vacancy rate	7.6%	8.9%
EPRA cost ratio (including direct vacancy costs)	26.2%	24.0%
EPRA cost ratio (excluding direct vacancy costs)	21.8%	19.7%
EPRA LTV	26.6%	28.7%
EPRA capital expenditure (£m)	9.5	6.8
EPRA like-for-like annual rent (£m)	43.0	42.3

- EPRA EPS – a key measure of the Company’s underlying operating results and an indication of the extent to which current dividend payments are supported by earnings

- EPRA NAV per share metrics – make adjustments to the NAV per the IFRS financial statements to provide stakeholders with information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios. EPRA NTA - assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. EPRA NDV – includes an adjustment for the fair value of fixed rate debt.
- EPRA NIY and ‘topped-up’ NIY – alternative measures of property portfolio valuation based on cash passing rents at the reporting date and once lease incentive periods have expired, net of vacant property operating costs
- EPRA vacancy rate –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.
- EPRA cost ratios – alternative measures of ongoing charges based on expenses, excluding operating expenses of rental property recharged to tenants, but including increases in the doubtful debt provision, compared to gross rental income
- EPRA LTV – a measure of gearing including all payables and receivables
- EPRA capital expenditure - capital expenditure incurred on the Company’s property portfolio during the year
- EPRA like-for-like rental growth - a measure of passing rent of the property portfolio, excluding acquisitions and disposals
- EPRA Sustainability Best Practice Recommendations – environmental performance measures focusing on emissions and resource consumption which create transparency to potential investors by enabling a comparison against peers and set a direction towards improving the integration of ESG into the management of the Company’s property portfolio.

Outlook

The Company’s business model has remained resilient during the year and we have further mitigated against refinancing risk by extending the Company’s RCF. We have a scalable cost structure and flexible capital structure to continue to raise new equity through corporate acquisition opportunities.

Ed Moore

Finance Director

for and on behalf of Custodian Capital Limited

Investment Manager

10 June 2026

Principal risks and uncertainties

The Board has overall responsibility for reviewing the effectiveness of the system of risk management and internal control which is operated by the Investment Manager. During the year the Board has performed a robust assessment of the principal and emerging risks facing the Company through a periodic review of, and updates to, its risk register. The Company's risk management process is designed to identify, evaluate and mitigate the significant risks the Company faces in line with its risk appetite. At least annually, the Board undertakes a risk review, with the assistance of the Audit and Risk Committee, to assess the effectiveness of the Investment Manager's risk management and internal control systems. During this review, no significant failings or weaknesses were identified in respect of risk management, internal control and related financial and business reporting. The Investment Manager is undertaking a review of the risk register to ensure that material controls are identified and their operation documented to support the Board's assessment of their effectiveness during the year ending 31 March 2027, as required by the revised Provision 29 of the UK Corporate Governance Code.

Further information on the risk governance and risk management processes are included in the Internal control and risk management section of the Governance report.

The Company holds a portfolio of high quality property let predominantly to institutional grade tenants and is primarily financed by fixed rate debt. It does not undertake speculative development.

There are a number of potential risks and uncertainties which could have a material impact on the Company's performance over the forthcoming financial year and could cause actual results to differ materially from expected and historical results. The Directors have assessed the risks facing the Company, including risks that would threaten the business model, future performance, solvency or liquidity. The table below outlines the principal risks identified, but does not purport to be exhaustive as there may be additional risks that materialise over time that the Company has not yet identified or has deemed not likely to have a potentially material adverse effect on the business.

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Loss of revenue</p> <ul style="list-style-type: none"> • An increasing number of tenants exercising contractual breaks or not renewing at lease expiry • Unable to re-let void units promptly • Tenant default due to a cessation or curtailment of trade • Enforced reduction in contractual rents through Restructure Plans or CVAs • Property environmental performance insufficient to attract tenants or maintain rents • More frequent and longer periods of property refurbishment delaying re-letting • Decreases in rental rates due to general economic conditions, uncertainty due to global socio-political issues or sector/property specific factors • Expiries or breaks concentrated in a specific year • Low UK economic growth impacting the occupational property market 	<p>Likelihood: Moderate</p> <p>Impact: High</p> <p>Loss of revenue has an immediate impact on earnings and dividend capacity. There is also an increased risk of breaching interest cover covenants on borrowings, detailed in Note 16, which could ultimately lead to default.</p>	<p>No change</p> <p>Discussed further in the Investment Manager's report</p>	<ul style="list-style-type: none"> • Diverse property portfolio covering all key sectors and geographical areas • The Company has over 400 individual tenancies with the largest tenant accounting for 3.5% of the rent roll • Investment policy limits the Company's rent roll to no more than 10% from a single tenant and 50% from a single sector • Primarily institutional grade tenants • Focused on established business locations for investment • Active management of lease expiry profile considered in forming acquisition and disposal decisions • Building specifications typically not tailored to one user • Strong tenant relationships • Significant focus and proactive investment in asset-by-asset environmental performance to maintain or improve rental levels 	<p>The Board relies on the Investment Manager's processes regarding due diligence on property acquisitions and new lettings. A degree of tenant covenant risk and short WAULTs are accepted due to the nature of the business</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Decreases in property portfolio valuation</p> <ul style="list-style-type: none"> • Reduced property market sentiment and investor demand affecting market pricing • Upward pressure or high longer-term interest rate expectations • Decreases in sector-specific ERVs • Change in demand for space • Property environmental performance insufficient to attract tenants • Property obsolescence requiring increasing levels of capital expenditure to maintain rental tone • Refurbishment or repair work cost over-runs not reflected in valuations • Properties concentrated in a specific geographical location or sector • Lack of transactional evidence • Decreases in occupancy 	<p>Likelihood: Moderate</p> <p>Impact: Moderate</p> <p>Valuation decreases increase the risks of:</p> <ul style="list-style-type: none"> • Non-compliance with LTV covenants on borrowings, detailed in Note 16, which could ultimately lead to default; and • The Company realising its investments at lower values. <p>The Company's sensitivity to valuation decreases is considered further in Going concern and longer-term viability below</p>	<p>Increased – although valuations have increased during the year, recent global socio-economic instability is negatively impacting interest rate expectations and overall economic confidence</p> <p>Discussed further in the Chairman's statement and Investment Manager's report</p>	<ul style="list-style-type: none"> • Occupational demand has been resilient during the year despite economic headwinds • Active property portfolio diversification between office, industrial (distribution, manufacturing and warehousing), retail warehousing, high street retail and other • Investment policy limits the Company's property portfolio to no more than 50% in any specific sector or geographical region • Smaller lot-size business model limits exposure to individual asset values • High quality assets in good locations should remain popular with investors • Significant focus on asset-by-asset ESG performance and proactively investing in environmental performance to maintain or improve demand 	<p>There is no certainty that property values will be realised.</p> <p>This is an inherent risk of property investment.</p> <p>The Investment Manager aims to minimise this risk through its asset selection, diversification and active asset management initiatives.</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Reduced availability or increased cost of debt financing</p> <ul style="list-style-type: none"> Breach of financial and non-financial borrowing covenants Over-reliance on an individual lender Significant increases in interest rates LTV increasing above target Refinancing risk from upcoming expiries 	<p>Likelihood: Moderate</p> <p>Impact: High</p> <p>Increases in interest rates in the short-term reduce earnings and dividend capacity to the extent the Company has drawn balances on its variable rate RCF. Increases in longer-term interest rate expectations make longer-term fixed rate debt more expensive.</p> <p>Lack of availability of financing would have a significant impact on property strategy if properties needed to be sold to repay loans.</p>	<p>No change – valuations stabilised during the year but longer-term gilt rates have recently increased due to global socio-economic instability</p>	<ul style="list-style-type: none"> The Company has three lenders The Company’s weighted average maturity on its debt is c. five years Target net gearing of 25% LTV on property portfolio 65% of drawn debt facilities at the year end at a fixed rate of interest Significant unencumbered properties available to cure any potential breaches of LTV covenants Ongoing monitoring and management of the forecast liquidity and covenant position RCF limit increased from £60m to £75m during the year to provide RCF headroom funding the cash element of corporate acquisitions 	<p>The Board and Investment Manager focus on having funding in place to take advantage of opportunities as they arise.</p> <p>The Board’s aim is to minimise this risk to the extent possible through arranging longer-term facilities.</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p><i>Inadequate operational performance</i></p> <ul style="list-style-type: none"> Inadequate performance, controls or systems operated by the Investment Manager Over-reliance on key investment manager personnel or other third party service providers 	<p>Likelihood: Low</p> <p>Impact: High</p> <p>Risk of sub-optimal returns impacting earnings and dividend capacity, ineffective risk or threat management or decisions made on inaccurate information.</p> <p>Inability to retain or recruit staff of an appropriate calibre</p>	<p>No change – no changes are expected to key Investment Manager personnel</p>	<ul style="list-style-type: none"> Ongoing review of key service provider performance by the Management Engagement Committee Outsourced internal audit function reporting directly to the Audit and Risk Committee External depositary with responsibility for monitoring the safeguarding of property assets and cash The Investment Management Agreement contains key personnel provisions designed to mitigate the potential impact of key individuals leaving 	<p>The Board relies on the Investment Manager's processes. Its appetite for such risk is low</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Regulatory, legal and governance</p> <ul style="list-style-type: none"> • Adverse impact of new or revised legislation or regulations, or by changes in the interpretation or enforcement of existing government policy, laws and regulations • Non-compliance with the REIT regime³² or changes to the Company's tax status • Properties aren't compliant with prevailing fire safety legislation • Conflicts of interest with the Investment Manager • Non-compliance with the Company's Articles of Association 	<p>Likelihood: Low</p> <p>Impact: High</p> <ul style="list-style-type: none"> • Reputational damage could impact demand for shares. • Earnings and dividend capacity would decrease with penalties/fines for non-compliance or through an increased tax charge • Remedial costs or claims for non-compliance could be substantial • Conflicts of interest could lead to operational issues or reputational damage 	<p>No change</p>	<ul style="list-style-type: none"> • Strong compliance culture, with an independent Management Engagement Committee overseeing the Investment Manager relationship • External professional advisers are engaged to review and advise upon control environment, ensure regulatory compliance and advise on the impact of changes • Business model and culture embraces FCA principles • REIT regime compliance is considered by the Board in assessing the Company's financial position and setting dividends and by the Investment Manager in making operational decisions • Fire safety policy goes over and above minimum requirements 	<p>The Board has no appetite for non-compliance</p>

³² As defined by the Corporation Tax Act 2010.

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p><i>Business interruption</i></p> <ul style="list-style-type: none"> • Cyber-attack results in the Investment Manager being unable to use its IT systems and/or losing data • Terrorism or pandemics interrupt the Company's operations through impact on either the Investment Manager or the Company's assets or tenants 	<p>Likelihood: Moderate</p> <p>Impact: High</p> <p>Reputational damage from not being able to communicate with shareholders on a timely and accurate basis. Loss of earnings and dividend capacity if contractual rents not invoiced. Fines and penalties from non-compliance with reporting requirements.</p>	<p>No change</p>	<ul style="list-style-type: none"> • Data is regularly backed up and replicated and the Investment Manager's IT systems are protected by anti-virus software and firewalls that are regularly updated • Fire protection and access/security procedures are in place at all of the Company's managed properties • Comprehensive property damage and business interruption insurance is held, including three years' lost rent and terrorism • At least annually, a fire risk assessment and health and safety inspection is performed for each property in the Company's managed portfolio 	<p>The Board relies on the Investment Manager's processes. It has no appetite for such risk</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Environmental</p> <ul style="list-style-type: none"> • Failure to appropriately manage the environmental performance of the property portfolio, resulting in it not meeting the required standards of environmental legislation and making properties unlettable or unsellable • ESG policies and targets being insufficient to meet the required standards of stakeholders • Non-compliance with environmental reporting requirements • Insufficient electricity supply to maintain tenant requirements for clean energy due to inadequate infrastructure • Unsuccessful investment in new technology • Physical risk to properties due to environmental factors and extreme weather 	<p>Likelihood: Moderate</p> <p>Impact: Moderate</p> <p>Risk of reputational damage, suboptimal returns for shareholders, decreased asset liquidity, reduced access to debt and capital markets and poor relationships with stakeholders</p>	<p>No change</p> <p>Discussed further in the ESG Committee report</p>	<ul style="list-style-type: none"> • The Company has engaged specialist environmental consultants to advise the Board on compliance with requirements and adopting best practice where possible • The Company has a published ESG policy which seeks to improve energy efficiency and reduce emissions • The ESG Committee ensures compliance with environmental requirements, the ESG policy and environmental KPIs • At a property level an environmental assessment is undertaken which influences decisions regarding acquisitions, refurbishments and asset management initiatives • Upgrading power supplies where availability permits • All investments are scrutinised by the Investment Manager's Investment Committee. Investment Committee reports include a dedicated ESG rationale. Carbon reducing technology is a key part of the carbon-reduction strategy but is not invested in speculatively and only established products are considered. 	<p>The Board is averse to non-compliance risk, in particular when it may adversely impact reputation, stakeholder sentiment or asset liquidity.</p>

Risk on business and causes	Likelihood and impact	Overall change in risk from last year	Mitigating factors	Appetite
<p>Acquisition due diligence</p> <ul style="list-style-type: none"> Unidentified risk and liabilities associated with the acquisition of new properties (whether acquired directly or via a corporate structure) 	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Decrease in profitability or NAV and loss of shareholder value</p>	<p>No change</p>	<ul style="list-style-type: none"> Comprehensive due diligence is undertaken in conjunction with professional advisers and the provision of insured warranties and indemnities are sought from vendors where appropriate 	<p>The Board accepts risk with such transactions with the mitigations opposite used to manage risk where possible</p>

Emerging risks

The impact of geo-political risk relating to the conflicts in Ukraine, Gaza and Iran and the associated volatile political climate, and UK specific factors including government leadership uncertainty, the declining health of public markets and a 'cost of living crisis' also add to uncertainty over the prevailing macroeconomic outlook. 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.

