Strategic capital allocation: creating value

We have focused on maximising shareholder value through the review of our capital priorities, ensuring proceeds raised from repositioned office disposals have been reinvested into portfolio upgrades, repaid floating rate debt and returned capital to shareholders.

Read more on pages 10 to 11

Proactive asset management: growing income and capital

Our occupier focused approach to asset management ensures we work collaboratively to help rightsize businesses for success. Engaging with our occupiers at key lease events, we have been able to grow rental income and capture reversionary potential.

Read more on pages 12 to 13

Sustainable refurbishments: investing into the portfolio

We have been upgrading the portfolio to improve environmental credentials and occupier amenities. Our priority has been focused on the office sector, which has enabled us to attract and retain occupiers, while also driving rental value growth.

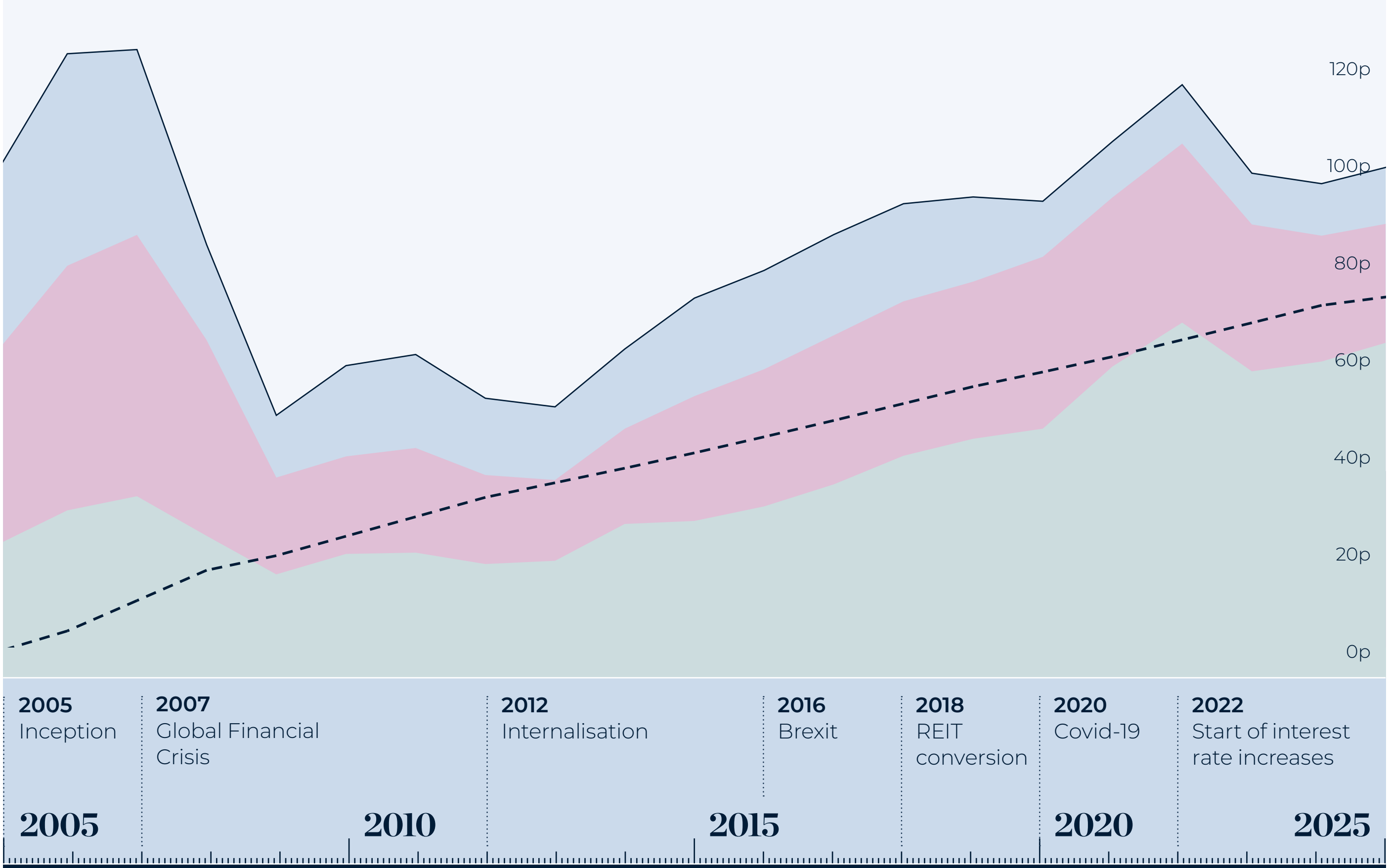
Read more on pages 14 to 15

Picton at a Glance

We are a diversified Real Estate Investment Trust (REIT) investing in UK commercial property. Our property portfolio consists of 47 assets invested in the industrial, office, retail and leisure sectors.

Our portfolio composition

We own a portfolio strategically positioned to capture income and capital growth through our asset and sector selection. Our agile business model provides flexibility to adapt to evolving market trends.



Our portfolio weightings

Portfolio valuation

£723m

2025	£723m
2015	£541m
2005	£491m

Loan to value

24%

2025	24%
2015	30%
2005	40%

What makes us different?

12
Consecutive years of MSCI outperformance

100%
Long-term fixed rate debt

100%
Internally managed, aligned team

For more information on our strategy and performance track record please see:

Our Strategy page 07

Key Performance Indicators page 20

Portfolio Review page 28

Financial Review page 42

Sustainable Thinking page 62

Scan or click here to watch our **Picton Promise** video

Long-term track record of outperformance through a diversified investment strategy

Our agile business model provides flexibility to adapt our portfolio to evolving market trends. Our proactive approach to asset management means we have delivered upper quartile outperformance against the MSCI UK Quarterly Property Index over three, five and ten years and since launch in 2005.

Read more on page 08

Portfolio with strong income focus and significant reversionary potential

Our diverse occupier base generates a stable income stream, underpinned by a well-positioned portfolio across sectors. We aim to capture rental growth and increase income through our active asset management.

Read more on page 28

Attractive capital structure

We have a disciplined approach to capital management, with long-term fixed rate debt. We are focused on delivering a covered and sustainable dividend through our asset and sector allocation.

Read more on page 42

Fully aligned and responsible approach to business

We are an internally managed business with a fully aligned team. Our occupier focused and hands-on approach ensures we engage with our occupiers to create spaces to help them succeed and maintain high occupancy across the portfolio. We are committed to enhancing the environmental performance of our buildings, and meeting our sustainability commitments while generating value for all our stakeholders.

Read more on page 62

Highlights

Our diversified approach has enabled a track record of MSCI upper quartile outperformance since launch in 2005.

Valuable long-term debt structure

Loan to value

24%

Borrowings

£210m

At fixed interest rates

Weighted average interest rate

3.7%

Debt maturity profile

6.7 years

EPRA Net Disposal Value (per share)

105p

Reflecting fair value of debt

For more information on our strategy and financial performance see:

Chief Executive's Review page 16

Key Performance Indicators page 20

Financial Review page 42

Strong financial performance delivering income and value growth

Profit after tax

£37m

2025	£37m
2024	-£5m
2023	-£90m

Earnings per share

6.9p

2025	6.9p
2024	-0.9p
2023	-16.5p

EPRA earnings

£23m

2025	£23m
2024	£22m
2023	£21m

EPRA earnings per share

4.2p

2025	4.2p
2024	4.0p
2023	3.9p

Net assets

£533m

2025	£533m
2024	£524m
2023	£548m

NAV per share

100p

2025	100p
2024	96p
2023	100p

Total return

8.1%

2025	8.1%
2024	-0.9%
2023	-13.9%

Dividend cover

113%

2025	113%
2024	114%
2023	112%

Outperforming repositioned portfolio with improved income and occupancy

Rent collection
99%

Lease transactions
78
9% ahead of ERV

Occupancy
94%

Like-for-like increase in contracted rent
3.0%

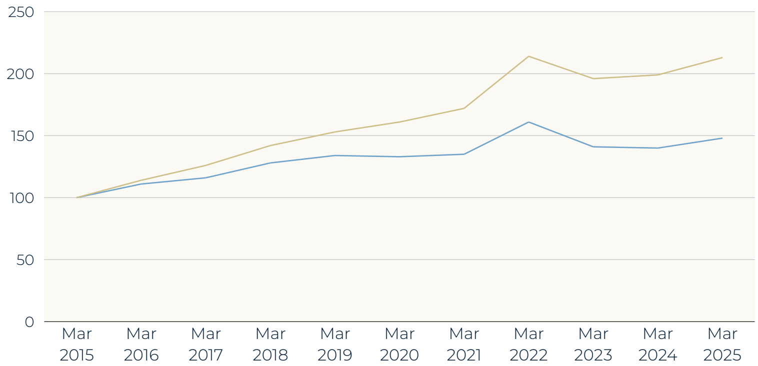
Increase in ERV
3.8%

Office disposals
£51m
5.4% above March 2024 valuation

Upgrading and investing into the portfolio
£12m

EPC ratings (A-C) Improved from 80% in 2024
83%

Total returns indexed from March 2015



Source: MSCI UK Quarterly Property Index

All figures are as at 31 March 2025 or for the year ended 31 March 2025 unless otherwise stated.

The Financial Statements are prepared under IFRS. We use a number of alternative performance measures (APMs) when reporting on the performance of the business and its financial position. In common with many other listed property companies, we report the EPRA performance measures. In the Additional Information section of this report on pages 160 to 163 we provide more detailed information and reconciliations to IFRS where appropriate.

These are very positive results across key metrics. We have delivered a profit of £37 million, 5% growth in EPRA earnings and 4% growth in net assets.

We are focused on income and value growth for the benefit of shareholders. We have outperformed the FTSE 350 REIT Index alongside our twelfth consecutive year of outperformance against the MSCI UK Quarterly Property Index. This is the fifth consecutive year of EPRA earnings growth. We have again operated with a well-covered dividend and recently announced a 2.7% dividend increase, the fifth increase since 2020.

Additionally, we intend to continue our share buyback programme using disposal proceeds to enhance earnings.

Francis Salway
Chair

Our Purpose

To be a responsible owner of commercial real estate, helping our occupiers succeed and being valued by all our stakeholders.

Our purpose drives our decision making, ensuring we create long-term value for our shareholders, occupiers, and other stakeholders.

Our values

Our values have been co-created by the team and guide our approach to running the business.

Positive

We are collaborative, upbeat and put people at the forefront

We foster strong relationships and invest in our shared success. We demonstrate this through our culture, our occupier focused approach and engagement with all our stakeholders.

Proactive

We are forward thinking, agile and adaptive

We demonstrate this through our asset management and dynamic positioning of the portfolio.

Principled

We are professional, diligent and strategic

We demonstrate this through our integrity and work ethic, our transparent reporting and alignment with our shareholders, and our commitment to sustainability and environmental initiatives.

Our Strategy

Through our occupier focused, opportunity led approach, we aim to be the consistently best performing diversified UK REIT.

01 Portfolio Performance

Maximising portfolio value and income

Key focus areas

- Manage sector and asset allocation to grow income and capital
- Reduce exposure to lower yielding assets
- Grow occupancy and income profile
- Enhance asset quality and create space that meets evolving occupier expectations
- Outperform the MSCI UK Quarterly Property Index

Relevant KPIs

1 3 4 7 9 10

02 Operational Excellence

Driving efficiency and adaptability

Key focus areas

- Maintain disciplined approach to capital structure and use of disposal proceeds
- Run an efficient and innovative operating platform
- Adapt to market trends with an agile and flexible business model
- Deliver earnings growth
- Improve share price rating to facilitate future growth

Relevant KPIs

1 2 3 5 6 8

03 Acting Responsibly

Sustainability, engagement, and governance

Key focus areas

- Reduce our emissions to become net zero carbon by 2040
- Actively engage with our occupiers, shareholders, communities and other stakeholders
- Promote our Company values, nurture a positive working culture, and alignment of the team
- Ensure the long-term success of the business with strong governance and transparent reporting

Relevant KPIs

2 10 11 12

We are focused on delivering long-term income and value. We invest in assets with strong fundamentals where we can unlock future value, balancing income with growth opportunities.

We drive portfolio performance through our proactive asset management and ensure operational excellence with disciplined capital allocation. We are committed to acting responsibly and future-proofing our portfolio to meet our evolving occupier needs and our sustainability commitments.

Our Key Performance Indicators

1 Total return (%)
2 Total shareholder return (%)
3 Total property return (%)
4 Property income return (%)
5 Loan to value ratio (%)
6 Cost ratio (%)
7 EPRA NTA per share (pence)
8 EPRA earnings per share (pence)
9 EPRA vacancy rate (%)
10 Retention rate (%)
11 EPC rating A-C (%)
12 Employee satisfaction (%)

For more information on our strategic progress and performance across our report see:

Chief Executive's Review page 16

Key Performance Indicators page 20

Principal Risks page 49

Our Business Model

We create value through managing a portfolio that generates a diversified and stable income stream. We have the flexibility to adapt to changing market conditions and so deliver value to our stakeholders through the property cycle.

Underpinned by effective risk management

Our business model is underpinned by our approach to risk management. We adapt our capital structure and use debt effectively to achieve enhanced returns. We maintain a covered dividend policy to generate a surplus which we can invest back into the portfolio.

Responsible stewardship

We have a responsible and ethical approach to business and sustainability is embedded within our corporate strategy. We understand the impact of our business on the environment and are committed to acting for the benefit of all our stakeholders.

For more information see:

Principal Risks page 49

Sustainable Thinking page 62

01
Knowledge, expertise and research-led decision making

Our in-depth understanding of the UK commercial property market enables us to identify and source value across different sectors and reposition the portfolio through the property cycle.

This expertise is underpinned by our commitment to responsible investment, integrating Environmental, Social and Governance principles into our decision making to drive sustainable value and mitigate risks, for the benefit of all our stakeholders.

02
Asset selection and acquisition

We have established a diversified UK property portfolio which we adjust as market conditions dictate. We consider opportunities where we can enhance value and/or income.

We consider and mitigate climate change risks through our acquisition process and due diligence.

03
Proactive asset management

Our diverse occupier base generates a stable income stream, which we aim to grow through active management and capturing market rental uplifts. Our occupier focused, opportunity led approach ensures we create space that meets occupiers' expectations in order to maintain high levels of occupancy across the portfolio.

We are committed to mitigating climate change risks and carry out sustainability improvements across the portfolio to meet our net zero carbon commitments.

04
Capital recycling and allocation

We identify assets for disposal to maximise value creation. Proceeds are invested into new opportunities, or used elsewhere within the Group.

We ensure capital is efficiently recycled, enhancing returns and creating value for stakeholders.

Creating value for our stakeholders:

Shareholders

Delivering income and capital growth for our shareholders

Total shareholder return

16%

2025	16%
2024	-1%

Occupiers

Providing sustainable spaces to help occupiers succeed

Investment into asset upgrades

£12m

2025	£12m
2024	£4m

Employees

Fostering a strong open culture, with high employee satisfaction score

Employee satisfaction score

76%

2025	76%
2024	86%

Environment

Targeting 2040 net zero carbon commitment

Reduction in Scope 1 & 2 emissions compared to 2019 baseline

20%

2025	20%
2024	16%

Communities

Making a positive difference

Charities supported

15

2025	15
2024	15

STRATEGY IN ACTION

Strategic capital allocation: creating value

We remain firmly focused on shareholder value and responding to market opportunities and challenges. In recognition of the disconnect between our share price and our NAV, we have reviewed and adapted our capital priorities.

We have sought to maximise value to shareholders through unlocking opportunities with our alternative use strategy and raised £51 million of capital through disposal proceeds during the year. These have facilitated the rebalancing of our portfolio by reducing our office exposure, repaying our entire floating rate debt, investing into upgrading the portfolio and returning capital to shareholders.

During the year, we completed the disposals of three office assets where planning permission was secured for residential and student living uses. The total gross proceeds from the three disposals was a 5.4% premium to the valuation as at 31 March 2024.

£51m
Total gross proceeds from repositioned asset disposals

24%
Office exposure, reduced from 30% in 2024

Link to strategic priorities: 1 2 3

Capital priorities during the year

1.
Reduce leverage
Central bank base rates remain elevated and as such debt is less accretive to returns. We therefore prioritised reducing our leverage through the repayment of our floating rate revolving credit facility. The drawn balance (£16.4 million) was repaid in full from the proceeds from the sale of Angel Gate, London which completed in April 2024.

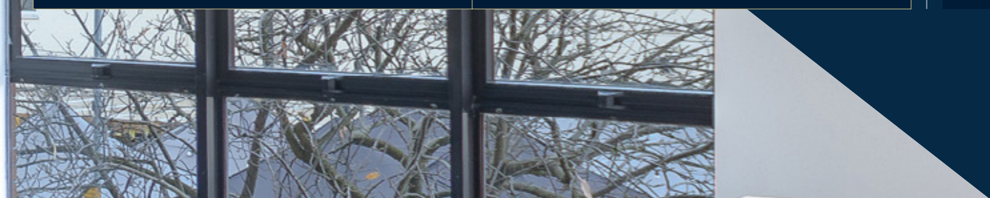
2.
Share buybacks
The share buyback programme offers an attractive risk adjusted return for shareholders, being accretive to both net assets per share and EPRA earnings per share. Our strong balance sheet and modest gearing levels also support this. This year we launched a £12.5 million share buyback programme and as at 31 March 2025, a total of 11.2 million shares at an average price of 67p have been bought back.

Capital recycled

£51m

4.
Selective tactical investment opportunities
Whilst we have seen an increase in the volume of opportunities this year, acquisitions have been deprioritised except where they are tactical to the existing portfolio. We completed on one acquisition (£0.5 million), in November 2024, which was a building adjacent to our existing industrial asset in Gloucester.

3.
Reinvestment in the portfolio
Whilst we have been committed to reducing our office exposure, we have also reinvested in our remaining portfolio to unlock reversion and maximise total returns. During the year £11.8 million was invested in the portfolio, improving occupier amenities and environmental credentials.



Three repositioned office asset disposals completed during the year

Angel Gate, London

Alternative use:	**Residential**
Completion date:	**Apr 2024**
Gross proceeds:	**£29.6m**
Premium to March 2024:	**2%**
Capital priorities:	**1,3,4**

Charlotte Terrace, London

Alternative use:	**Residential**
Completion date:	**Jan 2025**
Gross proceeds:	**£13.1m**
Premium to March 2024:	**4%**
Capital priorities:	**2,3**

Longcross, Cardiff

Alternative use:	**Student**
Completion date:	**Mar 2025**
Gross proceeds:	**£8.3m**
Premium to March 2024:	**21%**
Capital priorities:	**2,3**

STRATEGY IN ACTION

Proactive asset management: growing income and capital

Our occupier focused approach to asset management means we have built longstanding relationships with our occupiers.

Link to strategic priorities: 1 2 3

Proactive asset management helps us to understand occupiers' needs and through ongoing communication and collaboration, help their businesses succeed.

During the course of this year, we have been working hard to capture the reversionary potential in our portfolio through lease events including rent reviews, lease renewals, regears and surrenders.

With numerous lease events on approximately a quarter of the portfolio by rental value, we have improved occupancy, increased contracted rental income by 3% and improved income longevity.

24%

Increase in contracted income at key lease events

Improving income through key lease events

			Contracted income		
Sector	Asset	Event	vs previous %	vs Mar 24 ERV %	Lease length improvement
Industrial	**Grantham**	Regear	0%	8%	13 years
Industrial	**Harlow**	Surrender/letting	53%	5%	5 years
Industrial	**Datapoint**	Letting/renewal/rent review/regear	30%	9%	7 years
Office	**Milton Keynes**	Renewal	23%	33%	4 years
Industrial	**Radlett**	Renewal/rent review	55%	1%	5 years
	Total		24%	9%	

55%

Lease event uplift in contracted income at Parkbury, Radlett

30%

Lease event uplift in contracted income at Datapoint, London

23%

Lease event uplift in contracted income at Grafton Gate, Milton Keynes

Capturing rental growth at Parkbury, Radlett

At our largest industrial asset, we have captured rental growth through proactive asset management.

We relocated an occupier to another one of our assets, more suited to their needs, and facilitated another occupier to take more space.

We retained an occupier 53% ahead of the previous rent and agreed to retain another occupier 64% ahead of the previous rent.

We have settled two further rent reviews on the estate, increasing the passing rent on those units by 53%.

Creating value and improving income position at Datapoint, London

We surrendered a lease on a unit and simultaneously re-leased it post refurbishment to an adjoining occupier. We agreed a payment from the outgoing occupier that contributed to the costs of the unit's refurbishment.

By undertaking this transaction we also increased and extended the overall income, creating rental evidence for the wider estate.

Elsewhere on the estate we settled a rent review increasing the passing rent by 33% and renewed a lease, increasing the passing rent by 47%.

Delivering rental uplift at Grafton Gate, Milton Keynes

During the year, we agreed the renewal of leases with two occupiers, both technology companies, accounting for approximately 50% of the building's floorspace.

As part of these transactions we will upgrade the air conditioning system to all electric in 2025 and this is expected to improve the EPC of the building to an A rating.

The combined rent was £0.8 million per annum, an uplift of 23% on the previous passing rent and 33% ahead of ERV.

We have two suites to lease accounting for approximately 25% of the building's floorspace, one having become available at year end, and they will be refurbished simultaneously, ahead of re-leasing.

