Custodian
PROPERTY INCOME REIT

Managing our sustainable portfolio

Asset Management and Sustainability Report 2026

Welcome

Inside this report

Welcome to the Asset Management and Sustainability Report of Custodian Property Income REIT plc (“the Company”).

Birmingham

01

Report

Arthur House, Manchester

Investing in improvements to our portfolio

£9.5m invested in capital expenditure during the year, primarily on property refurbishments

Read more on pages 07 to 12

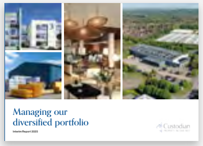
35

Portfolio

Our reporting

Annual Report 2026
custodianreit.com

Interim Report 2025
custodianreit.com



Winsford

Solar panels

The Company’s portfolio of solar panels saw a £1.5m valuation uplift during the year

Read more on pages 24 and 25

Chairman's introduction

A year of investment, growth and improvement in environmental performance

David MacLellan
Chairman

The Company is committed to ongoing investment in, and proactive management of, its portfolio to maintain occupier demand and secure rental growth. Environmental considerations are embedded in the Company's day-to-day operations with a particular focus this year on integrating the three portfolios acquired and continuing the roll-out of on-site renewables in the form of solar panel installation.

While focused on returns for shareholders, particularly through the accretive acquisitions of privately-held property companies, the Board also acknowledges its wider responsibility and is committed to meeting the Company's challenging goals in relation to environmental and social matters. To this end, the Board encourages the Investment Manager to act responsibly in areas where it can have an influence, for example, by working with tenants to improve the environmental performance of the Company's properties, which the Board believes will ultimately benefit shareholders through enhanced rent and asset values. Investing in real estate that meets the environmental requirements of occupiers and legislation should ultimately lead to shorter periods of vacancy, higher rents and enhanced capital values.

This report sets out the key ongoing and recently completed asset management initiatives with a focus on the environmental improvements that these initiatives are making to the Company's portfolio along with a number of case studies. I hope you find it helpful.

David MacLellan
Chairman
17 July 2026

Read more
Case studies on pages 13 to 18

> Environmental considerations are embedded in the Company's day-to-day operations with a particular focus this year on integrating the three portfolios acquired and continuing the roll-out of on-site renewables in the form of solar panel installation

Lincoln

Investment Manager's introduction

Proactive asset management leading to rental growth

> We have updated energy performance certificates across 44 units at 24 properties, documenting the continuing improvements in the environmental performance of the portfolio

Richard Shepherd-Cross
Investment Manager

During the year ended 31 March 2026 ("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 estimated rental value ("ERV"). We also completed 53 new lettings, lease renewals and lease regears, with rental levels remaining affordable to our occupiers.

We have also grown the portfolio by completing the purchase of three separate privately-owned property companies with a combined portfolio price of £63.8m. These 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.

We have updated energy performance certificates across 44 units at 24 properties, documenting the continuing improvements in the environmental performance of the portfolio. The weighted average EPC across the portfolio is following a positive trajectory, achieving a weighted average 'B' rating (equivalent to a score of between 25 and 50) during the year. 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.

We have undertaken a number of refurbishments and continued to expand our photovoltaics ("PV") capacity, increasing the Company's renewable energy generating capacity 20% from 4,162 kWp to 5,006 kWp which should generate £0.1m of annual net income once fully operational. We now have owned PV at 21 properties and anticipate earnings-accretive installations at up to further c.70 properties in the future.

Our priorities remain to continue to invest in the Company's portfolio of assets to meet the Company's stretching sustainability targets, crystallise latent rental growth and increase renewable energy generation.

Richard Shepherd-Cross
On behalf of Custodian Capital Limited
Investment Manager
17 July 2026

Read more
Solar panels on pages 24 and 25

Bath

Business model and property strategy

Purpose

Custodian Property Income REIT offers investors the opportunity to access 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, becoming the REIT of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate.

Property strategy

The Company's portfolio is focused on smaller, regional, core/core-plus[1] property which helps achieve our target of high and stable dividends from well-diversified real estate by offering:

- **An enhanced yield on acquisition** – with no need to sacrifice quality of property/location/ tenant for income and with a greater share of value in 'bricks and mortar';
- **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.

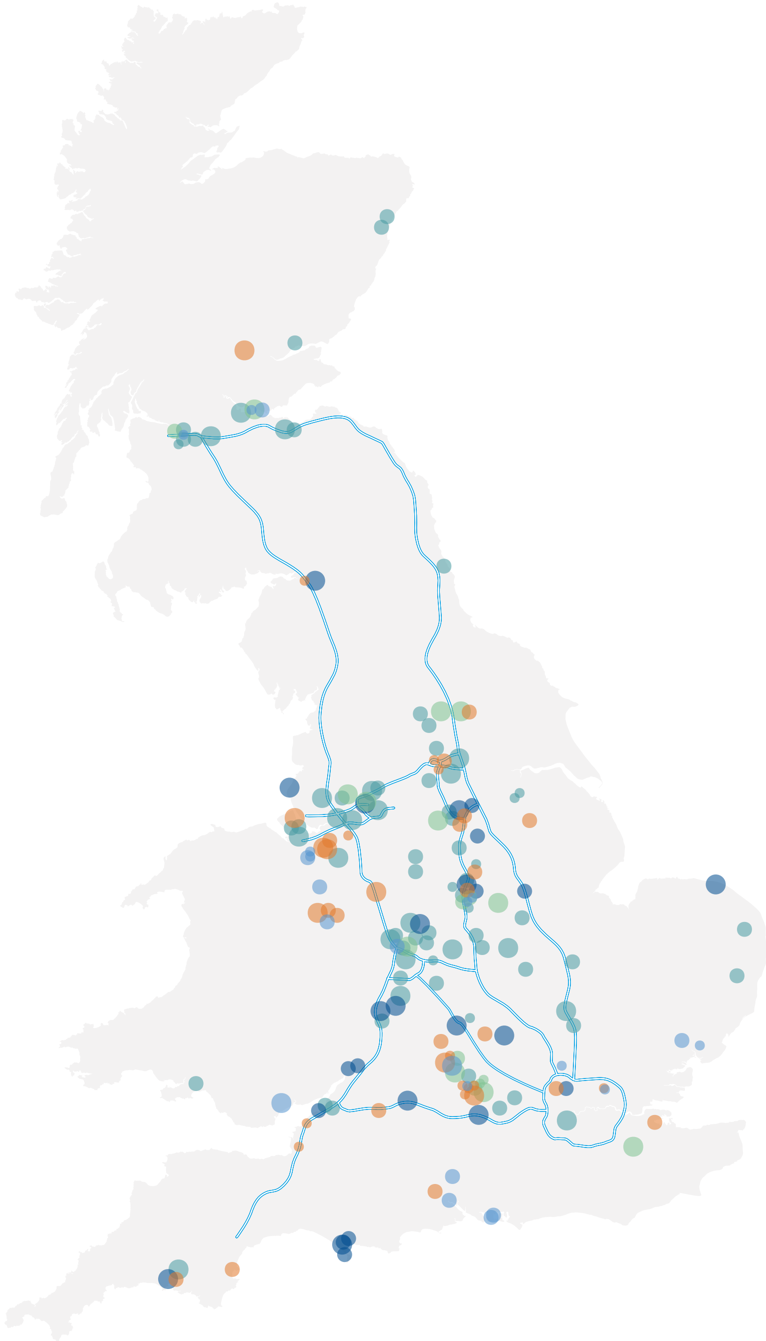
Property income

Property type

- Industrial
- Retail warehouse
- Other
- Office
- Retail

Property income

- <£100k
- £101k–£350k
- £350k+

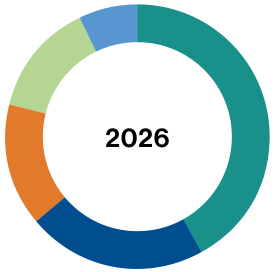


1. 'Core' real estate is generally understood to offer the lowest risk and target returns, requiring little asset management and fully let on long leases. Core-plus real estate is generally understood to offer low-to-moderate risk and target returns, typically high-quality and well-occupied properties but also providing asset management opportunities.

Business model and property strategy continued

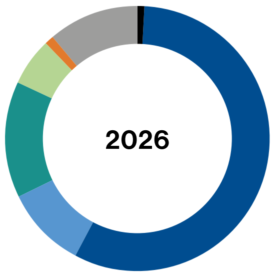
Top 10 tenants	Asset locations	Annual passing rent (£m)	% portfolio income
InPost Distribution (formerly Menzies Distribution)	Aberdeen, Edinburgh, Glasgow, Ipswich, Norwich, Dundee, Swansea, York	1.7	3.5%
Wickes	Winnersh, Burton upon Trent, Southport, Nottingham	1.4	2.9%
B&M	Swindon, Ashton-under-Lyne, 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%

Weighting by income 31 March 2026



	2026	2025
Industrial	42%	42%
Retail warehouse	22%	22%
Other	15%	13%
Office	14%	16%
High street retail	7%	7%

Experian tenant risk rating



	2026	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%

ESG strategy

1. **Improving the energy performance of our buildings**
   Investing in carbon-reducing technology, infrastructure and on-site renewables, and ensuring redevelopments are completed to high environmental standards which are essential to the future leasing prospects and valuation of each property
2. **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
3. **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 for their staff that promote tenant well-being
4. **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
5. **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
6. **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

Net zero carbon

Long-term commitment

Hazel Adam
Chair of the ESG Committee

In 2024, the Company announced its operational net zero carbon ("NZC") commitment, to be achieved through a 90% reduction in carbon intensity by 2050 from a 2021 baseline, with the aim of aligning with the 1.5°C Carbon Risk Real Estate Monitor ("CRREM") pathway.

Operational NZC for real estate is achieved when the amount of annual carbon emissions from a building's landlord and tenant operational energy is reduced to zero or negative. This is typically achieved through energy efficiency improvements by installing low-carbon systems, renewable energy generation or procurement, and finally offsetting remaining carbon emissions.

