17 November 2026

Custodian Property Income REIT plc

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

Active asset management continues to drive rental growth, underpinning fully covered dividend, with innovative portfolio acquisitions achieving scale

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 provides a trading update for the quarter ended 30 September 2026 ("Q2" or the "Quarter"). The Company aims to be the REIT of choice for investors seeking high and stable dividends from well-diversified UK real estate.

Commenting on the trading update, Richard Shepherd-Cross, Managing Director of the Investment Manager, said: *"Despite ongoing macro-economic uncertainty, constrained supply is underpinning robust rental growth across all sectors of the commercial property market. During the Quarter we have been able to secure rental increases at rent review in both the industrial and retail warehouse sectors at an average 32% uplift, as well as completing 10 lease re-gears 12% ahead of the current market estimated rental value for the properties. Across the wider portfolio there is a further 15% of rental growth available to capture at today's rates and we will continue to pursue our hands-on approach to asset management to secure this as lease events occur.*

"Importantly, real estate is currently demonstrating its inflation hedging credentials. This creates an investment opportunity for shareholders to lock in attractive dividend yields, with the expectation that rental growth will protect the real value of their investment, while offering the potential for capital appreciation as market conditions improve.

"Post Quarter end, we announced our fourth share-based transaction on an adjusted NAV for NAV basis. This innovative way of scaling the business is proving its worth and allowing us to achieve our growth ambitions, with the Company now having completed £75m of acquisitions over the last 18 months which added £5.8m of annualised income at the time of purchase. The momentum we have achieved to date and the discussions with potential vendors that are ongoing demonstrate this model's appeal as a genuine structural solution for syndicated property investors or owners of privately held portfolios seeking liquidity, succession planning or a simplification of their holdings.

Highlights

Strong leasing activity continues to drive rental growth, unlock the potential in the portfolio and support a fully covered dividend

- 1.5p dividend per share approved for the Quarter, fully covered by EPRA[1] earnings per share[2] ("EPS"), in line with target of at least 6.0p for the year ending 31 March 2027 (FY26: 6.0p). This represents a 7.1% dividend yield[3] and is in line with the Company's goal of being the REIT of choice for investors seeking high and stable dividends from well-diversified UK real estate.
- Q2 EPRA EPS of 1.5p (Q1: 1.5p).
- 0.7% like-for-like[4] growth in the estimated rental value ("ERV") of the portfolio in Q2 bringing the total for first half to 1.7%. Q2 was driven by 1.3% like-for-like growth in the industrial sector, which represents 42% of portfolio income, with growth seen across most other sectors.
- 15% further income growth already embedded within the portfolio with ERV of £56.4m (30 June 2026: £56.1m) exceeding the current £49.1m passing rent (30 June 2026: £49.0m). Based on our track record and strong occupier demand for space in our assets, we expect to continue to capture this potential rental upside at (typically) five-yearly rent reviews or on re-letting, and drive passing rent and ERV growth further through asset management.
- Positive leasing activity during the Quarter comprised:
  - 10 lease re-gears[5] 12% ahead of ERV;
  - Eight new leases, with £0.3m of new rental income added to the rent roll, in aggregate 14% ahead of ERV; and
  - Seven rent reviews at an average 32% ahead of previous passing rent.
- This asset management activity increased occupancy to 92.2% (30 June 2026: 92.0%)

Resilient valuations across the Company's £674.0m diversified portfolio

- 170 asset property portfolio valued at £674.0m (30 June 2026: £671.6m), with a Q2 like-for-like valuation increase of 0.3%, net of £1.9m of capital expenditure.
- 1.8% Q2 NAV total return per share[6].
- Net asset value ("NAV") increased to £489.7m (30 June 2026: £489.0m) with NAV per share increasing to 100.3p (30 June 2026: 100.0p).

[1] European Public Real Estate Association.
[2] EPRA EPS: Profit after tax, excluding depreciation and net gains on investment property, divided by weighted average number of shares in issue (excluding treasury shares) during the Quarter.
[3] Based on 84.7p share price at 16 November 2026.
[4] Adjusting for property acquisitions, disposals and capital expenditure.
[5] The mid-term renegotiation of an existing lease.
[6] NAV per share movement including dividends paid during the Quarter on shares (excluding treasury shares) in issue at 30 June 2026.