> **Having worked with a number of landlords over the years, it has been refreshing working with Picton by comparison. We're able to hold sensible, logical discussions and negotiations enabling us to grow our operation. Their assets are well cared for and managed.**

Netwise, Datapoint, London

STRATEGY IN ACTION

Sustainable refurbishments: investing into the portfolio

Enhancing environmental credentials, improving amenities and creating value.

We are committed to improving not only the environmental credentials of our buildings, but also ensuring they meet occupier requirements as demand for sustainable workspace and best-in-class amenities increases.

This year has been a significant year for investment in our portfolio. We have prioritised upgrading our assets, particularly in the office sector which has enabled us to attract and retain occupiers, whilst also driving rental value growth. One key example is our investment this year at Tower Wharf, Bristol, which has led to rental values increasing by 5%.

5%

Increase in rental value at Tower Wharf, Bristol

Link to strategic priorities: 1 2 3

B
EPC rating

£2.1m
Total investment

£0.2m
Circular economy savings

Tower Wharf, Bristol

Tower Wharf is a 70,000 sq ft building originally constructed to a BREEAM Excellent specification in 2006 and is located in central Bristol. Offering waterside views, roof terraces and a spacious reception area, alongside end of trip facilities, this office space already provided many sought after amenities.

With 20,600 sq ft of space becoming available from occupiers downsizing and relocating post-pandemic, we developed a scheme to refurbish the office space whilst simultaneously upgrading the air conditioning, transitioning from gas to electric, and, in line with our sustainable refurbishment guidelines, reusing, recycling and repurposing where possible.

We also worked with an existing occupier to enable them to relocate within the building and take on 150% more space, moving from part of the ground floor to the whole of the third floor that had recently been vacated.

Recognising greater occupational demand for smaller fully fitted suites, we divided the first floor into two suites of between 3–4,000 sq ft, which we also refurbished to a fully fitted standard, ready for immediate occupation and these are under offer to lease.

During 2025 we plan to replace the remaining gas fired air conditioning, to run the whole building on green electricity and provide fully decarbonised workspace. We also have further works planned to the reception area and façade, future-proofing the building to retain and attract future occupiers.

This refurbishment strategy has resulted in a 5% increase in rental value over the year. We anticipate a return on cost post letting of 21%.

We have successfully reduced our vacancy at the building with positive leasing activity, retained occupiers with the provision of higher quality sustainable workspace, and reduced our net zero carbon transition risk.

Chief Executive's Review

> We have improved occupancy, upgraded the quality of our portfolio and delivered earnings growth.

Michael Morris
Chief Executive

Scan or click here to watch our **Results** video

We have successfully continued our long-term track record of outperformance and grown income and value.

£723m
Portfolio valuation

100p
Net asset value per share

4.2p
EPRA earnings per share

These are positive results, showing progress across multiple areas. We are pleased to be able to report a profit of £37 million, recognising an increase in the portfolio value over the year and EPRA earnings of £23 million. Net assets have grown to 100 pence per share.

We have improved portfolio occupancy and income, reduced financing costs and invested more than ever before into the portfolio to enhance our assets and retain and attract new occupiers. This has enabled us to grow the like-for-like rental income and reversionary upside within the portfolio, which will underpin future earnings growth.

We have paid dividends of £20 million, up 6% on the preceding year, while maintaining a well-covered dividend of 113%. In January of this year, we launched a share buyback programme utilising some of the proceeds from our asset disposals. These have been accretive and have further contributed to these positive results.

Performance

During the year we have seen growth in both our net assets and our EPRA earnings per share, up 4% and 5% respectively. This led to a total return of just over 8%. Over the same period our shareholder total return was 16%, reflecting an improved share price rating at the year end, in part recognising the impact of our share buyback programme.

Our net asset value is £533 million and although our portfolio valuation reduced, this was because we have made asset disposals. This has allowed us to repay our floating rate debt and reduce our financing costs.

We have again operated with a fully covered dividend and we announced following the year end, a near 3% increase in our dividend effective May 2025, which is the fifth successive increase since 2020.

Portfolio performance

We have continued to outperform the MSCI UK Quarterly Property Index, now for the twelfth consecutive year. Since launch in 2005 we have delivered upper quartile total return performance at a property level.

Occupancy at the year end was 94%, up from 91% a year ago and with two vacant office asset disposals in the final quarter, the full impact of lower property costs has not been fully recognised in this year's results.

There is over £7.5 million of reversion in the portfolio. Approximately £4.1 million is where contracted rent is below ERV, compared with £3.6 million last year and £3.4 million of space available to lease, compared with £5.3 million last year. This will underpin medium-term earnings growth.

Nearly two thirds of the portfolio is now invested in industrial, warehouse and logistics assets and this is where there is the biggest reversionary upside.

Our diversified approach enables us to adjust the portfolio to changing market conditions, and this year has been no exception as we have sought to reduce our office exposure, particularly where we have identified assets that can be repositioned for higher value alternative uses. The two assets identified for disposal a year ago have now been sold, in addition to a third where planning was secured during the year. Total gross proceeds of £51 million were realised, reflecting disposals at a 5% premium to their March 2024 valuation.

During the year, office exposure has reduced from 30% to 24% and we expect this to reduce further this year as we make selective disposals, particularly of lower yielding assets or, where we believe additional value can be extracted from alternative use projects.

Operational excellence

We are in a strong operational position, having conservative but valuable financing arrangements. Overall, our loan to value ratio is a modest 24%. All our drawn debt is currently fixed at interest rates well below prevailing market levels and with the earliest maturity in 2031. Our EPRA NDV, which reflects the fair value of our debt is 105 pence per share or 5% higher than our published EPRA NTA.

Following the year end we completed the refinancing of our revolving credit facility. This is currently undrawn but provides £50 million of additional operational flexibility and opportunity for future investment.

We also have been able to grow earnings by reducing void costs through disposals and managing our administrative costs as efficiently as possible.

> We have recently completed the refinancing of our revolving credit facility, providing £50 million of additional operational flexibility and opportunity for future investment.
>
> **Michael Morris**
> Chief Executive

105p
EPRA NDV per share

24%
Loan to value

Acting responsibly

We have invested £12 million into upgrading assets including key decarbonisation projects in the office sector to aid future leasing prospects. We now have 83% of the portfolio with EPC ratings of A-C, up from 55% in 2020. Equally, 40% of the portfolio is rated A-B, up from 9% in 2020, reflecting our ongoing progress, particularly focused around the timing of lease events.

From a governance perspective, we welcome Francis Salway as our new Chair and Helen Beck as Chair of the Remuneration Committee, who have joined during the year. I would like to take this opportunity to thank Lena Wilson and Maria Bentley for their contributions during their tenure. I would also like to thank the team and the wider Board for all their input and support this year in helping us deliver these results.

Equity capital markets

The Board is well aware of the disconnect in the listed real estate sector between share prices and reported net asset values. This has led to considerable corporate M&A activity this year, with purchasers taking advantage of this arbitrage, as companies have been either taken over or taken private at levels more reflective of book value.

The Board is focused on improving shareholder value and remains mindful of opportunities that might exist to achieve this. It is some comfort to see the discount narrowing this year, alongside our decision to allocate capital for share buybacks.

The Board will continue to repurchase shares this coming year, utilising proceeds from future disposals to achieve this, whilst pursuing other investment opportunities that grow earnings.

> We have invested significantly into our assets, and now have 83% of the portfolio with EPC ratings A–C, up from 55% in 2020.
>
> **Michael Morris**
> Chief Executive

Read more in our **Sustainable Thinking** on pages 62 to 83

Outlook

The team is focused on delivering positive outcomes for shareholders and other stakeholders. We have a strong balance sheet and attractive financing that underpins future success.

In terms of the portfolio, we continue to improve our assets, enabling us to capture rental value growth and increase the reversionary income. We have proven this year our ability to continue unlocking value across the portfolio in terms of the reversion, which primarily is focused within the industrial assets. Whilst the office assets are more challenging, pricing has compensated for some of the additional risks and we have proven our ability to crystallise upside from disposals within this sector, which we expect to continue.

By improving occupancy further we should be able to not only improve rental income but reduce property costs associated with vacant property. Across the portfolio we have a pipeline of opportunities that should provide further potential to capture income or value growth.

Our priorities for the year ahead are:

- Portfolio rebalancing: continuing to improve the portfolio rental income profile, by reducing exposure to lower yielding assets. We will reinvest into higher yield/growth opportunities
- Portfolio investment: continuing to invest into the portfolio to upgrade assets and create value and income growth
- Leverage: maintaining prudent leverage, using our revolving credit facility tactically for accretive opportunities
- Shareholder capital: continuing to utilise our share buyback programme, to unlock value whilst the discount remains elevated, providing liquidity to shareholders

We have a long-term track record of property level MSCI outperformance, stretching back nearly 20 years. We are focused on ensuring this continues and equally, that this is reflected in share price performance this forthcoming year.

Michael Morris
Chief Executive
21 May 2025

Key Performance Indicators

We have a range of key performance indicators that we use to measure the performance and success of the business.

Financial KPIs

1/ Total return

8.1%

Link to strategic priorities:

Why we use this indicator

The total return is the key measure of the overall performance of the Group. It is the change in the Group's net asset value, calculated in accordance with IFRS, over the year, plus dividends paid.

The Group's total return is used to assess whether our aim to be the consistently best performing diversified UK REIT is being achieved, and is a measure used to determine the annual bonus.

Our performance in 2025

Our total return for the year was driven by valuation gains, most notably in the industrial and retail sectors, realised gains on repositioned office disposals and growth in EPRA earnings.

2/ Total shareholder return

16.0%

Link to strategic priorities:

Why we use this indicator

The total shareholder return measures the change in our share price over the year, plus dividends paid. We use this indicator because it is the return seen by investors on their shareholdings.

Our total shareholder return relative to a comparator group is a performance metric used in the Long-term Incentive Plan.

Our performance in 2025

An increase in the share price over the year, supported by the share buyback programme, together with increased dividends, contributed to a return of 16%.

3/ Total property return

7.3%

Link to strategic priorities:

Why we use this indicator

The total property return is the combined income and capital return from our property portfolio for the year, as calculated by MSCI. We use this indicator because it shows the success of the portfolio strategy without the impact of gearing and corporate costs.

Our total property return relative to the MSCI UK Quarterly Property Index (over one year) is a performance condition for the annual bonus and (over three years) for the Long-term Incentive Plan.

Our performance in 2025

We have outperformed the MSCI UK Quarterly Property Index for the twelfth consecutive year, delivering a return of 7.3% compared to the Index return of 6.3% for the year. We have also delivered upper quartile outperformance against MSCI over three, five and ten years, and since launch in 2005.

We consider that industry standard measures, such as those calculated by MSCI, are appropriate to use alongside certain EPRA measures and others that are relevant to us. In this regard, we consider that the EPRA net tangible asset per share (EPRA NTA), earnings per share and vacancy rate are the most appropriate measures to use in assessing our performance.

Key performance indicators are also used to determine variable remuneration rewards for the Executive Directors and the rest of the team. The indicators used are total return, total shareholder return, total property return and EPRA earnings per share. This is set out more fully in the Remuneration Report.

Our strategic priorities

- Portfolio Performance 1
- Operational Excellence 2
- Acting Responsibly 3
- **Remuneration link**

4/ Property income return

5.2%

2025	5.2%
2024	5.1%
2023	4.4%

Link to strategic priorities:

1 2 3

Why we use this indicator

The property income return, as calculated by MSCI, is the income return of the portfolio. Income is an important component of total return and our portfolio is biased towards income generation in addition to capital growth.

Our performance in 2025

The income return for the year of 5.2% was ahead of the MSCI UK Quarterly Property Index of 4.8% and we have also outperformed over three, five and ten years, and since launch in 2005.

5/ Loan to value ratio

24%

2025	24%
2024	28%
2023	27%

Link to strategic priorities:

1 2 3

Why we use this indicator

The loan to value ratio is total Group borrowings, net of cash, as a percentage of the total portfolio value. This is a recognised measure of the Company's level of borrowings and is a measure of financing risk. See the Supplementary Disclosures section for further details.

Our performance in 2025

The loan to value ratio has decreased over the year with the positive valuation movements and repayment of the revolving credit facility.

6/ Cost ratio

1.3%

2025	1.3%
2024	1.2%
2023	1.0%

Link to strategic priorities:

1 2 3

Why we use this indicator

The cost ratio, recurring administration expenses as a proportion of the average net asset value, is a measure of how efficiently the business is being run, and the extent to which economies of scale are being achieved. See the Supplementary Disclosures section for further details.

Our performance in 2025

The cost ratio has increased over the year, partly due to the share buyback programme which has reduced net assets over the period, and staff costs.

EPRA KPIs

7/ EPRA NTA per share

100p

2025	100p
2024	96p
2023	100p

Link to strategic priorities:

1 2 3

Why we use this indicator

The EPRA net tangible assets (NTA) per share, calculated in accordance with EPRA, measures the value of shareholders' equity in the business. We use this to measure the growth of the business over time and regard this as the most relevant net asset metric for the business.

Our performance in 2025

The EPRA NTA per share has increased this year by 4% as a result of the positive valuation movements, gains on asset disposals, share buybacks, growth in EPRA earnings and operating a covered dividend.

8/ EPRA earnings per share

4.2p

2025	4.2p
2024	4.0p
2023	3.9p

Link to strategic priorities:

1 2 3

Why we use this indicator

The earnings per share, calculated in accordance with EPRA, represents the earnings from core operational activities and excludes investment property revaluations, gains/losses on asset disposals and any exceptional items. We use this because it measures the operating profit generated by the business from the core property rental business.

The growth in EPRA earnings per share is also a performance measure used for the Long-term Incentive Plan.

Our performance in 2025

We have grown EPRA earnings this year by 5% which was as a result of our office repositioning and disposal strategy allowing repayment of the floating rate debt and reducing void costs, in addition to securing reversion on the industrial portfolio.

9/ EPRA vacancy rate

6.2%

2025	6.2%
2024	9.2%
2023	9.5%

Link to strategic priorities:

1 2 3

Why we use this indicator

The vacancy rate measures the amount of vacant space in the portfolio at the end of each financial period, and over the long-term, is an indication of the success of asset management initiatives undertaken.

Our performance in 2025

The repositioning and disposal of three part-vacant office assets, together with letting activity across the portfolio, has led to a reduction in the EPRA vacancy rate.

Non-financial KPIs

10/ Retention rate

66%

Link to strategic priorities:

1 2 3

Why we use this indicator

This provides a measure of ERV at risk and the retention of that ERV during the year. This is achieved through lease extensions or removal of break options.

Our performance in 2025

Excluding properties held for sale, total ERV at risk due to lease expiries or break options totalled £6.4 million, in line with last year.

Of the ERV at risk in the year, we retained 66% through lease renewals or removal of break options. In addition, 18% of the ERV not retained, was let to a different occupier within the year, ensuring a positive outcome on 84% of the total ERV at risk. A further £5.4 million of ERV was retained through lease extensions, removal of breaks or back-to-back surrender and releasing, where lease events were dated after the year end.

11/ EPC rating A-C

83%

Link to strategic priorities:

1 2 3

Why we use this indicator

Energy Performance Certificates (EPCs) indicate how energy efficient a building could be by assigning a rating from A (very efficient) to G (very inefficient). From 1 April 2023, Minimum Energy Efficiency Standards (MEES) regulations prohibited leasing space that is F or G rated, unless an exemption certificate applies. The minimum EPC rating is likely to be raised further, with the UK Government consulting on proposals to require a minimum of C by 1 April 2028, and B by 1 April 2030.

Our performance in 2025

The proportion of EPC ratings between A–C has increased this year to 83%. Of the remainder, 15% is rated D and only 2% is rated E. We are fully compliant with MEES regulations and have no F or G ratings in the portfolio. The proportion of EPC A-B ratings has improved significantly over the last six years, from 9% in March 2020, to 40% in March 2025.

12/ Employee satisfaction

76%

Link to strategic priorities:

1 2 3

Why we use this indicator

We use this indicator to assess our performance against one of our strategic objectives, to nurture a positive culture reflecting the values and alignment of the team. The indicator is based on the employee survey carried out during the year.

Our performance in 2025

Our employee satisfaction score remains high but has decreased this year, a potential reflection of the wider economic uncertainty and increased workload across the business.

Our Marketplace

Macroeconomic conditions remain uncertain despite a backdrop of reducing interest rates.

Economic backdrop

Political decisions are influencing the economic backdrop. The US Government's tariff announcement in April caused significant disruption in financial markets and downgrades to economic growth forecasts globally. The situation remains fluid, with the 90-day implementation delay and the more recent announcement of a temporary tariff reduction between the US and China resulting in an equity market recovery.

For the UK, exports to the US account for a relatively small percentage of overall Gross Domestic Product (GDP). Certain industries are likely to face direct challenges, while indirect effects may arise from weakened global demand and heightened trade uncertainty.

Market drivers

- Geopolitical drivers
- Economic drivers
- Property drivers
- ESG drivers
- Technology drivers

Read more in **Market Drivers** on pages 26 to 27

On a relatively positive note, if the tariffs are enforced following the 90-day delay, the 10% rate on most UK goods is comparatively lower than what has been suggested for many other nations.

In 2024 UK GDP is estimated to have grown by 1.1%, placing the UK third in the ranking of G7 economies. This compares to the 0.4% recorded for 2023. With mounting concerns over US tariffs, public borrowing and fiscal rules, in the Spring both the Office for Budget Responsibility and the Bank of England halved their GDP growth forecasts for 2025.

Since August 2024, inflation has remained close to the Bank of England's 2% target, with the annual Consumer Prices Index (CPI) standing at 2.6% in March 2025. The Bank of England began its rate-cutting cycle in August, implementing four 25 basis point reductions, which have brought the base rate down to 4.25%. The five-year SONIA swap rate has decreased to 3.8%, compared to around 4% a year ago. In January, concerns over public finances and the UK's economic trajectory led to a sharp rise in the ten-year gilt yield, which surged to a post-Global Financial Crisis high of 4.9%. It has since fallen slightly, but remains above the ten-year average.

Businesses are contending with uncertainty as well as escalating costs, as the tax increases announced in the October budget took effect in April, potentially impacting expansion and hiring decisions.

Recent data from the Office for National Statistics recorded a further softening in employment; in March payrolled employees decreased by 78,000 (0.3%) on the month to 30.3 million. The number of job vacancies fell for the thirty-third consecutive quarter to 781,000. The unemployment rate is now 4.4%, in line with the ten-year average.

The consistent increases in the household savings ratio since September 2022 reflect the impact of underlying economic uncertainty felt by consumers. Recent retail sales data has been more positive than expected, although thought to be attributable to unseasonably good weather. The April GFK Consumer Confidence Barometer recorded declines across all measures compared to the previous month, indicating that this level of consumer spending growth may not last. However, in real terms, wages continue to show a steady increase; for the three months to February, regular and total pay grew by 1.9%.

Whilst the situation with US tariffs continues to evolve, the outcome could have a disinflationary effect on the UK, potentially prompting a faster reduction in the base rate than anticipated. Furthermore, unlike other recent market shocks, the tariffs are a voluntary measure and could be reversed as quickly as they were announced.

With inflation no longer a pressing concern, the Bank of England's decision to lower interest rates now depends more on economic growth forecasts and labour market data.

The UK's high level of market transparency, coupled with comparative stability, low inflation and interest rates, continues to make it an attractive market for global investors, and well placed to capitalise on any positive momentum during a recovery in commercial property pricing.

UK Property Market

For the year ending March 2025, the MSCI UK Quarterly Property Index recorded an All Property total return of 6.3%, driven by 1.5% capital growth and a 4.8% income return. This marks a notable recovery from the -1.0% total return reported for the year to March 2024.

Looking at the three main sectors, retail and industrial outperformed, achieving total returns of 9.4% and 9.3%, respectively. Meanwhile the office sector lagged, delivering a total return of 1.5%.

MSCI reported four consecutive quarters of capital growth at an All Property level to March 2025. Both the industrial and retail sectors experienced quarter-on-quarter capital growth, whilst capital values in the office sector continued to decline. As of March 2025, the MSCI All Property equivalent yield was 6.6%, in line with March 2024.

The occupier market has remained resilient, with a flight to quality driving consistent quarter-on-quarter rental growth across all three main sectors. All Property ERV growth reached 4.0% for the year to March 2025, up from 3.7% in the previous year.

In terms of investment transaction volumes, MSCI reported £49.9 billion in total purchases for the year, reflecting a 15% increase compared to the prior year, however this is still below the long-term average. Of the total capital invested, 22% was allocated to the industrial sector, 20% to offices, and 18% to retail, while the remaining 40% was directed toward alternative property sectors.

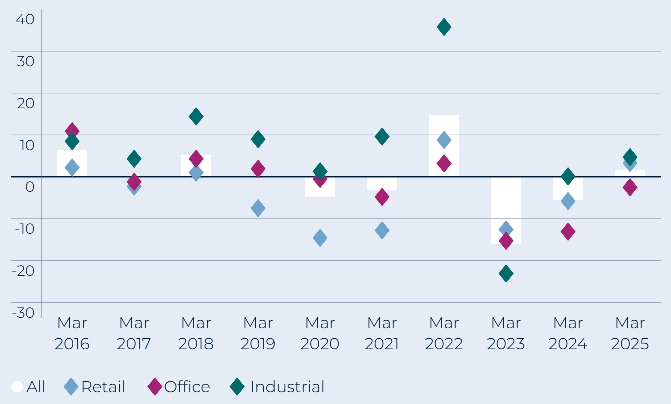
The All Property averages mask nuances at sector and sub-sector levels; further details for the three main sectors are set out in the table on the right.