Modelling the NZC pathway, undertaken by our environmental consultants JLL, involved benchmarking the performance of each sector, modelling the portfolio's future operational carbon footprint and identifying the types of measures necessary to fully decarbonise the portfolio, and offsetting remaining emissions. This sector-by-sector approach involves an initial period of optimisation, seeking to engage with tenants to make behavioural changes. Over time this will improve energy efficiency and gradually reduce operational carbon emissions. Based on tenants' needs and the lease expiry profile, we are implementing improvement works to each asset in line with our property strategy. This ranges from a light retrofit covering mechanical, electrical and plumbing improvements, LED light fittings, building management system optimisation and other minor energy efficiency measures, to a deeper retrofit involving electrification, improving the building envelope insulation, glazing replacement and other changes to the structure as necessary.

For the year ended 31 March 2026 the total operational carbon intensity is 33 $kgCO_2e/m^2$, which represents a 3.0% annual reduction compared to the 2021 baseline.

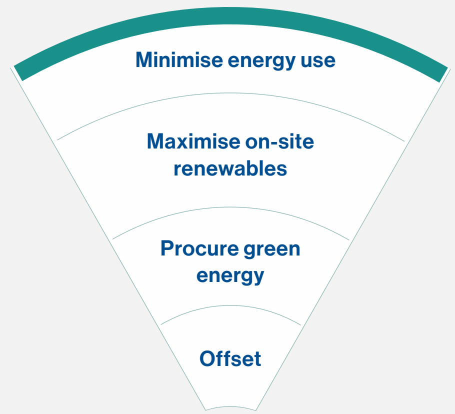
Our initial commitment is to achieve operational NZC by 2050 with the aim of aligning with the CRREM 1.5°C pathway. The Board will consider accelerating this timeline and refining our interim targets based on improved data coverage and portfolio evolution through strategic acquisitions and disposals. We remain focused on the Company's carbon reduction strategy to improve the 2021 operational carbon intensity baseline performance, with continued rollout of PV to our industrial assets.

CRREM has become the market standard for 1.5°C alignment in the real estate sector. CRREM's objective is to translate global emissions reduction requirements, into Paris Agreement-compliant 1.5°C emissions pathways for buildings, by country and by asset type.

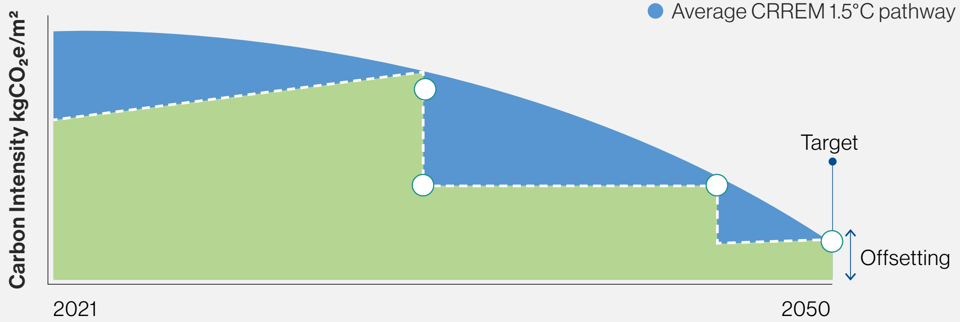
Hazel Adam
Chair of the ESG Committee
17 July 2026

> "We remain focused on the Company's carbon reduction strategy to improve the 2021 operational carbon intensity baseline performance, with continued rollout of PV

Energy hierarchy



Targeted alignment with NZC pathway



Investing in improvements to our portfolio

Asset management strategy

Our asset management strategy is summarised as follows

1 Generating strong and predictable levels of cash flow by

- In-house property management – maintaining direct relationships with tenants and identifying early any issues so they can promptly be addressed
- Minimising vacancies – pro-actively discussing renewals and regears and pre-empting exits to ensure marketing has commenced in advance of expiry

2 Enhancing asset value through

- Refurbishment – ensuring tenants perform maintenance obligations within lease contracts and working with tenants to actively refurbish and improve assets
- Improving energy performance – encouraging tenants to reduce carbon emissions and usage and investing in assets to enhance environmental credentials and future-proof rents

3 Maximising opportunities of differing cycles in different sectors

- Adjusting allocations – focusing on areas with the best medium-term rental growth prospects and mitigating risk by maintaining a diversified portfolio

Key asset management initiatives completed in the 12 months to 31 March 2026 include

Location	Beaconsfield	Redditch	Leighton Buzzard
			
Tenant	Mercedes	Sonas Bathrooms	CDS Stores t/a The Range
Sector	Other	Industrial	Retail Warehouse
Activity	Rent review	New lease	Assignment
New lease length Years	n/a	10	n/a
Tenant break option year	n/a	6	n/a
Annual rent £000	725	669	390
% increase in annual rent	5%	15%	15%

* Increase on passing rent prior to the redevelopment of the asset

Investing in improvements to our portfolio continued

Key asset management initiatives completed in the 12 months to 31 March 2026 include

Location	York	Gloucester	Leicester	Knowsley
				
Tenant	Audi	JD Gyms	Farmfoods	Home Asia Foods
Sector	Other	Retail Warehouse	Retail Warehouse	Industrial
Activity	Rent review	New lease	New lease	Letting vacant unit
New lease length Years	N/a	15	15	15
Annual rent £000	275	200	175	126
% increase in annual rent	8%	n/a	100%	72%

Investing in improvements to our portfolio continued

Key asset management initiatives completed in the 12 months to 31 March 2026 include

Location	Speke	Bellshill	Cromer	Plymouth
				
Tenant	DHL	Yodel Delivery Network	Sainsbury's	Altilium Metals
Sector	Industrial	Industrial	Retail Warehouse	Industrial
Activity	Lease renewal	Lease renewal	New lease	New lease
New lease length Years	5	5	15	25
Tenant break option year	3	3	N/a	8
Annual rent £000	177	510	325	465
% increase in annual rent	49%	65%	49%	-

Investing in improvements to our portfolio continued

Key asset management initiatives completed in the 12 months to 31 March 2026 include

Location	Edinburgh 	Burton upon Trent 	Manchester 	Motherwell 
Tenant	Harmony Fire	Nicwood Logistics	Northern Commercials	Romac Logistics
Sector	Office	Industrial	Industrial	Industrial
Activity	New lease	Lease renewal	Lease renewal	New lease
New lease length Years	10	6	10	10
Tenant break option year	5	N/a	N/a	N/a
Annual rent £000	112	650	225	813
% increase in annual rent	18%	30%	37%	30%

Investing in improvements to our portfolio continued

Key asset management initiatives completed in the 12 months to 31 March 2026 include

Location	**Winchester**	**Carlisle**	**Glasgow**	**Manchester**
				
Tenant	Hotel Chocolat	Halfords	DHL	Positive Planet
Sector	Retail	Retail Warehouse	Industrial	Office
Activity	New lease	Lease renewal	Lease renewal	New lease
New lease length Years	10	5	10	5
Tenant break option year	5	N/a	5	None
Annual rent £000	115	163	146	99
% increase in annual rent	n/a	6%	33%	95%*

* Increase on passing rent prior to the redevelopment of the asset

Investing in improvements to our portfolio continued

Details of the Company's unlet properties at 31 March 2026, and their associated letting strategy, are set out below:

Town	Sector	ERV £000	Rental void (%)	Marketing Agents	Current status	Strategy
Biggleswade	Industrial	574	1.0%	Adriot Real Estate	Available	Refurbishment completed in August 2025 and remains on the market to let.
Manchester	Office	534	1.0%	Sixteen Real Estate/ Cushman & Wakefield	Available	Completed a comprehensive £2.5m 'best in class' refurbishment in September 2023. We have completed a letting on the 5th floor and continue to market the remaining vacant space.
Sheffield	Office	396	0.7%	GV&Co	Under offer	Under offer to sell.
Hamilton	Industrial	363	0.7%	Colliers		Refurbishment works planned to improve the EPC from a C to A rating. Currently on the market to let.
Warwick	Industrial	329	0.6%	Savills	Under refurbishment	Refurbishment in progress and due to complete July 2026.
Kettering	Industrial	322	0.6%	Prop-search	Under refurbishment/ Available	Two of the three vacant units have recently been refurbished and are available to let. The last unit is currently undergoing refurbishment works.
Birmingham	Office	294	0.5%	Fisher German/KWB	Available	Lancaster House is 65% occupied with the remaining vacant units on the market to let.
Gateshead	Office	243	0.4%	Knight Frank	Available	On the market to let or sell.
Oxford	Office	180	0.3%	Savills/Carter Jones	Under offer	The remaining vacant suite is currently under offer to let.
Other smaller units		966	1.8			
		4,200	**7.6%**			

Of the Company's total vacant space of £4.2m ERV, 39% is currently either under offer to sell or let or is planned vacancy to enable redevelopment or refurbishment, as illustrated below:

	No. assets	ERV £m	% ERV	% of vacancy
Vacant assets:				
– Undergoing or earmarked for refurbishment/redevelopment	3	0.7	1.4%	18%
– Under offer to sell or let	5	0.9	1.6%	21%
– Being marketed to let	13	2.6	4.6%	61%
	21	4.2	7.6%	100%
Let property		51.4	92.4%	N/a
Portfolio		**55.6**	**100%**	**N/a**

Portsmouth

Case studies

Significant improvements to the Company's portfolio

Dundee

The Investment Manager's responsibility is to uphold the ESG policy by investing in the portfolio to make meaningful changes in reducing its longer-term environmental footprint and improving tenant welfare.

Tenant demand for energy efficient property is apparent and as a result we have seen the ERVs of properties successfully refurbished with strong environmental credentials increase significantly. We anticipate further valuation increases for higher-quality refurbished property as investor and occupier demand continues to focus on energy efficiency and further tightening of ESG legislation making further improvements mandatory.

Examples of recent initiatives are set out below which are in line with our commitment to improve Energy Performance Certificate ("EPC") ratings across our property portfolio.

Read more
Case studies on pages 13 to 18

Case studies continued

Brittain Way, Eurocentral, Scotland

Background

The property is used for cold storage and is fully fitted with a 60,000 sq ft coldroom.

Following the former tenant exercising its break option in 2025, the Company agreed a new 10-year letting to Romac Logistics, subject to a comprehensive refurbishment.

Romac agreed to retain the existing cold room which was previously installed by the former occupier, avoiding unnecessary waste and supporting our sustainability credentials.

