

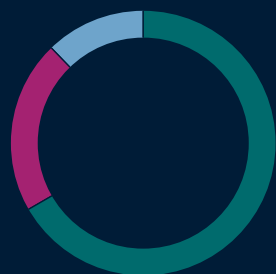
Picton at a Glance

We are a diversified REIT investing in UK commercial property. Our property portfolio consists of assets invested in the industrial, office, retail and leisure sectors.

Our portfolio

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

Total portfolio composition



Industrial	67%
Office	21%
Retail & Leisure	12%

Geographical weighting



■ 25–50% ■ 10–25% ■ 0–10%

Sector weighting

Industrial assets

£469m

South East	47%
Rest of UK	20%

Read more on page 30

Office assets

£146m

London and South East	12%
Rest of UK	9%

Read more on page 32

Retail and Leisure assets

£86m

Retail Warehouse	8%
High Street	2%
Leisure	2%

Read more on page 34

Diverse occupier base

Companies House classification	Contracted rent %
Wholesale and retail trade	25%
Manufacturing	14%
Information and communication	11%
Administrative and support service activities	10%
Professional, scientific and technical activities	9%
Transportation and storage	7%
Public sector	4%
Accommodation and food service activities	4%
Arts, entertainment and recreation	3%
Construction	3%
Financial and insurance activities	3%
Education	3%
Other	4%
Total	100%

Portfolio valuation

£701m

2025	£723m
2024	£745m

Weighted average unexpired lease term (WAULT)

5.4 yrs

2025	4.9 yrs
2024	4.2 yrs

Number of assets

46

2025	47
2024	49



For more information about us:

Investment Case page 03

Our Business Model page 09

Portfolio Review page 23

Year in Review

During this financial year we marked our 20-year anniversary. Since launch in 2005, we have been focused on delivering results, driven by our purpose: to be a responsible owner of commercial real estate, helping our occupiers succeed and being valued by all our stakeholders.



From our first acquisition, we have owned an evolving diversified portfolio of industrial, office and retail assets. The last 20 years have been defined by our long-term track record of property outperformance, ranking us in the top ten percent of the MSCI UK Quarterly Property Index (as at 31 March 2026).

Our agile, flexible business model and occupier focused, opportunity led approach to asset management is at the heart of what we do, driving long-term income and value creation, with £339 million in dividends distributed since launch.



Capital allocation strategy and share buyback programme

Our share buyback programme has continued to create value for shareholders. We have also continued to reposition the portfolio, with the disposal of our highest value office asset for £34.5 million, further reducing our office exposure.

[Read more on page 08](#)

4.8%
ERV growth

23m
Shares repurchased over the year



Strategic Review

The listed UK real estate sector has been subject to a prolonged period of persistent discounted share price valuation and in light of this, the Board announced on 13 January 2026 a Strategic Review process to explore all options to maximise value for shareholders.

[Read more on page 08](#)



Proactive asset management

We have completed 27% more leasing transactions than in the previous year, delivering 4.8% ERV growth driven by 99 asset management transactions.

Our property portfolio has once more outperformed the MSCI UK Quarterly Property Index during the year.

[Read more on pages 23 to 35](#)



Upgrading our portfolio

We have continued to upgrade the portfolio, investing £9 million over the year to improve its value, occupancy and environmental performance.

We have made good progress decarbonising our buildings. In total, 85% of our office assets are fully or partially electric and we have improved EPC ratings with 86% of the portfolio rated A–C.

[Read more on pages 52 to 53](#)



Net zero progress

We have reviewed industry-recognised approaches to emission reduction target setting and aligned our methodology with the Science Based Targets Initiative (SBTi).

Our revised net zero strategy follows the established net zero hierarchy, prioritising reduced energy demand, increased renewable energy supply, and using offsets only for residual emissions that are in excess of our target commitment.

[Read more on pages 54 to 58](#)

Investment Case

We are focused on income and value growth for the benefit of our shareholders and through our occupier focused, opportunity led approach, we aim to be the consistently best performing diversified UK REIT.