1.5%
Annual capital growth

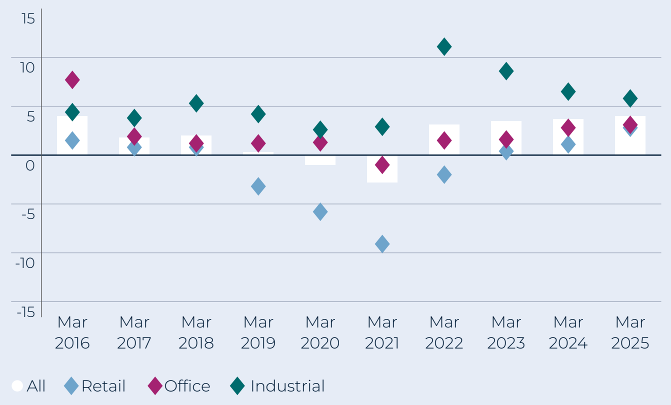
4%
ERV growth

15%
Increased investment activity

MSCI UK Quarterly Property Index Annual Capital Growth (%)



MSCI UK Quarterly Property Index Annual Estimated Rental Value Growth (%)



12 months to March 2025	All Property	Industrial	Office	Retail
Total return	6.3%	9.3%	1.5%	9.4%
Income return	4.8%	4.4%	4.1%	6.0%
Capital growth	1.5%	4.7%	-2.5%	3.3%
Number of positive segments	16	5	1	10
Number of negative segments	8	0	6	2
ERV growth	4.0%	5.8%	3.1%	2.8%
Number of positive segments	21	5	7	9
Number of negative segments	3	0	0	3

Source: MSCI UK Quarterly Property Index

Market Drivers

Geopolitical drivers:

- Uncertainty
- Conflict
- Tariffs
- Fiscal policy

Impact on investment markets

Geopolitical uncertainty can disrupt investment markets, but the UK remains globally appealing due to its transparency, governance and stability.

Impact on occupational markets

Geopolitical tension and an increase in trade tariffs could disrupt supply chains and raise occupiers' costs.

Fiscal policy affects business expenses and consumer spending, influencing occupier priorities like efficiency, headcount and other overheads.

Our strategic response

We have an agile and flexible business model therefore can adapt and respond to market trends.

Economic drivers:

- GDP growth
- Inflation
- Interest rates
- Business and consumer confidence

Impact on investment markets

Stable inflation and declining interest rates, which reduce the cost of debt, benefit investors. Falling Government bond yields widen the risk-free rate gap, making property investment more attractive. However, periods of lacklustre economic growth are linked to declining employment, weaker business sentiment, and reduced consumer spending.

Impact on occupational markets

Economic conditions shape occupiers' business confidence, expansion plans and space requirements. Property sectors respond differently; retailers depend more on consumer confidence, while industrial occupiers may have a stronger alignment with trade volumes.

Our strategic response

We have an appropriate capital structure for the market cycle and have maintained our defensive position, with a conservative loan to value of 24% and additional operational flexibility through our undrawn revolving credit facility.

We have a diverse income base that has proven to be very resilient, operating within a wide variety of business segments. Our occupier focused, opportunity led approach enables us to create spaces to help our occupiers succeed.

Proactive asset management drives performance through enhancing asset quality, attracting and retaining occupiers, minimising the cost of vacancy and maximising efficiency.

Property drivers:

- Diversification
- Sector performance
- Asset selection
- Construction costs
- Investor and occupier demand, supply and rents

Impact on investment markets

The commercial property market is cyclical, shaped by supply-demand dynamics and economic conditions. Property sectors react differently and can be at alternative points in the cycle. Diversified investing can reduce risk for investors.

Currently, industrial property generally offers a more defensive lower yield, while offices provide higher yields but often higher capital expenditure requirements. Rising construction costs have reduced development across all sectors, driving supply constraints and underpinning rental growth.

Impact on occupational markets

Structural drivers affect property sectors differently. Online retailing has boosted industrial demand at the expense of in-store retail. Post-pandemic, the acceleration in remote working reshaped the office market, however limited development has created competition for prime, ESG-compliant spaces.

Our strategic response

Our in-depth understanding of the UK commercial property market enables us to identify and source value across different sectors and reposition the portfolio through the property cycle.

Through maintaining a diversified portfolio, we dilute cyclical risks associated with a single sector. Dynamics that cause a downturn or disproportionate shock in one sector have a reduced impact on overall performance.

4.25%
Bank of England base rate vs 5.25% March 2024

2.6%
Annual CPI inflation vs 3.2% March 2024

1.1%
Annual UK GDP growth vs 0.4% December 2023

Read more in our **Portfolio Review** on pages 28 to 41

We have retained our overweight position in the better performing industrial sector and disposed of selected buildings within our office portfolio. Our higher yielding retail portfolio provides a strong income return for investors.

We are investing in our assets in line with our strategic priorities.

ESG drivers:

- Climate change
  - Asset resilience
  - Net zero transition
  - Biodiversity
- Social impact
- Governance

Impact on investment markets

ESG plays an increasingly vital role in investment pricing and decision making.

Decarbonised, energy-efficient assets with high EPC ratings command a premium, while assets that are not net zero aligned risk becoming stranded. Property owners must balance diverse stakeholder demands, including those of local communities and natural capital.

Impact on occupational markets

Occupiers have various motives for engaging with ESG, including their own commitments and ambitions. Ultimately, being more sustainable can increase profitability. Achieving more whilst using fewer resources cuts costs, and occupying a sustainable building aligns with this goal.

From a social perspective, buildings containing health and wellness facilities, green spaces, biophilic design and other amenities can improve occupiers' employee satisfaction and retention.

Read more in **Sustainable Thinking** on pages 62 to 83

Our strategic response

We are committed to integrating sustainability within our business activities, and in a way that makes a positive contribution to society, whilst minimising any negative impact on people, local communities, and the environment.

We are focused on our net zero goal and are investing in decarbonising the portfolio in line with our sustainable refurbishment guidelines.

Technology drivers:

- Artificial Intelligence
- PropTech
- Big Data

Impact on investment markets

Technological change, including AI, Machine Learning, Big Data, and digitalisation, are reshaping capital markets. AI and Big Data provide investment advantages but pose risks such as cyber insecurity and job losses.

Assets with integrated technology and suitable infrastructure are more investable than those reliant on outdated systems.

Impact on occupational markets

Technological advances reshape employment trends and require evolving workspaces. Technology-enabled buildings with automation and grid capacity attract occupiers and command rent premiums. Sector-specific needs include supply chain optimisation, electric vehicle fleet capacity, and data centre capabilities.

Our strategic response

Our diversified approach enables us to adapt to change driven by technological drivers. Investing where there is downside protection against obsolescence forms part of our investment process.

We are committed to maintaining an efficient operating platform and continue to investigate and invest in PropTech solutions where appropriate.

Wherever possible, we use data to measure, manage and drive progress on our strategy, including our sustainability goals.

Read more in **Principal Risks** on pages 49 to 53

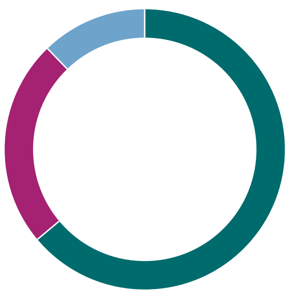
Portfolio Review

Our property portfolio consists of 47 assets. Our diverse exposure provides flexibility to adapt as market conditions dictate.

Geographical weighting

- 25–50%
- 10–25%
- 0–10%

Portfolio composition



Industrial	64%
Office	24%
Retail & Leisure	12%

Property	Sector
Properties valued between £10 million and £20 million	
The Business Centre, Wokingham	Industrial
Colchester Business Park, Colchester	Office
B&Q, Queens Road, Sheffield	Retail & Leisure
Madleaze Trading Estate, Gloucester	Industrial
180 West George Street, Glasgow	Office
Parc Tawe North Retail Park, Swansea	Retail & Leisure
Nonsuch Industrial Estate, Epsom	Industrial
Gloucester Retail Park, Gloucester	Retail & Leisure
Vigo 250, Birtley Road, Washington	Industrial
30 & 50 Pembroke Court, Chatham	Office
Mill Place Trading Estate, Gloucester	Industrial
Easter Court, Warrington	Industrial
Metro, Manchester	Office
Units 1 & 2, Kettlestring Lane, York	Industrial
Swiftbox, Haynes Way, Rugby	Industrial
Properties valued between £5 million and £10 million	
401 Grafton Gate, Milton Keynes	Office
Units 1 & 2, Downmill Road, Bracknell	Industrial
Angouleme Retail Park, Manchester	Retail & Leisure
Queen’s House, Glasgow	Office
Regency Wharf, Birmingham	Retail & Leisure
Thistle Express, Luton	Retail & Leisure
109–117 High Street, Cheltenham	Office
Abbey Business Park, Belfast	Industrial
Properties valued under £5 million	
Crown & Mitre Complex, Carlisle	Retail & Leisure
Trident House, St Albans	Office
Atlas House, Marlow	Office
Sentinel House, Fleet	Office
Scots Corner, Birmingham	Retail & Leisure
Kingstreet Lane, Winnersh	Industrial
Waterside House, Leeds	Office
78–80 Briggate, Leeds	Retail & Leisure
53–57 Broadmead, Bristol	Retail & Leisure
17–19 Fishergate, Preston	Retail & Leisure
7–9 Warren Street, Stockport	Retail & Leisure
Oxford Lane, Cardiff	Industrial
6–12 Parliament Row, Hanley	Retail & Leisure
72–78 Murraygate, Dundee	Retail & Leisure

Our top ten properties valued in excess of £20 million

01. Parkbury Industrial Estate, Radlett

Approx area (sq ft) / 341,000
Capital value (£m) / >100
Occupancy rate (%) / 98
EPC rating / A–D

02. River Way Industrial Estate, Harlow

Approx area (sq ft) / 454,800
Capital value (£m) / 50–75
Occupancy rate (%) / 100
EPC rating / A–D

03. Stanford Building, London WC2

Approx area (sq ft) / 20,100
Capital value (£m) / 30–50
Occupancy rate (%) / 97
EPC rating / B

04. Datapoint, Cody Road, London E16

Approx area (sq ft) / 55,100
Capital value (£m) / 30–50
Occupancy rate (%) / 100
EPC rating / B–C

05. Lyon Business Park, Barking

Approx area (sq ft) / 99,400
Capital value (£m) / 20–30
Occupancy rate (%) / 100
EPC rating / B–D

06. Shipton Way, Rushden

Approx area (sq ft) / 312,900
Capital value (£m) / 20–30
Occupancy rate (%) / 100
EPC rating / C

07. Sundon Business Park, Luton

Approx area (sq ft) / 127,800
Capital value (£m) / 20–30
Occupancy rate (%) / 100
EPC rating / A–D

08. 50 Farringdon Road, London EC1

Approx area (sq ft) / 31,300
Capital value (£m) / 20–30
Occupancy rate (%) / 100
EPC rating / B

09. Tower Wharf, Cheese Lane, Bristol

Approx area (sq ft) / 70,200
Capital value (£m) / 20–30
Occupancy rate (%) / 88
EPC rating / B–C

10. Trent Road, Grantham

Approx area (sq ft) / 336,100
Capital value (£m) / 20–30
Occupancy rate (%) / 100
EPC rating / C

Proactive asset management

This year we have reduced office exposure, and improved portfolio occupancy, income and rental values.

Our portfolio value has increased on a like-for-like basis and we have disposed of our three largest void assets at pricing ahead of the March 2024 valuation. We have used proceeds in part to invest back into the portfolio to upgrade assets. This ongoing programme has enabled income and capital accretive lease transactions, and improved the overall quality of our portfolio.

The portfolio valuation as at 31 March 2025 was £723.1 million, a like-for-like portfolio valuation increase of 3.8% or 2.1% after capital expenditure.

At the year end, the contracted rent, which is the rent receivable after the expiry of lease incentives increased by £1.4 million or 3% on a like-for-like basis, to £48.2 million. The passing rent was £42.3 million, a decrease of £0.7 million or 1.6% on a like-for-like basis, reflecting lease incentives.

The March 2025 ERV of the portfolio was £55.6 million, a 4% like-for-like increase on the prior year. We had ERV growth of 3% in the industrial sector proven by new lettings and active management. The office sector was up 4% driven by our central London holdings and our asset upgrade programme. The retail and leisure sector increased by 5%.

Occupier activity was somewhat subdued reflecting the Budget and other political events. Despite this, we saw rental growth assisted by low levels of supply in many sub-markets. We expect these trends to continue into 2025.

Occupational demand is stable in the industrial sector, supported by a lack of supply in the multi-let market in particular.

The office sector remains in transition though the severe lack of supply of prime space has led to strong rental growth for the best buildings and locations. Poorer quality buildings continue to suffer from weak occupier demand and may lead to further supply being repositioned for alternative uses.

In the retail sector there is competition for space leading to rental growth for prime locations.

We successfully repositioned office assets at Angel Gate, London, (residential via permitted development rights), Charlotte Terrace, London, (residential) and Longcross, Cardiff (student accommodation) and have completed the disposal of all three assets during the period for a combined £51 million, 5% ahead of the 31 March 2024 valuation.

Top ten occupiers

The largest occupiers, based on a percentage of contracted rent, as at 31 March 2025, are as follows:

Occupier	Contracted rent (£m)	%
Public sector	1.8	3.8
Whistl UK Limited	1.6	3.4
The Random House Group Limited	1.6	3.4
B&Q Limited	1.2	2.6
Snorkel Europe Limited	1.2	2.4
XMA Limited	1.0	2.0
Portal Chatham LLP	0.9	1.8
Orlight Limited	0.8	1.7
DHL Supply Chain Limited	0.8	1.6
Blanco UK Limited	0.8	1.6
Total	**11.7**	**24.3**

Longevity of income

As at 31 March 2025, expressed as a percentage of contracted rent, the average length of leases to first termination was 4.9 years (2024: 4.2 years). This is summarised as follows:

	%
0 to 1 year	20.8
1 to 2 years	14.4
2 to 3 years	8.1
3 to 4 years	9.4
4 to 5 years	12.4
5 to 10 years	24.6
10 to 15 years	9.1
15 years or more	1.2
Total	**100**

Although we have increased income longevity in the year, there are a number of lease events in the short term which are a focus for the team. We will be working to ensure the void risk is mitigated and the reversion captured.

Industrial weighting
64%

South East	**45%**
Rest of UK	**19%**

Office weighting
24%

Rest of UK	**9%**
Central London	**8%**
South East	**7%**

Retail and Leisure weighting
12%

Retail Warehouse	**8%**
High Street Rest of UK	**2%**
Leisure	**2%**

Portfolio summary

	FY 2025	FY 2024	Like-for-like % change
Assets	**47**	49	
Occupancy	**94%**	91%	
Valuation	**£723.1m**	£744.6m	3.8%
Disposal proceeds	**£51.0m**		
Acquisition	**£0.5m**		
Capital expenditure	**£11.8m**	£4.5m	
Equivalent yield	**6.8%**	6.8%	
Passing rent	**£42.3m**	£44.7m	-1.6%
Contracted rent	**£48.2m**	£48.7m	3.0%
ERV	**£55.6m**	£57.6m	3.8%

Performance

For the year to March 2025, we produced a total property return of 7.3%, outperforming the MSCI UK Quarterly Property Index which recorded a total return of 6.3%. This outperformance was driven by both income return and capital growth.

Our portfolio income return was 5.2%, outperforming MSCI's income return of 4.8%. Capital growth was 2.1%, compared to MSCI at 1.5%.

We have now outperformed the benchmark for 12 consecutive years and delivered upper quartile performance since launch, ranked 8 out of 72 portfolios.

Occupancy

Occupancy has increased from 91%, rising to 94%. This compares to the MSCI UK Quarterly Property Index of 91%, as at 31 March 2025. The total void ERV is £3.4 million.

The majority of our void is in the office sector, comprising void ERV of £2.6 million, or 76% of the total void. Our offices have an occupancy rate of 86%. Our industrial and retail assets have occupancy rates of 99% and 94%, respectively.

Portfolio activity

We continue to actively manage the portfolio completing over 78 asset management transactions, increasing both contracted rent and estimated rental value (ERV).

- 25 lettings or agreements to lease, securing additional rent of £2.9 million, 7% ahead of ERV
- 36 lease renewals or regears, securing £6.6 million per annum, an uplift of £0.8 million, 10% ahead of ERV
- 13 rent reviews, securing an uplift of £0.4 million per annum, 7% ahead of ERV
- Four lease variations to remove occupier break options, securing £0.6 million per annum

Retention

Over the year to March 2025, total ERV at risk, due to lease expiries or break options, totalled £6.4 million. This excludes office buildings which were sold during the year.

We retained 66% of total ERV at risk. Of the ERV that was not retained, a further 18% or £1.1 million was re-let to new occupiers during the year, therefore a positive outcome was achieved on 84% of the ERV that was at risk.

In addition, a further £5.4 million of ERV, which expired in more than 12 months time, was retained by either removing future break options, extending leases, or agreeing back-to-back surrenders and re-letting transactions ahead of lease events.

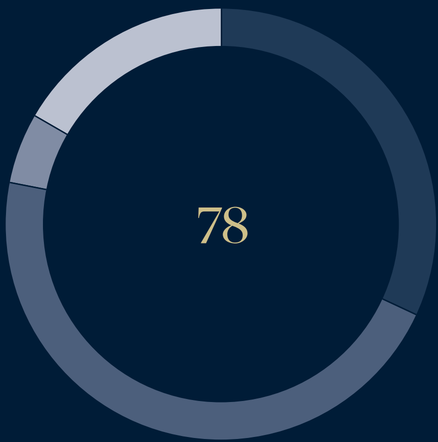
Investment activity

Investment market activity remained below the long run average over the year, with the anticipated rebound post the general election evaporating amid concerns over the economy. This limited activity to prime assets and value add opportunities.

Over the year, three assets were sold for a combined £51 million, and one tactical acquisition of a trade counter unit, adjoining an existing asset, was made for £0.5 million.

Portfolio key asset management activity

Transactions



Lettings	25
Renewals/regears	36
Break removals	4
Rent reviews	13

Lettings (New rent vs March 2024 ERV)

7%

New rent	£2.9m
March 2024 ERV	£2.7m

Renewals/Regears (New rent vs previous rent)

14%

New rent	£6.6m
Previous rent	£5.8m

10% ahead of March 2024 ERV

Break removals (New rent vs previous rent)

13%

New rent	£0.6m
Previous rent	£0.5m

19% ahead of March 2024 ERV

Rent reviews (New rent vs previous rent)

26%

New rent	£1.8m
Previous rent	£1.5m

7% ahead of March 2024 ERV

Asset upgrades

This year, we have invested significantly to upgrade the overall quality of the portfolio.

We have utilised proceeds from some of our asset disposals to invest back into the portfolio to upgrade assets to enhance rents and value, improving their appeal to occupiers, in terms of quality of accommodation, energy efficiency measures and occupier amenities.

The majority of these projects have been linked to lease events to maximise prospects for occupier retention or reletting as a result of the investment programme.

Over the year, we have invested £11.8 million into the portfolio across more than 20 projects, with the top six projects accounting for 68% of the spend.

All the works undertaken are in line with our sustainable refurbishment guidelines, which follow industry best practice. Where appropriate, we remove gas from buildings, install solar panels and upgrade insulation, in line with our net zero carbon pathway.

This has resulted in an improvement in our EPC ratings with 83% of our properties (by rental value) now rated C and above, an increase of 3% on the prior year.

1. At Grafton Gate, Milton Keynes we are replacing the original gas fired air conditioning system with a new fully electric system for the whole office. In conjunction with the solar panels previously installed the building's EPC will improve to an A rating. As a result of the works we have renewed two leases securing annual rent of £0.8 million, which represents an uplift of 23% on the previous passing rent and 33% ahead of the pre-upgraded ERV.
2. At Atlas House, Marlow we have replaced the air conditioning in the building and now have a fully electric system with additional rooftop solar panels. As part of the refurbishment we have also added an occupier business lounge and installed new LED lighting. The entire office now has an EPC A rating. As a result of the upgrade we secured a lease renewal at £0.1 million per annum, which represents an uplift of 42% on the previous passing rent but 6% below ERV, due to a lower refurbishment specification.
3. At Madleaze Trading Estate in Gloucester, we are replacing the roofs on a number of units comprising approximately 25% of the total estate. These works were part of asset management transactions agreed last year and as a result, we have regeared a lease and let an additional unit to an existing occupier at £0.5 million per annum, 22% ahead of ERV.
4. At Colchester Business Park, we have completed the first phase of the refurbishment of the largest office building on the business park and have replaced the original air conditioning system which utilises gas, with a new all-electric system. To reduce our embodied carbon emissions we have re-used equipment from our Bristol and Cardiff buildings. As part of the building upgrade we have also delivered market-leading occupier amenities by creating an occupier business lounge and end of trip facilities.
5. At 50 Pembroke Court, Chatham we have replaced the air conditioning system which utilises gas, with a new electric system and have installed rooftop solar panels. The building EPC will achieve an A rating when reassessed.
6. At Tower Wharf, Bristol we have commenced the replacement of the gas powered air conditioning with a new electric system. To reduce our embodied carbon emissions, as part of the refurbishment of the first and third floors we have reused equipment and furniture from our Cardiff building and the previous occupier of the third floor. The EPC of the refurbished floor has a B rating. On completion of the air conditioning works, the entire office will have an A rating.