This investment maintained occupancy and increased the rent from £6.70 per sq ft to £8.75 per sq ft.

Aim/specification

The refurbishment works included:

- **Complete roof light and cladding replacement;**
- **Installation of a variable refrigerant flow (VRF) system, an advanced heating, ventilating and air-conditioning technology that heats and cools buildings by circulating only the exact amount of refrigerant needed to specific rooms which can be set to different temperatures simultaneously; and**
- **Installation of a 237 kWp PV system which generates circa 200,000 kWh per annum**

Total cost of works

£1.00m

Impact on EPC

C to A

Rent increase

30%

Valuation uplift

£3.5m

Outcome

The 30% increase in rental income generated from this comprehensive refurbishment and new letting achieved a valuation uplift of £3.5m compared to the previous vacant possession value, net of refurbishment cost. The addition of PV resulted directly in an additional PV rent, rather than the Company selling the electricity generated to the tenant.

Case studies continued

Eastern Avenue, Gloucester

Background

Purchased as part of the Drum REIT portfolio in 2021, this 20,024 sq ft retail warehouse property was vacant on acquisition with an ERV of £6.30 per sq ft. Post-acquisition the property was let to Furniture Recycling Project at nil rent from March 2022 to July 2025 as part of CREIT's commitment to social initiatives, whilst the Company overcame an existing planning restriction on the building which limited its occupier appeal. The property had one of the longest non-income producing periods in the CREIT portfolio as this variation of planning restrictions, to allow for bulky goods 24-hour trading consent, was secured, having been previously twice turned down by planning authorities under the asset's previous ownership.

Aim/specification

On receipt of planning approval, CREIT put the property into 'shell specification', which included coating the roof with cut edge corrosion treatment, making the interior suitable for gym use and upgrading the utilities.

Valuation uplift

£1.35m

Outcome

- A new 15-year lease to JD Gyms with five yearly open market rent reviews with a tenant only break option in year 10 at an annual rent of £200k (£10 per sq ft);
- The letting was 33% ahead of ERV (£7.50 per sq ft); and
- A £1.35m valuation uplift achieved on completion in October 2025.

Case studies continued

Langage Science Park, Plymouth

Background

The Company undertook a comprehensive refurbishment of a 56k sq ft industrial property in 2025 following exit of previous tenant at expiry in May 2024.

Aim/specification

- **Replacement of the existing cladding and roof;**
- **Reconfiguration of the existing bays and office space;**
- **Installation of a 200 kWp PV system;**
- **Solar reflective windows installed; and**
- **Addition of changing rooms, showers and welfare facilities.**

Total cost of works

£2.85m

Impact on EPC

E to A

Outcome

The property is now let to Altilium Metals, on a 25-year lease for £465k pa. This letting has set the new headline rent for Plymouth in the process, and demonstrated that refurbishment of the existing property generates a higher return and better environmental outcome than redevelopment. The unit is now used for Altilium's planned Accelerating Carbon Capture and Storage Technologies phase 3 ('ACT3') facility, which will support the UK's first commercial refinery for the recovery of critical battery materials from end-of-life EV batteries.

Before

Case studies continued

Wickes, Kew Retail Park, Southport

Background

The retail park was acquired by the Company as part of the Drum portfolio transaction in 2021. At the time of acquisition, 63% of the park was non-income producing. The Company has recently undertaken a comprehensive refurbishment of two of the seven retail warehouse units within the park. The two units were previously let to separate tenants, with two-thirds of the combined space non-income producing. The Company took the strategic decision to consolidate the two units into a single 30,000 sq ft unit in order to accommodate a new anchor letting to Wickes.

Aim/specification

- **Removal of the internal separating party wall;**
- **Installation of entrance canopy;**
- **Full roof and cladding recoat to Wickes brand colours and full internal decoration;**
- **Installation of LED lighting and relining in the car park; and**
- **Installation of a secure compound at the rear of the property.**

Total cost of works

£1.00m

Impact on EPC

E to B

Outcome

The property is now let to Wickes on a 10-year lease at an annual rent of £275k, increasing the site's value by £1.25m. The Company has further plans to partner with Wickes to install PV on the unit and other units at the park later this year.

Before

Case studies continued

Aylestone Road, Leicester

Background

The Company entered into an agreement for lease with Farmfoods at this retail site due to Magnet advising it would vacate at lease expiry. The agreement for lease was conditional upon securing planning consent for a change of use to 'open A1 retail', including food consent.

Aim/specification

The refurbishment enhanced the energy efficiency of the building by capping off the gas supply, installing LED lighting and over cladding the existing roof, including installing additional insulation, which saw the EPC rating improve from a C to an A. Further refurbishment works were undertaken including redecoration, new decorative cladding to the front elevation, along with drainage repairs and resurfacing works to the customer car park.

Total cost of works

£0.3m

Impact on EPC

C to A

Outcome

On the grant of planning, a new 15-year lease was entered into with Farmfoods, increasing the annual passing rent from £87.5k to £175k. As a condition of the new lease Farmfoods undertook a comprehensive refurbishment of the premises, with the Company contributing £300k to partially fund the works to the roof and yard.

Before

Portfolio disposals

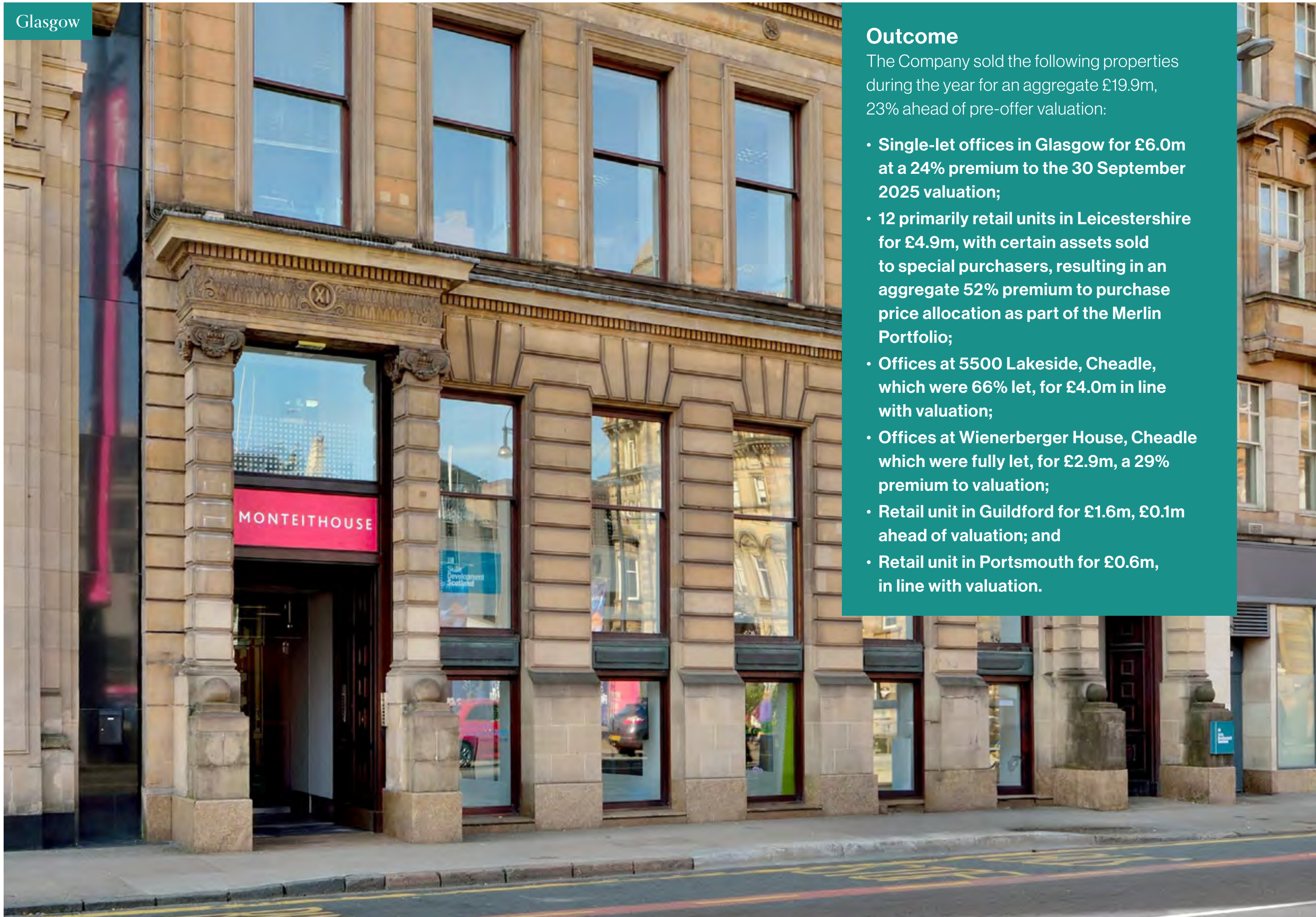
Background

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.

Aim

- **Targeted Asset Sales:** The Company sells assets with limited potential for future rental growth, properties with shorter leases and uncertain renewal prospects, or where significant capital expenditure is required to maintain occupier demand without offering a suitable yield on expenditure
- **Capital Recycling:** Proceeds are primarily used to pay down variable-rate debt or to invest in our existing assets
- **Premium Valuation Focus:** The Company consistently demonstrates an ability to sell properties at or above their book valuation
- **Portfolio Rebalancing:** The strategy involves reducing exposure to sectors with lower rental growth prospects
- **Active Management:** The Investment Manager conducts regular reviews of the entire portfolio, aiming for opportunistic sales to crystallise profits and redeploy capital efficiently.

Glasgow



Outcome

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 £4.9m, 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.**

Drive-through

Drive-through assets continue to align with the Company's investment strategy, delivering secure, long-term reversionary income, driven by occupier demand.

Perth

Occupier demand for well-located units remains robust, underpinned by the continued expansion of major quick-service restaurant and coffee operators across the UK. Major drive-through operators continue to grow their UK estates, creating sustained competition for prime site and supporting the rental growth evident across Custodian's existing portfolio.