13

Consecutive years of
MSCI outperformance

4.8%

Like-for-like ERV growth

12.6%

Total shareholder return



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

Our Strategy page 07

Key Performance Indicators page 19

Portfolio Review page 23



Long-term track record of outperformance

Our agile business model and diversified investment strategy provide flexibility to adapt our portfolio to evolving market trends. Through our proactive approach to asset management, we have delivered upper quartile outperformance against the MSCI UK Quarterly Property Index on an annualised basis since launch.

[Read more on page 09](#)



Valuable long-term debt structure

We have a disciplined approach to capital management, with 100% long-term fixed rate debt below market rates, and a modest 24% loan to value ratio. We are focused on delivering a covered and sustainable dividend through our asset and sector allocation.

[Read more on page 36](#)



Portfolio with 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 proactive asset management.

[Read more on page 23](#)



Responsible approach to business

Our proactive occupier focused approach ensures we engage with our occupiers to create spaces to help them succeed, ensure business continuity 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 50](#)

Highlights of the Year

We have been focused on creating shareholder value and have delivered positive outcomes across a wide range of metrics.

Francis Salway
Chair



These results reflect a year of progress, where we have delivered a total return of 6.1% alongside a total shareholder return of 12.6%.

Despite macroeconomic conditions, occupational markets are proving more resilient, against a backdrop of limited new development. We remain well-positioned, with a high quality portfolio and a disciplined approach to capital allocation, which this year, has been focused on reducing office exposure, investing back into the portfolio and share buybacks.

At the start of 2026, we initiated a Strategic Review to explore options to maximise value for shareholders which has resulted in a Proposed Offer being announced on 12 May 2026. The Board remains focused on shareholder value and is committed to engaging with stakeholders through this process.



For more information on our strategy and financial performance see:

Chief Executive's Review page 12

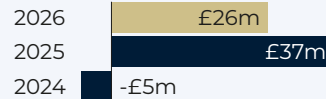
Key Performance Indicators page 19

Financial Review page 36

Robust financial performance delivering positive total and shareholder returns

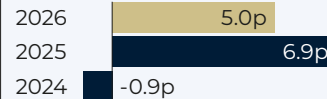
Profit after tax

£26m



Earnings per share

5.0p



EPRA earnings per share

4.0p



Dividends per share

3.8p



Net assets

£522m



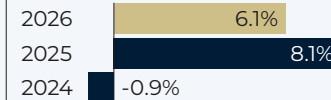
NAV per share

102p



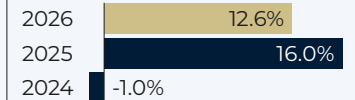
Total return

6.1%



Total shareholder return

12.6%



Valuable long-term debt structure

Loan to value

24%

Borrowings

£208m

Weighted average interest rate

3.7%

100% at fixed interest rates

Debt maturity profile

5.7 yrs

EPRA net disposal value per share

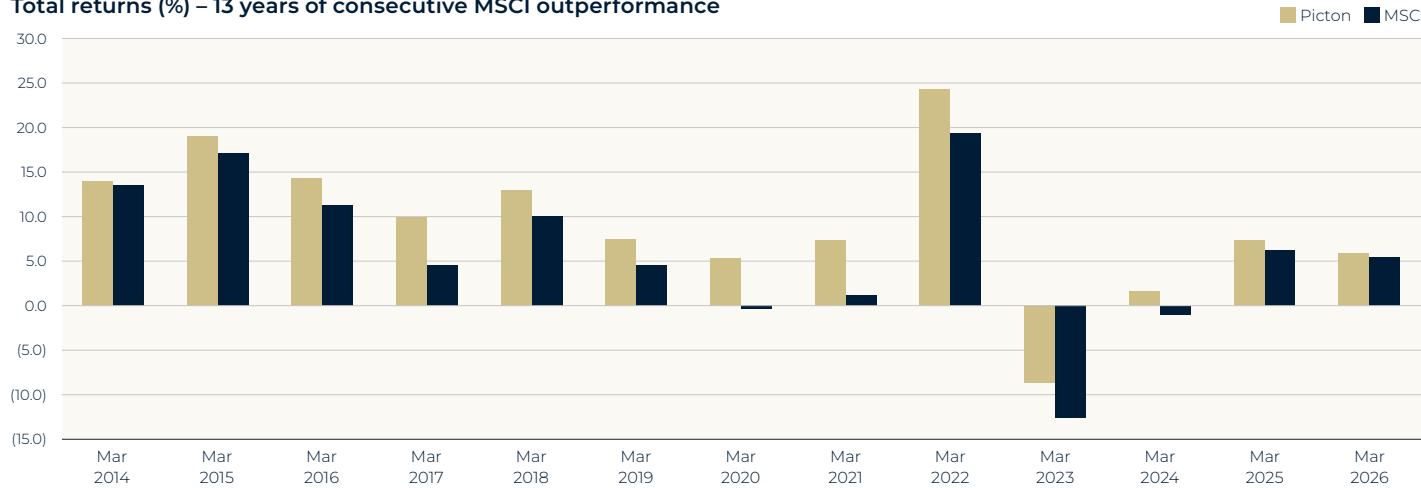
107p

Reflecting fair value of debt

Highlights of the Year *continued*

Outperforming portfolio

Total returns (%) – 13 years of consecutive MSCI outperformance



Source: MSCI UK Quarterly Property Index

Completed lease transactions

99

3% ahead of March 2025 ERV

Like-for-like increase in ERV

4.8%

Increased weighted average lease term to

5.4 yrs

Upgrading and investing into the portfolio

£9m

Portfolio contracted rent

£43m

Portfolio ERV

£56m

Occupancy

84%

Rent collection

99%

All figures are as at 31 March 2026 or for the year ended 31 March 2026 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 144 to 147 we provide more detailed information and reconciliations to IFRS where appropriate.

Positive sustainable progress

EPC ratings (A–C) improved from 83% in 2025

86%

Annual reduction in Scope 1 and 2 emissions

23%

Office assets fully/partially decarbonised

85%

- Rebaselined our net zero carbon pathway, setting new near-term and net zero targets
- Expect to be net zero on Scope 1 and 2 emissions by 2035
- Aim to be net zero for all Scopes including Scope 3 by 2045



For more information on our portfolio performance see:

Portfolio Review page 23

Sustainable Thinking page 50

Sustainability in Action page 52

Our Purpose

Our purpose

To be a responsible owner of commercial real estate, helping our occupiers succeed and be 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 strategy

Delivering long-term income and value through our strategic objectives:

01.


Portfolio
Performance

02.

Operational
Excellence

03.

Acting
Responsibly

 Read more on our strategy on page 07

Supported by our values and culture

Our values were co-created by the team and are behaviours that 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.

On 13 January 2026, we announced commencement of a Strategic Review process to explore all options available to maximise value for shareholders.



Scan or click here for more information on the **Strategic Review**

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:

Chief Executive's Review page 12

Our Strategy in Action pages 08, 28 and 52

Key Performance Indicators page 19

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

Key progress during the year

- Delivered 5% increase in portfolio ERV
- Disposal of highest value office asset
- £9 million invested into upgrading the portfolio
- Outperformed the MSCI UK Quarterly Property Index, delivering a total return of 5.9% vs the benchmark of 5.4%

Priorities for the year ahead

- Capture the reversionary potential in the portfolio and increase occupancy
- Continue to reposition the portfolio, reducing exposure to low yielding and smaller assets
- Continue to invest in upgrading the portfolio to enhance asset quality and facilitate new lettings and occupier retention

Relevant KPIs

1 3 4 7 9 10

02. Operational Excellence

Driving efficiency and adaptability

Key focus areas

- Maintain a 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

Key progress during the year

- Continued and increased share buyback programme using disposal proceeds
- Delivered total shareholder return of 12.6%
- Delivered EPRA earnings of £21 million
- Maintained a cost ratio of 1.3%

Priorities for the year ahead

- Focus on earnings growth and appropriate cost management
- Continued focus on capital allocation strategy and priorities