The rapid adoption of artificial intelligence ("AI") may alter demand and occupier space requirements over the medium-term, and AI-related cyber and data risks within the Investment Manager's existing technology risk framework. AI is not considered a material risk in the near-term but is under active Board review given the pace of change.

Going concern and longer-term viability

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.

The longer-term viability assessment assumes that debt facilities expiring in 2028 are refinanced.

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;
- Continuing a programme of asset disposals;
- The Company's capex programme to invest in its existing assets continues as expected; and
- Interest rates follow the prevailing forward curve.

The Directors have assessed the Company's prospects and longer-term viability over this three-year period in accordance with Provision 36 of the AIC Code, and the Company's prospects as a going concern over a period of 12 months from the date of approval of the Annual 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 year despite economic headwinds with like-for-like rents increasing over the last 12 months.

Sensitivities

Sensitivity analysis involves flexing the assumptions listed above, taking into account the principal risks and uncertainties and emerging risks detailed in the Strategic 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:

1. Covenant compliance

The Company operates the loan facilities summarised in Note 16. At 31 March 2026 the Company had sufficient headroom on lender covenants at a portfolio level with:

- Parent company net gearing of 28.7%³³ compared to a maximum LTV covenant of 40% on its borrowing facilities. £227.4m (34% of the whole property portfolio) is unencumbered by the Company's borrowings; and
- 131% minimum headroom on interest cover covenants for the quarter ended 31 March 2026.

Over the one and three year assessment periods the Company's forecast model projects a small increase in net gearing and an 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

³³ Calculated with reference to the property holdings of Custodian Property Income REIT plc, thus excluding properties held by its subsidiaries.

outturn, but the results help inform the Directors' assessment of the viability of the Company. The testing indicated that:

- The rate of loss of contractual rent on the borrowing facility with least headroom would need to deteriorate by 28% (for the going concern assessment period) to breach its interest cover covenant 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 for both assessment periods, property valuations would have to decrease from the 31 March 2026 position by:
 - 34% at a portfolio level; or
 - 12% at an individual charge pool level, assuming no further properties were charged

Note 10 details the expected movements in the valuation of investment properties if the equivalent yield at 31 March 2026 is increased or decreased by 0.5% (2025: 0.25%) and if the ERV is increased or decreased by 5.0% (2025: 5.0%), which the Board believes are reasonable sensitivities to apply given historical changes.

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 3.2%. 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 c.170 assets and over 300 typically 'institutional grade' tenants across all commercial sectors.

2. Liquidity

At 31 March 2026 the Company had £10.0m of unrestricted cash and £10.0m undrawn RCF, with gross borrowings of £185.0m resulting in net gearing of 25.9%. The Company repaid its £20m SWIP loan using its RCF facility on expiry.

The Company increased its RCF limit from £60m to £75m in February 2026. The Company's forecast model projects it will have at least £8.6m of undrawn RCF facility over the next 12 months to continue its programme of discretionary capital investment, pay its target dividends and its expense and interest liabilities over the assessment periods.

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 one-year and three-year periods of their assessment, the Company:

- Has surplus cash to continue in operation and meet its liabilities as they fall due;
- Complies with borrowing covenants; and
- Complies with the REIT tests.

Section 172 statement and stakeholder relationships

The Directors consider that in conducting the business of the Company over the course of the year they have complied with Section 172(1) of the Companies Act 2006 (“the Act”) by fulfilling their duty to promote the success of the Company and act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Issues, factors and stakeholders

The Board has direct engagement with the Company’s shareholders and seeks a rounded and balanced understanding of the broader impact of its decisions through regular engagement with its stakeholder groups (detailed below) to understand their views, typically through feedback from the Investment Manager, the Company’s broker and the distribution agent, which is regularly communicated to the Board via quarterly meetings. Stakeholder engagement also ensures the Board is kept aware of any significant changes in the market, including the identification of emerging trends and risks, which in turn can be factored into its strategy discussions.

Management of the Company’s day-to-day operations has been delegated to the Investment Manager, Custodian Capital Limited, and the Company has no employees. This externally managed structure allows the Board and the Investment Manager to have due regard to the impact of decisions on the following matters specified in Section 172 (1) of the Act:

Section 172(1) factor	Approach taken
Likely consequences of any decision in the long-term	<p>The business model and strategy of the Company is set out within the Strategic Report. Any deviation from or amendment to that strategy is subject to Board and, if necessary, shareholder approval. The Company’s Management Engagement Committee ensures that the Investment Manager is operating within the scope of the Company’s investment objectives.</p> <p>At least annually, the Board considers a budget for the delivery of its strategic objectives based on a three year forecast model. The Investment Manager reports non-financial and financial key performance indicators to the Board, set out in detail in the Business model and strategy section of the Strategic report, at least quarterly which are used to assess the outcome of decisions made.</p> <p>The Board’s commitment to keeping in mind the long-term consequences of its decisions underlies its focus on risk, including risks to the long-term success of the business.</p> <p>The investment strategy of the Company is focused on medium to long-term returns, minimising the Company’s impact on the environment and benefitting communities, and as such the long-term is firmly within the sights of the Board when all material decisions are made.</p>

	<p>The Board gains an understanding of the views of the Company's key stakeholders from the Investment Manager, broker, distribution agents and Management Engagement Committee, and considers those stakeholders' interests and views in board discussions and long-term decision-making.</p>
<p>The interests of the Company's employees</p>	<p>The Company has no employees as a result of its external management structure, but the Directors have regard to the interests of the individuals responsible for delivery of the property management and administration services to the Company to the extent that they are able.</p> <p>The Company's Nominations Committee is responsible for applying the diversity policy set out in the Nominations Committee report to Board recruitment.</p>
<p>The need to foster the Company's business relationships with suppliers, customers and others</p>	<p>Business relationships with suppliers, tenants and other counterparties are managed by the Investment Manager. Suppliers and other counterparties are typically professional firms such as lenders, property agents and other property professionals, accounting firms and legal firms and tenants with which the Investment Manager often has a longstanding relationship. Where material counterparties are new to the business, checks, including anti money laundering checks where appropriate, are conducted prior to transacting any business to ensure that no reputational or legal issues would arise from engaging with that counterparty. The Company also periodically reviews the compliance of all material counterparties with relevant laws and regulations such as the Modern Slavery Act 2015 and environmental practices. The Company pays suppliers in accordance with pre-agreed terms. The Management Engagement Committee engages directly with the Company's key service providers where necessary providing a direct line of communication for receiving feedback and resolving issues.</p> <p>The Investment Manager has open lines of communication with tenants and can understand and resolve any issues promptly.</p>
<p>The impact of the Company's operations on the community and the environment</p>	<p>The Board recognises the importance of supporting local communities where the Company's assets are located and seeks to invest in properties which will be fit for future purpose and which align with ESG targets. The Company also seeks to benefit local communities by creating social value through employment, viewing its properties as a key part of the fabric of the local economy.</p> <p>The Board takes overall responsibility for the Company's impact on the community and the environment and its ESG policies are set out in the ESG Committee report.</p> <p>The Company's approach to preventing bribery, money laundering, slavery and human trafficking is disclosed in the Governance report.</p>
<p>The desirability of the Company maintaining a reputation for high standards of business conduct</p>	<p>The Board believes that the ability of the Company to conduct its investment business and finance its activities depends in part on the reputation of the Board and Investment Manager's team. The risk of falling short of the high standards expected and thereby risking its business reputation is included in the Board's review of the Company's risk register, which is conducted periodically. The principal risks and uncertainties facing the business are set out in that section of the Strategic Report. The Company's requirements for a high standard of conduct and business ethics are set out in the Governance report.</p>

The need to act fairly as between members of the Company

The Company's shareholders are an important stakeholder group. The Board oversees the Investment Manager's investor relations programme which involves the Investment Manager engaging routinely with the Company's shareholders. The programme is managed by the Company's broker and distribution agents and the Board receives prompt feedback on the outcomes of meetings and presentations. The Board and Investment Manager aim to be open with shareholders and available to them, subject to compliance with relevant securities laws. The Chairman of the Company and other Non-Executive Directors make themselves available for meetings as appropriate and attend the Company's AGM.

The investor relations programme is designed to promote formal engagement with investors and is typically conducted after each half-yearly results announcement. The Investment Manager also engages with existing investors who may request meetings and with potential new investors on an ad hoc basis throughout the year, including where prompted by Company announcements. Shareholder presentations are made available on the Company's website. The Company has a single class of share in issue with all members of the Company having equal rights.

During the year the Company has welcomed a number of new, significant shareholders through its corporate acquisition activity. In all negotiations the best interests of existing shareholders was ensured.

Methods used by the Board

The main methods used by the Directors to perform their duties include:

- Board Strategy meetings are held typically annually to review all aspects of the Company's business model and strategy and assess the long-term success of the Company and its impact on key stakeholders;
- The Management Engagement Committee assesses the Company's engagements with its key service providers. The Investment Manager reports on their performance to the Committee which in turn reports key issues to the Board. The responsibilities of the Management Engagement Committee are detailed in the Management Engagement Committee report;
- The Board is ultimately responsible for the Company's ESG activities set out in the ESG Committee report, which it believes are a key part of benefitting the local communities where the Company's assets are located;
- The Board's risk management procedures set out in the Governance report identify the potential consequences of decisions in the short, medium and long-term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to the Company and wider stakeholders;
- The Board sets the Company's purpose, values and strategy, detailed in the Business model and strategy section of the Strategic report, and the Investment Manager ensures they align with its culture;
- The Board carries out direct shareholder engagement via the AGM and Directors attend shareholder meetings on an ad hoc basis;
- External assurance is received through internal and external audits and reports from brokers and advisers;
- Specific training for existing Directors and induction for new Directors as set out in the Governance report; and

- Ad hoc meetings to consider corporate acquisition opportunities.

Principal decisions in the year

The Board has delegated operational functions to the Investment Manager and other key service providers. In particular, responsibility for management of the Company's property portfolio has been delegated to the Investment Manager. The Board retains responsibility for reviewing the engagement of the Investment Manager and exercising overall control of the Company, reserving certain key matters as set out in the Governance report. The principal non-routine decisions taken by the Board during the year, and its rationale on how the decision was made, were:

Decision	How decision was made
Setting target dividends at 6.0pps for the year ending 31 March 2027.	In line with the Board's dividend policy of paying a high, fully covered level of dividend which maximises shareholder returns without negatively influencing property strategy.
Extending the RCF by one year to move expiry from November 2027 to 2028, and increasing the facility limit to its maximum £75m.	To mitigate refinancing risk by securing the existing competitive margin for a further year, and mitigate liquidity risk by maintaining a suitable level of headroom on available, undrawn facilities.
Acquiring Merlin Properties Limited, Grove Court Properties (Holdings) Limited and Scorpion Properties Limited ("the Acquisitions") in all or part-paper transactions on an adjusted NAV-for-NAV basis.	The Company has undertaken property, legal, financial and tax due diligence work on the Acquisitions and the Investment Manager modelled the combined entity to understand the projected short and medium-term impact of the Acquisitions on the combined portfolio and its earnings. The Board constituted an Acquisition Committee for each transaction which held regular meetings to understand and oversee progress and any issues arising to remain in position to make decisions as they arose. The key challenges faced by the Acquisition Committees and Board focused on ensuring forecasts and potential risks were accurately identified to ensure the transaction was in the best long-term interests of all stakeholders by increasing long-term earnings within the Company's stated investment policy.