Ongoing capital investment and strategic portfolio acquisitions continue to enhance the portfolio, and non-core asset recycling from corporate transactions remains accretive

- During the Quarter, the Company sold two non-core properties from the Merlin portfolio at auction for £0.9m, in line with valuation
- Since the Quarter end, the Company acquired an £11.0m portfolio comprising eight convenience retail and industrial assets from the underlying investors across eight separate syndicated property investment vehicles managed by Lincoln Property Syndicates. Consideration comprised 10.6m new shares and £0.4m cash
- Since the Quarter end, the Company sold:
  - A petrol station in Gillingham for £3.75m, representing an 8% premium to valuation; and
  - A retail unit in Taunton for £0.6m, representing a 32% premium to valuation, net of recent capital expenditure
- £1.9m of capital expenditure during the Quarter primarily relating to refurbishments of industrial assets in Warwick and offices on West George Street, Glasgow, taking first-half total capital expenditure to £2.8m. Capital expenditure is only undertaken when accretive to earnings once the associated property is let.

Prudent debt levels

- Net gearing[7] increased to 26.6% loan-to-value at 30 September 2026 (30 June 2026: 26.1%), primarily due to undertaking £0.7m of share buybacks during the Quarter and incurring £1.9m of capital expenditure
- £186.0m of drawn debt at 30 September 2026 (30 June 2026: £185.0m), comprising £120m (65%) of fixed rate debt and £66m (35%) drawn under the Company's £75m variable rate revolving credit facility ("RCF")
- Weighted average cost ("WAC") of aggregate borrowings remained at 4.1% (30 June 2026: 4.1%). The Company's remaining £120m of longer-term fixed-rate debt facilities have a weighted average term of 4.3 years and a WAC of 3.3%, offering significant medium-term interest rate risk mitigation

Dividends

The Company paid an interim dividend per share of 1.5p on Friday 28 August 2026 relating to FY27 Q1, fully covered by EPRA earnings.

The Board has approved a fully covered interim dividend per share of 1.5p for the second quarter to be paid on 30 November 2026 to shareholders on the register on 2 October 2026, designated as a property income distribution ("PID").

[7] Gross borrowings less cash (excluding restricted cash) divided by property portfolio and solar panel valuations.

The Board is targeting a dividend per share of no less than 6.0p for the year ending 31 March 2027. This target dividend is in line with the Company's goal of being the REIT of choice to investors seeking high and stable dividends from well-diversified UK real estate.

Net asset value

The Company's unaudited NAV increased to £489.7m, or approximately 100.3p per share, at 30 September 2026:

	Pence per share	£m
NAV at 30 June 2026	100.0	489.0
Shares bought back	-	(0.7)
	100.0	488.3
Net income for the Quarter	1.6	7.5
Interim quarterly dividend paid during the Quarter[8]	(1.5)	(7.3)
Valuation movements[9]	0.3	1.6
Acquisition costs[10]	(0.1)	(0.5)
Profit on disposal	-	0.1
NAV at 30 September 2026	100.3	489.7

The unaudited NAV attributable to the ordinary shares of the Company is calculated under International Financial Reporting Standards and incorporates the independent portfolio valuation at 30 September 2026 and net income for the Quarter.

The movement in unaudited NAV reflects the payment of an interim dividend per share of 1.5p during the Quarter, but as usual this does not include any provision for the dividend of 1.5p per share for the Quarter under review to be paid on 30 November 2026.

[8] A quarterly interim dividend of 1.5p per share was paid during the Quarter, relating to FY27 Q1, on shares in issue on the associated 7 August 2026 record date.
[9] Includes investment property and solar panel valuation movements.
[10] Acquisition costs relate to professional fees incurred in developing and delivering the Company's pipeline of majority-share consideration portfolio opportunities.