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 2045
- 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 through strong governance and transparent reporting

Key progress during the year

- Commencement of the Strategic Review to maximise value for our shareholders
- Updated our net zero strategy, aligning our methodology with the SBTi
- Improved occupier engagement scores

Priorities for the year ahead

- Ongoing engagement with stakeholders alongside the Strategic Review process
- Continue asset-level decarbonisation progress in line with newly set targets

Relevant KPIs

2 10 11 12

Strategy in Action

Focused on value creation

£35m

Gross proceeds from
sale of Stanford Building

£17m

Deployed in share
buyback programme

£9m

Invested in portfolio

We have continued to focus on maximising value for our shareholders through repositioning the portfolio and recycling capital from disposal proceeds.

During the year, we completed on the disposal of Stanford Building, our highest value office asset which was low yielding, for £34.5 million, further reducing our office exposure.

We continued to proactively manage our capital allocation, using disposal proceeds to maximise shareholder returns with our share buyback programme, deploying £17.3 million over the year

at an average discount of 25% to the March 2026 NAV. The total number of shares repurchased since the programme began in January 2025 represents 6.2% of the total number of shares in issue.

We also further invested £9 million into the portfolio supporting ERV growth.

Strategic Review

With liquidity and scale affecting the sector, the

listed UK real estate market has been characterised by material valuation discounts and disconnect in market pricing. There has been further consolidation within the sector, resulting in a reduced number of UK REITs.

Against this backdrop, the Board determined that initiating a Strategic Review was the most appropriate course of action to consider all options to maximise value for shareholders.

On 12 May 2026, a non-binding indicative all-share offer ('Proposed Offer') from LondonMetric Property Plc and Schroder Real Estate Investment Trust Limited was announced.

The Company is engaging with all stakeholders, with negotiations and due diligence ongoing. Further details will be communicated in due course.

*Illustration:
Stanford Building, London*



Link to strategic
priorities:



Scan or click
here to read
more on the
**Strategic
Review**

Our Business Model

We capitalise on our strengths and resources...

Knowledge and expertise

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.

Diversified portfolio

Our diverse occupier base generates a stable income stream, underpinned by a well-positioned portfolio across sectors, and has significant reversionary potential.

Attractive capital structure

We have a disciplined approach to capital management, with long-term fixed rate debt.

Stakeholder engagement

We foster strong relationships with our stakeholders and invest in our shared success.

Responsible stewardship

We have a responsible and ethical approach to business, and sustainability is embedded within our corporate strategy.

[Read more on](#) pages 50 to 72

Effective risk management

Our business model is underpinned by our approach to risk management.

[Read more on](#) pages 42 to 49

Our values

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

...to create and deliver value...



[Read more on our strategic response to market drivers on](#) page 18

...for all our stakeholders.

Shareholders
Delivering income and capital growth

Total shareholder return
12.6%

Occupiers
Providing sustainable spaces to help occupiers succeed

Investment into asset upgrades
£9m

Employees
Fostering a strong open culture

Share scheme alignment
100%

Environment
Targeting 2045 net zero carbon commitment

Reduction in Scope 1 and 2 emissions¹
23%

1. Compared to 2024 baseline.

Communities
Making a positive difference

Charities supported
13

Suppliers
Productive and long-term relationships with our business partners

Suppliers engaged in year
>200

[Read more on stakeholder engagement on](#) pages 10 to 11

Stakeholder Engagement

We believe that taking into account the views of our key stakeholders is fundamental to our long-term success.

Through ongoing engagement, we seek to understand their priorities and strengthen how we work with them.



93%

Occupiers would recommend us as a landlord (2025: 88%)

£25k

Charitable donations



For more information:

Section 172 Statement page 86

Sustainable Thinking page 50

Our shareholders



Engaging with our shareholders helps to inform our strategic decision making, communicate clearly and report on both our financial and sustainability performance.

What is important to them?

- Clear strategy
- Regular dividends
- Financial performance
- Clear and transparent reporting

How we engage

We value the views of all our shareholders and senior management holds regular meetings to update shareholders on progress and activity. We issue quarterly investor updates with key financial highlights and updates on the portfolio. Our website provides shareholders with up-to-date information about the Group.