Due to the nature of these decisions, a variety of stakeholders had to be factored into the Board's discussions. Each decision was announced at the time, so that all stakeholders were aware of the decisions.

Stakeholders

The Board recognises the importance of stakeholder engagement to deliver its strategic objectives and believes its stakeholders are vital to the continued success of the Company. The Board is mindful of stakeholder interests and keeps these at the forefront of business and strategic decisions. Regular engagement with stakeholders is fundamental to understanding their views. The below section highlights how the Company engages with its key stakeholders, why they are important and the impact they have on the Company and therefore its long-term success, which the Board believes helps demonstrate the successful discharge of its duties under s172(1) of the Act. The Board assesses the effectiveness of stakeholder engagement through discussion with the Investment Manager and the Company's broker and distribution agent.

Stakeholder	Stakeholder interests	Stakeholder engagement
<p>Tenants</p> <p>The Investment Manager understands the businesses occupying the Company's assets and seeks to create long-term partnerships and understand their needs to deliver fit for purpose real estate and develop asset management opportunities to underpin long-term maintainable income growth and maximise occupier satisfaction</p>	<ul style="list-style-type: none"> • High quality assets • Profitability • Efficient operations • Knowledgeable and committed landlord • Flexibility to adapt to the changing UK commercial landscape • Buildings with strong environmental credentials 	<ul style="list-style-type: none"> • Regular dialogue • Review published data, such as accounts, trading updates and analysts' reports • Ensured buildings comply with safety regulations and insurance requirements • Certain tenants contacted to request environmental performance data and offer an engagement programme on their premises' environmental performance • Occupancy has remained above 90% during the year
<p>The Investment Manager and its employees</p> <p>As an externally managed fund the Company's key service provider is the Investment Manager and its employees are a key stakeholder. The Investment Manager's culture aligns with that of the Company and its long-standing reputation of operating in the smaller lot-size market is key when representing the Company</p>	<ul style="list-style-type: none"> • Long-term viability of the Company • Long-term relationship with the Company • Well-being of the Investment Manager's employees • Being able to attract and retain high-calibre staff • Maintaining a positive and transparent relationship with the Board 	<ul style="list-style-type: none"> • Board and Committee meetings • Face-to-face and video-conference meetings with the Chairman and other Board Directors • Quarterly KPI reporting to the Board • Board evaluation, including feedback from key Investment Manager personnel • Ad hoc meetings and calls
<p>Suppliers</p> <p>A collaborative relationship with our suppliers, including those to whom key services are outsourced, ensures that we receive high quality services to help deliver strategic and investment objectives</p>	<ul style="list-style-type: none"> • Collaborative and transparent working relationships • Responsive communication • Being able to deliver service level agreements 	<ul style="list-style-type: none"> • Board and Committee meetings which certain key suppliers attend • One-to-one meetings • Annual review of key service provider engagements by the Management Engagement Committee, which includes appropriateness of internal policies and payment practices

Stakeholder	Stakeholder interests	Stakeholder engagement
Shareholders		
Building a strong investor base through clear and transparent communication is vital to building a successful business and generating long-term growth	<ul style="list-style-type: none"> • Maintainable growth • Attractive level of income returns • Strong Corporate Governance and environmental credentials • Transparent reporting framework 	<ul style="list-style-type: none"> • Annual and half year presentations • AGM • Market announcements and corporate website • Regular investor feedback received from the Company's broker, distribution agents and PR adviser as well as seeking feedback from face-to-face meetings • On-going dialogue with analysts
Lenders		
Our lenders play an important role in our business. The Investment Manager maintains close and supportive relationships with this group of long-term stakeholders, characterised by openness, transparency and mutual understanding	<ul style="list-style-type: none"> • Stable cash flows • Stronger covenants • Being able to meet interest payments • Maintaining agreed gearing ratios • Regular financial reporting • Proactive notification of issues or changes 	<ul style="list-style-type: none"> • Quarterly covenant reporting • Regular catch-up calls
Government, local authorities and communities		
As a responsible corporate citizen the Company is committed to engaging constructively with central and local government and ensuring we support the wider community	<ul style="list-style-type: none"> • Openness and transparency • Proactive compliance with new legislation • Proactive engagement • Support for local economic and environmental plans and strategies • Playing its part in providing the real estate fabric of the economy, giving employers a place of business 	<ul style="list-style-type: none"> • Engagement with local authorities where we operate • Two way dialogue with regulators and HMRC when required

Approval of Strategic report

The Strategic report, (incorporating the Business model and strategy, Chairman's statement, Investment Manager's report, Financial report, Principal risks and uncertainties and Section 172 statement and stakeholder relationships) was approved by the Board of Directors and signed on its behalf by:

David MacLellan

Chairman

10 June 2026

Board of Directors and Investment Manager personnel

The Board comprises five non-executive directors. A short biography of each director is set out below:

David MacLellan - Independent Chairman

Appointed: May 2023

David has over 40 years' experience in private equity and fund management first with Murray Johnstone, which he joined in 1984, and then with RJD Partners which he founded in 2001. He was a director of Aberdeen Asset Managers plc following its acquisition in 2000 of Murray Johnstone where he was latterly Chief Executive.

David has served on the boards of a number of companies including as Chairman of both John Laing Infrastructure Fund and Britannic UK Income Fund, and a Director of Maven Income and Growth VCT 2 plc. He is currently a Director and Chairman of the Audit Committees of Lindsell Train Investment Trust plc, an equity investment trust, J&J Denholm Limited, a family owned business involved in shipping, logistics, seafoods and industrial services, and of Aquila European Renewables plc, an investment trust which invests in the renewable energy sector.

David is a past council member of the British Venture Capital Association and is a member of the Institute of Chartered Accountants of Scotland.

David's other roles are not considered to impact his ability to allocate sufficient time to the Company to discharge his responsibilities effectively.

Elizabeth McMeikan – Senior Independent Director

Appointed: March 2021

Elizabeth's substantive career was with Tesco plc, where she was a Stores Board Director before embarking on a non-executive career in 2005.

Elizabeth is currently Chair of Nichols plc, the AIM listed diversified soft drinks group. She is also Non-Executive Director of Fresca Group Limited, a fruit and vegetable grower and importer.

Previously Elizabeth was SID and Remuneration Committee Chair at McBride plc, Dalata Hotels Group plc, The Unite Group plc and at Flybe plc, SID at J D Wetherspoon plc and Chair of Moat Homes Limited.

Elizabeth's other roles are not considered to impact her ability to allocate sufficient time to the Company to discharge her responsibilities effectively.

Hazel Adam - Independent Director

Appointed: December 2019

Hazel was an investment analyst with Scottish Life until 1996 and then joined Standard Life Investments. As a fund manager she specialised in UK and then Emerging Market equities. In 2005 Hazel joined Goldman Sachs International as an executive director on the new markets equity sales desk before moving to HSBC in 2012, holding a similar equity sales role until 2016.

Hazel was an independent non-executive director of Aberdeen Latin American Income Fund Limited until June 2023 and holds the CFA Level 4 certificate in ESG Investing and the Financial Times Non-Executive Directors Diploma.

Hazel's other roles are not considered to impact her ability to allocate sufficient time to the Company to discharge her responsibilities effectively.

Chris Ireland FRICS - Independent Director

Appointed: March 2021

Chris joined international property consultancy King Sturge in 1979 as a graduate and has worked his whole career across the UK investment property market. He ran the investment teams at King Sturge before becoming Joint Managing Partner and subsequently Joint Senior Partner prior to its merger with JLL in 2011.

Chris was Chief Executive Officer of JLL UK between 2016 and 2021 and subsequently its Chairman from 2021 until retiring in March 2023.

Chris is a former Chairman of the Investment Property Forum and is a Non-Executive Director of Le Masurier, a Jersey based family trust with assets across the UK, Germany and Jersey. Chris is also a keen supporter of the UK homelessness charity Crisis.

Chris' other roles are not considered to impact his ability to allocate sufficient time to the Company to discharge his responsibilities effectively.

Malcolm Cooper FCCA FCT - Independent Director

Appointed: May 2022

Malcolm is a qualified accountant and an experienced FTSE 250 company Audit Committee Chair with an extensive background in corporate finance and a wide experience in infrastructure and property.

Malcolm worked with Arthur Andersen and British Gas/BG Group/Lattice before spending 15 years with National Grid with roles including Managing Director of National Grid Property and Global Tax and Treasury Director, and culminated in the successful sale of a majority stake in National Grid's gas distribution business, now known as Cadent Gas.

Malcolm is currently Chairman of MORhomes plc, SID and Audit Committee Chair at Southern Water Services Limited and Non-Executive Director and Audit and Risk Committee Chair at Local Pensions Partnership Investment.

Malcolm was previously: a Non-Executive Director of Morgan Sindall Group plc, a FTSE 250 UK construction and regeneration business, Chairing its Audit and Responsible Business Committees; SID and Audit Committee Chair at CLS Holdings plc; a Non-Executive Director of St William Homes LLP; President of the Association of Corporate Treasurers and a member of the Financial Conduct Authority's Listing Authority Advisory Panel.

Malcolm's other roles are not considered to impact his ability to allocate sufficient time to the Company to discharge his responsibilities effectively.

Investment Manager personnel

Short biographies of the Investment Manager's key personnel and senior members of its property team are set out below:

Richard Shepherd-Cross MRICS - Managing Director

Richard qualified as a Chartered Surveyor in 1996 and until 2008 worked for JLL, latterly running its national portfolio investment team.

Since joining Mattioli Woods in 2009, Richard established Custodian Capital as the Property Fund Management subsidiary to Mattioli Woods and in 2014 was instrumental in the establishment 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 over £0.6bn.

Ed Moore FCA – Finance Director

Ed qualified as a Chartered Accountant in 2003 with Grant Thornton, specialising in audit, financial reporting and internal controls across its Midlands practice. He is Finance Director of Custodian Capital with responsibility for all day-to-day financial aspects of its operations.

Since IPO in 2014 Ed has overseen the Company raising over £375m of new equity, arranging or refinancing nine loan facilities and leading on seven corporate acquisitions. Ed's key responsibilities for Custodian Property Income REIT are accurate external and internal financial reporting, ongoing regulatory compliance and maintaining a robust control environment. Ed is Company Secretary of Custodian Property Income REIT and is a member of the Investment Manager's Investment Committee. Ed is also responsible for the Investment Manager's environmental initiatives, attending Custodian Property Income REIT ESG Committee meetings and co-leading the Investment Manager's ESG working group.

Ian Mattioli MBE - Founder and Chair

With nearly 40 years' experience in financial services, wealth management and property businesses, Ian was responsible for the vision and operational management of Mattioli Woods as Chief Executive Officer ("CEO"). He instigated the development of Mattioli Woods' investment proposition, including the syndicated property initiative that developed the seed portfolio for the launch of Custodian Property Income REIT plc in 2014. Ian moved to the position of Founding President after stepping down as CEO of Mattioli Woods in November 2025.

Outside of work, Ian has many personal achievements, including winning the London Stock Exchange AIM Entrepreneur of the Year award and CEO of the Year in the 2018 City of London Wealth Management Awards. He was also awarded an MBE in the Queen's 2017 New Year's Honours lists for services to business and the community in Leicestershire. More locally, Ian was awarded an honorary degree (Doctor of Laws) by the University of Leicester, was appointed High Sheriff of Leicestershire for 2021/22 and became one of four Deputy Lieutenants commissioned in Leicestershire in 2024.

Ian and his close family own 8.9m shares in the Company.

Alex Nix MRICS – Assistant Investment Manager

Alex graduated from Nottingham Trent University with a degree in Real Estate Management before joining Lambert Smith Hampton, where he spent eight years and qualified as a Chartered Surveyor in 2006.

Alex is Assistant Investment Manager to Custodian Property Income REIT having joined Custodian Capital in 2012. Alex heads the Company's property management and asset management initiatives, assists in sourcing and executing new investments and is a member of the Investment Manager's Investment Committee.