Market update

During the Quarter, the ‘push and pull’ factors that have held the property market in check for the last 12 months have continued. Pull factors holding back any recovery in property investment sentiment have been well publicised and primarily comprise global geopolitical tensions, associated oil price increases, inflation, high longer-term bond yields and rising Bank of England base rates. Against this challenging backdrop, the push factors include a marginal improvement in UK GDP and importantly for property, continued rental growth.

Rental growth is firstly a reaction to supply and demand and, with limited new development, supply remains tight for new or newly refurbished property. This is true across all sectors of the commercial property market and, of particular note, we have been able to secure rental increases at rent review in both the industrial and retail warehouse sectors which together account for 64% of the portfolio income, averaging a 32% uplift and 10 lease re-gears at 12% ahead of ERV, during the Quarter. Rental growth is also a direct result of inflation in the economy, as build costs, wages and prices rise. Importantly, real estate is currently demonstrating its inflation hedging credentials and creating an investment opportunity for shareholders to lock in attractive dividend yields, with the expectation that rental growth will protect the real value of their investment, while at the same time offering the potential for capital upside as and when the market recovers.

The recent Monetary Policy Committee announcement of the UK base rate increasing to 4.0% has had little impact on listed real estate pricing, compared to the slight softening in longer-term gilt yields which has allowed for some expansion in share prices as investors balance short and long-term risks.

Overall, we believe the current risks weigh in favour of real estate as a long-term investment, supported by relatively high income and positive compound total returns.

Asset management

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

- 10 lease re-gears 12% ahead of ERV;
- Eight new leases, with £0.3m of new rental income added to the rent roll, in aggregate, 14% ahead of ERV; and
- Seven rent reviews at an average 32% ahead of previous passing rent.

Further details of significant[11] asset management initiatives are shown below.

Renewals/re-gears

- B&Q at a retail warehouse unit in Weymouth, providing an eight-year extension of the term and maintaining passing rent at £605k, with a rent review in the fifth year of the term
- Matalan at a retail warehouse in Nottingham, providing a 7.5-year extension of the term and rebasing the rent from £475k to £450k, with a rent review in 2031 subject to a minimum uplift to £475k
- Superdrug at a retail unit in Worcester, providing a five-year extension of the term and rebasing the rent from £386k to £164k. This asset was acquired in 2017 with a known significant over-rent, which was reflected in the purchase price, resulting from a lease first agreed in 1997 on an unbroken 30 year term
- Signet at a retail unit in Chester with a five-year renewal, increasing passing rent by 8% to £74k

New leases

- The Gym Group at a retail warehouse unit in Weymouth for a new 15-year lease at a rent of £114k, without break

Rent reviews

- An industrial unit in Coventry, increasing passing rent by 49%, from £255k to £380k
- An industrial unit in York, increasing passing rent by 39%, from £186k to £258k
- An industrial unit in Sheffield, increasing passing rent by 16%, from £159k to £184k
- A retail warehouse unit in Evesham, increasing passing rent by 5%, from £95k to £100k

The positive impact of these asset management initiatives has been partially offset, since the Quarter end, by:

[11] A significant lease event is considered to be where annual passing rent exceeds £50k.

- The Administration of the Company's tenant at an industrial site in Winsford, where we expect to undertake a light refurbishment of the unit once vacated and which we expect to lead to aggregate annual passing rent increasing over the previous £740k, once re-let; and
- A tenant in properties in Portsmouth and Nottingham, with aggregate annual passing rent of £170k, has filed a Notice of Intention to appoint Administrators. These units continue to trade and we are keeping the position under review.

Acquisitions

The Board retains strong ambitions to continue scaling the Company through selective portfolio acquisitions. During the Quarter, we have continued to pursue our pipeline of acquisition opportunities, and since the Quarter end, announced the strategic acquisition of an £11.0m property portfolio from eight syndicated investment vehicles with consideration comprising 10.6m new shares and £0.4m cash calculated on an adjusted NAV-for-NAV basis ("the Transaction"). The Transaction underscores the momentum we are building with a growth strategy that offers a genuine structural solution to syndicated property investors or owners of privately held portfolios seeking liquidity or simplification of their holdings.