What we have done this year

- Consultation and engagement with shareholders as part of the Strategic Review process
- Analyst briefings and investor presentations were held after the Interim and Annual Results were announced, alongside additional quarterly presentations in February following the announcement of the Strategic Review
- Our AGM was held in person at Stanford Building in July 2025 and a webinar was held following the meeting for those unable to attend
- Investor roadshows were also held during the year, enabling in-person shareholder meetings with the Chief Executive and Chief Financial Officer

Priorities for the year ahead

- Evaluate opportunities to maximise shareholder value
- Continuing engagement with shareholders

Our occupiers



We are occupier focused in our approach and aim to understand our occupiers' evolving requirements to continually improve their experience and create spaces in which they will succeed.

What is important to them?

- Cost-effective space suited to their needs
- Well-managed, efficiently run and sustainable buildings
- Fair lease terms
- Good relationships

How we engage

Our Picton Promise, our five key commitments to our occupiers, ensures our asset managers maintain regular contact with our occupiers, discussing any issues regarding the buildings and any future plans. Our Head of Occupier Services runs our occupier engagement programme and attends occupier meetings and other events. Our occupier app and newsletter also provide relevant and helpful information across our key multi-let offices and industrial buildings.

What we have done this year

- We carried out our annual occupier survey at our multi-let offices as well as at selected industrial and retail buildings. Results were very positive, with an increase in occupiers recommending us as a landlord to 93% from 88% in the previous year. Any issues raised have been addressed either by our property managers or our Head of Occupier Services

Priorities for the year ahead

- Complete office refurbishment programme to create space that meets occupiers' expectations
- Continue occupier engagement programme, including sustainability initiatives and improving energy data collection

Stakeholder Engagement *continued*

Our employees



We actively seek employee feedback on our purpose, values and activities, which support our continued strong and open culture, together with our working arrangements and practices.

What is important to them?

- Fair and equal treatment
- Career development
- Fair pay and conditions
- Good work/life balance
- Positive work culture and values

How we engage

We have a small team and engage regularly with them including during an annual two-day team off-site. We have an appraisal process where each member of the team will discuss their performance and objectives with their line manager twice a year.

What we have done this year

- In place of an annual employee engagement survey, this year more personal engagement was undertaken by our designated Director for employee engagement, Helen Beck. She held individual meetings with members of the team
- We have continued to support the team's professional development by encouraging attendance at training and industry events, as well as professional membership subscriptions
- Held quarterly lunches with the Board
- Held an additional check-in at year end

Priorities for the year ahead

- Continue our employee engagement programme and support the team through the Strategic Review process

Local communities and charities



We seek to deliver social value to the local communities where we own buildings, whether through providing space to local businesses, improving local areas or minimising the environmental impact of buildings themselves.

What is important to them?

- Local employment opportunities
- Positive contribution to local economy
- Safe and clean environment

How we engage

We run a matched giving policy through which our occupiers and employees are invited to apply for a donation to boost their fundraising efforts. We also engage through our charity and local community initiatives and through our occupier engagement programme.

We have a number of key charity partners which we support and fundraising or volunteering activities are arranged with the team where appropriate.

What we have done this year

- The team undertook the 'Marsden March', walking 30km along the Thames Path to raise funds for The Royal Marsden Cancer Charity
- Our charitable donations for the year were £25,000
- We supported 13 different charities

Priorities for the year ahead

- Continue to work with charity partners to see where we can support and increase social value
- Continue to engage with our occupiers on fundraising and matched giving opportunities

Our suppliers



Engaging with our suppliers ensures we are operating in an ethical way in accordance with relevant laws and regulations and in line with our own business principles.

What is important to them?

- Prompt payment
- Fair terms of business
- Long-term relationships

How we engage

We seek to maintain productive and long-term relationships with our business partners. Our Supplier Code of Conduct provides a framework for conducting business across the Group in a way that makes a positive contribution to society, while minimising any negative impact on people and the environment.