James Hunt MRICS – Portfolio Manager

James joined Custodian as Portfolio Manager in January 2025 bringing 15 years of commercial real estate experience from previous consultancy and client-side roles, most recently with the portfolio management team at St Modwen Logistics. James previously studied Real Estate Management at Nottingham Trent University and qualified as a Chartered Surveyor in 2014.

As Portfolio Manager, James manages Custodian's properties predominantly in the Midlands and Scotland.

Eoin Greenwood MRICS – Portfolio Manager

Eoin joined Custodian in 2018 where he successfully graduated from The University College of Estate Management with a remote learning degree in Real Estate Management. After five years Eoin joined Buccleuch Property, managing a £130m mixed use UK commercial portfolio for the Buccleuch family office before returning to Custodian Capital in 2024 where he recently qualified as a Chartered Surveyor.

As Portfolio Manager, Eoin manages Custodian's properties predominantly in the South-West and South-East of England.

Javed Sattar MRICS – Portfolio Manager

Javed has 15 years' experience in commercial real estate and asset management. He joined Custodian Capital in 2011 after graduating from Birmingham City University with a degree in Estate Management Practice and subsequently completed a Postgraduate Diploma in Surveying at the University College of Estate Management. Javed qualified as a chartered surveyor in 2017.

Javed operates as Portfolio Manager managing properties predominantly located in the North-West of England.

Paula Craven – Portfolio Manager

Paula joined Custodian Property REIT as Portfolio Manager in 2026 as part of the Grove Court acquisition. After graduating university, Paula began her career in property management in Chicago, USA. Having relocated to England, she has gained 19 years of experience managing mixed-use commercial and residential properties developing strong tenant and client relationships.

Paula manages the Grove Court portfolio in South-East England.

Shaheen Patel MRICS – Portfolio Manager

Shaheen joined Custodian Capital as a Graduate Surveyor in 2023 after graduating from The University of Cambridge with a degree in Land Economy. She qualified as a chartered surveyor in 2026 and helps manage assets across the East Midlands and the North of England.

Consolidated statement of comprehensive income

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Revenue	4	52,350	47,997
Investment management fees		(3,769)	(3,417)
Operating expenses of rental property			
- rechargeable to tenants		(3,776)	(3,562)
- directly incurred		(6,106)	(4,891)
Professional fees		(806)	(823)
Directors' fees		(351)	(345)
Cost of sold housing stock		(485)	-
Other expenses		(1,244)	(1,099)
Expenses		(16,537)	(14,137)
Operating profit before gains on investment property and financing		35,813	33,860
Unrealised profit on revaluation of investment property:			
• relating to property revaluations	10	20,022	11,211
• relating to costs of acquisition	10	(2,931)	(1)
Valuation increase		17,091	11,210
Profit on disposal of investment property		2,599	444
Net gains on investment property		19,690	11,654
Operating profit		55,503	45,514

Finance income	6	115	127
Finance costs	7	(7,320)	(7,486)
Net finance costs		(7,205)	(7,359)
Profit before tax		48,298	38,155
Income tax expense	8	-	-
Profit for the year, net of tax		48,298	38,155
Other comprehensive income	11	1,495	714
Total comprehensive income for the year, net of tax		49,793	38,869

Earnings per ordinary share:

Basic and diluted (p)	3	10.4	8.7
EPRA (p)	3	6.3	6.1

The profit for the year and total comprehensive income for the year 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.

Consolidated and Company statements of financial position

As at 31 March 2026

Registered number: 08863271

		Group		Company	
	Note	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Non-current assets					
Investment property	10	669,287	594,364	609,718	594,364
Property, plant and equipment	11	6,009	4,711	6,009	4,711
Investments	12	-	-	56,463	-
Total non-current assets		675,296	599,075	672,190	599,075
Current assets					
Housing inventory		791	-	-	-
Trade and other receivables	13	6,779	5,201	13,360	5,201
Cash and cash equivalents	15	12,293	10,118	11,067	10,118
Total current assets		19,863	15,319	24,427	15,319
Total assets		695,159	614,394	696,617	614,394
Equity					
Issued capital	17	4,941	4,409	4,941	4,409
Share premium	17	250,970	250,970	250,970	250,970
Merger reserve	17	64,039	18,931	64,039	18,931
Treasury shares	17	(4,791)	-	(4,791)	-
Retained earnings	17	169,365	148,442	166,088	148,442
Revaluation reserve	17	2,209	714	2,209	714
Total equity attributable to equity holders of the Company		486,733	423,466	483,456	423,466
Non-current liabilities					
Borrowings	16	183,777	153,641	183,777	153,641
Other payables	14	2,032	2,087	1,711	2,087

Total non-current liabilities		185,809	155,728	185,488	155,728
Current liabilities					
Borrowings	16	-	19,989	-	19,989
Trade and other payables	14	14,086	7,029	19,757	7,029
Deferred income		8,531	8,182	7,916	8,182
Total current liabilities		22,617	35,200	27,673	35,200
Total liabilities		208,426	190,928	213,161	190,928
Total equity and liabilities		695,159	614,394	696,617	614,394

The parent company's profit for the year was £45,021,000 (2025: £38,155,000).

These consolidated and Company financial statements of Custodian Property Income REIT plc, company number 08863271, were approved and authorised for issue by the Board of Directors on 10 June 2026 and are signed on its behalf by:

David MacLellan
Chairman

Consolidated and Company statements of cash flows

For the year ended 31 March 2026

Group and Company	Note	Group		Company	
		Year ended 31 March 2026 £000	Year ended 31 March 2025 £000	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Operating activities					
Profit for the year		48,298	38,155	45,021	38,155
Net finance costs		7,205	7,359	7,209	7,359
Valuation increase of investment property	10	(20,022)	(11,211)	(15,937)	(11,211)
Acquisition costs relating to the purchase of subsidiaries		2,896	-	-	-
Impact of lease incentives	10	(2,977)	(1,470)	(2,977)	(1,470)
Amortisation of right-of-use asset		7	7	7	7
Profit on disposal of investment property		(2,599)	(444)	(1,897)	(444)
Depreciation		349	285	328	285
Cash flows from operating activities before changes in working capital and provisions					
		33,157	32,681	31,754	32,681
Increase in trade and other receivables		(1,082)	(1,871)	(8,159)	(1,871)
Increase in trade and other payables and deferred income		2,029	1,286	16,730	1,286
Sale of housing stock		666	-	-	-
Cash generated from operations					
		34,770	32,096	40,325	32,096
Interest and other finance charges	7	(6,878)	(7,068)	(6,878)	(7,068)
Net cash inflows from operating activities					
		27,892	25,028	33,447	25,028
Investing activities					
Purchase of subsidiaries/investments	12	(15,275)	-	(15,275)	-
Capital expenditure on investment property	10	(9,523)	(6,843)	(9,523)	(6,843)
Purchase of property, plant and equipment	11	(131)	(1,326)	(131)	(1,326)
Disposal of investment property and assets held-for-sale		19,943	15,050	15,060	15,050
Costs of disposal of investment property		(200)	(331)	(143)	(331)
Interest and finance income received	6	115	127	113	127

Net cash inflows from investing activities		(5,071)	6,677	(9,899)	6,677
Financing activities³⁴					
Net increase in RCF	16	10,000	-	10,000	-
Repayment of borrowings and origination costs	16	(295)	(4,078)	(295)	(4,078)
Dividends paid	9	(27,375)	(27,223)	(27,375)	(27,223)
Share buybacks		(4,791)	-	(4,791)	-
Equity issuance costs		(138)	-	(138)	-
Net cash outflow from financing activities		(22,599)	(31,301)	(22,599)	(31,301)
Net (decrease)/increase in cash and cash equivalents		222	404	949	404
Cash and cash equivalents at start of the year		10,118	9,714	10,118	9,714
Cash and cash equivalents acquired		1,953	-	-	-
Cash and cash equivalents at end of the year		12,293	10,118	11,067	10,118

³⁴ The net increase in RCF and repayment of borrowings exclude the settlement of a £20m loan at expiry, which was processed by the common lender without impacting the Company's cash position.

Consolidated statement of changes in equity

For the year ended 31 March 2026

	Note	Issued capital £000	Merger reserve £000	Treasury shares £000	Share premium £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
As at 31 March 2024		4,409	18,931	-	250,970	-	137,510	411,820
Profit for the year		-	-	-	-	-	38,155	38,155
Revaluation of PPE	11	-	-	-	-	714	-	714
Total comprehensive profit for year		-	-	-	-	714	38,155	38,869
Transactions with owners of the Company, recognised directly in equity								
Dividends	9	-	-	-	-	-	(27,223)	(27,223)
As at 31 March 2025		4,409	18,931	-	250,970	714	148,442	423,466
Profit for the year		-	-	-	-	-	48,298	48,298
Revaluation of PPE	11	-	-	-	-	1,521	-	1,521
Depreciation of PPE revaluation surplus		-	-	-	-	(26)	-	(26)
Total comprehensive profit for year		-	-	-	-	1,495	48,298	49,793
Transactions with owners of the Company, recognised directly in equity								

Dividends	9	-	-	-	-	-	(27,375)	(27,375)
Purchase of own shares into treasury		-	-	(4,791)	-	-	-	(4,791)
Share issuance		532	45,108	-	-	-	-	45,640
As at 31 March 2026		4,941	64,039	(4,791)	250,970	2,209	169,365	486,733

Company statement of changes in equity

For the year ended 31 March 2026

	Note	Issued capital £000	Merger reserve £000	Treasury shares £000	Share premium £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
As at 31 March 2024		4,409	18,931	-	250,970	-	137,510	411,820
Profit for the year		-	-	-	-	-	38,155	38,155
Revaluation of PPE	11	-	-	-	-	714	-	714
Total comprehensive profit for year		-	-	-	-	714	38,155	38,869
Transactions with owners of the Company, recognised directly in equity								
Dividends	9	-	-	-	-	-	(27,223)	(27,223)
As at 31 March 2025		4,409	18,931	-	250,970	714	148,442	423,466
Profit for the year		-	-	-	-	-	45,021	45,021
Revaluation of PPE	11	-	-	-	-	1,521	-	1,521
Depreciation of PPE revaluation surplus	11	-	-	-	-	(26)	-	(26)
Total comprehensive profit for year		-	-	-	-	1,495	45,021	46,516
Transactions with owners of the Company, recognised directly in equity								

Dividends	9	-	-	-	-	-	(27,375)	(27,375)
Purchase of own shares into treasury		-	-	(4,791)	-	-	-	(4,791)
Share issuance		532	45,108	-	-	-	-	45,640
As at 31 March 2026		4,941	64,039	(4,791)	250,970	2,209	166,088	483,456

Notes to the financial statements for the year ended 31 March 2026

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 consolidated and parent company 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 consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 10 June 2026.

2. Basis of preparation and material accounting policies

2.1. Basis of preparation

The consolidated financial statements and the separate financial statements of the parent company have been prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of comprehensive income.

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. Basis of consolidation

The consolidated financial statements consolidate those of the parent company and its subsidiaries. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Custodian Real Estate Limited and Merlin Properties Limited have accounting reference dates in line with the Company. The accounting reference dates of Grove Court Properties (Holdings) Limited and its subsidiaries and Scorpion Properties Limited are 1 March and 12 February respectively which were amended to fall one day before acquisition for the purpose of

preparing completion accounts. These subsidiaries will have their accounting reference dates aligned with the Company for the 2027 financial year. All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of the subsidiary are adjusted where necessary to ensure consistency with the accounting policies adopted by the Company. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date the Company gains control up to the effective date when the Company ceases to control the subsidiary.

New accounting policies

During the year 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 year 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. *Business combinations*

Where property is acquired, via corporate acquisitions or otherwise, the substance of the assets and activities of the acquired entity are considered in determining whether the acquisition represents a business combination or an asset purchase under IFRS 3 - Business Combinations.

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is defined in IFRS 3 as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. To assist in determining whether a purchase of investment property via corporate acquisition or otherwise meets the definition of a business or is the purchase of a group of assets, the group will apply the optional concentration test in IFRS 3 to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is not met the group applies judgement to assess whether acquired set of activities and assets includes, at a minimum, an input and a substantive process by applying IFRS 3:B8 to B12D. Where such acquisitions are not judged to be a business combination, due to the asset or group of assets not meeting the definition of a business, they are accounted for as asset acquisitions and the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly no goodwill or additional deferred taxation arises.

Under the acquisition accounting method, the identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the acquisition date. The consideration transferred is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree.