The Company's drive-through portfolio at 31 March 2026 is set out below:

Assets

13

Locations

9

Valuation

£22.7m

Annual passing rent

£1.3m

ERV

£1.6m

Location	Occupier (trading as)	Region	Passing rent (£000)	ERV (£000)
Leicester	Tim Hortons	East Midlands	135	139
Watford	Tim Hortons	South-East	140	174
Perth	KFC	Scotland	75	110
Perth	Taco Bell	Scotland	90	143
Plymouth	McDonald's	South-West	100	100
Burton-upon-Trent	Starbucks	West Midlands	64	83
Birmingham	Starbucks	West Midlands	140	144
Carlisle	Burger King	North-West	110	110
Nottingham	Starbucks	East Midlands	120	143
York Clifton Moor	Burger King	North-East	118	118
York Clifton Moor	KFC	North-East	96	108
Crewe	Taco Bell	North-West	65	95
Nottingham	KFC	East Midlands	92	91
			1,345	**1,558**

Maypole

Latest development

St Nicholas Retail Park, Carlisle

Background

The Company completed a development in April 2026 of a 1,800 sq ft drive-through at a retail park in Carlisle, bespoke to Burger King's specification and requirements.

Aim/specification

- **Modular drive-through build specification; and**
- **Installation of EV chargers.**

Future opportunities

The Company has development opportunities within the existing portfolio at Kew Retail Park, Southport and Springfield Retail Park, Nottingham. The Company will continue to seek development opportunities and acquisitions of existing drive-through units where appropriate.

Total cost of works

£1.2m

Impact on EPC

A

Outcome

Burger King now has a 20-year lease, paying annual rent of £110k. The scheme reflects the Company's ability to create value through development activity and reinforces the drive-through sector as a key area of strategic focus for the Company going forward.

Corporate acquisitions

The Company has completed three corporate acquisitions during the year. 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 investment property portfolio valuation adjusted to the agreed purchase price.

Merlin

Acquired Merlin Properties Limited on 30 May 2025

28 properties

Consideration: £19.4m equity

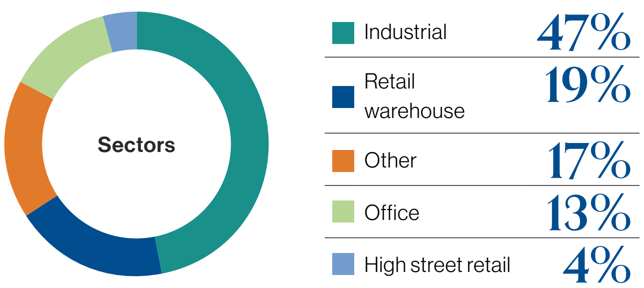
Portfolio price: £19.4m

Also acquired 10 newly built residential properties for £2.7m

Largest tenant: Halfords

8.1% topped-up NIY

No gearing



Grove Court

Acquired Grove Court Properties (Holdings) Limited on 13 February 2026

7 properties

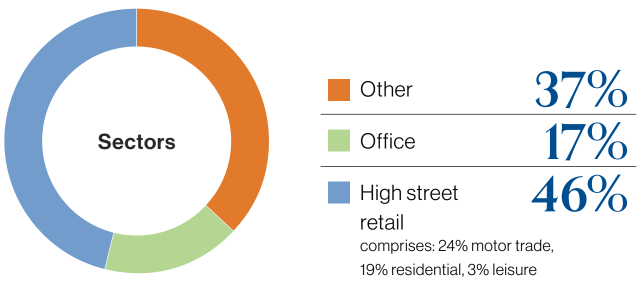
Consideration: £9.3m cash, £26.6m equity

Portfolio price: £35.9m

Largest tenant: Vertu Motors (t/a Mercedes of Beaconsfield)

6.8% topped-up NIY

25% gearing



Scorpion

Acquired Scorpion Properties Limited on 2 March 2026

5 properties

Cash consideration: £3.4m cash, £5.1m equity

Portfolio price: £8.5m

Largest tenant: Steer Automotive

6.8% topped-up NIY

38% gearing

Electric vehicle chargers

Electric vehicle ("EV") charging infrastructure remains an increasingly important component of the portfolio's long-term sustainability strategy.

The continued expansion of charging provision, for both public use and occupier-only access, supports the Company's environmental objectives while enhancing the overall attractiveness and adaptability of our assets.

The availability of EV charging is becoming a material consideration for occupiers across a range of property types. In the retail sector, public charging facilities can contribute to increased footfall and longer customer dwell time, thereby supporting tenant trading performance. In the office and industrial sectors, on-site charging provision is increasingly viewed as a standard amenity, reflecting occupiers' requirements for employee use and the electrification of corporate and operational fleets.

Market conditions are also expected to support further growth in EV adoption. Ongoing fluctuations in global oil prices, together with volatility in conventional fuel costs, continues to strengthen the relative appeal of electric vehicles. In addition, the UK's planned phase-out of new petrol and diesel car sales, with all new cars and vans required to be zero emission by 2035, is likely to underpin sustained demand for charging infrastructure and create further opportunities for income generation over time.

Leased model

In 2020 we agreed leases with Instavolt allowing it to install 16 'rapid' 62 kWh EV charging points across retail parks in Carlisle, Evesham, Gloucester, Grantham, Plymouth, Portishead, Sheldon and Swindon. Each site has two dual chargers with the ability to charge four cars and the potential to increase the number of chargers on larger sites when demand increases. During the year the Company has rolled out a further three 160 kW EV chargers with Instavolt in Queen Drive, Nottingham let to Starbucks along with two 150 kW EV chargers in Southport Retail Park with EVCP.

Owned by the Company

21 x 75 kWh chargers providing a total capacity of 1,625 kWh have been installed at the following sites, owned by the Company, with the installer offering insight into day-to-day performance and advising on optimum pricing points:

- **Gazelle Close, Winnersh**
- **Harbour Road, Portishead, Bristol**
- **Wellington Road Retail Park, Burton upon Trent**
- **St Catherine's Leisure Park, Perth**
- **Phoenix Leisure Park, Crewe**
- **Coypool Retail Park, Plymouth**
- **Duloch Retail Park, Dunfermline**
- **Kew Retail Park, Southport**
- **Eastern Avenue, Gloucester**

23 x 7.5 kWh workplace chargers totalling 172.5 kWh are also now live at the following sites for tenants' own use:

- **Willow Court, Oxford**
- **Trafford Park, Manchester**
- **Lochside House, Edinburgh**
- **Road One, Winsford**
- **Acanthus Road, Redditch**

Willow Court, Oxford

Solar panels

During the year ended 31 March 2026 the Company installed additional solar capacity of 844 kWp, a 20% increase in its owned PV capacity, illustrated below:

Location	Tenant	Go-live date	Total capacity (kWp)
Installed/owned by the Company			
Installed during the year			
Biggleswade	Vacant	TBC	319
Kettering	Vacant	TBC	88
Plymouth	Altilium Metals	15/09/2025	199
Eurocentral	Romac Logistics	30/01/2026	238
			844
Installed in prior years			
Edinburgh	InPost Distribution	20/11/2023	471
Ipswich	InPost Distribution	23/04/2025	298
Ashby de la Zouch	Inspired Gaming	12/09/2024	267
Glasgow	InPost Distribution	27/11/2023	261
Swansea	InPost Distribution	17/06/2024	257
Winsford	Zavvigroup	08/08/2023	204
Norwich	InPost Distribution	08/07/2024	192
Dundee	InPost Distribution	18/12/2023	161
Aberdeen	InPost Distribution	08/12/2023	155
West Bromwich	PDS Group Holdings	Expected 2026	133
Manchester	Harbour International Freight	02/06/2023	50
Redditch	Sonas Bathrooms	17/12/2024	36
Warrington	Life Technologies	25/06/2024	820
Daventry	MCC Labels	16/04/2025	572
Lincoln	Total Fitness	01/07/2025	285
Nottingham	CEMA	May 2025*	30
Loughborough	Charnwood Accountants	May 2025*	30
			4,222
			5,066

*The Company inherited the solar pv system as part of the corporate acquisition of Merlin properties.

Location	Tenant	Go-live date	Total capacity (kWp)
Installed/owned by the tenant			
Nottingham	Hickling and Squires (UK) Ltd		120
Sheffield	Arkote		198
Warrington	Synertec		195
Erdington	West Midlands Ambulance Service		36
			5,615

Moreover, owned installations at 12 further sites are under active consideration which, once complete, would add a further circa 3,000 kWp of a capacity.

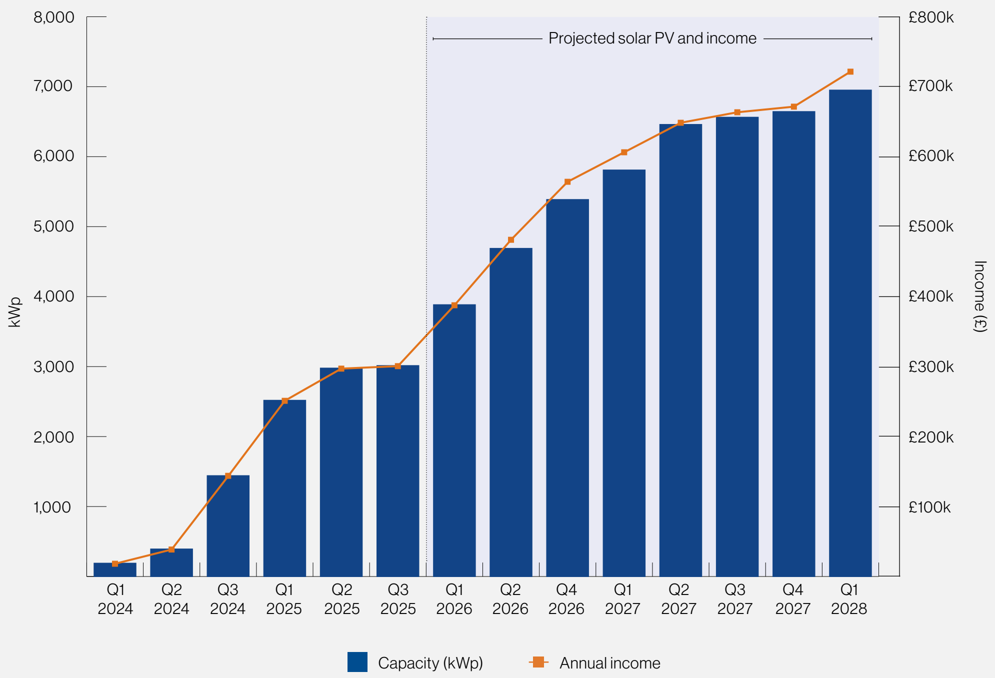
The Company's existing operational arrays generate annually, on average, £100 per kWp, which should increase annually with the prevailing grid price.