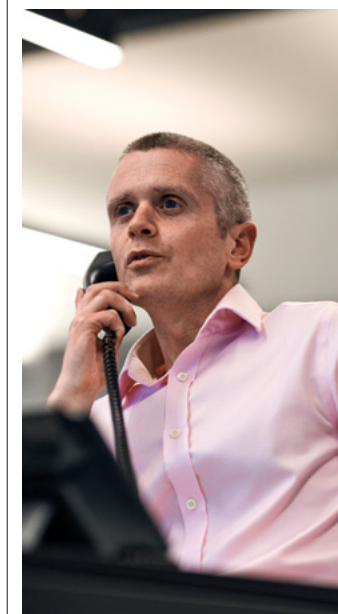
What we have done this year

- We migrated to a new finance system, improving efficiency and ensuring our suppliers continue to be paid promptly within payment terms
- We continue to ensure that any material new suppliers comply with our Supplier Code of Conduct and Modern Slavery Statement

Priorities for the year ahead

- Continue our review of compliance with Modern Slavery legislation
- Ensure any material new suppliers adopt our Supplier Code of Conduct

Our Section 172 Statement for the year ended 31 March 2026 is set out on pages 86 to 87 of the Governance section and sets out how several of the key decisions made by the Board during the year were guided by stakeholder engagement.



Chief Executive's Review

102p

2% increase in net asset value
per share

6.1%

Total return

12.6%

Total shareholder return

» Our focus on total
return and shareholder
value continues to
deliver positive results.

Michael Morris
Chief Executive



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

Chief Executive's Review *continued*

During the year, we marked our 20-year anniversary and I am now pleased to report a profit of £26 million for the financial year. Our net assets have grown to over 102 pence per share and we have paid dividends of £20 million, fully covered by EPRA earnings.

This has been set against a backdrop of both international and domestic economic uncertainty and volatility. Despite reducing interest rates in the UK, and an improving inflation outlook for most of the year, this was offset by the impact of higher taxes and weaker business sentiment, but also a delayed 2025 UK Budget. Recent events in the Middle East have provided another shock to financial markets, particularly through the impact of higher energy prices and the inflationary and interest rate outlook.

A year ago we set out a plan to reduce exposure to lower yielding assets, rebalance the portfolio to grow earnings, invest into our portfolio to support future occupancy and earnings growth, make prudent use of leverage and unlock shareholder value with our share buyback programme, using proceeds from asset disposals.

We have made progress against all of these objectives, albeit a continued share price discount to net asset value has led to greater use of share buybacks relative to new asset acquisitions.

I am particularly pleased that, alongside a total return of over 6%, our total shareholder return has been over double that at 13%, reflecting much of the above activity.

Performance

We have seen NAV per share growth of 2%, driven in part by portfolio revaluation gains, but also the positive impact of our share buyback programme.

Overall profitability was lower, reflecting the more subdued property market, with earnings per share of 5.0 pence, compared with 6.9 pence in the prior year. Similarly, our EPRA earnings was 4.0 pence compared with 4.2 pence in the prior year, principally reflecting the change in occupancy over the year.

Portfolio performance

Our property portfolio, as measured against the MSCI UK Quarterly Property Index, has continued to outperform, now for the thirteenth consecutive year. We have delivered upper quartile total property return performance since launch on an annualised basis. Our property total return this year was 5.9%, which compares to the MSCI All Property total return of 5.4%.

I am encouraged by the like-for-like ERV growth of close to 5% driven in part by both the underlying growth in our industrial assets and also the positive impact of capital investment into office assets, enabling us to facilitate leasing and regear transactions.

We sold our largest office asset by value during the year, 1% above the preceding valuation, reducing our office exposure to 21% from 36% five years ago. The majority of the proceeds were used to continue our share buyback programme as well as our ongoing reinvestment programme into our portfolio to create high quality assets that meet occupiers' expectations.

We have reduced our lower yielding office exposure to 21% with the disposal of our highest value office asset for £34.5 million.