2.4. *Application of new and revised International Financial Reporting Standards*

During the year the Company adopted the following new standards with no impact on reported financial performance or position:

- Amendments to IAS 1 - 'Presentation of Financial Statements' clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period and not expectations of, or actual events after, the reporting date.
- Amendments to IFRS 16 - 'Lease Liability in a Sale and Leaseback' specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The following new and revised accounting standards not yet effective:

- IFRS 18 - 'Presentation and Disclosures in Financial Statements'. This standard on presentation and disclosure replaces IAS 1, with a focus on updates to the statement of profit or loss.
- IFRS 19 – 'Subsidiaries without Public Accountability: Disclosures'. This reduces disclosure requirements that an eligible subsidiary entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
- Amendments to IFRS 9 – 'Financial Instruments' and IFRS 7 – 'Financial Instruments: Disclosures'. The amendments provide clarity on the date of recognition and derecognition of certain financial instruments and amends/updates the disclosure required for some financial instruments.

The Directors have yet to assess the full outcome of these new standards, amendments and interpretations; however, with the exception of IFRS 18, these other new standards, amendments and interpretations are not expected to have a significant impact on the financial statements. The impact of IFRS 18 is expected to be presentational only involving the structure of the income statement and the disclosure of alternative performance measures and associated reconciliations.

2.5. Material accounting policies

The material accounting policies adopted by the Group and Company and applied to these financial statements are set out below.

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, set out in more detail in the Directors' report and Principal risks and uncertainties section of the Strategic report. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Income recognition

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duties.

Rental income from operating leases on properties owned by the Company is accounted for on a straight-line basis over the term of the lease. Rental income excludes service charges and other costs directly recoverable from tenants which are recognised within 'income from recharges to tenants'.

Amounts received from occupiers to terminate leases (surrender premiums) or to compensate for dilapidation work not carried out by the occupier is recognised in the statement of comprehensive income when the right to receive them arises, typically at the cessation of the lease.

Lease incentives are recognised on a straight-line basis over the lease term. The initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis.

The sale of housing stock is recognised as revenue on the completion of the sale contract, with the carrying amount of associated housing stock recognised through expenses.

Profits on the sale of investment properties and assets held for sale are recognised on the completion of contracts.

Finance income relates to bank interest receivable and amounts receivable on ongoing development funding contracts.

Taxation

The Company operates as a REIT and hence profits and gains from its property rental business of it and its subsidiaries are normally expected to be exempt from corporation tax. The tax expense represents the sum of the tax currently payable and deferred tax relating to the residual (non-property rental) business. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Investment property

Investment property is held to earn rentals and/or for capital appreciation and is initially recognised at cost including direct transaction costs. Investment property is subsequently valued externally on a market basis at the reporting date and recorded at valuation. Any surplus or deficit arising on revaluing investment property is recognised in profit or loss in the year in which it arises. Any ultimate gains or shortfalls are measured by reference to previously

published valuations and recognised in profit or loss, offset against any directly corresponding movement in fair value of the investment properties to which they relate.

Held-for-sale assets

Non-current assets are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, generally considered to be on unconditional exchange of contracts. Non-current assets classified as held for sale are valued externally on a market basis at the reporting date and recorded at valuation.

Subsidiary undertakings

Investments are included in the Company only statement of financial position at cost less any provision for impairment.

Property, plant and equipment

Electric vehicle chargers and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment loss.

PV is valued at the year-end under the revaluation model of IAS 16 – ‘*Property, plant and equipment*. After initial recognition PV arrays whose fair value can be reliably established, assumed to be once an array has been operational for at least 12 months, are held at the fair value at the time of the revaluation less any subsequent accumulated depreciation and impairment losses. Fair value is determined by independent valuers and based on assumptions including future net income, capital expenditure and appropriate discount rates (yield). The fair value of assets which have not yet been operational for 12 months is considered equivalent to historical cost less accumulated depreciation (“Net Book Value” or “NBV”).

Valuation movements:

- Above NBV will be recognised directly within equity (revaluation reserve); and
- Below NBV will be recognised in profit or loss.

Depreciation is recognised so as to write off the carrying value of assets (less their residual values) over their useful lives, using the straight-line method, on the following bases:

EV chargers	10 years
PV	30 years

The depreciation charge for PV is:

- Included within profit or loss (classified as property operating expenditure) where depreciating historical cost; or
- Offset against the revaluation reserve where depreciating the revalued amount.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and on-demand deposits, and other short-term highly liquid investments that are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes and are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Other financial assets

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual terms of the instrument.

The Company's financial assets include cash and cash equivalents and trade and other receivables. Interest resulting from holding financial assets is recognised in profit or loss on an accruals basis.

Trade receivables are initially recognised at their transaction price and subsequently measured at amortised cost as the business model is to collect the contractual cash flows due from tenants. An impairment provision is created based on expected credit losses, which reflect the Company's historical credit loss experience and an assessment of current and forecast economic conditions at the reporting date.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets

of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share capital represents the nominal value of equity shares issued. Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares, net of direct issue costs.

Retained earnings include all current and prior year results as disclosed in profit or loss. Retained earnings include realised and unrealised profits. Profits are considered unrealised where they arise from movements in the fair value of investment properties that are considered to be temporary rather than permanent.

Revaluation reserve represents the unrealised fair value of PV assets in excess of their historical cost less accumulated depreciation.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlements or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method and are included in accruals to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Deferred consideration – cash settled

Cash-settled deferred consideration is recognised as a financial liability at the transaction date. Initial measurement is at fair value, based on the net present value of the future cash flows. Subsequent measurement is at amortised cost using the effective interest method. Where cash consideration is contingent upon future events cash flows are estimated by reference to the probability-weighted average of the possible outcomes, the range of plausible outcomes and their likelihood and any contractual clawback provisions.

Where cash-settled deferred consideration is settled in full or in part, any difference between the carrying amount of the liability and the consideration paid is recognised in profit or loss.

Deferred consideration – equity settled

Equity-settled deferred consideration is classified as a financial liability which is initially recognised at fair value at the transaction date and subsequently measured at fair value through profit or loss at each reporting date, with changes in fair value recognised in profit or loss.

The fair value of such obligations reflects the current market value of the shares that would be required to settle the obligation, adjusted for any contractual features affecting the settlement amount.

Leases

Where an investment property is held under a leasehold interest, the headlease is initially recognised as an asset at cost plus the present value of minimum ground rent payments. The corresponding rental liability to the head leaseholder is included in the balance sheet as a liability. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining lease liability.

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.

2.6. Key sources of judgements and estimation uncertainty

The preparation of the 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 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 critical judgements have been made in the process of applying the Group's and parent company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised within the financial statements.

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 capital expenditure 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. The valuers have considered the impact of climate change which has not had a material impact on the valuation. Further detail on the Company's climate related risks are set out in the Asset Management and Sustainability report.

Valuation reports at 31 March 2026 include 'market conditions commentary' which notes that the valuation has been prepared during a period of geopolitical tension arising from the Middle East conflict which commenced on 28 February 2026. The valuers draw attention to the resulting increase in global risk premiums, disrupted supply chain conditions and heightened volatility in energy markets as such instability can affect financing conditions, inflation and investor sentiment, with behaviour capable of changing rapidly during periods of heightened volatility. The valuers also note that their opinions used in the valuations are only valid as at the valuation date, recommending, where appropriate, valuations are closely monitored for evolving market conditions. The Board does not believe market conditions have changed materially since 31 March 2026.

Note 10 details the expected movements in the valuation of investment properties if the equivalent yield at 31 March 2026 is increased or decreased by 0.5% (2025: 0.25%) and if the ERV is increased or decreased by 5.0% (2025: 5.0%), which the Board believes are reasonable sensitivities to apply given historical changes.

3. Earnings per ordinary share

Basic EPS amounts are calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the year. 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 outstanding during the year 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. Deferred equity consideration relating to corporate acquisitions is considered dilutive. There are other no dilutive instruments in issue. Any shares issued after the year end are disclosed in Note 21.

The Company is a FTSE EPRA UK NAREIT index constituent and EPRA performance measures have been disclosed to facilitate comparability with the Company's peers through consistent reporting of key performance measures. EPRA issues recommended bases for the calculation of EPS as alternative indicators of performance.

Group	Year ended 31 March 2026	Year ended 31 March 2025
Net profit for the year attributable to equity holders of the Company (£000)	48,298	38,155
Net gains on investment property (£000)	(19,690)	(11,654)
Depreciation (£000)	349	285
Net gains on investment property and depreciation (£000)	(19,341)	(11,369)
EPRA net profit attributable to equity holders of the Company (£000)	28,957	26,786
Weighted average number of ordinary shares (excluding treasury shares)		
Issued ordinary shares at start of the year (thousands)	440,850	440,850
Effect of shares issued during the year (thousands)	19,678	-
Basic weighted average number of shares (excluding treasury shares) (thousands)	460,528	440,850
Dilutive effect of deferred equity consideration	574	-
Diluted weighted average number of shares (excluding treasury shares) (thousands)	461,102	440,850
Basic EPS (p)	10.4	8.7
Diluted EPS (p)	10.4	8.7
EPRA EPS (p)	6.3	6.1

4. Revenue

Group	Year ended	Year ended
	31 March	31 March
	2026	2025
	£000	£000
Rental income from investment property	45,446	42,828
Sale of housing stock	472	-
Income from recharges to tenants	3,623	3,562
Income from dilapidations	2,204	1,131
Other income	605	476
	52,350	47,997

5. Operating profit

Operating profit is stated after (crediting)/charging:

Group	Year ended	Year ended
	31 March	31 March
	2026	2025
	£000	£000
Profit on disposal of investment property	(2,599)	(444)
Investment property valuation increase	(20,022)	(11,211)
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	227	171
Fees payable to the Company's auditor and its associates for the interim review	42	39
Administrative fee payable to the Investment Manager	534	494
Directly incurred operating expenses of vacant rental property	2,132	1,886
Directly incurred operating expenses of let rental property	3,363	2,081
Amortisation of right-of-use asset	7	7

Fees payable to the Company's auditor, Deloitte, are further detailed in the Audit and Risk Committee report. No non-assurance related fees were paid to Deloitte during the year (2025: £nil).

6. Finance income

Group	Year ended	Year ended
	31 March 2026	31 March 2025
	£000	£000
Bank interest	115	127
	115	127

7. Finance costs

Group	Year ended	Year ended
	31 March 2026	31 March 2025
	£000	£000
Amortisation of arrangement fees on debt facilities	442	418
Other finance costs	105	443
Bank interest	6,773	6,625
	7,320	7,486

8. Income tax

The tax charge assessed for the year is lower than the standard rate of corporation tax in the UK during the year of 25.0% (2025: 25.0%). The differences are explained below:

Group	Year ended	Year ended
	31 March 2026 £000	31 March 2025 £000
Profit before income tax	48,298	38,155
Tax charge on profit at a standard rate of 25.0%	12,075	9,539
Effects of: REIT tax exempt rental profits and gains	(12,075)	(9,539)
Income tax expense	-	-
Effective income tax rate	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. The Company's residual business produced an annual loss so no corporation tax was payable.

9. Dividends

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Group and Company		
Interim dividends paid on ordinary shares relating to the quarter ended:		
Prior year		
- 31 March 2025: 1.5p (2024: 1.375p)	6,613	6,062
Special equity dividends paid on ordinary shares relating to the year ended:		
- 31 March 2024: 0.3p	-	1,322
Current year		
- 30 June 2025: 1.5p (2024: 1.5p)	6,952	6,613
- 30 September 2025: 1.5p (2024: 1.5p)	6,921	6,613
- 31 December 2025: 1.5p (2024: 1.5p)	6,889	6,613
	27,375	27,223

The Company paid a fourth interim dividend relating to the quarter ended 31 March 2026 of 1.5p per ordinary share (£7.3m) on Friday 29 May 2026 which has not been included as liabilities in these financial statements.

10. Investment property

	Group £000	Company £000
At 31 March 2024	578,122	578,122
Impact of lease incentives and lease costs	1,470	1,470
Amortisation of right-of-use asset	(7)	(7)
Capital expenditure	6,843	6,843
Disposals	(3,275)	(3,275)
Valuation increase	11,211	11,211
At 31 March 2025	594,364	594,364
Impact of lease incentives and lease costs	2,977	2,977
Amortisation of right-of-use asset	(7)	(7)
Acquisitions, including acquisition costs	62,484	-
Capital expenditure	9,523	9,523
Disposals	(17,145)	(13,020)
Valuation increase	20,022	15,937
Acquisition costs	(2,931)	(56)
At 31 March 2026	669,287	609,718

£441.9m (2025: £490.9m) of investment property was charged as security against the Company's borrowings at the year end. £0.6m (2025: £0.6m) of investment property comprises right-of-use assets.