£11.8m
Total invested

20+
Projects

83%
EPC ratings A-C, improved from 80% in 2024

Read more in

Strategy in Action
on pages 14 to 15

Net Zero Progress
on pages 70 to 71

Summary and outlook

Despite this challenging macro-environment, the UK commercial property market has proven to be remarkably resilient and we have seen positive valuation movement over the year as the strength in occupational markets has helped grow our income and parts of the market have seen greater pricing tension.

With the interest rate cycle having peaked, we expect market liquidity to improve and transaction activity to increase as the year progresses. There may be a short-term softening of rental growth as businesses adopt a more cautious approach, but this is set against a backdrop of tight supply generally and particularly for better quality assets.

Demand at our industrial assets has been resilient, in particular at our multi-let estates where we have continued to capture reversionary potential at lease events and have seen further rental growth over the period. Our distribution portfolio remains fully let with reversionary potential, although an element of this reversion will be captured through lease expiry and reletting, which may have a short-term income impact.

With regard to office assets, we have successfully progressed our alternative use strategy by disposing of three assets at accretive pricing over the year and continue to monitor the office portfolio for enhanced returns via change of use. We have also leveraged our portfolio investment programme to secure income-accretive new lease commitments with existing occupiers. We will continue our selective office asset disposal programme.

Occupier demand will continue to focus on well-located office buildings with good fundamentals, including strong environmental credentials and occupier amenities.

The retail portfolio has seen rental growth and capital value appreciation over the year. The occupier market for well-located high street and retail warehouse is robust, having seen many years of downwards repricing. The high take-up of stores released by insolvent operators such as Wilko and Homebase demonstrates some of the risks and opportunities in this sector.

The portfolio remains well placed and overall of a high quality, enabling us to maintain and enhance income through our occupier focused approach. As at 31 March 2025 there is £7.5 million of reversion in the portfolio. Approximately £4.1 million is where contracted rent is below ERV and £3.4 million is from letting vacant space.

We expect total returns to broadly converge across the sectors following a period of significant repricing of office assets in particular. We believe performance will be location and asset specific and the need to be able to proactively manage assets will become increasingly important to total return performance.

We remain focused on growing income and creating value. The portfolio has been upper quartile versus the MSCI UK Quarterly Property Index on a total return basis since launch and has had an income return ahead of the benchmark every year.

We still have significant reversion to capture through both leasing of void space and as rents are reset to market levels at review or lease expiry. Our proactive approach to asset management will unlock further value through asset repositioning and lease restructuring.

Jay Cable
Head of Asset Management
21 May 2025

Industrial

During the year we have continued to unlock reversionary potential, increasing the contracted rent. High occupancy and active management have supported rental growth and further valuation gains.

Industrial snapshot:

	FY 2025	FY 2024	Like-for-like % change
Assets	**19**	18	
Occupancy	**99%**	98%	
Valuation	**£463.2m**	£439.9m	5.0%
Acquisition	**£0.5m**		
Capital expenditure	**£3.0m**	£2.4m	
Equivalent yield	**5.6%**	5.7%	
Passing rent	**£22.6m**	£22.3m	0.7%
Contracted rent	**£25.7m**	£23.6m	8.1%
ERV	**£29.5m**	£28.5m	3.1%

Market backdrop

The industrial, warehouse and logistics sector has been robust throughout the year.

The investment market has seen stable yields, with some yield compression for the best multi-let locations with short-term reversionary potential.

Capital growth has been driven broadly by movements in income. Rents have continued to move upwards against a backdrop of limited supply.

In certain markets, there is a little more supply than there has been historically, but similarly speculative development is now more constrained, which is likely to reduce future pipeline.

Portfolio activity

Our industrial assets increased in value by 5% over the year, from £439.9 million to £463.2 million. The contracted rent increased by 8% from £23.6 million to £25.7 million and the ERV

grew by 3% from £28.5 million to £29.5 million. Occupancy increased from 98% to 99%.

The majority of our industrial assets are multi-let, comprising 54% of our total portfolio by value, with the majority located in the South East. At present we only have four vacant units, with one under offer and one currently undergoing refurbishment. Our UK-wide distribution warehouse assets comprise 10% of the total portfolio by value and are fully leased.

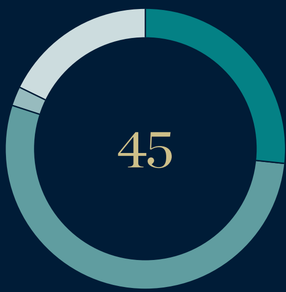
The industrial portfolio currently has £3.8 million of reversionary income potential between contracted rent and ERV, with only £0.4 million relating to the void units.

Over the year we completed £7.4 million of lease transactions at an average of 6% ahead of the March 2024 ERV. Of these £1.7 million were new lettings, 8% ahead of ERV, £4.5 million were lease renewals or regears, 7% ahead of ERV and 19% ahead of the previous rents, and £0.9 million of rent reviews securing a rental uplift of £0.3 million, 2% ahead of ERV and 38% ahead of the previous rent. In addition, we removed a break option securing £0.3 million, 18% ahead of ERV.

Key transactions in the year included:

- Grantham – lease regear securing an increased term certain of 13 years at a rent of £1.6 million per annum, 8% ahead of ERV
- London, Datapoint – lease renewal securing £0.7 million per annum, 47% ahead of the previous passing rent and 12% ahead of ERV
- Harlow – surrendered a lease and simultaneously re-let the unit for £0.6 million per annum, 53% ahead of the passing rent and 5% ahead of ERV

Additionally, we completed lettings in Bracknell, Gloucester, London, Luton and Warrington for a combined £1.2 million per annum, 10% ahead of ERV.



Transactions

Lettings	12
Renewals/regears	24
Break removals	1
Rent reviews	8

Lettings (New rent vs March 2024 ERV)

8%

New rent	£1.7m
March 2024 ERV	£1.6m

Renewals/regears (New rent vs previous rent)

19%

New rent	£4.5m
Previous rent	£3.8m

7% ahead of March 2024 ERV

Break removals (New rent vs previous rent)

28%

New rent	£0.3m
Previous rent	£0.2m

18% ahead of March 2024 ERV

Rent reviews (New rent vs previous rent)

38%

New rent	£0.9m
Previous rent	£0.7m

2% ahead of March 2024 ERV

Office

We have improved occupancy in the year, and completed accretive disposals for higher value alternative uses. We continue to invest significantly into the portfolio by upgrading assets, which has led to rental growth, leasing activity and occupier retention.

Office snapshot:

	FY 2025	FY 2024	Like-for-like % change
Assets	**14**	17	
Occupancy	**86%**	80%	
Valuation	**£175.3m**	£224.9m	-0.4%
Disposal proceeds	**£51.0m**		
Capital expenditure	**£8.1m**	£1.9m	
Equivalent yield	**8.2%**	7.8%	
Passing rent	**£14.0m**	£14.5m	10.3%
Contracted rent	**£14.9m**	£16.9m	0.6%
ERV	**£18.7m**	£22.0m	4.3%

Market backdrop

The office sector has been subdued this year with reduced investor demand and elevated vacancy rates.

Occupational demand continues to favour high quality buildings with good environmental credentials and occupier amenities. We are seeing a rental premium for this type of space but conversely occupational and investor demand outside of this is limited. This has led to a general downward repricing, particularly once costs associated with asset upgrading are factored into appraisals. Alternative use strategies are a way of finding liquidity without significant capital investment.

Asset selection is key, as each building must be viewed independently, in respect of its location and dynamics, sustainability credentials, flexibility of floorplates and occupier amenities.

Portfolio activity

During the year we completed the disposal of three office assets that we had repositioned for alternative uses, 5% ahead of the March 2024 valuation. This reduced our office exposure by 20%. The passing rent on our retained office assets increased by 10% to £14 million, the contracted rent increased by 1% to £14.9 million and the ERV grew by 4% to £18.7 million. The value of the retained office assets has decreased on a like-for-like basis by 0.4% over the year to £175.3 million, with our asset upgrades mitigating a larger impact. Occupancy has increased from 80% to 86%.

Our regional office assets comprise 16% of the portfolio by value and have a reversionary yield in excess of 10%. Our central London offices comprise 8% of the portfolio by value, are fully leased and offer alternative use opportunities.

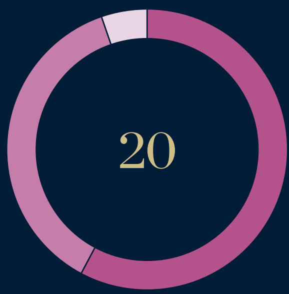
The office portfolio currently has £3.8 million of reversionary income potential between contracted rent and ERV, with a further £2.6 million relating to the void units.

Over the year we completed £1.5 million of lease transactions at an average 15% ahead of the March 2024 ERV. Of these, £0.8 million were new lettings, 10% ahead of ERV and £0.7 million were lease renewals or regears, 22% ahead of ERV and 26% ahead of the previous rent.

We have invested to improve the quality of our office portfolio to assist with future lettings and occupier retention. This has also helped to improve overall office ERVs as the space is upgraded. We have now removed gas from 43% of our office portfolio by value, with a further 26% currently planned. We have completed £1 million per annum of leasing transactions as a direct result of the upgrades, 17% ahead of March 2024 ERV.

Key transactions in the year included:

- Bristol – upsized an occupier into new space at £0.5 million per annum, 5% ahead of ERV
- Marlow – lease renewal securing £0.1 million per annum, 42% ahead of the previous passing rent and 6% below ERV
- Milton Keynes – agreed two lease renewals securing a combined £0.8 million per annum, 23% ahead of the previous passing rent and 33% ahead of ERV



Lettings (New rent vs March 2024 ERV)

10%

New rent	£0.8m
March 2024 ERV	£0.7m

Renewals/regears (New rent vs previous rent)

26%

New rent	£0.7m
Previous rent	£0.5m

22% ahead of March 2024 ERV

Rent reviews (New rent vs previous rent)

14%

New rent	£0.1m
Previous rent	£0.1m

2% ahead of March 2024 ERV

Retail and leisure

We have seen strong valuation gains from our retail assets, driven by asset management improving the income profile. Whilst we are starting to see rental growth, new rents are often below pre-pandemic levels.

Retail and leisure snapshot:

	FY 2025	FY 2024	Like-for-like % change
Assets	**14**	14	
Occupancy	**94%**	98%	
Valuation	**£84.6m**	£79.8m	6.0%
Capital expenditure	**£0.7m**	£0.2m	
Equivalent yield	**7.9%**	8.3%	
Passing rent	**£5.7m**	£7.9m	-27.5%
Contracted rent	**£7.6m**	£8.2m	-7.3%
ERV	**£7.4m**	£7.1m	5.4%

Market backdrop

The retail and leisure sector has been resilient, having seen considerable repricing in prior years. Values have moved upwards and the sector benefits from a relatively high income component.

With elevated interest rates, cost of living concerns and the impact of the October Budget on their cost base, there remain headwinds for operators in the sector. We are also seeing demand from leisure operators for both high street and retails warehouse units.

The significant reduction in rents in prior years provides a relatively low base and for the right quality assets we are seeing tentative signs of rental growth. In a number of instances occupier defaults have led to relatively swift re-leasing at similar rents. It is likely that rents set before 2020 are still above market levels, albeit rents agreed after this time are starting to have upside potential.

Transactions

Lettings	2
Renewals/regears	5
Break removals	3
Rent reviews	3

Lettings (New rent vs March 2024 ERV)

-3%

New rent	£0.4m
March 2024 ERV	£0.4m

Renewals/regears (New rent vs previous rent)

-3%

New rent	£1.5m
Previous rent	£1.5m

15% above March 2024 ERV

Break Removals (New rent vs previous rent)

Unchanged

New rent	£0.3m
Previous rent	£0.3m

21% above March 2024 ERV

Rent reviews (New rent vs previous rent)

16%

New rent	£0.9m
Previous rent	£0.8m

13% ahead of March 2024 ERV

We continue to see opportunities in the sector for certain retail warehouse and prime high street locations, but asset selection is key.

Portfolio activity

Our retail assets increased in value by 6% over the year from £79.8 million to £84.6 million. The contracted rent reduced by 7.3% from £8.2 million to £7.6 million as we re-let space following the expiry of over-rented leases. The ERV grew by 5.4% from £7.1 million to £7.4 million. Occupancy decreased from 98% to 94%.

Our retail assets are predominantly retail warehouse, underpinned by value-led retailers and make up 8% of the total portfolio. They consist of 19 units across four parks with one vacant unit in Swansea. Our high yielding high street portfolio makes up 2% of the total portfolio, with only £0.2 million of vacancy.

Over the year we completed £2.9 million of lease transactions at an average 12% ahead of the March 2024 ERV. Of these £0.4 million were lettings, 3% below ERV, £1.5 million were lease renewals or regears, 15% ahead of ERV and £0.3 million of break removals, 21% ahead of ERV.

Key transactions in the year included:

- Sheffield – regeared the lease securing ten years term certain at a rent of £1.2 million per annum, 14% ahead of ERV
- Gloucester – leased a unit and regeared a lease, securing ten years term certain on both units at a combined £0.4 million per annum, 9% ahead of ERV
- Swansea – secured a 10% uplift at an indexed rent review securing £0.4 million per annum, 26% ahead of ERV

Financial Review

> We have prioritised the divestment of low income producing office assets in order to support earnings growth over the medium term.

Saira Johnston
Chief Financial Officer

Portfolio repositioning helps to deliver earnings growth and valuation gains.

£37m
Profit after tax
2024: £(5m)
2023: £(90m)

113%
Dividend cover
2024: 114%
2023: 112%

£23m
EPRA earnings
2024: £22m
2023: £21m

24%
Loan to value
2024: 28%
2023: 27%

4.2p
EPRA earnings per share
2024: 4.0p
2023: 3.9p

100p
NAV per share
2024: 96p
2023: 100p

3.7p
Dividends per share
2024: 3.5p
2023: 3.5p

105p
EPRA NDV per share
2024: 101p
2023: 105p

This year we have delivered EPRA earnings growth and a profit of £37.3 million. This has been underpinned by positive valuation movements and by the disposals of three repositioned office assets, totalling £51 million. These proceeds have been used to fully repay the floating rate revolving credit facility, reinvest in the portfolio and return capital to shareholders through the share buyback programme.

EPRA earnings, comprising the operating profit before movement on investments, less the net interest expense, was £22.8 million, an increase of 5% during the financial year. The overall profit for the year includes gains on disposals of £1.5 million and the positive valuation movement of £12.9 million.

We have been focused on growing earnings, whilst delivering an increasing, covered and sustainable dividend, through repositioning the portfolio's sector allocation alongside continued proactive and hands-on asset management.

Looking forward, we are committed to delivering earnings growth over the medium term. We are continually evaluating lease events and the optimal approach to deliver this, accepting some short-term reduction in income to capture the reversion and create value across the portfolio.

Net asset value

The Group's net asset value as at 31 March 2025 was £533.4 million, or 100 pence per share. This reflected an increase of 4% or 4 pence per share over the financial year. The analysis of the net asset value movement is set out below.

	£m
March 2024 net asset value	524.5
EPRA earnings	22.8
Gains on disposals	1.5
Valuation movement	12.9
Share-based awards	0.8
Purchase of shares held in trust	(1.5)
Share cancellation	(7.5)
Dividends paid	(20.1)
March 2025 net asset value	**533.4**

The following table reconciles the net asset value calculated in accordance with International Financial Reporting Standards (IFRS) with that of the European Public Real Estate Association (EPRA).

	2025 £m	2024 £m	2023 £m
Net assets – IFRS and EPRA net tangible asset value	**533.4**	524.5	547.6
Fair value of debt	**26.1**	24.7	22.8
EPRA net disposal value	**559.5**	549.2	570.4
Net asset value per share (pence)	**100**	96	100
EPRA net tangible asset value per share (pence)	**100**	96	100
EPRA net disposal value per share (pence)	**105**	101	105

£20.1m

Dividends paid

£11.8m

Invested into portfolio upgrades

Income statement

Rental income decreased by £0.4 million during the financial year to £43.5 million as a result of the three disposals. These properties contributed £1.7 million of rental income in the previous year, compared to £0.5 million in the current year.

Net rental income, excluding disposals, on a like-for-like basis, increased by £0.9 million or 2.4%, which was underpinned by the increased rents on the industrial assets. The contribution from the industrial assets was 60% for the year, an increase of 5% which is a result of the portfolio repositioning during the year. In particular we saw increases in industrial rental income in Barking, Bracknell, Harlow and Warrington where we benefitted from the full year of rents, following leasing activity in the previous financial year.

Property expenses also reduced as a result of lower void costs and general property operating costs. Property expenses on assets disposed during the year were £1 million (£1.6 million in the prior year).

Other property income decreased as a result of lease events during the year.

We have been focused on cost management recognising that an element of staff costs are performance related. Administration costs were lower than the prior year, due to the exceptional costs incurred in respect of corporate activity. We have during the year incurred some non-recurring costs due to Board transition, totalling £0.3 million.

Our EPRA cost ratio (excluding direct vacancy costs) has decreased from 23% to 22% during the financial year in part due to the non-recurring items noted above.

The Group cost ratio has increased from 1.2% to 1.3%, which is primarily due to the lower average net asset value over the period.

Net finance costs

Our financing costs decreased from £8.9 million to £7.7 million as a result of repaying the floating rate revolving credit facility in April 2024 and interest on the increased cash balances as a result of the disposals in the year.

Dividends

In April 2024, we increased our annual dividend by 6% to 3.7 pence per share, following the sale of Angel Gate, London and subsequent debt repayment.

On 6 May 2025 we announced a further increase in the dividend to 3.8 pence per share, a 2.7% increase. We have maintained dividend cover at 113% giving comfortable headroom.

Investment properties

As at 31 March 2025 the portfolio comprised 47 assets and the appraised value was £723.1 million, with revaluation gains on the portfolio of £12.9 million, net of capital expenditure and lease incentives.

During the year we disposed of three assets for total gross proceeds of £51 million, and £50 million net of disposal costs. The disposals realised a gain of £1.5 million reflecting the uplift from March 2024 values.

We have continued to invest in the property portfolio with £11.8 million in capital expenditure during the financial year to support the rental income increases and capital values over the medium to longer term. Capital expenditure has been across all sectors with a focus on the office assets, which comprised approximately 70% of the spend during the year. The key office projects included the refurbishment of Tower Wharf, Bristol, Atlas House, Marlow, Grafton Gate, Milton Keynes, Pembroke Court, Chatham and Colchester Business Park.

The value of the floor that we occupy at Stanford Building, London, has been excluded from the value of Investment Properties and included separately within Property, Plant and Equipment. Any capital movements arising from the revaluation of this element of the property are shown within the Consolidated Statement of Comprehensive Income and classified as owner-occupied property.

Borrowings

Total borrowings were £209.6 million at 31 March 2025, with the loan to value ratio at 24%. The weighted average interest rate on our borrowings was 3.7% while the average loan duration was 6.7 years.

The fair value of our drawn borrowings at 31 March 2025 was £183.5 million, lower than the book value by £26.1 million. As a result, our EPRA NDV asset value was £559.5 million at 31 March 2025, higher than the reported net assets under IFRS. Market rates continue to be higher relative to the rates set on our facilities.

At 31 March 2025, the revolving credit facility was undrawn, remaining undrawn since April 2024, when it was repaid with the proceeds from Angel Gate. The £50.0 million facility was due to mature in May 2025 and has been refinanced post year end for a further three years in order to provide operational flexibility and future investment opportunity. Under the revolving credit facility extension, the margin will increase to 165 bps for the first £25 million drawn and 170 bps thereafter. We have strong banking relationships with our lenders; the Group has remained fully compliant with its loan covenants and has made scheduled amortisation payments during the year of £1.5 million.

Cash flow and liquidity

During the year, our cash balances increased to £35.3 million, mainly due to the disposals during the year. The cash flow from operating activities this year was £24.9 million and dividends paid were £20.1 million.

Net disposal proceeds of £50 million have primarily been used to repay debt (£17.9 million), invest in the property portfolio (£11.8 million), purchase shares (£7.5 million), hedge employee share schemes (£1.5 million) and one tactical acquisition (£0.5 million). The remaining proceeds will be used to fund the amounts outstanding under the share buyback programme (approximately £5 million, as at 31 March 2025) and future capital expenditure.

Summary of borrowings

	2025	2024	2023
Fixed rate loans (£m)	**209.6**	211.1	212.6
Drawn revolving facility (£m)	**–**	16.4	11.9
Total borrowings (£m)	**209.6**	227.5	224.5
Borrowings net of cash (£m)	**174.3**	207.7	204.4
Undrawn facilities (£m)	**50.0**	33.6	38.1
Loan to value ratio (%)	**24.1**	27.9	26.7
Weighted average interest rate (%)	**3.7**	3.9	3.8
Average duration (years)	**6.7**	7.2	8.4

£51m
Disposal proceeds

£12.5m
Share buyback programme

£17.9m
Repaid debt

Share capital

No new ordinary shares were issued during the year. We announced a share buyback programme on 30 January 2025 which, on 4 April 2025, was increased to £12.5 million and extended to 21 May 2025. As at 31 March 2025, a total of 11,205,596 shares had been purchased and cancelled at a cost of £7.5 million, at an average price of 67 pence. This equates to a 33% discount to the March 2025 NAV per share and has been accretive to both earnings and NAV growth. Post year end, a further 5,360,795 shares have been purchased and cancelled as at 19 May 2025.