The Transaction added eight smaller lot-size convenience retail and industrial assets to the Company's portfolio, primarily located in the East Midlands, while bringing an additional £0.8m of annual rental income. The Investment Manager has identified a number of opportunities to drive further value by utilising its asset and portfolio management expertise to increase rental income from upcoming lease events.

The Transaction presented an attractive opportunity for the sellers to solve a succession issue by passing day-to-day operations to a professional manager and obtain a more liquid investment. At the same time the Transaction allowed the vendors to fulfil their desire to maintain their focus on regional real estate investments with attractive income characteristics.

This is the fourth transaction the Company has undertaken in the last 18 months using its now proven model of scaling the business by leveraging its tax efficient REIT status and/or utilising its ability to issue shares in a liquid vehicle to acquire assets while solving succession and/or tax planning issues for portfolio owners. In aggregate, these acquisitions have added 48 properties valued at c. £75m to the Company's portfolio as well as £5.8m of annualised income.

Borrowings

At 30 September 2026, the Company had £186.0m of debt drawn at a weighted average rate of 4.1% comprising:

- £66m (35%) at a variable prevailing interest rate of 5.5% and a remaining maturity of 2.1 years; and
- £120m (65%) at a weighted average fixed rate of 3.3% with a weighted average maturity of 4.3 years.

At 30 September 2026, the Company's borrowing facilities were:

Variable rate borrowing

- 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, expiring on 10 November 2028.

Fixed rate borrowing

- A £45m term loan with SWIP repayable on 5 June 2028 with interest fixed at 2.987%; and
- A £75m term loan with Aviva comprising:
  - A £35m tranche repayable on 6 April 2032 with fixed annual interest of 3.02%;
  - A £25m tranche repayable on 3 November 2032 with fixed annual interest of 4.10%; and
  - A £15m tranche repayable on 3 November 2032 with fixed annual interest of 3.26%.

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

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

Portfolio analysis

At 30 September 2026, the investment property portfolio was split between the main commercial property sectors, in line with the Company's objective to maintain a suitably balanced investment portfolio. Sector weightings are shown below:

	30 September 2026						30 June 2026	
Sector	Val'n £m	Weight by value	Weight by income	Like-for-like ERV change	Quarter valuation change £m	Quarter valuation change%	Weight by value	Weight by income
Industrial	333.6	49%	42%	1.3%	0.4	0.1%	50%	42%
Retail warehouse	141.6	21%	22%	0.3%	0.6	0.5%	21%	21%
Other[12]	101.2	15%	15%	0.3%	(0.2)	(0.3%)	15%	16%
Office	58.8	9%	14%	-0.4%	(0.2)	(0.7%)	8%	14%
High street retail	38.8	6%	7%	1.0%	0.7	2.2%	6%	7%
Total	674.0	100%	100%	0.7%	1.3	0.5%	100%	100%

The industrial sector valuation movement has been impacted by a £1.4m decrease in the value of an asset in Winsford, which suffered a tenant failure shortly after the Quarter end which was reflected in the 30 September 2026 valuation.

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

Share buyback programme

The Company has operated a share buyback programme since July 2025 ("the Buyback Programme") which had a remaining capacity of £1.5m at 30 September 2026. 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, share purchases are only made that result in an increase in earnings per share, or an increased NAV per share (or both) for remaining shareholders. At the current share price, and despite the latest expectations for future interest rates, the Directors believe the Buyback Programme continues to be an attractive use of property disposal proceeds that creates value for shareholders and reduces share price volatility.

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

During the Quarter the Company purchased 0.85m shares under the Buyback Programme, which are held in treasury. Aggregate consideration for these buybacks was £0.7m at a weighted average cost per share of 81.2p, representing an average 17.6% discount to prevailing dividend adjusted NAV.

Board

On 23 September 2026 David MacLellan, Chairman and Non-Executive Director of the Company, was appointed as a Non-Executive Director of Neuberger Private Equity Partners Limited.

On 2 October 2026 Elizabeth McMeikan, Senior Independent Non-Executive Director of the Company, was appointed as a Non-Executive Director and Chair Designate of DFS Furniture plc, to succeed the incumbent in 2027.

- Ends -

Further information:

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

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Notes to Editors

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

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

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

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