The carrying value of investment property at 31 March 2026 comprises:

- Group - £583.7m freehold (2025: £506.5m) and £85.6m leasehold property (2025: £87.9m); and
- Parent company - £524.5m freehold (2025: £506.5m) and £85.2m leasehold property (2025: £87.9m).

The aggregate historical cost of investment property and assets held-for-sale at 31 March 2026 was:

- Group - £674.7m (2025: £629.8m); and
- Parent company - £614.2m (2025: £629.8m).

Investment property is stated at the Directors' estimate of its 31 March 2026 fair value. Savills (UK) Limited ("Savills") and Knight Frank LLP ("KF"), professionally qualified independent valuers, each valued approximately half of the property portfolio as at 31 March 2026 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 has been valued using the investment method which involves applying a yield to rental income streams. Inputs include yield, current rent and ERV. For the year end valuation, the following inputs were used:

Group	Valuation	Weighted	Weighted	Equivalent	
Sector	31 March	average	average ERV	yield	Topped-up NIY
	2026	passing rent	range		
	£000	(£ per sq ft)	(£ per sq ft)		
Industrial	332.2	7.59	£2.27 - £15.39	7.1%	5.6%
Retail warehouse	138.8	12.79	£3.46 - £28.35	7.6%	7.3%
Other	100.7	22.92	£1.46 - £80.00*	7.9%	7.6%
Office	59.5	19.76	£8.49 - £50.00	11.4%	7.8%
High street retail	38.1	26.32	£3.16 - £67.02	8.1%	9.2%

Company	Valuation	Weighted	Weighted	Equivalent	
Sector	31 March	average	average ERV	yield	Topped-up NIY
	2026	passing rent	range		
	£000	(£ per sq ft)	(£ per sq ft)		
Industrial	315.3	7.82	£4.33 - £15.39	6.8%	5.6%
Retail warehouse	134.4	12.83	£3.46 - £22.37	7.2%	7.3%
Other	83.1	23.65	£1.46 - £80.00*	7.6%	7.6%
Office	46.8	20.46	£8.49 - £39.08	10.8%	7.5%
High street retail	30.1	24.17	£3.16 - £67.02	7.8%	9.7%

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

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 valuers eg ERVs, expected capital expenditure and yields. These assumptions are based on market observation and the 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. There are interrelationships between unobservable inputs which are partially determined by market conditions, which could impact on these changes, but the table below presents the sensitivity of the investment property valuations to changes in the most significant assumptions underlying their valuation, being equivalent yield and ERV. The Board believes these are reasonable sensitivities given historical changes.

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2026	2025*	2026	2025
	£000	£000	£000	£000
Increase in equivalent yield of 0.5% (2025: 0.25%)	(41,503)	(34,941)	(40,970)	(34,941)
Decrease in equivalent yield of 0.5% (2025: 0.25%)	50,877	30,975	47,330	30,975
Increase of 5% in ERV	25,355	22,120	23,331	22,120
Decrease of 5% in ERV	(25,010)	(21,768)	(22,984)	(21,768)

* The impact of the ERV sensitivities on the Group investment property balance in the comparative period has been represented in order to correct a calculation issue in the original workings.

11. Property, plant and equipment

Group	Motor vehicles	PV cells	EV chargers	Total
	£000	£000	£000	£000
Cost/valuation				
At 31 March 2025	-	3,808	1,126	4,934
Acquisitions	21	-	-	21
Additions	-	131	-	131
Valuation increase, net of depreciation eliminated on revaluation	-	1,417	-	1,417
At 31 March 2026	21	5,356	1,126	6,503
Depreciation				
At 31 March 2025	-	-	(223)	(223)
Depreciation	(21)	(125)	(229)	(375)
Eliminated on revaluation	-	104	-	104
Accumulated at 31 March 2026	(21)	(21)	(452)	(494)
Net book value at 31 March 2026	-	5,335	674	6,009

Company	PV cells £000	EV chargers £000	Total £000
Cost/valuation			
At 31 March 2025	3,808	1,126	4,934
Additions	131	-	131
Valuation increase, net of depreciation eliminated on revaluation	1,417	-	1,417
At 31 March 2026	5,356	1,126	6,482
Depreciation			
At 31 March 2025	-	(223)	(223)
Depreciation	(125)	(229)	(354)
Eliminated on revaluation	104	-	104
Accumulated at 31 March 2026	(21)	(452)	(473)
Net book value at 31 March 2026	5,335	674	6,009

Group and Company	PV cells £000	EV chargers £000	Total £000
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

12. Investments

Shares in subsidiaries

Company Name	Company number	Country of registration and incorporation	Principal activity	Ordinary shares held	31 March 2026 £000	31 March 2025 £000
Grove Court Properties (Holdings) Limited	00549088	England and Wales	Intermediate holding company	100%	30,458	-
Grove Court Properties (Beaconsfield) Limited	00679817	England and Wales	Property investment company	100%*	-	-
Gerrards House Limited	10478903	England and Wales	Property investment company	100%*	-	-
Merlin Properties Limited	09339026	England and Wales	Property investment company	100%	20,963	-
Scorpion Properties Limited	08628299	England and Wales	Property investment company	100%	5,042	-
Custodian REIT Limited	08882372	England and Wales	Non-trading	100%	-	-
					56,463	-

*held indirectly

The Company's non-trading UK subsidiary has claimed the audit exemption available under Section 480 of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, the Company will guarantee the debts and liabilities of Merlin Properties Limited to facilitate it claiming the audit exemption available under Section 479A of the Companies Act 2006 for its period ended 31 March 2026. The Company's registered office is also the registered office of each UK subsidiary, except for Grove Court Properties (Holdings) Limited, Grove Court Properties (Beaconsfield) Limited and Gerrards House Limited whose registered office is 58 Oak End Way, Gerrards Cross, England, SL9 8BR.

Acquisitions

The acquisitions of Grove Court Properties (Holdings) Limited, Merlin Properties Limited and Scorpion Properties Limited during the year have been accounted for as asset acquisitions. Consideration and its allocation to the fair value of the acquired assets and liabilities is set out below:

	Grove Court Properties (Holdings) Limited £000	Merlin Properties Limited £000	Scorpion Properties Limited £000	Total £000
Total consideration				
<i>Initial consideration</i>				
- New ordinary shares	24.1m	22.9m	4.9m	
- Market value per share on issue	£0.89	£0.83	£0.88	
	21,464	19,010	4,325	44,799
- Cash consideration paid to shareholders	6,044	-	-	6,044
- Acquisition costs	1,493	953	450	2,896
<i>Deferred consideration</i>				
- New ordinary shares	0.7m	1.2m	0.3m	
- Market value per share	£0.87	£0.80	£0.88	
	622	1,000	267	1,889
- Overage	835	-	-	835
Total investments	30,458	20,963	5,042	56,463

Financial statement allocation of total consideration

	Grove Court Properties (Holdings) Limited £000	Merlin Properties Limited £000	Scorpion Properties Limited £000	Total £000
Investment property	34,363	17,212	8,012	59,587
Working capital, provisions and housing stock	(2,435)	2,798	(48)	315
Settlement of debt on acquisition	(2,963)	-	(3,372)	(6,335)
Acquisition costs	1,493	953	450	2,896
Total investments	30,458	20,963	5,042	56,463

Cash allocation of total consideration

Cash consideration paid to shareholders	6,044	-	-	6,044
Cash settlement of debt on acquisition	2,963	-	3,372	6,335
Acquisition costs	1,493	953	450	2,896
Total cash consideration	10,500	953	3,822	15,275

13. Trade and other receivables

	Group		Company	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Falling due in less than one year:				
Trade receivables before expected credit loss provision	4,777	4,387	4,573	4,387
Expected credit loss provision	(710)	(627)	(670)	(627)
	4,067	3,760	3,903	3,760
Amounts due from subsidiaries	-	-	7,267	-
Other receivables	1,508	1,146	1,099	1,146
Prepayments and accrued income	1,204	295	1,091	295
	6,779	5,201	13,360	5,201

Amounts due from subsidiaries are unsecured, repayable on demand with no fixed repayment date with no interest receivable.

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 rental deposits are held as collateral against certain trade receivable balances by:

- Group - £1.8m (2025: £1.6m); and
- Parent company - £1.7m (2025: £1.6m).

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.

	Group		Company	
	31 March	31 March	31 March	31 March
Expected credit loss provision	2026	2025	2026	2025
	£000	£000	£000	£000
Opening balance	627	855	627	855
Increase in provision relating to trade receivables that are credit-impaired	85	196	45	196
Utilisation of provisions	(2)	(424)	(2)	(424)
Closing balance	710	627	670	627

The ageing of receivables considered credit impaired is as follows:

Group and Company	Group		Company	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£000	£000	£000	£000
0 - 3 months	97	106	97	106
3 - 6 months	119	40	100	40
Over 6 months	457	551	436	551
Closing balance	673	697	633	697

14. Trade and other payables

	Group		Company	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Falling due in less than one year:				
Trade and other payables	5,158	2,603	4,700	2,603
Amount due to subsidiaries	-	-	7,762	-
Deferred consideration	1,743	-	1,743	-
Social security and other taxes	2,233	760	831	760
Accruals	4,366	3,601	4,172	3,601
Rental deposits and retentions	586	65	549	65
	14,086	7,029	19,757	7,029
Falling due in more than one year:				
Rental deposits	1,254	1,521	1,144	1,521
Other creditors	778	566	567	566
	2,032	2,087	1,711	2,087

Amounts due to subsidiaries are unsecured, repayable on demand with no fixed repayment date with no interest payable.

The Group social security and other taxes figure includes current year and historical corporation tax and VAT liabilities acquired through the purchase of subsidiaries.

The Directors consider that the carrying amount of trade and other payables approximates to 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. The ageing of rental deposits has been reassessed in the year to align with underlying lease agreements.

15. Cash and cash equivalents

	Group		Company	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Cash and cash equivalents	12,293	10,118	11,067	10,118

Group cash and cash equivalents at 31 March 2026 include £2.3m (2025: £2.2m) of restricted cash comprising: £1.8m (2025: £1.6m) rental deposits held on behalf of tenants and £0.5m (2025: £0.6m) retentions held in respect of development funding.

Parent company cash and cash equivalents at 31 March 2026 include £2.2m (2025: £2.2m) of restricted cash comprising: £1.7m (2025: £1.6m) rental deposits held on behalf of tenants and £0.5m (2025: £0.6m) retentions held in respect of development funding.

16. Borrowings

The table below sets out changes in liabilities arising from financing activities during the year.

Group and Company	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
At 31 March 2025	20,000	(11)	19,989
Amortisation	-	11	11
Repayment of borrowings	(20,000)	-	(20,000)
At 31 March 2026	-	-	-
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
Net draw down of RCF	30,000	-	30,000
Arrangement fees incurred	-	(295)	(295)
Amortisation of arrangement fees	-	431	431
At 31 March 2026	185,000	(1,223)	183,777

In 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 the RCF facility.

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.

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

- A £75m RCF with Lloyds with interest of between 1.62% and 1.92% above SONIA and is repayable on 10 November 2028. The RCF was £65m drawn at the year end.
- A £45m term loan with Scottish Widows plc with interest fixed at 2.987% and is repayable on 5 June 2028; and
- A £75m term loan facility with 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 property portfolio of the parent company of a maximum of 40% LTV; and
- Historical interest cover, requiring net rental income from each discrete security pool, over the preceding three months, to exceed either 200% or 250% 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.

On 25 March 2026 the Company secured an asset in Dundee valued at £1.9m to its Aviva loan pool. An £11.5m unencumbered industrial asset in Winsford is in the process of being charged to the RCF loan pool.

17. Share capital

Group and Company	Ordinary shares of 1p	£000
Issued and fully paid share capital		
At 1 April 2025	440,850,398	4,409
Issue of shares	53,212,123	532
	494,062,521	4,941

At 31 March 2026 6,045,732 ordinary shares are held in treasury (2025: nil).