The Company's Employee Benefit Trust (EBT) purchased 2,100,000 shares during the year and holds 2,942,959 shares as at 31 March 2025. Shares are held by the EBT to hedge awards outstanding under employee share schemes. As the Trust is consolidated into the Group's results, these shares are effectively held in treasury and therefore have been excluded from the net asset value and earnings per share calculations, from the date of purchase.

Saira Johnston
Chief Financial Officer
21 May 2025

The EPRA key performance measures for the year are set out here, with more detail provided in the EPRA Best Practices Recommendations (BPR) and Supplementary Disclosures section which starts on page 160.

Alternative performance measures (APMs)

We use a number of alternative performance measures (APMs) when reporting on the performance of the business and its financial position. These do not always have a standard meaning and may not be comparable to those used by other entities. However, we use industry standard measures and terminology where possible.

In common with many other listed property companies, we report the EPRA performance measures. We have reported these for a number of years in order to provide a consistent comparison with similar companies. In the Additional Information section of this report, we provide more detailed information and reconciliations to IFRS where appropriate.

Our key performance indicators include three of the key EPRA measures but also total return, total property return, property income return, total shareholder return, loan to value ratio, cost ratio, occupier retention rate, employee satisfaction and EPC ratings. The definition of these measures, and the rationale for their use, is set out in the Key Performance Indicators section on pages 20 to 23.

EPRA's mission

The European Public Real Estate Association's (EPRA) mission is to promote, develop and represent the European public real estate sector. As an EPRA member, we fully support the EPRA Best Practices Recommendations which recognise the key performance indicator measures, as detailed here.

Specific EPRA metrics can also be found within the Key Performance Indicators section of this report on pages 20 to 23, with further disclosures and supporting calculations on pages 160 to 163.

EPRA NTA per share

100p

2025	100p
2024	96p
2023	100p

EPRA NDV per share

105p

2025	105p
2024	101p
2023	105p

EPRA NRV per share

109p

2025	109p
2024	105p
2023	110p

EPRA earnings

£22.8m

2025	£22.8m
2024	£21.7m
2023	£21.3m

EPRA earnings per share

4.2p

2025	4.2p
2024	4.0p
2023	3.9p

EPRA cost ratio[1]

30.9%

2025	30.9%
2024	32.4%
2023	29.9%

EPRA vacancy rate

6.2%

2025	6.2%
2024	9.2%
2023	9.5%

EPRA cost ratio[2]

21.9%

2025	21.9%
2024	23.0%
2023	21.3%

EPRA net initial yield

5.4%

2025	5.4%
2024	5.4%
2023	5.0%

EPRA LTV

24.5%

2025	24.5%
2024	28.2%
2023	27.0%

EPRA 'topped-up' net initial yield

6.2%

2025	6.2%
2024	5.9%
2023	5.5%

1 Including direct vacancy costs
2 Excluding direct vacancy costs

For more information on our strategy and performance across our report see:

Chief Executive's Review page 16

Key Performance Indicators page 20

Principal Risks page 49

Managing Risks

The Board recognises that there is inherent risk that could have a material impact on the Group's operations and is committed to effective risk management to protect stakeholder value.

Macroeconomic and geopolitical challenges have continued into 2025 which has provided some uncertainty around interest rates and inflation. Our approach to risk management remains key to managing our ongoing operations and performance, as well as positioning ourselves to take advantage of the changing landscape in the medium and long term.

Review of risk management framework

The Board has ultimate responsibility for risk management and internal controls. The Board has adopted a structured approach to considering risks and defined a framework that informs decision making so that the risks can be reported, monitored and mitigated.

During the year, the Board reviewed and updated the Risk Management Policy to strengthen the management of risks and incorporate risk and controls scoring into its framework and risk matrix. Based on this scoring, the Board has identified 11 principal risks as disclosed on pages 49 to 53.

In addition the Board reviews risk appetite to manage risks and operations, whilst acknowledging that the nature of the Company's operations involves taking risks. Whilst the risk appetite might change over time and different points in the property cycle, the overall appetite for risk remains low and aligned to our long-term strategic objectives.

Emerging risks

In addition to monitoring the principal risks, the Board considers emerging risks. Last year the Board identified six emerging risks which have been incorporated into the principal risks under economic market conditions, discount and the ability to attract capital, portfolio strategy, regulatory compliance, climate change and operational risk.

We recognise that these risks are rapidly evolving and are harder to predict in longer-term timescales. We will in particular continue to monitor the rapid changes in technology such as AI to determine how this will affect us, our occupiers and wider stakeholders.

Responsibilities

Board

The Board has ultimate responsibility for risk management and internal controls within the Company as well as determining the risk appetite. The Board reviews the Risk Management Policy at least annually and will ensure that it is aligned with the Company's strategic priorities.

Audit and Risk Committee

Responsible for overseeing the development and implementation of the Risk Management Policy, including a six-monthly or as necessary, review of the existing and emerging risks alongside mitigating controls and their effectiveness. The Audit and Risk Committee will report to the Board on such matters.

Executive Committee

The Executive Committee is responsible for detailed risk assessment including maintaining a risk matrix setting out risks, detailed controls and risk appetite as well as embedding a culture of risk awareness in relation to day-to-day operational matters.

Management committees

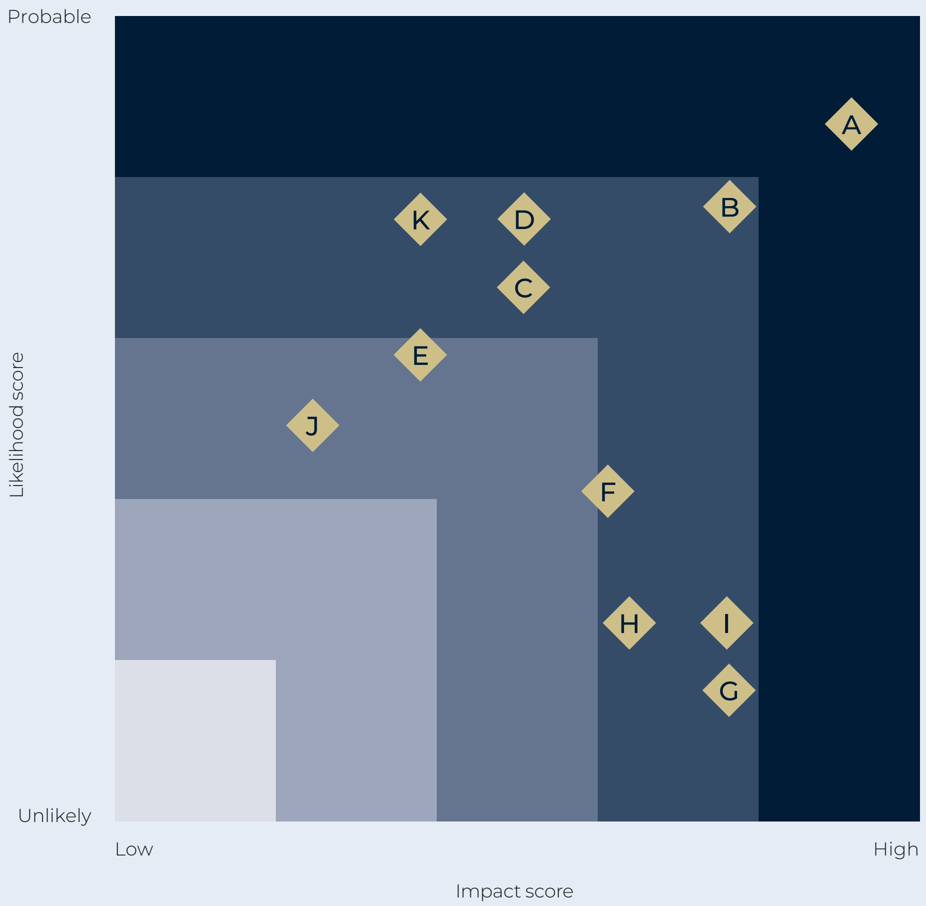
Support the Executive Committee in these matters. The Transaction and Finance Committee has oversight of all property transactions and the Responsibility Committee specifically has input on the ESG risks across all areas.

Principal Risks

The principal risks have the potential to affect the business meeting its strategic objectives materially. These are summarised in the diagram below and described in the table on the following pages, which also includes commentary on updates of any changes during the year.

Risk matrix

The principal risks remain consistent with those reported last year but we have recategorised and reframed the descriptions of some risks and added a new principal risk: discount and ability to attract capital.



Principal risks

Market
- A Economic market conditions
- B Discount and ability to attract capital

Portfolio
- C Portfolio strategy
- D Investment
- E Occupiers
- F Valuation

Finance and Tax
- G Liquidity and working capital
- H Gearing

Other
- I Regulatory compliance
- J Operational
- K Climate change

Market

A Economic market conditions

The Company's performance is adversely impacted by wider economic factors such as inflation, interest rates, political changes, recession and geopolitical events.

Link to strategic priorities:

Impact

Investors required return increases and there is a difference between the Company's achieved returns compared to their return requirements.

Occupiers' businesses are adversely impacted by poor economic conditions.

Inflation impacts the Company's cost base.

How is the risk managed

The Board considers economic and market conditions when reviewing its strategy and making investment decisions.

Commentary

Current macroeconomic conditions and geopolitical events mean the outlook remains uncertain.

The outlook for GDP growth, inflation, the labour market and other factors will influence the central bank's decision making on interest rates.

Risk trend:

B Discount and ability to attract capital

The Company's share price discount to NAV will persist or widen and there is insufficient appetite from new or existing shareholders to support an equity raise or growth.

Link to strategic priorities:

Impact

A share price discount will prevent the Company raising more equity which adversely affects the Company's ability to achieve economies of scale from an internally managed model.

Shareholder dissatisfaction increases susceptibility to corporate activity/interest.

Unable to attract broader coverage from analysts/rating agencies/investors due to scale.

How is the risk managed

The level of discount relative to the NAV is closely monitored by the Board.

The Board has prioritised the allocation of capital to repay the floating rate debt in order to support earnings growth and narrow the discount. New investment opportunities have been de-prioritised and a share buyback programme has commenced.

Proactive push to widen shareholder base with brokers, as well as increase shareholder engagement for example, hosting a capital markets day.

Commentary

The Board is working closely to address the discount at which the shares trade through capital allocation and executing the planned office repositioning strategy.

Risk trend:

Risk trend:

Increasing | No change/ stable | Decreasing

Portfolio

C Portfolio strategy

Risk	Impact	How is the risk managed	Commentary
Diversification across geographies and 'traditional' sectors may lead to the Company's portfolio delivering below MSCI/peer group performance. **Link to strategic priorities:** 1 2 3	Underperformance vs. peer group and insufficient clarity to investors on return profile. The Company is unable to meet investors' required returns and is perceived to hold sectors/assets which generate lower returns than either the overall benchmark or specialists.	The composition of the portfolio is reviewed regularly alongside market trends to determine whether a pivot in sector or geography weightings is appropriate. Annual asset level business plans are completed with forecast returns. Team remuneration is linked to MSCI and peer performance.	The Group has continued to reduce its exposure to the office sector by pursuing alternative use strategies and executing on disposals. As a result, the portfolio is most concentrated in the industrial sector. The portfolio has outperformed the MSCI UK Quarterly Property Index this year. **Risk trend:** No change/stable

D Investment

Risk	Impact	How is the risk managed	Commentary
Lack of acquisitions or reinvestment opportunities that are accretive to returns. Where suitable investments can be identified, there may be pricing competition which affects the ability to transact. Issues not identified in due diligence. **Link to strategic priorities:** 1 2	Underperformance in the property portfolio. Unable to recycle capital and reprofile returns and/or yield on the portfolio.	The team is actively engaging with the market, seeking new deals and building an investment pipeline. Acquisitions are subject to Board-level approval and post-acquisition reviews are carried out after two years.	Notwithstanding the current prioritisation of share buybacks, we continue to monitor future opportunities and evaluate returns. MSCI recorded a 15% increase in transaction volumes in the year to March 2025, albeit investment volumes remain below the long-term average. **Risk trend:** No change/stable

E Occupiers

Risk	Impact	How is the risk managed	Commentary
Occupier defaults, increasing numbers of lease breaks actioned. Poorer occupational property market. **Link to strategic priorities:** 1 3	Immediate impact on earnings and dividend capacity. Risk of bank covenant breaches.	The property portfolio is diversified across sectors, assets and occupiers. Our occupier focused approach, underpinned by our key Picton Promise commitments, ensures strong occupier engagement, evidenced by our annual occupier survey. Monthly meetings monitor Property Manager performance, with weekly rent collection reporting.	The occupier market has remained resilient, with MSCI reporting four consecutive years of robust levels of rental growth to March 2025. Our rent collection is 99%. **Risk trend:** No change/stable

Portfolio *continued*

F Valuation

Property valuations are subjective and dependent on geopolitical, macroeconomic and cyclical factors, such as inflation and interest rates in addition to structural changes in certain sectors and regions. **Link to strategic priorities:** 1	**Impact** Decreasing valuations reduce investor confidence and share price. Volatile or unsupportable valuations could lead to loss of investor confidence in the NAV. Breach of banking covenants.	**How is the risk managed** The properties are valued quarterly by an independent valuer with oversight from the Property Valuation Committee, which facilitates an in-depth quarterly review. Mandatory valuation rotation with a maximum of five years for an individual and ten years for a firm. No development or land.	**Commentary** Commercial property values have stabilised during the year and headroom exists on banking covenants. Knight Frank were appointed as external valuer effective June 2025 due to mandatory valuer rotation. As at 31 March 2025 a shadow valuation was carried out alongside CBRE, and reviewed by the Property Valuation Committee. **Risk trend:**

Finance and tax

G Liquidity and working capital

The Company requires cash flows from rental income and contractual lease payments in order to meet its liabilities to lenders, suppliers and dividend payments to shareholders. **Link to strategic priorities:** 2	**Impact** Insufficient cash to meet liabilities which may mean delayed payments to suppliers, insufficient cash for dividends payments.	**How is the risk managed** The revolving credit facility (RCF) allows flexibility to draw, repay and manage working capital, capital expenditure and disposal/acquisitions. The Board reviews quarterly cash flow forecasts.	**Commentary** During the year the Company disposed of three assets and the disposal proceeds have been utilised during the year to repay the RCF. Post year end we refinanced the RCF with NatWest, extending the maturity for an initial term of three years with two further one year extension options. The RCF is undrawn but provides operational flexibility and opportunity for investment. **Risk trend:**

H Gearing

Potential to enhance returns but in falling markets there may also be an adverse impact on performance. A breach of debt covenants or failure to manage refinancing events could lead to a funding shortfall. Cost base exposed to interest rate risk. **Link to strategic priorities:** 2	**Impact** Loan amounts become immediately due in the event of a breach or a refinancing which may have to be resolved by forced asset sales or penal interest rates. Increased cost base if interest rate increases.	**How is the risk managed** The Board reviews quarterly cash flow forecasts and loan covenants. Interest rate hedging is in place through the fixed rate loans. We have a diverse lender base and longstanding relationships.	**Commentary** Disposal proceeds have been utilised during the year to repay the RCF and reduce our LTV from 28% to 24%. The RCF has been refinanced and the maturity extended for an initial term of three years with two further one year extension options. Debt maturity is 6.7 years. **Risk trend:**

Risk trend:

Increasing | No change/ stable | Decreasing

Other

I Regulatory compliance

The Company must comply with a wide range of legislation and regulation including health and safety, tax and listing rules, environmental reporting and accounting matters. New or revised legislation or regulations may have an adverse impact on operations and increase costs. **Link to strategic priorities:** 2 3	**Impact** Financial loss and reputational damage or REIT status withdrawn. Litigation, fines and reputational damage from health and safety failures. Additional costs as a result of increasing legislation and loss of shareholder confidence as a result of any breaches.	**How is the risk managed** Appointment of Deloitte as tax advisers. The Board monitors changes to legislation with its professional advisers and through industry bodies such as the Better Buildings Partnership and British Property Federation. The governance structure supports this further with the Health and Safety and Responsibility committees.	**Commentary** Planning reforms have been beneficial to our change of use strategy and securing planning permission for alternative use at four office assets. The Government is expected to continue support of the REIT regime and its focus to decarbonise and transition to net zero. **Risk trend:** No change/stable

J Operational

A small team with higher key person reliance and simple operational structure which may be impacted by a major event/business disruption. **Link to strategic priorities:** 2	**Impact** Loss of certain individuals will have a material impact on operations and shareholder engagement/market perception. An unexpected business disruption event would have an adverse financial impact and restrict the ability to operate.	**How is the risk managed** A succession plan is in place and reviewed annually. We have in place an employee incentive package to support retention. Incident Management Strategy and Business Continuity Plan is in place. We engage regularly with our employees.	**Commentary** The risk of cyber events and business disruption events remains. During the year we reviewed our Incident Management Strategy and Business Continuity Plan. Our internal audit scope included a review of IT controls, and our cyber certifications were updated. We rolled out IT Security training for all our employees. **Risk trend:** No change/stable

K Climate change

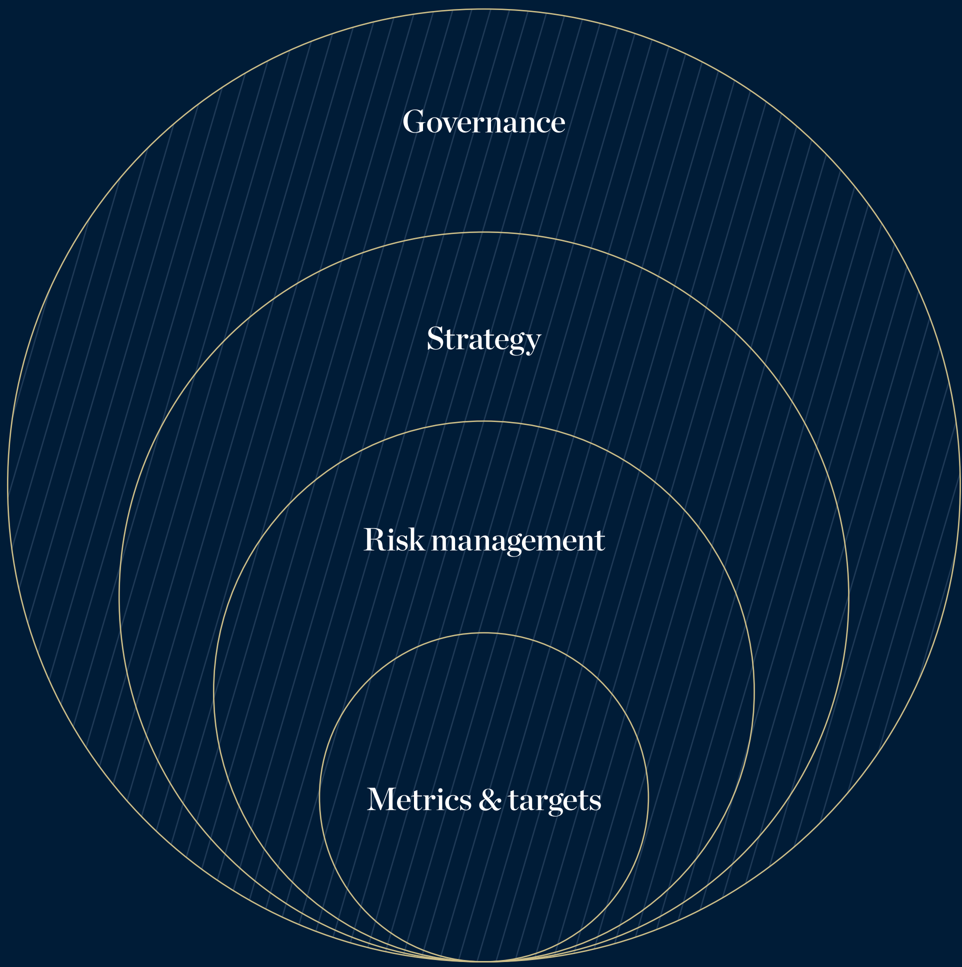
Transition risks associated with the long-term trends arising from climate change. These include increasing regulation, reporting, insurance, Government response and business models of landlords and occupiers changing. Physical risks associated with the impact of climate change on our buildings. **Link to strategic priorities:** 2 3	**Impact** Cost base increased by increased reporting requirements and regulation. Valuation adversely impacted by capital expenditure needed to transition, manage obsolescence and stranded asset risk.	**How is the risk managed** ESG governance processes are embedded into investment, asset and operational processes. Environmental consultants available on a retainer basis to advise on upcoming transition risks. The portfolio is diversified across a number of sectors, assets and geographic locations. Flood risk assessments have been carried out for all properties in respect of pluvial, fluvial and reservoir flooding. EPC ratings are closely monitored and reported.	**Commentary** We continue to improve our EPC profile and remain fully MEES compliant. Our assessments show that the flood risk in the portfolio remains de minimis. Our due diligence process alerts us to any physical or transition risk associated with property acquisitions. **Risk trend:** No change/stable

TCFD Statement

We are committed to ensuring that sustainability is embedded in everything we do as a business, and we are dedicated to proactively managing our climate-related risks and reporting climate-related financial information publicly and transparently for our stakeholders.