The Company has targeted installations at all of its industrial and retail warehouse assets. Based on the current average array size and level of net income produced, these installations would increase capacity to 7,000 kWp and are expected to offer a yield on cost of 10–12%.

Daventry

Solar panels

PV capacity and income



Environmental benefits of PV

PV offers a means to considerably reduce an organisation's carbon footprint. A typical 250kWp PV system will offset approximately 64 tonnes of CO_2 annually.

Power purchase agreements and rentalisation

A power purchase agreement ("PPA") is a contract between an electricity generator and a customer. PPAs usually last between five and 20 years, during which time the power purchaser buys energy at a pre-negotiated price, typically at a discount to the 'grid' price, with surplus being sold to either other local occupiers or the grid. The majority of the Company's PV is currently income-generating via PPAs. An alternative, to a PPA is instead agreeing an additional annual rent, negotiated typically to reflect the tenant's projected saving on their annual energy costs and provides a return for the Company for the duration of the lease. Such agreements play a key role in the financing of independently owned electricity generators, especially producers of renewable energy such as PV.

All metering and monitoring of the PV systems is carried out through the Orsis Energize portal. This allows the Investment Manager to monitor the performance of the PV and the tenant's usage of the solar power generated on-site.

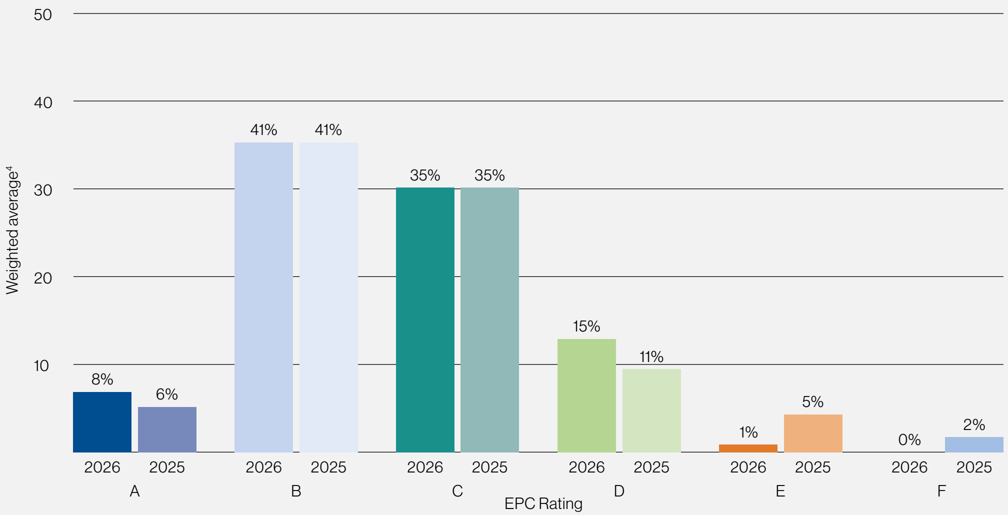
PV rent model

The Company also offer PV rent agreements as part of the occupiers existing lease which provide another avenue for Solar PV systems to be agreed between parties. This scenario allows the occupier to benefit from the savings from the Landlord installed PV system in exchange for a pre-agreed additional rental sum charged to the tenant for the duration of the lease term.

EPC ratings

The Investment Manager is currently reviewing and undertaking new assessments of any EPCs that are older than five years and below a 'C' rating. A 'B' rating is due to become the minimum standard for new and existing leases under the Minimum Energy Efficiency Standards ("MEES") by 2031 at the latest and therefore the Company is actively working towards improving the energy performance of its portfolio.

The Company's weighted average EPC score by rating is illustrated below



The chart opposite shows that the weighted average 'C' or better rating has increased from 82% to 84% during the year. The company has now improved all 'F' rated properties within the portfolio. The company is also actively working to address EPCs rated below C in order to meet MEES requirements of a minimum EPC B by 2031, primarily by establishing an improvement action plan for each asset.

4. Weighted by floor area.

The weighted average score by sector at 31 March 2026 is illustrated below

	Number of EPCs	
EPC rating	31 March 2026	31 March 2025
A	**35**	21
B	**183**	143
C	**156**	121
D	**66**	39
E	**6**	17
F	**–**	8
G	**–**	–
	446*	349

* The number of EPC's ratings for 2026 has increased following the 3 corporate acquisitions during the year.

A summary of certain sites achieving significant improvements are set out below

Location	EPC Improvement	Total Area (000 sq ft)	Action taken
Biggleswade	D to A+	50	Refurbishment of the industrial unit
Manchester	E to A	29	Refurbishment of the office building
Aberdeen	E to B	23	Refurbishment of multiple small industrial units
Plymouth	E to A	60	Refurbishment of the industrial unit
Livingston	C to A	43	Refurbishment of the industrial unit.

Green leases

A green lease is a standard form lease with additional contractual provisions designed to result in an improvement to the environmental performance of a building by both landlord and occupier. A significant proportion of UK commercial building stock likely to exist in 2050 has already been built and carbon reduction targets cannot be met by simply improving the efficiency of new buildings.

Green leases provide a useful tool to bridge the gap between owners and occupiers in meeting mutually beneficial goals by setting out provisions for the efficient environmental management and improvement of buildings. A significant barrier to improvement is determining how roles and responsibilities are shared between owner and occupier in the procurement, control and use of resources. Green leases help to overcome this challenge by providing a framework for engagement on environmental issues, enabling each party to better understand each other's environmental aspirations, identify where opportunities for collaboration exist and develop an understanding of how improvements can best be undertaken.

A green lease does not automatically result in a more environmentally efficient or sustainable building. Commitment is required from both parties to fulfil the aspirations and commitments agreed and to work in partnership to reduce the adverse environmental impacts of the buildings they own and occupy.

Implementation

All of the Company's new leases or lease renewals granted since 2021 have contained a 'green clause' aligned to best practice, meaning approximately 40% of the Company's leases are now considered 'green' (2023: 15%).

Fountain Street, Manchester

Data

Effective data management plays a critical role in environmental performance reporting and informing decision making to drive decarbonisation. We have committed to improving data management practices to ensure a robust data management and reporting strategy, which involves the complete lifecycle of information – from its collection to maintenance, analysis, and utilisation.

To ensure the accuracy, comprehensiveness, and timeliness of our data, we use advanced technologies to centralise and streamline our collection, analysis, and reporting efforts. This provides a solid foundation of reliable and relevant information and deeper insights into trends.

By employing various data collection methods, we are significantly improving our data coverage through the installation of smart meters and the use of a data aggregator, reducing our reliance on estimations and other proxies. Our proportion of actual data compared to estimated has increased from 8% in 2021 for the KPI baseline to 41% at 31 March 2026. We have partnered with JLL to utilise its ESG reporting expertise, allowing us to focus more time on action rather than monitoring. In doing so, we can take a more proactive approach to managing risks and opportunities identified.

We now work with a data aggregator, Arbnco, to implement a technological solution that will help to automate and accelerate this process by streamlining tenant onboarding to our chosen systems and increasing the accessibility of data.

Embracing effective data management is not only a crucial part of our ESG strategy but is also aligned with our broader ESG commitments. In developing this understanding of our assets, we are able to demonstrate transparency, enhance operational efficiency, and maximise the value of our investments.

Long Eaton

Key performance indicators

The Company tracks certain key performance indicators ("KPIs") which provide a strategic way to assess its success towards achieving its environmental objectives and ensure the Investment Manager has embedded key principles. These environmental KPIs cover our main areas of environmental impact including energy efficiency, greenhouse gas ("GHG") emissions, water, waste and tenant engagement.

These environmental KPIs also directly support climate risk mitigation and capture opportunities from the transition to a low-carbon economy. As we progress our climate-related risk identification and management, we aim to identify and implement further climate-related metrics that can more clearly define the impact of climate-related risks and opportunities on our business.

The Company has set the following revised targets for the financial year ending 31 March 2026:

KPI	Progress during the year
Cumulative annual 2.0 kg CO_2e/m^2 reduction of operational carbon intensity (3.0% pa of 2021 baseline)	8 kg CO_2e/m^2 reduction since 2021, currently 33 kg CO_2e/m^2. During the year operational carbon intensity has increased due to improvements in data collection reducing the reliance on estimated data
PV to be installed on five warehouses per annum cumulatively from 2023	21 PV installations out of 91 potential assets since 2023
Cumulative annual reduction of two EPC rating points across the portfolio, weighted by floor area	EPCs updated across 24 properties during the year, achieving the targeted two-point annual decrease from C (51) to B (48)
Install smart meters or appoint data aggregators across 60% of the portfolio by floor area	40% coverage achieved during the year (2025: 34%)
Achieve an annual improvement in GRESB score	During the year the Company has ceased submitting to GRESB, as the Committee did not feel its current framework and scoring priorities were sufficiently aligned with the Company's Investment Objectives to offer investors meaningful insight
Utilise 25% of vacant high street retail space by floor area for not-for-profit lettings	There are currently no vacant high street retail units in the Company's portfolio

Achieving social outcomes and supporting local communities

The Company strives to own and manage buildings that are safe, comfortable, and high-quality spaces which have a positive impact on the local community. As such we aim to maximise the safety and wellbeing of our occupants. We adopt a portfolio approach to wellbeing which encourages engagement with tenants, promotes carbon reducing behaviours, ensures maximum building safety, and optimises comfort and quality of occupancy.

As part of ongoing asset management and in particular during major property refurbishments, consideration is therefore given to the following:

- Improved Accessibility;
- Safe Communal Spaces;
- Bicycle parking and shower facilities to encourage active commuting;
- Indoor and outdoor break out space;
- Improved indoor ventilation and lighting;
- Increased external lighting; and
- Use of sustainable materials where possible.