Rights, preferences and restrictions on shares

All ordinary shares carry equal rights and no privileges are attached to any shares in the Company. All the shares are freely transferable, except as otherwise provided by law. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

At the AGM of the Company held on 9 September 2025, the Board was given authority to issue up to 154,592,914 shares, pursuant to section 551 of the Companies Act 2006 ("the Authority"). The Authority is intended to satisfy market demand for the ordinary shares and raise further monies for investment in accordance with the Company's investment policy. The Authority expires on the earlier of 15 months from 9 September 2025 and the subsequent AGM, due to take place on 17 September 2026. Since 9 September 2025, 31.0m ordinary shares have been issued in connection with corporate acquisitions.

In addition, the Company was granted authority to make market purchases of up to 46,377,874 ordinary shares under section 701 of the Companies Act 2006. Since 9 September 2025 3.8m ordinary shares have been purchased into treasury.

The nature and purpose of each reserve within equity are:

- Retained earnings - all other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.
- Revaluation reserve - the unrealised fair value of PV assets in excess of their historical cost less accumulated depreciation.
- Treasury shares - 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.
- Share premium - amounts subscribed for share capital in excess of nominal value less any associated issue costs that have been capitalised.
- 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.

During the year the Company:

- Issued 24,152,744 new ordinary shares as consideration for the purchase of Merlin Properties Limited;
- Issued 24,116,729 new ordinary shares as consideration for the purchase of Grove Court Properties (Holdings) Limited;
- Issued 4,942,650 new ordinary shares as consideration for the purchase of Scorpion Properties Limited; and
- Commenced a share buyback programme, purchasing 6,045,732 of its own ordinary shares during the year which are held in treasury. Aggregate consideration for these buybacks was £4.8m at a weighted average cost per share of 79.1p, representing an average 17.7% discount to prevailing NAV per share.

Since the year end, the Company has issued 0.7m new ordinary shares as final consideration for the purchase of Grove Court Properties (Holdings) Limited.

18. Commitments and contingencies

Company as lessor

Operating leases, in which the Company is the lessor, relate to investment property owned by the Company with lease terms of between 0 and 21 years. The aggregated future minimum rentals receivable under all non-cancellable operating leases are:

Group	Group		Company	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Not later than one year	44,252	38,406	40,236	38,406
Year 2	39,680	35,206	36,470	35,206
Year 3	32,280	29,810	30,359	29,810
Year 4	26,577	24,353	25,376	24,353
Year 5	21,767	19,380	21,110	19,380
Later than five years	84,201	77,434	80,611	77,434
	248,757	224,589	234,162	224,589

The following table presents rent amounts reported in revenue:

Group and Company	31 March 2026 £000	31 March 2025 £000
Lease income on operating leases	45,193	42,587
Therein lease income relating to variable lease payments that do not depend on an index or rate	253	241
	45,446	42,828

19. 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 year.

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. Directors are required to retire by rotation and seek re-election annually. 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 former Chief Strategic Advisor of Mattioli Woods, the parent company of the Investment Manager. As a result, Nathan Imlach was not independent. The Company Secretary, Ed Moore, is also a director of the Investment Manager.

Compensation paid to the directors, who are also considered 'key management personnel' in addition to the key Investment Manager personnel, is disclosed in the Remuneration report. The directors' remuneration report also satisfies the disclosure requirements of paragraph 1 of Schedule 5 to the Accounting Regulations.

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% 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% 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% 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

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
<hr/>		
<i>Mattioli Woods</i>		
Merlin introduction	222	-
<i>Maven Capital Partners LLP</i>		
Company Secretarial Consultancy	20	13
<i>Custodian Capital Limited</i>		
Investment Management	3,769	3,417
Administration	534	494
Merlin transaction	56	-
Grove Court transaction	119	-
Scorpion transaction	25	-
<hr/>		
	4,745	3,924
<hr/>		

The vendors of Merlin are advised clients of Mattioli Woods.

The Investment Manager receives a marketing fee of 0.25% (2025: 0.25%) of the aggregate gross proceeds from any issue of new shares in consideration of the marketing services it provides to the Company. Where new shares are issued as consideration for an asset acquisition, the Investment Manager receives a further 0.25% fee (2025: nil%), subject to Board approval.

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 for administering the policy.

20. Financial risk management

Capital risk management

The Company manages its capital to ensure it can continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance within the parameters of its investment policy. The capital structure of the Company consists of debt, which includes the borrowings disclosed below, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued ordinary share capital, share premium and retained earnings.

Net gearing

The Board reviews the capital structure of the Company on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with it. The Company has a medium-term target net gearing ratio of 25% determined as the proportion of debt (net of tenant deposits and retentions) to its property. The Group net gearing ratio at the year-end was 25.9% (2025: 27.9%), with parent company net gearing of 28.7% (2025: 27.9%).

Externally imposed capital requirements

The Company is not subject to externally imposed capital requirements, although there are restrictions on the level of interest that can be paid due to conditions imposed on REITs.

Financial risk management

The Company seeks to minimise the effects of interest rate risk, credit risk, liquidity risk and cash flow risk by using fixed and floating rate debt instruments with varying maturity profiles, at low levels of net gearing.

Interest rate risk management

The Company's activities expose it primarily to the financial risks of increases in interest rates, as it borrows funds at floating interest rates. The risk is managed by maintaining:

- An appropriate balance between fixed and floating rate borrowings;

- A low level of net gearing; and
- An RCF whose flexibility allows the Company to manage the risk of changes in interest rates by paying down variable borrowings using the proceeds of equity issuance, property sales or arranging fixed-rate debt.

The Board periodically considers the availability and cost of hedging instruments to assess whether their use is appropriate and also considers the maturity profile of the Company's borrowings.

Interest rate sensitivity analysis

Interest rate risk arises on interest payable on the RCF only, as interest on all other debt facilities is payable on a fixed rate basis. At 31 March 2026, the RCF was drawn at £65m (2025: £35.0m). Assuming this amount was outstanding for the whole year and based on the exposure to interest rates at the reporting date, if SONIA had been 2.0% higher/lower (2025: 1%) and all other variables were constant, the Company's profit for the year ended 31 March 2026 would decrease/increase by £1.4m (2025: £0.4m).

Market risk management

The Company manages its exposure to market risk by holding a portfolio of investment property diversified by sector, location and tenant.

Market risk sensitivity

Market risk arises on the valuation of the Company's property portfolio in complying with its bank loan covenants (Note 16). The valuation of the parent company's property portfolio would have to fall by 28% (2025: 20%) for the Company to breach its overall borrowing covenant. Note 10 details the expected movements in the valuation of investment properties if the equivalent yield at 31 March 2026 is increased or decreased by 0.5% and if the ERV is increased or decreased by 5.0%, which the Board believes are reasonable sensitivities to apply given historical changes.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk is primarily attributable to its trade receivables and cash balances. The amounts included in the statement of financial position are net of allowances for bad and doubtful debts. An

allowance for impairment is made where a debtor is in breach of its financial covenants, available information indicates a debtor can't pay or where balances are significantly past due.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The maximum credit risk on financial assets at 31 March 2026, which comprise trade receivables plus cash subject to credit risk, was £13.5m (2025: £11.7m).

The Company has no significant concentration of credit risk, with exposure spread over a large number of tenants covering a wide variety of business types. Further detail on the Company's credit risk management process is included within the Strategic report.

Cash held in bank accounts controlled by the Company and subject to credit risk of £9.4m (2025: £10.1m) is held with the following banks:

	Credit rating ³⁵	£000
Lloyds Bank plc	A1	8,181
Barclays Bank plc	A1	1,025
Metrobank plc	Baa2	201
		9,407

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following tables detail the Company's contractual maturity for its financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

³⁵ Source: Moody's.

The table includes both interest and principal cash flows.

Group	Interest rate %	31 March 2026 0-3 months £000	31 March 2026 3 months – 1 year £000	31 March 2026 1-5 years £000	31 March 2026 5 years + £000
Trade and other payables	N/a	11,494	362	983	919
Borrowings:					
Variable rate	5.530	899	2,696	81,604	-
Fixed rate	2.987	336	1,008	46,591	-
Fixed rate	3.020	264	793	4,228	36,077
Fixed rate	3.260	122	367	1,956	15,782
Fixed rate	4.100	154	461	2,460	25,984
		13,269	5,687	137,822	78,762

Company	Interest rate %	31 March 2026 0-3 months £000	31 March 2026 3 months – 1 year £000	31 March 2026 1-5 years £000	31 March 2026 5 years + £000
Trade and other payables	N/a	11,316	343	858	723
Borrowings:					
Variable rate	5.530	899	2,696	81,604	-
Fixed rate	2.987	336	1,008	46,591	-
Fixed rate	3.020	264	793	4,228	36,077
Fixed rate	3.260	122	367	1,956	15,782
Fixed rate	4.100	154	461	2,460	25,984
		13,091	5,668	137,697	78,566

Group and Company	Interest rate %	31 March 2025 0-3 months £000	31 March 2025 3 months – 1 year £000	31 March 2025 1-5 years £000	31 March 2025 5 years + £000
Trade and other payables	N/a	7,790	-	151	416
Borrowings:					
Variable rate	6.080	532	1,596	42,696	-
Fixed rate	3.935	197	20,295	-	-
Fixed rate	2.987	336	1,008	47,939	-
Fixed rate	3.020	264	793	4,228	37,134
Fixed rate	3.260	122	367	1,956	16,271
Fixed rate	4.100	154	461	2,460	26,599
		9,395	24,520	99,430	80,420

Fair values

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 year. The main methods and assumptions used in estimating the fair values of financial instruments and investment property are detailed below.

Investment property and assets held-for-sale – level 3

Fair value is based on valuations provided by independent firms of valuers, which use the inputs set out in Note 10. These values were determined after having taken into consideration recent market transactions for similar properties in similar locations to the investment properties held by the Company. The fair value hierarchy of investment property is level 3. At 31 March 2026, the fair value of the Company's investment properties and assets held-for-sale was £669.3m (2025: £594.4m).

PV – level 3

Fair value is based on valuations provided by independent firms of chartered surveyors and registered appraisers, which use the inputs set out in Note 11. These values were determined after having taken into consideration an appropriate yield and the net income from each array. The fair value hierarchy of PV is level 3. At 31 March 2026, the fair value of the Company's PV was £5.3m (2025: £3.8m).

Interest bearing loans and borrowings – level 3

At 31 March 2026 the gross value of the Company's loans with Lloyds, SWIP and Aviva all held at amortised cost was £185.0m (2025: £175.0m). The difference between the carrying value of Company's loans and their fair value is detailed in Note 22.

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.

21. Events after the reporting date

Dividends

On Friday 29 May 2026 the Company paid a fourth quarterly interim dividend per share of 1.5p.

Share issuance

Since the year end, the Company has issued 0.7m new ordinary shares as final consideration for the purchase of Grove Court Properties (Holdings) Limited.

22. Alternative performance measures

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 year.

Group	Calculation	Year ended 31 March 2026	Year ended 31 March 2025
Net assets (£000)		486,733	423,466
Shares in issue (excluding treasury shares) (thousands)		488,017	440,850
NAV per share at the start of the year (p)	A	96.1	93.4
Dividends per share paid during the year (p)	B	6.0	6.175
NAV per share at the end of the year (p)	C	99.7	96.1
NAV per share total return	(C-A+B)/A	10.0%	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 year.

Group	Calculation	Year ended 31 March 2026	Year ended 31 March 2025
Share price at the start of the year (p)	A	76.2	81.4
Dividends per share paid during the year (p)	B	6.0	6.175
Share price at the end of the year (p)	C	79.9	76.2
Share price total return	(C-A+B)/A	12.7%	1.2%

EPRA earnings per share

A measure of operating results excluding capital gains or losses, giving an alternative indication of performance compared to basic EPS which sets out the extent to which dividends relating to the year are supported by recurring net income.

Group	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Profit for the year after taxation		48,298	38,155
Net gains on investment property and depreciation		(19,341)	(11,369)
EPRA earnings	A	28,957	26,786
Weighted average number of shares in issue (excluding treasury shares) (thousands)	B	460,528	440,850
EPRA earnings per share (p)	A/B	6.29	6.08

Dividend cover

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

Group	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
EPRA earnings per share	A	6.29	6.08
Dividends per share paid relating to the year (p)	B	6.0	6.0
Dividend cover	A/B	104.8%	101.3%

Net gearing

Gross borrowings less cash (excluding tenant deposits and retentions), divided by portfolio³⁶ value. This ratio indicates whether the Company is meeting its investment objectives to target 25% loan-to-value in the medium-term with a maximum permitted level of 35%, to balance enhancing shareholder returns without facing excessive financial risk.