Here, we firstly outline our overarching risk management approach and secondly, disclose the climate-related risks and opportunities for the business, which we have identified in accordance with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations and complying with the LSE Listing Rules published by the Financial Conduct Authority in 2022.

This is an area which is evolving and we will seek to improve our disclosure over time. Additional information is published in our Sustainability Data Performance Report.



Inside this section

Governance

Recommendation	Commentary
1.1 The Board's oversight of climate-related risks and opportunities For more information **Managing Risks** on page 48 **Board Committees** on page 100 Scan or click here to see our ESG policies	The Board has ultimate responsibility for risk management including monitoring ESG and climate-related risk as part of the Group's overall risk management framework. The Board has delegated responsibility to the Audit and Risk Committee for ensuring that climate-related risks and wider sustainability issues facing the Group are identified and monitored. The Board has also delegated responsibility for monitoring existing and emerging risks alongside the mitigating controls and their effectiveness. Climate change has been identified as a principal risk to the business and the Audit and Risk Committee is therefore responsible for updating the Board on the current and planned actions being taken to mitigate material climate-related risks to the Group. The Board receives climate-related information as part of the Executive's reporting to the Board on responsibility matters, and on climate-related risk as part of the Audit and Risk Committee's reporting to the Board following its annual review of the Risk Management Policy. The Board has adopted a new ESG Governance Policy this year as part of the work undertaken reviewing and developing our ESG Strategy.
1.2 Management's role in assessing and managing climate-related risks and opportunities For more information Scan or click here to see our ESG policies	The Executive Committee is responsible for detailed risk assessment including a risk matrix setting out risks, detailed controls and risk appetite as well as embedding a culture of risk awareness in relation to day-to-day operational matters. Climate-related risks, both transitional and physical are included in this and each stage of an asset's life cycle from acquisition. The Executive Committee has delegated day-to-day responsibility for ESG, including climate-related matters and wider sustainability issues, to the Responsibility Committee. The Responsibility Committee meets regularly to consider all aspects of sustainability and is responsible for identifying and reporting any emerging climate-related risks and opportunities. The Committee ensures compliance with all relevant ESG standards and legislation and provides regular updates to the Executive Committee. The Responsibility Committee is also responsible for overseeing our ESG strategy and has oversight of the Climate Action Working Group, which is responsible for the implementation of several climate-related policies and strategies which have been put in place to mitigate the risks of climate change.

Strategy

Recommendation	Commentary
2.1 Climate-related risks and opportunities identified over the short, medium and long term	Climate-related risks will materialise over differing time horizons and we have undertaken climate risk assessments to identify the short-term risks and consider those that might impact in the medium and long term. The climate risk assessments carried out in 2021, were across the two climate scenarios RCP 4.5 and RCP 8.5 by the Intergovernmental Panel on Climate Change (IPCC) to identify the top climate-related risks and opportunities to our business in the short term (2020–2029), medium (2030–2039) and long term (>2040) as well as assess their implications and the necessary actions to manage them. We will review the need to update this assessment after each five-year period, or sooner if more than 25% of the portfolio changes. Since 2021, there have been three asset acquisitions and disposals and we do not deem this to be a material portfolio change in this context. **Scenario analysis** The climate risk assessment process in 2021, covered all relevant climate-related risks, tailored to the assets' geography sector, across the decades 2020–2029, 2030–2039 and 2040–2049 under scenarios RCP 4.5 and RCP 8.5. From this we were able to identify the risk profiles of our assets, strengthening our ability to make sound strategic decisions on where to focus mitigation actions and harness opportunities. The asset-level assessment included modelling our assets' susceptibility to climate-related risks, including physical risks, for example flooding, heat stress and extreme weather events; and transition risks, such as market risks and technology, in quantitative terms, exposing the potential financial losses and savings associated. The business-level assessment qualitatively determined the likelihood and impact of a range of physical and transition climate-related risks on a scale of one to five, with consideration of the portfolio modelling results, by rigorously analysing the most up-to-date, peer-reviewed scientific literature. The impact assessment factored in the level of disruption, financial impact and ease/cost of mitigation of the risk, ranging from minimal or no impact (1) to catastrophic impact that threatens the business' future (5). Likelihood was based on the probability, frequency, duration of impact and speed at which the risks materialise, ranging from risks with a short duration that materialise gradually to risks that materialise rapidly and endure over a significant period. High impact opportunities were also identified in relation to our business strategy. Climate risk is considered as part of the acquisition due diligence process in accordance with BBP Acquisitions Sustainability Toolkit. We do not believe the portfolio changes since 2021 have impacted the risks and opportunities within the portfolio. We identified our top risks, which are included in the table below. **Time horizons** We have selected time horizons aligning with climate policy and available data. We have assessed our time horizons and current business strategy against climate risks over the short, medium and long term.

Short term 2020–2029	**Medium term** 2030–2039	**Long term** >2040
To mitigate the largest impacts in the current decade, plans and resilience measures must be implemented in the immediate term. Our short-term focus has been to transition from gas to electric in buildings that we manage directly. In addition, we are installing solar on-site renewables where feasible.	We aim to achieve net zero carbon by 2040, ahead of the UK Government's 2050 target. Aligning this time horizon to our decarbonisation target supports clear stakeholder communications and asset planning, as net zero carbon and climate resilience measures can be executed in parallel.	We recognise that long-term climate risks present near-term challenges, such as reputational damage or reduced asset values. Identifying these risks has guided our investment decision to embed climate resilience across our business and portfolio.

Strategy *continued*

Risk	Risk description	Risk impacts	Mitigating controls
Short term 2020–2029			
Changes in market and occupier expectations and demand	As markets shift to meet growing demand for low or zero carbon alternatives, climate resilient assets could achieve 'green premiums' by outperforming unsustainable assets. Failure to adapt could create competitive risk and occupier default risk, while demand may also shift away from certain geographies or sectors.	– Lower demand for inefficient assets, creating lower rental and asset values – Stranded asset risk in high-risk geographies – Occupier default risk for occupiers with carbon intensive operations	– Risk: management approach includes identification and tracking of climate-related risk, including both physical and transition risks – Data: we are working with our data system provider and managing agent to improve the quality of our energy consumption data, in respect of detail, accuracy and coverage, for both landlord and occupier data – Occupiers: incorporating green lease clauses to engage occupiers and improve data collection – Investment: consideration of divestment from high-risk assets if necessary. Acquisition due diligence incorporates Better Buildings Partnership acquisition guidelines – Refurbishment: investing in the current portfolio in accordance with our sustainable refurbishment guidelines at an appropriate time in the lease event cycle – Portfolio management: incorporating TCFD considerations and net zero strategy into our annual asset business plans, with actions being regularly reviewed and monitored through the ESG Governance Policy
Increased building standards requirements	Buildings to adhere to higher standards, to improve efficiencies and operational practice. Non-compliant assets could experience reputational risk and reduced occupier demand.	– Capital expenditure cost to meet new standards – Stranded asset risk and increased void period for non-compliance	
Financial market impacts	Market preferences shift towards low carbon solutions and climate resilience, or due to sustained damage from climate-related physical impacts.	– Potentially affecting our ability to secure financial capital, acquisition activities and asset values	

TCFD Statement *continued*

Strategy *continued*

Risk	Risk description	Risk impacts	Mitigating controls
Medium term 2030–2039			
Decarbonisation and increased energy demand/ cost	Increasing demand for renewable energy sources and low carbon solutions exceeds supply or infrastructure capabilities.	– Rise in energy prices due to support for low carbon generation – Increased operational costs, fuelled by price increases and rising demand for cooling – Increase in material and procurement costs due to supply chain disruptions and carbon tax on embodied carbon	– Risk: management approach includes identification and tracking of climate-related risk, including both physical and transition risks – Refurbishment: continued implementation of our sustainable refurbishment guidelines across our portfolio at an appropriate time in the lease event cycle. Updating these as needed to implement our net zero strategy – Portfolio management: continued incorporation of TCFD risk analysis and our net zero strategy into asset-level business plans – Continued monitoring and evolution of the process, through the ESG Governance Policy – Update climate risk assessment and prioritise assets with vulnerability to extreme weather events
Flooding	Increased duration and intensity of precipitation, snow melt and rising sea levels will exacerbate all types of flooding. In our current portfolio there is very limited exposure to coastal flooding risk. Some assets have a degree of exposure to fluvial and pluvial flooding risk.	– Repair costs and loss of access to asset – Capital expenditure to install mitigation measures – Reduced regional investment and footfall – Decline in asset value or stranded asset risk	
Heat stress	Rising mean temperature and extreme temperature highs puts pressure on both our assets and people. Our concentration of assets in Southern England increases our susceptibility to this risk and to associated costs.	– Degradation of plant and equipment leading to capital expenditure associated with replacement – Increased operational costs – Reduced occupier demand for spaces lacking sufficient cooling and/or ventilation	
Extreme weather events	Extreme weather events, including storms, heavy winds, heavy precipitation, drought and snow become more frequent and severe, exacerbated by shifting sea temperatures and seasonal patterns.	– Repair costs and loss of access to asset – Capital expenditure to install mitigation measures – Decline in asset value or stranded asset risk	
Long term >2040			
Drought and water stress	Water becomes increasingly scarce, with supply unable to meet demand. As temperatures rise, average drought lengths could increase, with implications on water costs, supply chains and public health.	– Increased operational costs – Decline in asset value for water inefficient asset – Capital expenditure to improve efficiency – Increased risk of property damage due to subsidence – Increased insurance cost – Supply chain risk	– We will carry out a detailed water stress assessment and develop a mitigation and adaptation plan

Strategy *continued*

Recommendation	Commentary
2.2 Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning For more information **Sustainable Thinking: Our Approach** on pages 64 to 65 **Net Zero Progress** on pages 70 to 71	Acting responsibly is a key strategic priority and is embedded within our business model supporting what we do in all elements of investment and asset management, whilst considering the impact on all of our stakeholders. This year we reviewed our materiality assessment, ESG priorities and defined a framework of strategies and policies to support these across all areas of our business. The framework includes a Climate Change Policy, supported by a Climate Resilience and Net Zero Strategy as well as a Biodiversity Policy. Our pathway to achieve net zero carbon by 2040 aligns with the Better Buildings Partnership's (BBP) Net Zero Carbon Pathway Framework and the UK Green Building Council's (UKGBC) net zero carbon hierarchy. Managing climate risk is integrated in all stages of the asset life cycles as set out below: 1. Acquisitions The BBP Acquisitions Sustainability Toolkit is used during the acquisition process. This includes a sustainability investment checklist to assist with due diligence and guidance for asset onboarding post-acquisition. 2. Refurbishment We have created refurbishment guidelines supported by sector-specific net zero carbon guides. The refurbishment guidelines will evolve to include assessing transition and physical risks, and improving overall asset performance, for example: – Stranding risk assessment using CRREM, to ascertain the stranding year of each asset – Thresholds for whole life carbon emissions and embodied carbon of materials – Requirements to mandate the use of low and zero-carbon technologies, maximising renewable energy generation and procurement of renewable energy – Physical risk assessment and climate resilience including measurement and reporting of flood and overheating risks as well as incorporating adaptation measures 3. Asset management Our asset-level business plans are reviewed annually and incorporate TCFD considerations as well as net zero strategy. The plans include data on the current position of each asset, for example energy intensity, EPC ratings, presence of fossil fuel-based systems and any on-site renewables. The business plans detail our strategy over the short, medium and long term for each asset in terms of building decarbonisation, execution of the net zero carbon guides and consideration of current and future physical and transition risks. Effective collaboration with our occupiers is essential if we are to achieve our net zero commitment.
2.3 Resilience of the organisation's strategy, taking into consideration different climate-related scenarios	Having conducted climate risk assessments across the IPCC's RCP 4.5 and RCP 8.5 scenarios, we have an understanding of our material climate-related risks and opportunities. Our chosen scenarios align with industry best practice and cover the most likely range of average global temperature rise in the coming decades. The RCP 4.5 climate scenario is characterised by significant policy action and market forces to decarbonise and meet the Paris Agreement. Our resilience to risks presented by the low-carbon transition is being secured by implementing our net zero carbon pathway and related activities described in this TCFD disclosure. The RCP 8.5 scenario is characterised by significant changes in weather patterns and severe physical hazards, accompanied by increased risks for destabilisation of financial markets affecting revenues, insurance challenges and litigation cases if risks are not managed adequately. Our resilience against risks associated with this high emissions scenario is being secured by embedding stringent mitigation measures to support climate adaptation and resilience across each stage of the property life cycle and our proactive approach to assessing and managing risks. Analysing these distinct climate scenarios has enabled us to understand the wide scope of climate-related risks and opportunities and inform actions to support our resilience.

Risk management

Recommendation	Commentary
The organisation's processes for identifying and assessing climate-related risks For more information Scan or click here to see our ESG policies	The material climate-related risks defined as a result of this assessment are incorporated in the risk management framework and matrix, which is reviewed annually. This year we have formalised an ESG Governance Policy which sets out responsibilities for all elements of ESG including climate risk. Climate change risk is considered a principal risk. In assessing this risk, we have carried out asset-level desktop assessments for our entire portfolio to understand our exposure to this climate risk at a more granular level, addressing flooding from rivers, surface water, reservoirs and sea.
The organisation's processes for managing climate-related risks For more information **Net Zero Progress** on pages 70 to 71	We are committed to future-proofing our portfolio and retaining its value and have built this into our business model as noted below. 1. Business planning The asset-level business plans contain an ESG dashboard which includes EPC ratings, flood risk and whether the asset meets the key elements of our net zero strategy, such as removing fossil fuels and installing solar panels. The business plans are reported to the Board and reviewed semi-annually. 2. Acquisitions The BBP Acquisitions Sustainability Toolkit is used during the acquisition process. This includes a sustainability investment checklist to assist with due diligence and guidance for asset onboarding post-acquisition. 3. Refurbishment We acknowledge that this investment is vital to maintain the value of our assets and to remain attractive to occupiers seeking climate change resilience. Our sustainable refurbishment guidelines include a number of detailed initiatives that support this and underpin our net zero strategy. 4. Portfolio management We will continue to inspect properties on an ongoing basis to ensure the asset-level business plans are implemented and these include actions to address for changing risks. We work with our property manager to improve the data on our buildings, helping us to understand our portfolio's baseline resilience to climate risk impacts and informing our asset resilience planning and capital expenditure requirements. We meet regularly with our insurance advisers to discuss climate-related issues as needed. This year we changed insurance broker to one more focused on climate issues. 5. Occupier engagement Our occupier engagement strategy helps facilitate discussions with occupiers on sustainability and climate-related topics. These are also included within the annual occupier survey and, in response, we are developing initiatives that will provide our occupiers with greater knowledge and expertise to optimise the sustainability performance of their buildings. When our energy data collection system is fully operational, we will be able to identify high-consumption occupiers, conduct audits, and implement an engagement programme focusing on energy efficiency and emissions reduction. 6. Data collection We have continued to improve our energy data collection process to enhance our ability to measure and manage emissions by working with our system provider, property manager and occupiers. Green lease clauses are incorporated into lease agreements.
The processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management framework	Our Risk Management Policy has enabled us to effectively integrate the climate-related risks which we have identified and assessed (see Strategy section) into our overall risk management processes, such that sustainability and climate-related issues are considered across all our activities. We are committed to conducting business responsibly and in a way that creates a positive impact on society. Therefore, we will continue to ensure climate-related risks are identified, assessed and managed appropriately to fulfil our role in tackling climate change.

Metrics and targets

Recommendation	Commentary
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	We report in line with EPRA Sustainability Best Practices Recommendations for sustainability reporting and publish our EPRA tables annually. We use a range of metrics to inform our stakeholders of our climate-related performance and activities, including: – Total and like-for-like Scope 1 and 2 emissions and total Scope 3 emissions; – Total and like-for-like electricity consumed in kWh, including energy intensity in kWh/m²; – Energy intensities for Scope 1 and 2 emissions using the metric tCO_2e/m^2; – Total renewable energy generated in kWh; – Total and like-for-like water consumption, including occupier water consumption in absolute terms, for each asset type; and – Total and like-for-like waste disposal in tonnes, split into recycling, composting, recovery, incineration and landfill. To supplement our quantitative measures, we also assess key qualitative measures, including EPC ratings and building certifications to build a holistic view of our portfolio's performance. Metrics included in our net zero carbon pathway which we will aim to report on in the future include: – Portfolio on-site renewable energy capacity (MW); – Renewable energy procurement (%); – High quality renewable energy procurement (%); – Major refurbishment embodied carbon intensity (tCO_2e/m^2 GIA); – Minor development and fit-out embodied carbon intensity (tCO_2e/m^2 GIA); – Total portfolio embodied carbon development (tCO_2e); – Total carbon emissions offset (tCO_2e).
Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We disclose Scope 1, 2 and 3 greenhouse gas emissions in our Annual Report and Sustainability Data Performance Report. We provide trend analysis since 2019 to show progress and historical performance. We calculate and report our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In recognition of the escalating concerns around climate change and our awareness that the real estate industry is a key contributor to global GHG emissions, we have developed a 1.5°C aligned net zero carbon pathway with a target year of 2040. We are currently developing interim/short-term reduction targets for our Scope 1, Scope 2 and Scope 3 emissions, as we believe this will guide more focused actions to reduce emissions across our operations. We intend to focus on defining our Scope 1 and Scope 2 interim targets initially, followed by our Scope 3 interim targets, which we will disclose in our future reports once confirmed. We are pursuing an embodied carbon target of 300 $kgCO_2e/m^2$ by 2040 for major refurbishments, aligning with the LETI 2030 Design Target for upfront embodied carbon (A1–A5). To increase our accountability and culturally embed climate risk management throughout the organisation, we have set remuneration-linked annual objectives applicable to Executive Directors' bonus opportunities for sustainability progress.

Sustainable Thinking: Practical Solutions

While the ESG landscape is changing, we remain focused on effective and practical solutions.

Acting responsibly is one of our key strategic priorities and sustainable thinking is embedded within our business model, underpinning all elements of investment and asset management.

This year, we have been exploring various options for setting interim net zero targets to maintain steady progress toward our 2024 net zero goal, in tandem with reviewing our materiality assessment and ESG priorities. The results of that have driven our ESG strategy and the supporting policy framework.

We have recently published our new ESG Governance and Diversity and Inclusion policies. We will be finalising the remainder over the coming year.

Alongside this we have continued making good progress with initiatives to reduce our emissions across the portfolio at an opportune time, typically generated by leasing activity and collaboration with our occupiers.

Our key areas of focus to reduce operational carbon, at an asset level, have been:

- Upgrading building structures: improving the fabric of our buildings to increase thermal performance, such as roofing and insulation
- Phasing out fossil fuels across our portfolio: replacing with electric based systems and upgrading heating, cooling and ventilation systems
- Installing energy efficient lighting systems: reducing the energy utilised for our occupiers and us as a landlord
- Improving building systems and optimisation measures
- Installing solar panels and electric chargers
- Embracing circular economy principles and maximising opportunities to recycle and reuse fit-out materials across our portfolio
- Aiming to improve occupier data collection to enhance our ability to measure and manage emissions

We recognise the importance of occupier data collection in order to track our emissions and enable us to set new interim targets to progress our commitment to net zero carbon in 2040.

We continue to collaborate with our occupiers and improve the automated metering of utility suppliers across our portfolio.

We are currently evaluating the Science Based Targets initiative (SBTi) framework as a method to establish interim carbon reduction targets and accelerate progress toward our net zero goal.

We are committed to clear and transparent reporting and continue to contribute to GRESB, as well as being active members of the Better Buildings Partnership.

We remain focused on resilience and long-term value creation for stakeholders, while being a driver of positive environmental and social impact.

Michael Morris
Chief Executive

For more information:

Sustainable Thinking: Our Approach pages 64 to 65

Net Zero Progress pages 70 to 71

EPC ratings A-C

83%

2024: 80%

2025	83%
2024	80%

2024 EPRA award rating

Gold

2024 GRESB rating

3 stars

Scope 3 data collection

55%

2024: 62%

Occupiers recommend us as a landlord

88%

Investor meetings

66

Charitable donations to 15 charities

£26k

2024: £25k to 15 charities

Reduction in Scope 1 & 2 emissions compared to our 2019 baseline

20%

Solar panels installed

531

New leases contained green clauses

97%

2024: 100%

Occupier retention rate

66%

2024: 76%

Employee satisfaction

76%

2024: 86%

2025	76%
2024	86%

Electricity purchased from REGO backed renewable sources

100%

■ Environmental focus ■ Social impact ■ Governance

ESG at a glance

Focus and key priorities FY26

Environmental focus

- Implement our new environmental policies and strategies
- Continue to decarbonise assets and increase the provision of on-site renewable energy production where feasible
- Continue to improve EPC ratings, with increased focus on achieving a higher proportion of A and B ratings in the portfolio
- Evaluate methods for interim carbon reduction target setting as we progress along our net zero pathway
- Consider rebaselining our net zero carbon pathway, as energy data collection rates and methods have improved since our 2019 baseline was created

Social impact

- Implement our new social impact policies, strategies and statements
- Continue to implement our occupier, employee, community and supplier engagement programmes
- Review our charity partnerships in line with our social impact policy

Governance

- Implement our new governance policies and strategies
- Continue to improve our GRESB and EPRA scores

Sustainable Thinking: Our Approach

We are committed to integrating environmental, social and governance best practice within our core business activities and continue to evolve our approach, developing our policies and strategies to support our key priorities.