Cladding

Custodian Property Income REIT's portfolio currently has no exposure to 'high risk' assets which are typically either high-rise buildings (characteristically those over 18m tall) which use cladding in their construction or those used for multiple residential occupation. Custodian Property Income REIT does have exposure to properties where cladding material has been used in their construction, and where the composition of the material is unknown.

Biodiversity

There is significant evidence demonstrating the value of biodiversity in terms of ecosystems services, health and wellbeing and placemaking. Therefore, safeguarding biodiversity resources helps us improve the resilience of our business and the communities we work in.

Biodiversity Net Gain ("BNG") is an approach to development which seeks to ensure that habitats for wildlife are left in a measurably better state than they were before the development. In England, BNG is mandatory under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021). Developers must deliver a BNG of 10% for each development which means a development will result in more or better quality natural habitat than there was before development.

For the purposes of BNG, biodiversity value is measured in standardised biodiversity units. If the developer cannot achieve the 10% BNG by creating and enhancing on-site habitats, they must buy off-site units. If that is not enough to achieve BNG, they must buy statutory biodiversity credits.

Biggleswade (bee hotel)

Loughborough

Charitable lettings

Whenever possible we proactively let vacant properties to charities to utilise the space on a nil rent basis to assist with our social responsibilities and minimise void property costs. We target utilising 25% of vacant high street retail space for short-term not for profit lettings.

The Company do not have any high street retail vacancies across the portfolio, and therefore have not entered into any new charitable lettings within the year ending 31 March 2026.

Understanding and responding to environmental risks and opportunities

The Board is ultimately responsible to stakeholders for the Company's activities and for oversight of our climate-related risks and opportunities.

The Investment Manager maintains the Company's risk management framework and risk register, which means our ESG objectives are embedded into the way the Company conducts and manages the business and the property portfolio on a day to day basis.

The increased frequency and severity of extreme weather events caused by climate change heightens a number of physical risks to our property portfolio. There are a number of transition-related risks, including economic, technology or regulatory challenges related to moving to a greener economy, but climate change also provides opportunities to invest in alternative asset classes or to provide tenants with additional services.

The Board considers the Company's climate-related risks and opportunities to determine continued relevance to, and impact on, the Company and assesses the completeness and effectiveness of controls and processes in place to mitigate and manage these risks and opportunities. The Company's ESG targets also support continuous monitoring of progress against the ESG strategy, capturing opportunities and the mitigation of climate risks. These targets are reported against on a quarterly basis to the Board by the Investment Manager and the Company's environmental consultants.

Climate-related risk/ opportunity	What this means for Custodian Property Income REIT	Management and mitigation of risk	Future plans
Physical risks			
Asset damage from storms and flooding and associated changing insurance products, pricing and availability Long-term	• Extreme weather events causing damage to infrastructure or assets, making assets unusable by tenants, making insurance cover harder or more expensive for tenants to arrange and impacting future lettability through lower occupational demand • Historical impact of floods or increasing flood risk impacting the long-term attractiveness of properties due to tenants avoiding rentals with flood risk	• Annual property inspections enabling the Investment Manager to identify any damage or areas of improvements to ensure increased property resilience against potential storms • Building maintenance (where in the Company's control) ensures properties are maintained to prevent increased levels of potential damage from storms and floods • Buildings insurance coverage minimises the financial impact of the damage caused by storms • Environmental reports are carried out for all acquisitions including flood risk assessment, albeit flood risk is measured on likelihood of river/sea/surface water flooding based on current scenarios/ historical data rather than future climate change • Due diligence seeks to prevent purchasing assets with environmental risks exceeding appetite	• Begin to establish which assets are likely to be most at risk of potential extreme weather damage • Update flood risk for existing assets and understand how this may change in the future • With identified assets at risk, develop a management plan to build property resilience such as through fit out, asset upgrades or plan to divest, as appropriate • Review maintenance and fit out guidelines to include guidance on upgrades to storms such as securing of external equipment, roof specifications etc. • Review environmental reports procured at acquisition to determine whether future climate projection of flood risk can be included
Global temperature increases increasing demand for electricity to cool buildings and charge EVs Medium – long-term	Certain assets will be more significantly impacted by rising temperatures, such as glass offices, requiring more energy for cooling. Also increasing requirements for sustainable energy for EV charging. Current infrastructure might be unable to meet the increased energy demand	• Upgrading power supplies where availability permits • Installing on-site renewables	• Ensure power upgrades are utilising renewable energy sources, where contracts are under the Company's control, in line with the Company's emissions and energy targets • Continue with on-site PV installations

Understanding and responding to environmental risks and opportunities continued

Climate-related risk/ opportunity	What this means for Custodian Property Income REIT	Management and mitigation of risk	Future plans
Transition risks			
Reduced attractiveness of the portfolio due to fast-changing tenant preferences Short – medium-term	• Fast-changing tenant preferences to occupy less energy and carbon intensive buildings as well as requirements under MEES • Heightened focus on EPC performance and on-site renewables to achieve tenants' environmental commitments/obligations, and increased running costs for net cooling making poor performing assets less attractive to tenants	• Capital expenditure considered necessary to maintain each asset within the portfolio to a suitable standard to secure new lettings at expected rental levels is forecast and factored into cash flow projections to ensure resources are available • EPCs are maintained for the whole portfolio, with poorer scoring assets under review to ensure improvements are carried out as soon as practical as well as monitoring the renewal dates and tracking score improvements. This control provides oversight and transparency of the assets' improvement over time and provides the basis of an improvement plan with key assets to target and directly relates to one of our ESG KPIs • Asset due diligence is performed at acquisition stage for all new assets. The Investment Manager considers the long-term suitability of the asset including ESG requirements against our ESG strategy and calculates the forecast investment to upgrade the asset over its life in line with compliance and tenant requirements • The Investment Manager's tenant engagement programme provides live insights into the changing tenant preferences to stay abreast of changing trends to maintain lettability of portfolio and levels of occupation	• Monitor any tenant concerns around temperature through tenant engagement programme • Continue ongoing monitoring of energy consumption, particularly of glass properties, to determine whether the risk trend is accelerating and consider the need for upgrade plans such as facades, insulation etc. to reduce the property exposure to external temperature rises • Improve acquisition due diligence processes to more accurately assess forecast investment to upgrade the asset over its life in line with compliance and tenant requirements • Improve coverage of the tenant engagement programme and broaden its remit to better capture tenants' concerns and sustainability plans
Investor divestment or activism due to changing ESG expectations Short-term	Increased stakeholder scrutiny over Custodian Property Income REIT's ESG ambitions and climate action and awareness of the impact of the built environment, including carbon emissions from refurbishment and construction, leading to reduced confidence, shareholder activism or divestment	• External environmental consultants are engaged to advise on the Company's ESG initiatives and compare to requirements, best practice and peer-group performance • Shareholder expectations are established by the Company's brokers and distribution agents and directly during meetings with investors. Significant changes in expectations or potential activism would be communicated	• Continue to engage proactively with investors and the Company's wider stakeholder group on ESG matters • Continued Director training to build knowledge around Net Zero and climate issues to ensure ongoing effective governance and guidance • Consider future pricing of GHG emissions and emissions offsets and future enhanced emissions reporting obligations. Climate change could affect the input costs to produce traditional development-related materials or building services

Understanding and responding to environmental risks and opportunities continued

Climate-related risk/ opportunity	What this means for Custodian Property Income REIT	Management and mitigation of risk	Future plans
Transition risks continued			
Unsuccessful investment in new technology Medium-term	If technology that has been invested in is not researched properly, developed or implemented, or becomes obsolete or no longer industry best practice, it may not bring the return that was forecast	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	
Opportunities			
Exposure to new asset classes for potential investment Short – medium-term	Investment opportunities through exposure to new asset classes	All investments are scrutinised by the Investment Manager's Investment Committee	• Continue to encourage investment in the Investment Manager's staff development for them to remain abreast of low-carbon building solutions and other competitive offerings through industry bodies, associations and memberships • Board strategy days include a more prominent segment focused on ESG and future strategy involving ESG Committee recommendations and the Company's environmental consultants, including how the Company might accelerate its NZC commitment
Shifting tenant preferences may create new demand for new or existing products/ services Short – medium-term	The effects of climate change on tenant preferences may bring the opportunity to diversify business activities such as low-carbon alternative assets or development or expansion of low emissions services	• ESG credentials are currently part of the marketing/prospectus of an asset – which ensures tenants are aware of Custodian Property Income REIT's ESG credentials to attract ESG conscious tenants • Tenant engagement programme – provides insights into the changing tenant preferences	
Increased demand for shares due to ESG credentials Short-term	Increased demand for shares from investors preferring to invest in companies with strong ESG credentials	• ESG Committee monitors performance against stretching environmental targets • Annual external reporting on progress against ESG targets • Investor feedback is captured regularly	Continue to improve communication with stakeholders regarding environmental initiatives through quarterly stock market reporting, Annual and Interim Reports and shareholder meetings and webinars

GRESB, SECR and EPRA reporting

The Company has historically chosen to comply with external reporting best practice on environmental, social and governance matters including the Global Real Estate Sustainability Benchmark (“GRESB”) and European Public Real Estate Association (“EPRA”), as well as its mandatory obligations under Streamlined Energy and Carbon Report (“SECR”), and adopts sector best practice where appropriate.

We regularly review the relevance of external benchmarks in order to align with our operating context, ESG strategy and stakeholder expectations.

The use of GRESB was previously reviewed by the Committee, and during the year, the Company has ceased submitting to GRESB, as the Committee did not feel its current framework and scoring priorities were sufficiently aligned with the Company’s Investment Objectives to offer investors meaningful insight.