Group	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Gross borrowings		185,000	175,000
Cash		(12,293)	(10,118)
Tenant deposits and retentions		2,281	2,188
Net borrowings	A	174,988	167,070
Investment property		669,287	594,364
PV		5,334	3,808
	B	674,621	598,172
Net gearing	A/B	25.9%	27.9%

³⁶ Comprising investment property, assets held-for-sale and PV.

Weighted average cost of debt

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

31 March 2026	Amount drawn £m	Interest rate	Weighting
RCF	65.0	5.530%	1.94%
Total variable rate	65.0		
SWIP £45m loan	45.0	2.987%	0.73%
Aviva			
• £35m tranche	35.0	3.020%	0.58%
• £15m tranche	15.0	3.260%	0.26%
• £25m tranche	25.0	4.100%	0.55%
Total fixed rate	120.0		
Weighted average drawn facilities	185.0		4.06%

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	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Average quarterly NAV for the year	A	454,708	414,786
Expenses (excluding depreciation and the cost of sold houses)		15,703	13,852
Operating expenses of rental property rechargeable to tenants		(3,776)	(3,562)
Ongoing charges	B	11,927	10,290
Operating expenses of rental property directly incurred		(6,106)	(4,891)
One-off costs		-	-
Ongoing charges excluding direct property expenses	C	5,821	5,399
OCR	B/A	2.62%	2.48%
OCR excluding direct property expenses	C/A	1.28%	1.30%

EPRA performance measures

The Company uses EPRA alternative performance measures based on its Best Practice Recommendations to supplement IFRS measures, in line with best practice in the sector. The measures defined by EPRA are designed to enhance transparency and comparability across the European real estate sector. The Board supports EPRA's drive to bring parity to the comparability and quality of information provided in this report to investors and other key stakeholders. EPRA alternative performance measures are adopted throughout this report and are considered by the directors to be key business metrics.

EPRA NAV per share metrics

EPRA NAV metrics make adjustments to the IFRS NAV to provide stakeholders with additional information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.

EPRA Net Reinstatement Value (“NRV”)

NRV assumes the Company never sells its assets and aims to represent the value required to rebuild the entity.

Group	Calculation	31 March	31 March
		2026	2025
		£000	£000
IFRS NAV		486,733	423,466
Fair value of financial instruments		-	-
Deferred tax		-	-
EPRA NRV	A	486,733	423,466
Number of shares in issue (excluding treasury shares) (thousands)	B	488,017	440,850
EPRA NRV per share (p)	A/B	99.7	96.1

EPRA Net Tangible Assets (“NTA”)

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

Group	Calculation	31 March 2026 £000	31 March 2025 £000
IFRS NAV		486,733	423,466
Fair value of financial instruments		-	-
Deferred tax		-	-
Intangibles		-	-
EPRA NTA	A	486,733	423,466
Number of shares in issue (excluding treasury shares) (thousands)	B	488,017	440,850
EPRA NTA per share (p)	A/B	99.7	96.1

EPRA Net Disposal Value (“NDV”)

Represents the shareholders’ value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

Group	Calculation	31 March 2026 £000	31 March 2025 £000
IFRS NAV		486,733	423,466
Fair value of fixed rate debt below book value		6,419	16,754
Deferred tax		-	-
EPRA NDV	A	493,152	440,220
Number of shares in issue (excluding treasury shares) (thousands)	B	488,017	440,850
EPRA NDV per share (p)	A/B	101.1	99.9

At 31 March 2026 the Company’s gross debt included in the balance sheet at amortised cost was £185.0m (2025: £175.0m) and its fair value is considered to be £178.6m (2025: £158.2m). This fair value has been calculated based on prevailing mark-to-market valuations provided by the Company’s lenders, and excludes ‘break’ costs chargeable should the Company settle loans ahead of their contractual expiry.

EPRA NIY and EPRA 'topped-up' NIY

EPRA NIY represents annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the property valuation plus estimated purchaser's costs. The EPRA 'topped-up' NIY is calculated by making an adjustment to the EPRA NIY in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents). These measures offer comparability between the rent generating capacity of portfolios.

Group	Calculation	31 March 2026 £000	31 March 2025 £000
Investment property ³⁷		669,287	594,364
Allowance for estimated purchasers' costs ³⁸		43,504	38,634
Gross-up property portfolio valuation	A	712,791	632,998
Annualised cash passing rental income ³⁹		45,419	41,135
Property outgoings ⁴⁰		(3,856)	(2,122)
Annualised net rental income	B	41,563	39,013
Impact of expiry of current lease incentives ⁴¹		3,786	2,780
Annualised net rental income on expiry of lease incentives	C	45,349	41,793
EPRA NIY	B/A	5.8%	6.2%
EPRA 'topped-up' NIY	C/A	6.4%	6.6%

³⁷ Including assets held-for-sale.

³⁸ Assumed at 6.5% of investment property valuation.

³⁹ Annualised cash rents at the year end date.

⁴⁰ Non-recoverable directly incurred operating expenses of vacant rental property and ground rent costs.

⁴¹ Adjustment for the expiration of lease incentives.

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	Calculation	31 March 2026 £000	31 March 2025 £000
Annualised potential rental value of vacant premises	A	4,207	4,467
Annualised potential rental value for the property portfolio	B	55,560	50,194
EPRA vacancy rate	A/B	7.6%	8.9%

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	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Directly incurred operating expenses and other expenses, excluding depreciation and cost of houses sold		11,927	10,290
Ground rent costs		(38)	(38)
EPRA costs (including direct vacancy costs)	A	11,889	10,252
Property void costs		(1,996)	(1,806)
EPRA costs (excluding direct vacancy costs)	B	9,893	8,446
Rental income		45,446	42,828
Ground rent costs		(38)	(38)
Rental income net of ground rent costs	C	45,408	42,790
EPRA cost ratio (including direct vacancy costs)	A/C	26.2%	24.0%
EPRA cost ratio (excluding direct vacancy costs)	B/C	21.8%	19.7%

EPRA LTV

An alternative measure of gearing including all payables and receivables. This ratio indicates whether the Company is complying with its investment objective to target 25% loan-to-value in the medium-term to balance enhancing shareholder returns without facing excessive financial risk.

Group	Calculation	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Gross borrowings		185,000	175,000
Trade and other receivables		6,779	5,201
Trade and other payables		(14,086)	(8,550)
Deferred income		(8,531)	(8,181)
Cash		12,293	10,118
Tenant deposits and retentions		(2,281)	(2,188)
Net borrowings	A	179,174	171,400
Investment property and PV	B	674,621	598,172
EPRA LTV	A/B	26.6%	28.7%

EPRA capital expenditure

Capital expenditure incurred on the Company's property portfolio during the year. This ratio offers insight into the proportion of cash deployment relating to acquisitions compared to the like-for-like portfolio.

Group	31 March 2026 £000	31 March 2025 £000
Acquisitions	-	-
Development	1,671	4,843
Like-for-like portfolio	7,852	2,000
Total capital expenditure	9,523	6,843

EPRA like-for-like annual rent

Like-for-like rental growth of the property portfolio by sector which offers an alternative view on the 'run-rate' of revenues at the year end.

Group	31 March 2026					Total £000
	Industrial £000	Retail warehouse £000	Retail £000	Other £000	Office £000	
Like-for-like rent	19,160	9,646	3,037	6,586	4,506	42,935
Acquired properties	617	333	181	329	334	1,794
Sold properties	300	-	-	-	417	717
	20,077	9,979	3,218	6,915	5,257	45,446

Group	31 March 2025					Total £000
	Industrial £000	Retail warehouse £000	Retail £000	Other £000	Office £000	
Like-for-like rent	17,688	9,711	3,270	6,310	5,351	42,330
Acquired properties	-	-	-	-	-	-
Sold properties	390	-	-	-	108	498
	18,078	9,711	3,270	6,310	5,459	42,828

Investment policy

The Company's investment objective is to provide Shareholders with an attractive level of income together with the potential for capital growth from investing in a diversified portfolio of commercial real estate properties in the UK.

The Company's investment policy is:

- (a) To invest in a diversified portfolio of UK commercial real estate principally characterised by smaller, regional, core/core-plus properties that provide enhanced income returns. 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.
- (b) The property portfolio should not exceed a maximum weighting to any one property sector, or to any geographic region, of greater than 50%.
- (c) To focus on areas with high residual values, strong local economies and an imbalance between supply and demand. Within these locations the objective is to acquire modern buildings or those that are considered fit for purpose by occupiers.
- (d) No one tenant or property should account for more than 10% of the total rent roll of the Company's portfolio at the time of purchase, except:
 - (i) in the case of a single tenant which is a governmental body or department for which no percentage limit to proportion of the total rent roll shall apply; or
 - (ii) in the case of a single tenant rated by Dun & Bradstreet with a credit risk score higher than 2, in which case the exposure to such single tenant may not exceed 5% of the total rent roll (a risk score of 2 represents "lower than average risk").
- (e) The Company will not undertake speculative development (that is, development of property which has not been leased or pre-leased), save for redevelopment and refurbishment of existing holdings, but may invest in forward funding agreements or forward commitments (these being, arrangements by which the Company may acquire pre-development land under a structure designed to provide the Company with investment rather than development risk) of pre-let developments where the Company intends to own the completed development. Substantial redevelopments and refurbishments of existing properties which expose the Company to development risk would not exceed 10% of the Company's gross assets.
- (f) For the avoidance of doubt, the Company is committed to seeking further growth in the Company, which may involve strategic property portfolio acquisitions and corporate consolidation, such transactions potentially including public and private companies, holding companies and special purpose vehicles.
- (g) The Company may use gearing, including to fund the acquisition of property and cash flow requirements, provided that the maximum gearing shall not exceed 35% of the aggregate market value of all the

properties of the Company at the time of borrowing. Over the medium-term the Company is expected to target borrowings of 25% of the aggregate market value of all the properties of the Company at the time of borrowing.

- (h) The Company reserves the right to use efficient portfolio management techniques, such as interest rate hedging and credit default swaps, to mitigate market volatility.
- (i) Uninvested cash or surplus capital or assets may be invested on a temporary basis in:
 - (i) cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or
 - (ii) any "government and public securities" as defined for the purposes of the FCA rules.
- (j) Gearing, calculated as borrowings as a percentage of the aggregate market value of all the properties of the Company and its subsidiaries, may not exceed 35% at the time such borrowings are incurred.

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.

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 year
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 (Sustainability) Best Practice Recommendations (BPR), (sBPR)	EPRA BPR and sBPR facilitate comparison with the Company's peers through consistent reporting of key real estate specific and environmental performance measures
EPRA topped-up net initial yield	Annualised cash rents at the year-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 vacant property operating expenses and ground rent costs, divided by property valuation plus estimated purchaser's costs
Estimated rental value (ERV)	The external 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 year-end date and ERV, less estimated non-recoverable property operating expenses, divided by property valuation plus estimated purchaser's costs

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
Greenhouse gas (GHG)	Gasses in the earth's atmosphere which trap heat and lead directly to climate change
Institutional tenants grade	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. This is a requirement of Listing Rule 15.
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 year
Market Abuse Regulation (MAR)	Regulations to which the Company's code for directors' share dealings is aligned
Minimum Energy Efficiency Standards (MEES)	MEES regulations set a minimum energy efficiency level for rented properties.
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 tenant deposits and retentions), divided by property portfolio and solar panel value
Net initial yield (NIY)	Annualised cash rents at the year-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 year-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 year-end date, adjusted for the expiration of lease incentives

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 year
Sterling Overnight Index Average (SONIA)	Base rate payable on variable rate bank borrowings before the bank's margin
Streamlined Energy and Carbon Report (SECR)	SECR requirements aim to put green credentials into the public domain and help organisations achieve the benefits of environmental reporting
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 (WAULT)	Average unexpired lease term across the investment portfolio weighted by contracted rent
Yield shift	A change in the percentage return (yield) an investor receives on a property due to movement in its capital value due to investor market sentiment rather than movement in rental expectations.

Distribution of the Annual Report and accounts to members

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2026 or 2025, but is derived from those accounts. Statutory accounts for 2025 have been delivered to the Registrar of Companies and those for 2026 will be delivered following the Company's AGM. The auditor has reported on the 2026 accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. The Annual Report and accounts will be posted to shareholders in due course, and will be available on our website (custodianreit.com) and for inspection by the public at the Company's registered office address: 1 New Walk Place, Leicester LE1 6RU during normal business hours on any weekday. Further copies will be available on request.

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