Our ESG priorities focus on creating long-term value through sustainable practices.

These priorities address environmental impacts, social value creation and strong governance frameworks.

This year we have worked with sustainability consultants to review our material issues, refine our key ESG priorities and developed a framework of policies and strategies to support these across all areas of our business.

Following this review, we also reassessed our alignment with the United Nations Sustainable Development Goals (UN SDGs) to understand which goals are particularly important to us. While elements of our business are aligned with many of these global goals, we have prioritised alignment with those where we can make the greatest contribution:

- Affordable and clean energy
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life below water
- Life on land

Pillars	Environmental focus	Social impact	Governance
Themes	Climate change; Climate resilience; Net zero; Biodiversity	Occupier Engagement; Community Engagement; Employee Engagement; Supplier Engagement	ESG Reporting and Disclosures; Risk Management; ESG Governance Structure
Policies	Climate Change Policy; Biodiversity Policy	Social Impact Policy	ESG Governance Policy
Strategies/ Statements	Climate Resilience Strategy; Net Zero Strategy; Sustainable Refurbishment Guidelines; Waste Statement	Diversity & Inclusion; Modern Slavery Statement	Anti-Bribery
Connected UN SDGs	7 Affordable and clean energy; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land	11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action	12 Responsible consumption and production; 13 Climate action

Strategy and policy framework

Our strategy and policy framework drives our ESG priorities and approach and sets out some new policy areas, including ESG governance and diversity and inclusion.

Scan or click here for our full list of Policies on our website

We have also established new overarching policies for key areas of our business, including climate change and social impact, which were previously set out under individual policies.

Our environmental priorities remain focused on managing climate risk, owning sustainable buildings and conserving and enhancing biodiversity at our assets.

Our social value priorities are focused on stakeholder engagement with an emphasis on the wellbeing of occupiers, employees and the wider community.

We work with suppliers that are aligned with our values.

Strong governance ensures our clear and transparent reporting, ethical practices, regulatory compliance and alignment with our stakeholders expectations.

By integrating sustainable thinking into our core operations, we aim to reduce our environmental footprint, enhance occupier wellbeing and maintain strong governance practices.

Environmental focus

Sustainable thinking, practical solutions: reducing our emissions

Connected UN SDGs:

We have integrated an environmental focus throughout our business, from our strategic priorities down to individual asset level. Our environmental policies underpin the way we operate, providing clear guidance and setting expectations for all stakeholders, including our value chain.

We are focused on mitigating climate risks and protecting biodiversity in the areas in which we operate. Our environmental priorities are climate change, climate resilience and biodiversity, and we are aligned to the UN SDGs of climate action, sustainable cities and communities, responsible consumption and production, affordable and clean energy, life on land and life below water.

Climate change

We recognise the critical importance of addressing climate change and are committed to incorporating sustainability and resilience to our investment, operation and management strategies.

We have a responsibility to mitigate our carbon footprint and ensure that our portfolio is resilient to the impacts of climate change. This year we began to develop an overarching Climate Change Policy which focuses on achieving net zero emissions, enhancing climate resilience, and driving long-term value for all our stakeholders.

Key objectives in our Climate Change Policy will include:

- Annual measuring and reporting of our carbon footprint
- Setting interim targets and achieving net zero carbon by 2040
- Identifying, reporting and monitoring climate-related risk, including both physical and transition risks
- Developing and implementing a clear climate change adaptation and mitigation strategy
- Alignment with international climate agreements and frameworks, including the Paris Agreement and Task Force on Climate-related Financial Disclosures
- Regularly assessing and disclosing climate risk and opportunities in line with best practice

Our Climate Change Policy is expected to cover acquisitions, refurbishments and the operation and management of our buildings and will be underpinned by our net zero and our climate resilience strategies.

Initiative	Approach	Progress
1. Embodied carbon Minimise the embodied carbon cost of developments, major refurbishments and occupier fit-outs.	Our sustainable refurbishment guidelines set out where we consider whole life carbon assessments.	During the year two whole life carbon assessments were carried out on projects that exceeded £1.5 million.
2. Operational carbon Ensure operational carbon performance and efficiency across the portfolio is improved.	We have worked on engaging with our occupiers on automated data sharing to streamline the energy data collection process.	20% reduction in Scope 1 & 2 emissions compared to our 2019 baseline.
3. On-site generation Maximise amount of on-site renewable generation.	Installation of solar panels on our assets where feasible.	531 solar panels installed.
4. Renewables procurement Procure high quality renewable energy.	No existing energy contracts were due for renewal during the period.	100% purchased electricity is from REGO backed renewable sources.
5. Offsetting Acquire high quality offsets to neutralise residual emissions.	Once interim net zero target setting has been finalised, we will determine our carbon offsetting strategy.	N/A
6. Third party verification Maintain credibility and transparency of our emissions data.	Annual independent third-party assurance of energy data.	100% certification of energy, water, and waste data by third-party assurance.

Our 2040 net zero commitment

In 2019 we defined our portfolio's baseline for carbon emissions and mapped our pathway to net zero in alignment with the Better Buildings Partnership Net Zero Carbon Pathway Framework and The UK Green Building Council's (UKGBC) net zero carbon hierarchy, with our ambition set at becoming net zero carbon by 2040.

As our knowledge of net zero has evolved, this year we started creating a more granular net zero strategy across our portfolio.

Due to improvements in data collection and data coverage, we are considering a rebaselining of our net zero carbon pathway. This would enable us to apply for validation of our interim targets through the SBTi framework if our evaluation shows that this method is appropriate for our business.

This year we have made good progress on reducing our absolute Scope 1 and 2 emissions compared to our 2019 baseline, and our portfolio's energy intensity has also decreased significantly on this basis.

Our Scope 3 emissions are where we have less control and influence, however we are focusing on improving our data coverage and making energy data collection more efficient, as we cannot manage what we cannot measure.

Our net zero strategy is supported by our sustainable refurbishment guidelines which sit alongside our work on building decarbonisation, through increased solar capacity, removal of fossil fuel based systems and other improvements to our buildings.

We recognise that using resources efficiently has a positive impact on the environment.

We continue to work with our supply chain and operate within our building refurbishment guidelines to ensure a carbon efficient programme of works.

We have continued to make good progress on the UKGBC principles across our portfolio as summarised above with more detail on
pages 70 to 71

Climate resilience

We are committed to ensuring that our portfolio is resilient to the impacts of climate change for both physical and transition risks. We incorporate sustainability and resilience into our investment, refurbishment and asset management strategies.

We report annually in line with the Task Force on Climate-related Financial Disclosures (TCFD). Our TCFD statement, which sets out our approach to identifying and managing climate-related risk, can be found on pages 54 to 61.

We are in the process of developing a Climate Resilience Strategy in alignment with the Better Buildings Partnership's (BBP) definition of climate resilience, which will incorporate the three BBP components of climate resilience – mitigation, adaptation and disclosure. We intend to produce a BBP aligned climate adaptation plan to support our climate resilience strategy and BBP commitments.

Our Climate Resilience Strategy will aim to cover the following:

- Risk assessment, including:
  - Physical risks: increased frequency of extreme weather events (e.g. floods, heatwaves, storms)
  - Transition risks: policy changes, market shifts, new regulatory requirements related to carbon reductions and our transition to net zero
- Adaptation: ensuring a robust adaptation and mitigation strategy to minimise risks from climate impacts
- Business continuity and disaster recovery planning to ensure that our assets can withstand and recover from extreme weather events
- Stakeholder engagement and disclosure, reporting in line with TCFD

Green lease clauses

Over the year we completed 61 lettings, lease renewals and regears.

Of these, 97% by rental value included our green lease clauses. Of the remainder, 1% related to car parking or open storage land, 1% to residential leases and 1% to flexible leases (where the landlord retains control).

In order to remain aligned with industry best practice, during the year we updated our standard green lease clauses, to align with the Better Buildings Partnership's newly released guidance.

32%
Annual reduction in landlord water consumption

97%
New leases contained green clauses

Water consumption

This year, we have been able to benefit from the automatic data collection readers previously installed across our multi-let portfolio.

This has led to greater accuracy in data collection, and we now collect 60% of our landlord water data from these meters.

Furthermore, where automated meter reading is not yet installed, actual reads are taken from the meters monthly.

Over the year, we have seen a reduction in landlord water consumption of 32% absolute and 33% reduction in intensity.

This reflects the continued improvement in data accuracy, implementation of water efficiency measures as well as obtaining vacant possession of certain assets prior to disposal.

Going forward, we will aim to use building refurbishments and our sustainability action plans to improve water efficiency across the portfolio.

Waste statement

We recognise the importance of sustainable waste disposal and remain committed to eliminating landfill waste disposal across the portfolio. Where possible, we are also incorporating waste management clauses into our standard lease form to encourage occupiers to avoid sending waste to landfill. In the coming year we intend to publish our Waste Statement, which will support our Climate Change Policy.

Our waste management approach covers both operational and construction waste. We are aligned to the waste hierarchy of first reducing, then reusing and recycling. We actively encourage recycling programmes and target zero waste to landfill in landlord controlled areas.

We are committed to working with our contractors, property manager, occupiers and waste suppliers to reduce, reuse and recycle.

This year, we have again successfully diverted 100% of waste from landfill across property management activities, using either recycling or heat recovery. Overall waste generation reduced by 25% over the year, which reflects improved management practices across our managed property assets. Of the waste produced 73% was recycled and 27% recovered.

We continue to engage with our waste providers and occupiers with the aim of improving the sorting and filtering of waste at our properties.

100%
Waste successfully diverted from landfill

73%
Waste recycled

Biodiversity

We recognise that we have a role to play in conserving and enhancing biodiversity. Biodiversity is critical to enhancing asset resilience, protecting ecosystems, encouraging regeneration, and contributes to the health and wellbeing of our occupiers. We work closely with our property manager to minimise any negative impacts of our buildings.

We are in the process of updating our Biodiversity Policy to set out our approach and commitment to protecting, enhancing and sustainably managing biodiversity within our portfolio, thereby contributing to the protection of ecosystems and promoting environmental stewardship.

We are committed to taking a natural capital approach, as we recognise the fundamental value of the natural environment for our business and wider society.

We do not own land or undertake new build development projects; therefore, our direct impact is currently limited to rooftops, grass verges and other outdoor spaces of a limited size. Our focus is on raising awareness about the importance of biodiversity amongst stakeholders, integrating biodiversity considerations into our strategic decision-making processes and asset-level business plans and supporting local restoration initiatives.

We have in place a partnership with Youngwilders, a community interest company who are focused on biodiversity and nature recovery-led projects. Through working with Youngwilders we are able to grow our understanding of biodiversity issues and make a positive contribution through offering financial support to rewilding projects throughout the UK.

Although we do not carry out developments, in relation to major refurbishments and external works, we follow the mitigation hierarchy as detailed below:

- Avoid: engage with contractors and relevant stakeholders to develop strategies to avoid or reduce impacts to biodiversity during refurbishments
- Minimise: engage with contractors to minimise the impacts to biodiversity where avoidance is not possible, through amendments to project designs
- Mitigate: engage with contractors with guidance from ecologists to compensate impacts to biodiversity
- Offset: ensure any residual impacts to biodiversity are compensated on or off-site

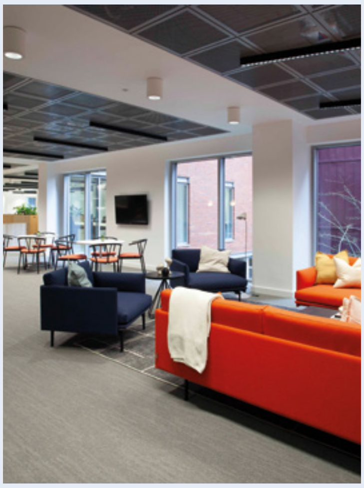
Reducing our emissions: from commitment to action

Sustainable asset management is integral to our business. As part of our annual asset business planning, we review priorities and actions in respect of energy consumption, physical risks arising from climate change, opportunities to remove fossil fuel-based systems and install on-site renewables and other initiatives to achieve progress towards net zero.

Engagement with our occupiers is key and we start collaborative discussions early to ensure alignment. These discussions can result in small interventions that make a big impact, including clever use of heating, switching systems off when not in use, better controls and using the energy hierarchy.

Our sustainable refurbishment guidelines are aligned to our climate resilience and net zero strategy.

Scan or click here to read more about our sustainable refurbishment guidelines



1. Reducing embodied carbon

Upgrade fabric and building efficiency

Upgrading the fabric and efficiency at our buildings at an appropriate time in the lease event cycle such as a regear, vacancy or new lettings.

Circular economy

Recycling and reusing furniture across our portfolio.

2. Reducing operational carbon

Remove gas and upgrade heating, cooling and ventilation systems

Phasing out gas at buildings as part of refurbishments and lease events, with 100% of landlord-procured electricity REGO backed.

Install energy efficient lighting

Using LED lighting across all of our refurbishments, ensuring this is specified upfront with our occupiers.

Improve building systems

Reviewing building management systems and their control to maximise energy efficiencies.

3. Increasing on-site generation

Solar PV installations

Installing solar panels, where feasible to provide a source of sustainable energy for a building, supporting our net zero targets as well as financial benefits.

Focusing at our industrial assets where there are larger available roof space and generation considerations.

Electric chargers

EV chargers provide both sustainable and enhanced amenities for our occupiers.

	Office				Industrial		
	Part first, and whole third floor, Tower Wharf, Bristol	**50 Pembroke Court, Chatham**	**Building 200, Colchester Business Park**	**First floor, Atlas House, Marlow**	**Unit 7V, Madleaze Industrial Estate**	**Unit 1, Sundon Business Park, Luton**	**Unit A, Riverway Industrial Estate, Harlow**
Key portfolio progress	EPC C to B	EPC C to A	EPC D to B	EPC D to A	EPC E to B	EPC C to A	EPC D to A
7 projects with insulation and fabric upgrades					✓	✓	✓
3 fit-outs include repurposed items from other buildings	✓		✓	✓			
10 properties with space subject to removal of gas systems/replacement of heating, cooling or ventilation systems	✓	✓	✓	✓	✓	✓	
156,000 sq ft LED lighting across 13 buildings	✓		✓	✓	✓	✓	
8 improvements	✓	✓	✓	✓		✓	
531 solar panels installed; 266,565 kWh estimated additional annual generation		✓		✓		✓	
2 additional car charging points installed this year				✓			

	GHG Scope	2024 Absolute GHG emissions (tCO_2e)	2024 GHG intensity (tCO_2e/m^2)	2023 Absolute GHG emissions (tCO_2e)	2023 GHG intensity (tCO_2e/m^2)	2022 Absolute GHG emissions (tCO_2e)	2022 GHG intensity (tCO_2e/m^2)
Combustion of fuel and operation of facilities	1	**1,155**	**0.021**	1,161	0.019	1,132	0.019
Electricity, heat, steam and cooling purchased for own use	2	**1,627**	**0.019**	1,748	0.019	1,665	0.019
Head office premises	1 & 2	**7**	**0.025**	7	0.026	8	0.028
Total Scope 1 and 2		**2,789**	**0.029**	2,916	0.029	2,805	0.028
Business travel	3	**4**	**N/A**	9	N/A	3	N/A
Occupier data (electricity and fuel consumption)	3	**3,777**	**0.019**	9,309	0.032	9,664	0.033
Landlord water and treatment	3	**11**	**0.0002**	18	0.0002	21	0.0003
Landlord waste	3	**2**	**0.00004**	10	0.0002	16	0.0003
Total Scope 3		**3,795**	**0.019**	9,347	0.025	9,703	0.026
Total all Scopes		**6,584**	**0.023**	12,263	0.032	12,509	0.033

Please note some 2023 numbers are restated.

Data and certifications

In line with EPRA best practice, we report energy usage data on an absolute GHG emissions (tCO_2e) and GHG intensity (tCO_2e/m^2) basis, both absolute and like-for-like under Scopes 1, 2 and 3. Absolute data provides the entire picture without taking any changes to portfolio composition into account, whereas like-for-like data enables us to compare usage across the same properties year-on-year. Energy intensity measures normalise consumption by floor area to give a comparative measure of efficiency.

Sustainability data collection and quality continues to be challenging for the industry as a whole, and we are working to improve the accuracy, timeliness and transparency of our energy usage data. Post-data assurance and publication of our 2023 emissions data, revisions have since been made to properties where reconciliation identified meter reading errors, therefore requiring amendments to scoped emissions. Changes have been reflected in the table above.

We have defined our portfolio's baseline carbon footprint, using 2019 as the most representative year, to map the emissions reductions required to meet our 2040 target. Compared to our 2019 baseline, our total absolute Scope 1 and 2 GHG emissions decreased by 20% to 2,789 tCO_2e. This is inclusive of a reduction of 4% compared to last year's consumption and accounts for 100% data from landlord supplies.

On an intensity basis our Scope 1 & 2 emissions have reduced by 48% compared to the 2019 baseline.

We are working with our occupiers to increase Scope 3 data coverage and are still in the process of collecting data for the 2024 calendar year, therefore we expect the collection rate to increase ahead of the publication of our Sustainability Data Performance Report in June.

Across business travel, landlord water and treatment and landlord waste, we have seen a 52% decrease compared to the previous year.

Greenhouse gas emissions

Scope 1

Relative to our 2019 baseline, absolute Scope 1 emissions in 2024 were 1% lower, with Scope 1 energy intensity seeing a more substantial reduction of 11%.

Although we have made progress with removing fossil fuels from the portfolio during the year, it will take time for this to be reflected as a reduction in our Scope 1 emissions, as these figures are for January to December 2024.

For the 2024 calendar year, absolute Scope 1 emissions totalled 1,155 tCO_2e, reflecting a 1% decrease from the previous year. While this change appears small overall, notable variations occurred at the property level, where reductions in gas consumption at some of our multi-let office buildings due to increased energy efficiency or vacancy, were counterbalanced by increased usage in other offices, driven by rising occupier footfall as activity continues to rebound post-pandemic.

11%
Reduction in Scope 1 intensity compared to 2019 baseline

55%
Reduction in Scope 2 intensity compared to 2019 baseline

4%
Annual reduction in absolute Scope 1 & 2 emissions

The sale of the Angel Gate office village in London this year contributed to a reduction in absolute Scope 1 emissions. However, this shift also led to an increase in overall Scope 1 energy intensity, as the property had been a low-intensity asset.

Reflecting this, our Scope 1 energy intensity rose by 13% over the year.

Our like-for-like Scope 1 emissions for the period were 1,150 tCO_2e, which is a 4% increase on the previous year.

Scope 2

Compared to our 2019 baseline, 2024 was 29% lower in terms of absolute Scope 2 emissions and 55% lower in Scope 2 energy intensity.

For the 2024 calendar year, absolute Scope 2 emissions amounted to 1,627 tCO_2e (excluding head office), marking a 7% decline compared to the previous year. This average masks variations at asset level. Some of our multi-let offices saw an increase in usage over the year, offset by other locations where building refurbishments, energy improvement measures and increased vacancy led to reductions in Scope 2 emissions. Our Scope 2 energy intensity decreased by 5% over the year.

Our like-for-like Scope 2 emissions for the period were 1,459 tCO_2e, a decrease of 10% compared to the previous year. Key decreases in energy consumption across various sites were largely driven by the adoption of LED lighting, PIR sensors, occupancy-based adjustments, and refurbishment periods.

Scope 3

Due to the composition of our portfolio, the majority of our total GHG emissions are Scope 3 emissions from our occupiers, therefore accurately recording this data is key to our net zero carbon strategy. Our data collection strategy revolved around utilising direct meter readings as well as ongoing engagement with our occupiers. Our Scope 3 collection process is continuing, and we will provide an update within our Sustainability Data Performance Report.

To date we have collected 55% of the portfolio's Scope 3 data. For context, at the time of publishing the 2023/24 Annual Report we had collected 62% of our Scope 3 data, which increased to 78% when we published our sustainability data in June 2024.

On an absolute basis, to the end of April our Scope 3 emissions totalled 3,795 tCO_2e.

Our like-for-like Scope 3 emissions for the period of the data collected to the end of April were 3,715 tCO_2e, reflecting a 13% reduction on the prior year. These figures will be updated as further data is collected and will be re-stated using assured data in the GRESB and EPRA data tables published in June 2025.

Landlord water and treatment has seen a 39% reduction year-on-year in absolute terms, with a 79% drop compared to our 2019 baseline. Due to metering issues at Charlotte Terrace, London, we have estimated using 2023 data which accounts for 6% of total landlord water consumption.

55%

Scope 3 data collection to date

Landlord waste has seen a 77% decrease in emissions in the year, largely due to the new emission factors being published, however we have been able to reduce like-for-like waste by 19%.

Business travel is a very small percentage of our Scope 3 emissions and has seen a significant reduction of 52% for the reporting year. This is largely due to a decrease in air travel.

Methodology

We collect all our landlord-controlled energy data via automatic meter readings, achieving 100% coverage to date. The aim to is to eventually reach 100% coverage for our occupier consumption data.