EPRA Sustainability Best Practice Reporting

EPRA Sustainability Best Practice Reporting disclosures are included on the Company’s website:

custodianreit.com/epra-sbpr

EPRA sBPR GOLD

SECR

SECR GHG disclosures are included in the Company’s Annual Report:

custodianreit.com/annual-interim-reports

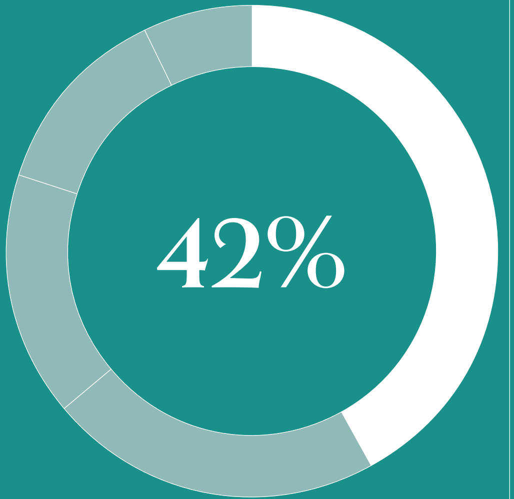
SECR

Chester

Our portfolio

Industrial portfolio overview

Percentage of portfolio income



Number of properties

78

Passing rent

£20.6m

ERV

£25.5m

Topped-up net initial yield

5.6%

Property locations

Property income by dot size

- <£100k
- £101k–£350k
- £350k+

Sector overview

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.

In summary:

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

Salford

Our portfolio continued

Industrial

1. **Eurocentral**
   Romac Logistics
2. **Winsford**
   Zavvigroup
3. **Burton upon Trent**
   Nicwood Logistics
4. **Salford**
   Restore
5. **Eurocentral**
   Next
6. **Biggleswade**
   Vacant
7. **Redditch**
   Sonas Bathrooms UK
8. **Warrington**
   Procurri Europe and Synertec

Our portfolio continued

Industrial continued

9 **Bellshill**
Yodel Delivery Network

10 **Tamworth**
Ziegler UK

11 **Knowsley**
Multi-let

12 **Kettering**
Multi-let and vacant

13 **Ashby de la Zouch**
Inspired Gaming (UK)

14 **Plymouth**
Altilium Metals

15 **Normanton**
Yesss (B) Electrical

16 **Livingston**
A Share & Sons (t/a SCS)

Our portfolio continued

Industrial continued

17 **Grangemouth**
Thornbridge Sawmills

18 **Redditch**
DS Smith Packaging

19 **Hilton**
Daher Aerospace

20 **Doncaster**
Silgan Closures UK

21 **West Bromwich**
PDS Group Holdings

22 **Warrington**
Life Technologies

23 **Hamilton**
Vacant

24 **Nuneaton**
DX Network Service

Our portfolio continued

Industrial continued

25	**Warwick**	Vacant
26	**Edinburgh**	InPost Distribution
27	**Manchester**	Harbour International Freight
28	**Cannock**	HellermannTyton
29	**Avonmouth**	Nationwide Platforms
30	**Daventry**	Multi-Color Daventry England
31	**Leeds**	Ocado Retail and Tricel Composites
32	**Bedford**	Heywood Williams Components

Our portfolio continued

Industrial continued

33 **Gateshead – Team Valley**
Zentia Profiles

34 **Glasgow**
InPost Distribution

35 **Stevenage**
Morrison Utility Services

36 **Aberdeen**
InPost Distribution

37 **Bristol**
BSS Group

38 **Coventry**
Royal Mail Group

39 **Aberdeen**
Multi-let

40 **Oldbury**
Sytner Group

Our portfolio continued

Industrial continued

41 **The Halfcroft, Leicester**
Multi-let

42 **Chesterfield**
Container Components Europe

43 **Kettering**
Sealed Air

44 **Farnborough**
Andrew Sykes Hire

45 **Irlam**
Northern Commercials (Mirfield)

46 **Atherstone**
Multi-let

47 **Cambuslang**
Brenntag UK

48 **Reading**
Euro Car Parts

Our portfolio continued

Industrial continued

- 49 **Langley Mill**
  Warburtons
- 50 **Coalville**
  MTS Logistics
- 51 **Slough**
  Steer Automotive Group
- 52 **Erdington**
  West Midlands Ambulance Service NHS Trust
- 53 **Norwich**
  InPost Distribution
- 54 **York Menzies**
  InPost Distribution
- 55 **Liverpool, Speke**
  DHL International
- 56 **Sheffield**
  Arkote

Our portfolio continued

Industrial continued

57 **Sheffield Parkway**
Synergy Health (UK)

58 **Harrison Court, Hilton**
Multi-let

59 **Castleford**
Bunzl UK

60 **Ipswich**
InPost Distribution

61 **Huntingdon**
Personnel Hygiene Services

62 **Normanton**
Acorn Web Offset

63 **Swansea**
InPost Distribution

64 **Liverpool, Speke**
Powder Systems

65 **Glasgow**
DHL Global Forwarding (UK)

Our portfolio continued

Industrial continued

66 **Sheffield**
ITM Power

67 **Nottinghamshire**
Hickling and Squires (UK)

68 **Dundee**
InPost Distribution

69 **Wigston**
LSPS Skip Hire and Wanna

70 **Market Harborough**
Multi-let

71 **Aylesbury**
Steer Automotive Group

72 **Brackley**
Steer Automotive Group

73 **Nottingham (Netherfield)**
CEMA

Our portfolio continued

Industrial continued

74	**Leicester** Roofbase
75	**Paisley** Loganair
76	**Coventry** Steer Automotive Group
77	**Leicester** Multi-let
78	**Scunthorpe** Handcrafted Kitchen Units

74

75

76

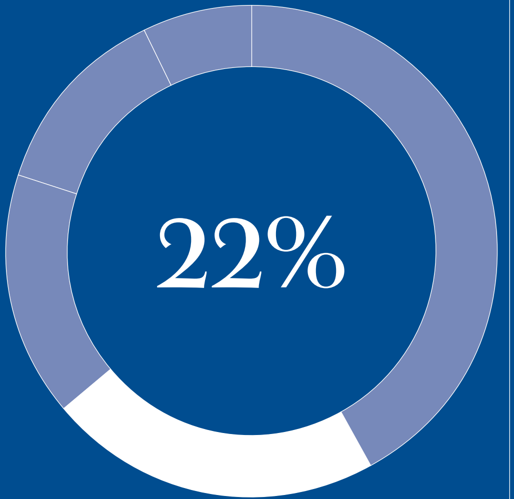
77

78

Our portfolio continued

Retail Warehouse portfolio overview

Percentage of portfolio income



Number of properties

26

Passing rent

£11.0m

ERV

£10.8m

Topped-up net initial yield

7.3%

Property locations

Property income by dot size

- <£100k
- £101k–£350k
- £350k+

Sector overview

Retail warehousing is the sector which the Investment Property Forum Consensus Forecast expects to record the highest total return, 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.

In summary:

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

Winnersh

Our portfolio continued

Retail Warehouse continued

1 **Nottingham**
Multi-let

2 **Carlisle**
Multi-let and vacant

3 **Weymouth**
B&Q, Halfords and vacant

4 **Evesham**
Multi-let

5 **Southport**
Multi-let

6 **Winnersh**
Pets at Home and Wickes

7 **Burton upon Trent**
CDS Stores and Wickes

8 **Droitwich**
DFS Trading

Our portfolio continued

Retail Warehouse continued

9 **Leicester**
Matalan Retail

10 **Swindon**
B&M, JD Sports Gyms and Instavolt

11 **Ashton-under-Lyne**
B&M Retail

12 **Plymouth**
B&M, Instavolt and Magnet

13 **Banbury**
B&Q

14 **Leighton Buzzard**
CDS Stores

15 **Measham**
DFS Trading

16 **Cromer**
Sainsbury's

17 **Gloucester**
Farmfoods, JD Sports Gyms and Rexel

Our portfolio continued

Retail Warehouse continued

18	**Sheldon** Halfords, Instavolt, Pets at Home and vacant
19	**Long Eaton** Multi-let
20	**Leicester** Farmfoods and United Carpets
21	**Gloucester** Instavolt, Magnet and Smyths Toys
22	**Plymouth** A Share & Sons (t/a SCS)

Our portfolio continued

Retail Warehouse continued

23

24

25

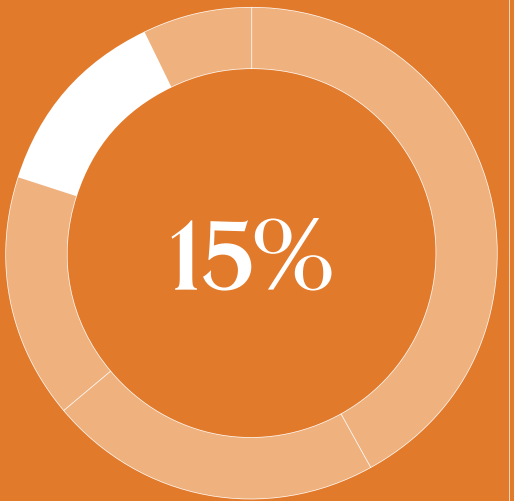
26

27

Our portfolio continued

Other overview

Percentage of portfolio income



Number of properties

40

Passing rent

£8.1m

ERV

£8.1m

Topped-up net initial yield

7.6%

Sector overview

Property type	Percentage
Motor trade	23%
Gym	17%
Drive-through	15%
Pub and restaurant	12%
Other, including day nursery and hotel	10%
Leisure	10%
Residential	7%
Trade counter	6%
Total	**100%**

Maypole

Property locations

Property income by dot size

- <£100k
- £101k–£350k
- £350k+

Our portfolio continued

Other

1. **Beaconsfield**
   Vertu Motors
2. **Crewe**
   Multi-let
3. **Liverpool**
   Multi-let
4. **Lincoln**
   Total Fitness Health Clubs
5. **Perth**
   Bannatyne Fitness, Clokken and Clokken (t/a Taco Bell)
6. **Gerrards Cross**
   Multi-let residential
7. **Stoke**
   Nuffield Health
8. **Shrewsbury**
   Multi-let

Our portfolio continued

Other

9	**Milton Keynes** Tenpin
10	**Torquay** Multi-let
11	**York** Pendragon Property Holdings
12	**Gillingham** t/a Asda
13	**Shrewsbury** VW Group UK
14	**York, Clifton Moor** BKUK Crown (t/a Burger King) and Chicken Cabins (t/a KFC)
15	**Salisbury** Parkwood Health & Fitness