All our large supplies work from automatic meter reads, with any void unit meter data being aggregated to an asset level. Landlord-controlled data is meter read, and we only partially estimated data for three sites. We are working towards rolling out automatic meter reads across the portfolio to increase coverage and reliability of our data and reporting accuracy.

We have reported on all the emission sources required under the core requirements of EPRA Best Practices Recommendations and have voluntarily disclosed business travel, occupier, and own premises consumption emissions.

An operational control approach has been adopted and all our properties are included. Figures presented are absolute for utility and waste consumption and relate only to landlord-obtained utilities and waste removal. Occupier obtained consumption is included where possible. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and used emission factors from UK Government's GHG Conversion Factors for Company Reporting 2024. Across all metrics aside from business travel, the emission factors for all utilities have reduced when compared to last year.

We continue to report on a calendar year basis to ensure there is sufficient time to collect occupier consumption data.

We have calculated our intensity measurements based on the area served by each meter, for example whole site, common area or a specific floor within an asset. So that an accurate comparison can be made between reporting years, this approach has been backdated to 2019 figures.

We have continued to voluntarily report on Scope 3 vehicle emissions. Vehicle emissions were calculated using our vehicle expenses reports and the vehicle emission factors from the UK Government GHG Conversion Factors for Company Reporting 2024.

Year-on-year, we will continue to update previous reported figures if applicable to remove estimates and ensure actual data is captured and reported.

We occupy a floor within one of our assets under management and as such, have apportioned out our consumption based on floor area, and this is reported as a separate line item.

Head office

We started collecting and reporting our head office data in 2016, and while it is only a small part of our overall footprint, we believe it is important to provide a holistic view where possible. Our office is located on a floor within Stanford Building, London, which is one of our own assets. This is a refurbished space, providing the latest technology and energy efficiency measures. This has allowed us to obtain more reliable data. In turn, we have optimised our office heating/cooling and lighting systems to minimise our emissions. Over the year our head office emissions decreased by 4% on both an absolute and intensity basis.

Building certifications

Whilst our net zero carbon pathway is focused on reducing carbon emissions, we also recognise the value of building certifications to provide third party validation.

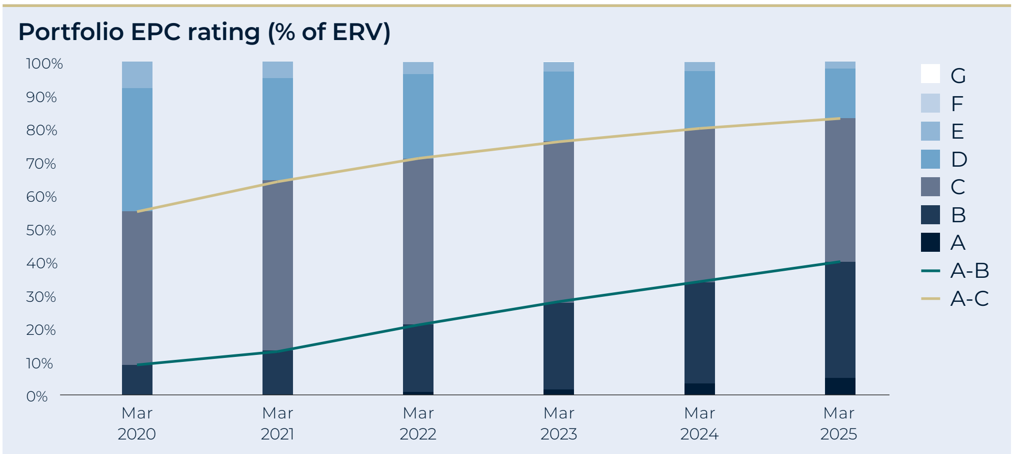
We have two certified office buildings in our portfolio, at Metro, Manchester and Tower Wharf, Bristol, which were both awarded BREEAM 'Excellent' when they were constructed.

Further to this and recognising the importance of promoting sustainable travel choices, we have undertaken Active Score and Mode Score certifications (which measure provision of Active Travel) at three office assets and three industrial assets.

Looking ahead, we will consider undertaking further BREEAM or NABERS assessments at assets where appropriate.

Asset type	Green building certification 2024[1]
Office	39%
Industrial, Business Parks	21%
Industrial, Distribution Warehouse	29%
Hotel	0%
Leisure	0%
Retail High Street	0%
Retail Warehouse	0%
% of total portfolio	**23%**

1. By floor area.



Minimum Energy Efficiency Standards (MEES)

Our portfolio is 100% compliant with the 2023 MEES of EPC E or above. In addition, 83% of our portfolio, 77% of industrials, 90% of offices and 91% of retail and leisure would already meet the April 2028 MEES compliance of EPC C or above if this were to come into effect.

As we progress our net zero strategy, we will continue to improve the EPC profile of the portfolio, using lease events, common area works and EPC renewals to implement improvement works with the overall aim of continually improving our EPC score.

Over the year, we reassessed 40 EPCs. Using the same reporting basis as above, 99% have been reassessed to an A–C rating, 1% to a D and none were rated E or below. The weighted average score of the EPCs completed in the year improved from a C to a B rating.

Social impact

This year we have developed a Social Impact Policy.

Connected UN SDGs:

Our new Social Impact Policy sets out our approach to all stakeholders. This was previously covered by individual policy documents including: Charitable Giving and Community and Social Value. We place a strong emphasis on the wellbeing of our occupiers, employees and the wider community, and work with suppliers that are aligned with our ESG priorities.

Occupier engagement

Core to our purpose is helping our occupiers' businesses succeed, from providing high quality buildings and amenities, to our responsiveness in property management/maintenance services. Understanding our occupiers' evolving requirements and working collaboratively to reduce our environmental impact and increase the attractiveness and demand for our buildings is key.

Our Picton Promise sets out our five key commitments to our occupiers: Action, Community, Technology, Support and Sustainability. These sit at the core of our engagement strategy as we look to build longstanding relationships with them.

We have continued to evolve our occupier engagement strategy this year. Our occupier app is an integral part of this and has proven to be a popular way for our office occupiers to meet, share ideas and promote their businesses within the community. In 2024 the number of our occupiers staff using the app grew to nearly 1,600 which is a 47% increase from 2023.

Sustainable Thinking *continued*

During the year we organised several popular events at our office buildings including:

- Wellness classes
- Cycling workshops
- A plastic free workshop (in conjunction with one of our occupiers, Lush)
- Summer social events
- Alzheimer's Society fund raising
- Guide dog visits
- Charity Christmas present appeal

Occupier retention

Our high retention rate reflects our proactive approach to asset management and engagement with our occupiers. During the year a total ERV of £6.4 million was at risk due to breaks or expiries in line with the previous year. Of the ERV at risk in the year, we retained 66% through lease renewals or removal of break options.

Occupier survey

In November 2024 we undertook our annual occupier survey for our multi-let office and industrial occupiers. The year-on-year increase in response levels has continued and the number of people who would recommend Picton as a landlord was 88%.

Questions were asked on the satisfaction of the location, landlord, responsiveness and service levels and there was an 80% increase in the number of people who were satisfied or extremely satisfied in these categories.

All individual comments and building specific issues raised in the survey have been promptly acted upon and followed up through direct communication with the occupiers by our managing agents and Head of Occupier Services. The valuable feedback we obtain from these annual surveys helps continue to shape our ongoing occupier engagement strategy.

I love the events. It brings us together. The offices have started interacting because of it, especially in a time when community is needed to hold us together.

Medallia
Stanford Building, London

In 2025 we plan to:

- Expand the scope of our events focusing on the topics which our occupiers say are popular such as health and wellness workshops, networking sessions, arts and crafts workshops and fundraising events
- Trial our occupier app at two of our multi-let industrial properties
- Roll out more TV screens in our office receptions to be used as a communication point with building occupiers and visitors
- Promote our sustainability objectives by sharing more information about energy consumption and ways to reduce it

Occupier health and safety

We are committed to making our buildings a healthy and safe environment for our occupiers and their visitors, our employees, contractors, and the public. We therefore ensure that they comply with the relevant health and safety legislation and guidelines.

Our Health and Safety Committee meets every other month and reviews all aspects of health and safety across our portfolio and in our own office. The Committee reports directly to the Executive Committee and health and safety is a standing item on the Board's agenda.

Our health and safety record continued to be strong during the year with no reportable accidents, near misses or other health and safety incidents. We were 99% compliant in all critical and secondary health and safety documentation.

During the year, we made the following progress in health and safety:

- Our team undertook training in asbestos management, fire safety and first aid
- We appointed new health and safety consultants to provide advice on business/ accommodation matters. This gives us access to more extensive health and safety material and support for developing Company procedures if needed
- We implemented the recommendations of the risk review issued in early 2024
- We completed a RAAC review of our portfolio which concluded that there were no properties of concern

In 2025, we plan to:

- Refresh our asbestos management training
- Increase the number of fire wardens in our team
- Review our homeworker assessments and undertake any actions required
- Carry out various health and safety related works across the portfolio including façade repairs and fire alarm replacements
- Utilise the training material our new health and safety advisers provide to expand the team's knowledge where needed

Employee engagement

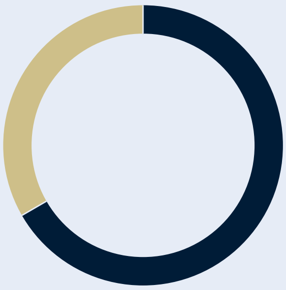
We are a small team but have a strong and open Company culture with shared values co-created by our employees. We value the contributions made by the whole team and aim to nurture a positive working environment. During the year we engaged with all employees on a review of our values at our annual offsite to foster an inclusive culture and way of working.

We also engage with our employees through annual surveys, appraisals, training, committee membership and regular updates on the business. In addition, Helen Beck, one of our Non-Executive Directors is our designated Director for employee engagement, having replaced Maria Bentley earlier in the year.

We conducted our annual employee survey in March 2025 using a third party to anonymously collate responses on both qualitative and quantitative areas such as personal development, training, culture and values, motivation and career progress.

The overall employee satisfaction was 76%, which although still a high score, was lower than 86% in 2024. The Board recognises this and will be working with the team to understand this further and take action to improve this.

Picton Board

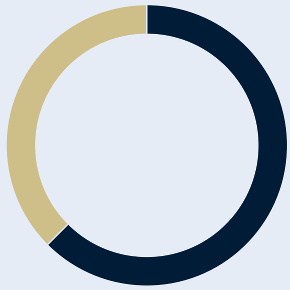


Male	4
Female	2

Rest of team

Male	6
Female	4

Total



Male	10
Female	6

Key focus areas within our employee engagement are noted below:

1. Supporting diversity, equity and inclusion

We are committed to building an inclusive workplace where everyone is treated with fairness and respect. We encourage input from all staff and collaboration.

This year we have developed our Diversity and Inclusion Policy, which outlines our dedication to promoting diversity across all levels of the business and ensures a culture of inclusion in every aspect of our operations. Our policy includes the key principles of equal opportunity employment, inclusive recruitment and hiring practices, diversity in leadership, training and education, a flexible and inclusive working environment, and zero tolerance for discrimination and harassment.

Scan or click here to see our Diversity and Inclusion Policy on our website

2. Promoting wellbeing

We want our employees to thrive at work and a happy and healthy team is important us. In particular we have:

- Flexible working arrangements and family friendly policies
- Holiday purchase and other special leave arrangements
- A high standard of health and safety including appropriate equipment and workplace assessments
- Ensuring employees can report inappropriate behaviour or concerns through the whistleblowing guidance
- Comprehensive private medical cover with health assessments

The absentee rate for the year was 1.3%. There were no fatalities or work-related injuries during the year.

3. Progression, training and development

We hold annual and mid-year reviews with all employees and encourage training and development. Training and development needs are a mix of internal and external training courses, structured 'on-the-job' experience and through interaction with professional colleagues.

This year we introduced regular internal Lunch and Learn sessions to facilitate internal knowledge sharing as well as formal online training modules on GDPR, modern slavery and cyber security.

In addition, we have a study leave allowance of a maximum of 15 days per annum, as well as supporting professional memberships to bodies such as the RICS, ICAEW and the IPF.

4. Reward and recognition

Remuneration is aligned to personal and Company performance, with all employees eligible for the Deferred Bonus Scheme and Long-term Incentive Plan. These schemes support alignment between the Company and employees, as employees are rewarded when their contribution results in a positive outcome for our stakeholders.

All employees are entitled to receive pension contributions up to 15% depending on length of service.

5. Recruitment and retention

We have a low level of turnover and a small team. The average length of service is six years and there are length of service awards every five years, granting employees an additional five days of leave after each five years of service. Employee turnover was flat compared to the last financial year with one leaver and one joiner.

83%
Of employees recommend Picton as a place to work

580
Training hours

100%
Of staff eligible for employee share scheme

6 years
Average length of service
(1 person left and 1 person joined)

33%
Of our Board are women

40%
Of our team are women

Community engagement

As a responsible owner of commercial property, we are committed to maximising the social value we deliver to our stakeholders, communities, and wider society and providing places which improve quality of life, enhance wellbeing, and generate a positive social outcome, whilst minimising any negative impacts our buildings have on society and the environment.

We encourage our employees to get involved with charitable fundraising events and we grant an additional one day of leave to participate in such events.

1. Community engagement programme

	Building coverage (assets)
Office	**100%**
Retail, High Street	**100%**
Retail, Warehouse	**100%**
Industrial, Business Parks	**100%**
Industrial, Distribution Warehouse	**100%**
Hotel	**100%**

2. Charitable giving

This year, we supported 15 charities and donated a total of £26,000. We support charities through matched giving schemes and long-standing charity partnerships.

Employee fundraising

Our employees are invited to apply for a contribution to fundraising efforts through matched giving.

This year eight members of the team walked the Chilterns Ridgeway in celebration of our former Finance Director, Andrew Dewhirst who retired during the year. A total of £6,000 was raised, with another £6,000 matched by Picton. The funds were divided amongst six charities chosen by the team, all of which work to make a difference in the lives of countless individuals: Cardiac Risk in the Young, Katherine Low Settlement, The Royal Marsden Cancer Charity, MS Society, London's Air Ambulance Charity and The Ehlers-Danlos Support UK.

Our Chief Financial Officer Saira Johnston also ran 1,200 kilometres in 2024 in aid of The Royal Marsden. Picton supported through its employee matched giving and over £2,000 was raised in total.

£6,000
Raised by the team ramble

£6,000
Matched giving by Picton

£2,000
Raised in aid of Royal Marsden

6
Supported charities through matched giving

Occupier matched giving

Our occupiers are invited to apply for a donation of up to £100 per year to boost their fundraising efforts for a registered UK charity. In addition, for completing our occupier survey, we donate £5 for every response. This year we donated £785 to Coram.

£785
Donated to Coram via occupier survey

Charity partnerships

We continue to support The Funding Network, Coram, The Fostering Network, Future Youth Zone and Youngwilders, through our established charity partnerships. We do this through providing regular funding, volunteers and event spaces where required. We also continue to support LandAid annually through their Christmas appeal.

15
Charities supported

Supplier engagement

We are committed to conducting our business in a fair and honest manner. We aim to ensure that our suppliers also operate in an ethical way and share our business principles in observing relevant laws and regulations.

We recognise that there are certain activities within the real estate sector that are more susceptible to modern slavery risks, including construction, cleaning and building maintenance.

We are committed to working with suppliers whose values align with ours.

Our key priorities during the year have included:

- Supplier review: we have carried out a review of our supplier base and categorised the suppliers which may be of higher risk
- Supplier Code of Conduct: for our key suppliers within our construction supply chain, we have shared our code of conduct, which sets out obligations, in respect of social, ethical and environmental compliance. It specifically includes the requirements in respect of child labour, forced labour, working hours and payments
- Property management: we continue to work closely with our property manager who is RICS accredited. They issue annual Modern Slavery and Human Trafficking statements, and require their suppliers to comply with their code of conduct
- Training: the team are required to undertake mandatory Modern Slavery training. For more information, see our Modern Slavery Statement on our website.

Governance

This year we have defined our ESG Governance Policy which sets out how ESG is integrated within our governance structure.

Connected UN SDGs:

The key components are:

1. Board responsibility

The Board has overall responsibility for ESG strategy and governance, which includes:

- Approving and overseeing the implementation of ESG policies
- Reviewing reporting to monitor compliance with ESG regulations and reporting obligations
- Reviewing ESG risks as part of the Group's overall risk management framework

Progress reports on ESG initiatives are presented at Board meetings, and in addition, one of the Non-Executive Directors, Helen Beck has oversight of sustainability matters on behalf of the Board.

Helen liaises with management at a more detailed level, attending meetings of the Responsibility Committee at least annually and when considered appropriate.

2. Responsibility Committee

Day-to-day responsibility for ESG matters has been delegated to the Executive Committee, which includes the two Executive Directors. To provide dedicated oversight on our ESG priorities, the Executive Committee has established a Responsibility Committee which is chaired by the Chief Financial Officer, with membership from across the business.

The Committee's responsibilities include:

- Development of ESG policies and strategies
- Monitoring progress towards ESG goals, including environmental targets, social impact, and governance improvements
- Monitoring compliance with ESG regulations and reporting obligations
- Integrating ESG principles into investment decisions and property management
- Advising the Board on emerging ESG trends and regulations, with input from third parties as relevant
- Overseeing the Company's sustainability reporting and ESG disclosure practices
- Oversight of the Climate Action Working Group

3. Climate Action Working Group

The Climate Action Working Group has been established with responsibility for the implementation of relevant ESG policies and strategies across the portfolio.

The Climate Action Working Group is also responsible for identifying risks and escalating these to the Responsibility Committee; and promoting active engagement with stakeholders, including occupiers, contractors, managing agents and local communities, as appropriate, to support the transition to a low carbon and climate-resilient real estate portfolio.

The Chief Executive chairs the Climate Action Working Group, which includes representatives from the asset management team, and provides regular updates on progress to the Responsibility Committee.

4. External advisers and stakeholders

We are committed to ensuring that our ESG practices align with industry best practice and stakeholder expectations. We therefore seek input from external ESG advisers and consultants, as appropriate, and through stakeholder engagement with our shareholders, occupiers, employees and local communities to identify and respond to ESG issues.

Reporting and disclosures

We recognise that it is important to be transparent on sustainability issues, so that our stakeholders can make informed decisions. Our ESG approach is aligned to, and we report within, the following frameworks:

1. Better Buildings Partnership

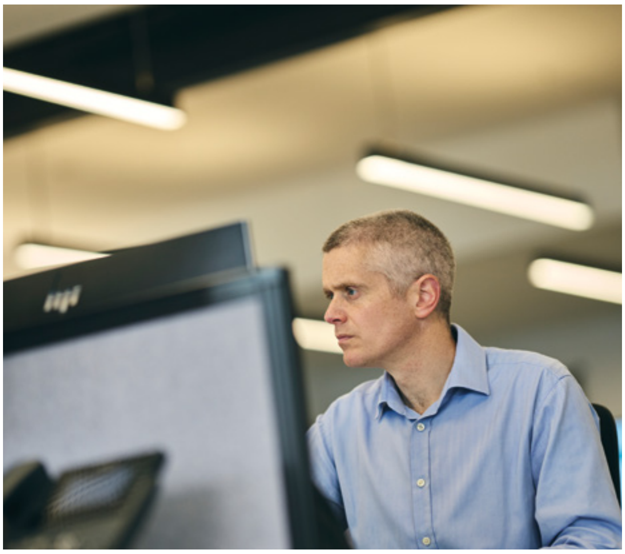
The Better Buildings Partnership (BBP) is a collaboration of the UK's leading commercial property owners.

We are a signatory to the BBP Climate Commitment and adopt the BBP's definition of climate resilience.

We have continued to report our portfolio's energy data in the BBP Real Estate Environmental Benchmark and follow their guidance on green lease clauses to align leases with the Better Buildings Partnership Green Lease Essentials. Green leasing continues to be an important tool to enable us and our occupiers to improve the performance of building and data collection.

2. EPRA

We have continued to report in line with EPRA Sustainability Best Practice Recommendations maintaining our Gold award for our 2024 reporting.



97%

New leases containing green clauses

EPRA gold

GRESB rating

Scan or click here to read more in our online Sustainability Data Performance Report

3. GRESB

We have been reporting to GRESB since 2017. Our score for 2024 improved to 81 and remained at three green stars. We scored ahead of the GRESB average in each of the Environmental, Social and Governance categories, and overall.

4. Data management

We are committed to the responsible and secure handling of data and our data management practices adhere to relevant regulatory requirements.

We continue to work with our property managers and occupiers to improve the quality of emissions data collected. In addition we have conducted a review of our purchased goods and services Scope 3 emissions in order to better understand where we need to focus in our supply chain.

We have data sharing agreements across the portfolio and receive energy data automatically. We expect the occupier collection rates to increase as we finalise the collection and assurance process.

Risk management

ESG risks are integrated into the Group's broader risk management framework. This includes identifying and mitigating risks related to climate change, regulatory changes, and corporate governance. The Responsibility Committee will review and update the ESG element of the risk register for onward reporting to the Board.

For more information please see Principal Risks on page 49

Ethical conduct

Our Anti-Bribery policy sets out our commitment to maintaining the highest standards of integrity, transparency and ethical conduct. We operate in compliance with the Bribery Act 2010, and have in place effective and adequate procedures to manage the risk of bribery, corruption, or improper payments in all our business activities. These are set out in the Employee Handbook and the full policy is available on our website.

Scan or click here to read our Anti-Bribery Policy