Our portfolio continued

Other continued

16	**Lincoln** MKM Building Supplies
17	**Loughborough** Listers Group
18	**Crewe** Edmundson Electrical, F1 Autocentres and Howden Joinery
19	**Castleford** MKM Buildings Supplies
20	**Maypole** Starbucks Coffee Company (UK)
21	**Watford** TH UK & Ireland
22	**Bath** Chokdee t/a Giggling Squid
23	**Shrewsbury** TJ Vickers & Sons

Our portfolio continued

Other

24	**Leicester** TH UK & Ireland
25	**High Wycombe** Stonegate Pub Co
26	**Nottingham** Kbeverage
27	**Plymouth** McDonald's Real Estate
28	**Nottingham** Gastronomy Restaurants (t/a KFC)
29	**Gerrards Cross** Fast Time Leisure
30	**Portishead** JD Wetherspoons

Our portfolio continued

Other continued

31 **Burton upon Trent**
1 Oak (t/a Starbucks)

32 **Stratford**
The Incorporated Trustees of the Universal Church of the Kingdom of God

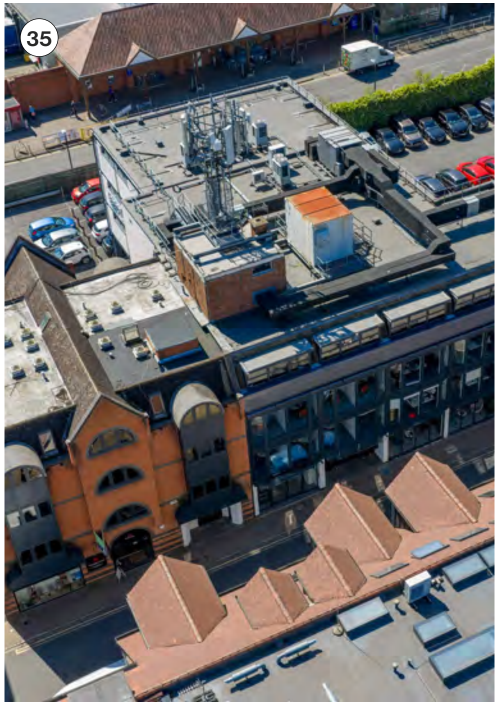
33 **Knutsford**
Knutsford Day Nursery (Bupa Investments Guarantor)

34 **Gerrards Cross**
Multi-let residential

35 **Gerrards Cross**
Multi-let residential

36 **Gerrards Cross**
Yoga Hook

37 **Leicester**
Vacant



Our portfolio continued

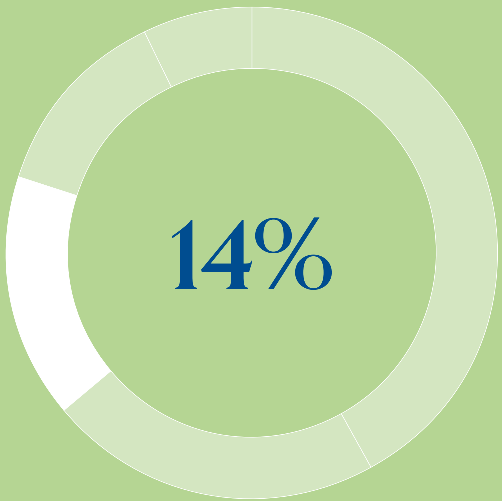
Other

- **38 Leicester**
  Kwik-Fit (GB) and Kwik-Fit Holdings
- **39 Gerrards Cross**
  Multi-let residential
- **40 Beaconsfield**
  Multi-let residential
- **41 Carlisle**
  BK UK (t/a Burger King) and The Gym Group
- **42 Portishead**
  Go2 Hotels

Our portfolio continued

Office portfolio overview

Percentage of portfolio income



Number of properties

19

Passing rent

£5.7m

ERV

£7.8m

Topped-up net initial yield

8.1%

Property locations

Property income by dot size

- <£100k
- £101k–£350k
- £350k+

Sector overview

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:

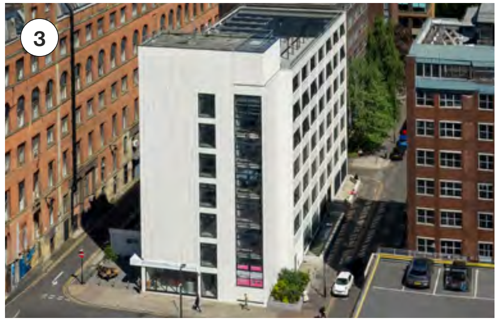
- **Occupier demand is stronger in city centre locations**
- **Strong rental growth in select locations**
- **Valuations have stabilised**

Oxford

Our portfolio continued

Office

1. **Oxford**
   Multi-let
2. **Birmingham**
   Multi-let
3. **Arthur House, Manchester**
   Elizabeth School of London and IJ Tours
4. **Fountain Street, Manchester**
   Positive Planet and vacant
5. **West Malling**
   Regus (Maidstone West Malling)
6. **Edinburgh**
   Multi-let
7. **Gerrards Cross**
   Multi-let



Our portfolio continued

Office continued

8	**Leicester** Multi-let	
9	**Leeds** Enact Conveyancing t/a First Title	
10	**Leeds** Enact Conveyancing t/a First Title	
11	**Sheffield** Vacant	
12	**Gateshead** Vacant	
13	**Beaconsfield** Rouse Partners	

Our portfolio continued

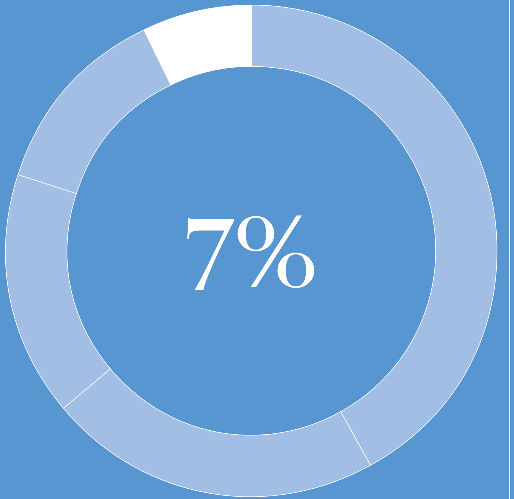
Office continued

14	**Glasgow** Multi-let
15	**Loughborough** Multi-let
16	**Gerrards Cross** Chameleon Systems and G24
17	**Leicester** Accapita, Mint Securities and The London Road Clinic
18	**Gerrards Cross** Vacant
19	**Gerrards Cross** Multi-let

Our portfolio continued

Retail portfolio overview

Percentage of portfolio income



Number of properties

24

Passing rent

£3.7m

ERV

£3.3m

Topped up initial yield

9.2%

Property locations

Property income by dot size

- <£100k
- £101k–£350k
- £350k+

Sector overview

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**

Winchester

Our portfolio continued

Retail

1	**Grove Court, Beaconsfield** Multi-let
2	**Dunfermline** Multi-let
3	**Worcester** Superdrug Stores
4	**Cardiff** Multi-let
5	**Winchester** Hotel Chocolat and Nationwide Building Society
6	**Colchester** Costa, H Samuel, Leeds Building Society and Lush
7	**Portsmouth** Multi-let
8	**Southampton** URBN

Our portfolio continued

Retail continued

9 **Shrewsbury**
Multi-let

10 **Southsea**
Portsmouth City Council
and Superdrug Stores PLC

11 **Birmingham**
Coral, Greggs, Subway and Tesco

12 **Chester**
Felldale Retail (t/a Lakeland) and
Signet Trading (t/a Ernest Jones)

13 **Shrewsbury**
Nationwide Building Society

14 **Edinburgh**
Aubin & Wills

15 **Stratford**
Foxtons

Our portfolio continued

Retail

16	**Chester** Diamonds of Chester and Phone Gadget t/a iMobile
17	**Colchester** Kruidvat Real Estate (t/a Savers) and vacant
18	**Chester** Aslan Jewellery and Der Touristik
19	**Market Harborough** Sabre Retail Fashion
20	**St Albans** Crepe Trading
21	**Glasgow** Ramsdens Financials
22	**Taunton** Vacant
23	**Gerrards Cross** Greenfield Technology
24	**Leicester** Individuals

Glossary of terms

Term	Explanation
Biodiversity Credit	Tradeable financial instrument that rewards positive nature and biodiversity outcomes
Biodiversity Net Gain (BNG)	An approach to development that aims to leave the natural environment in a measurably better state than it was beforehand
Building Energy Efficiency Survey	A government project to improve and update evidence of how energy is used, and an assessment of the carbon reduction opportunities
Carbon Risk Real Estate Monitor (CRREM)	The market standard for 1.5°C alignment in the real estate sector. CRREM's objective is to translate global emissions reduction requirements, into Paris Agreement-compliant 1.5°C emissions pathways for buildings, by country and by asset type
Data Aggregator	An organisation that collects data from one or more sources, provides some value-added processing, and repackages the result in a usable form
Electric Vehicles (EV)	A vehicle that can be powered by an electric motor
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
Environmental Social Governance (ESG)	The framework used to evaluate a company's sustainability and ethical impact, focusing on its impact on the environment, society, and governance practices
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
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
Global Real Estate Sustainability Benchmark (GRESB)	GRESB independently benchmarks ESG data to provide financial markets with actionable insights, ESG data and benchmarks
Greenhouse gas (GHG)	Gasses in the earth's atmosphere which trap heat and lead directly to climate change
kiloVolt Amperes (kVA)	The unit of measurement for apparent electrical power of a system
kiloWatt Hour (kWh)	The amount of power converted into useful output in one hour
kiloWatt Peak (kWp)	The unit of measurement for the peak output of a photovoltaic system
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
Minimum Energy Efficiency Standards (MEES)	MEES regulations set a minimum energy efficiency level for rented properties
Net Zero Carbon (NZC)	Operational net zero carbon for real estate is achieved when the net carbon emissions from a portfolio's operational activities (landlord controlled) and tenant energy usage is reduced to zero or are negative
Passing rent	Annualised cash rents at the year-end date, adjusted for the expiration of lease incentives
Photovoltaics (PV)	A photovoltaic system produces energy by converting sunlight directly into electricity
Power Purchase Agreement (PPA)	A contract between an electricity generator (the seller) and a customer (the buyer), whereby the seller agrees to sell to the buyer an amount of energy which is generated by a renewable source at a pre-negotiated price
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

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