Whilst we have seen 27% more leasing transactions relative to last year, and ERV growth of close to 5%, we have also seen a reduction in occupancy. The decrease in occupancy is a result of our lease expiry profile rather than a long-term structural trend, and reflects a few key lease events primarily within our industrial assets in the final half of the year. These lease events at Radlett and Rushden, which are high quality, well-located assets, make up over 40% of our vacancy and represent the two largest opportunities to capture reversionary upside in the portfolio and will drive income growth looking forward. We have received positive leasing interest in both these assets.

Operational excellence

Recognising our conservative balance sheet we have continued to use proceeds from asset disposals to extend our share buyback programme alongside ongoing reinvestment into the portfolio.

We continue to operate with a very strong debt book, with long-term fixed rate debt, priced below market rates. We refinanced our revolving credit facility at the start of the year but it was not drawn during the period, reflecting the improved cash position from asset disposals.

Sentinel House, Fleet



Chief Executive's Review *continued*



We are pleased to have maintained a cost ratio of 1.3% and managed our cost base in line with the prior year, excluding costs in relation to the Strategic Review.

Acting responsibly

During the year we revised our net zero strategy to reflect the progress made on the decarbonisation of our assets since 2019 and to ensure this aligns with our business objectives. We aim to reduce our Scope 1 and 2 emissions to net zero by 2035, whilst allowing more time to achieve an overall net zero target by 2045. The latter reflects the need for our own occupiers and suppliers to be part of the solution and the longer term engagement that this will require. This compares to a previous overall net zero target of 2040.

Datapoint, London

|| We have created new net zero targets, in line with SBTi and expect to be net zero on Scope 1 and 2 emissions by 2035. We aim to be net zero for all Scopes by 2045.

We have made very good progress decarbonising our office assets and recognising projects on-site currently, we expect 85% by value to have been fully or partially decarbonised and running on all electric systems by the end of this year. We now have 86% of the portfolio with EPC ratings A–C.

To mark our 20-year anniversary, we raised over £20,000 for The Royal Marsden Cancer Charity, which was particularly poignant as Jay Cable had been treated there over the past few years. We have sadly lost a great colleague and wonderful individual far too soon.

Equity capital markets

For some time the Board has been seeking to address the impact of the discount between share price and net asset value.

Throughout the course of the last year, real estate equities continued to trade at material discounts to their underlying asset value. The volatility in the market has been very sensitive to movements in interest rates, particularly as a result of instability in the wider financial markets.

Through our share buyback programme, we have prioritised investment into our own equity above new acquisitions and this has delivered a positive impact.

Strategic Review

As announced on 13 January, the Board launched a Strategic Review to consider all further options to maximise value for shareholders, therefore suspending our share buyback programme.

On 12 May 2026, a non-binding indicative all-share offer ('Proposed Offer') from LondonMetric Property Plc and Schroder Real Estate Investment Trust Limited was announced.

The Company is engaging with all stakeholders, with negotiations and due diligence ongoing. Further details will be communicated in due course.

Outlook

Our portfolio, weighted to industrial, warehouse and logistics assets continues to be supported by a diverse occupier base, limited new supply pipeline, low obsolescence and low capital investment relative to other sectors.

Our portfolio has a current rent roll of £37.0 million, with additional rent frees and stepped rents accounting for £6.1 million. We have a further £8.8 million of vacancy, with the two largest industrial voids accounting for over 40% of that upside. In addition, there is £4.4 million of reversion across the portfolio where we can reset rents to market levels at future lease events. The majority of this upside comes from our industrial portfolio, where we remain confident in the sector fundamentals.

The Board has agreed to maintain the current dividend level and will review future increases following leasing progress within the portfolio.

The year ahead is a key one. Notwithstanding macroeconomic factors, the drivers of our future performance relate to an improvement in occupancy and delivering on asset management initiatives. We expect to end the year with a marked improvement in occupancy, with leasing success following asset upgrades and capturing the reversionary potential across the portfolio. This will all provide a significant platform for future earnings growth.

Michael Morris
Chief Executive
11 June 2026

Our Marketplace

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



Economic backdrop

The first two months of 2026 were beginning to show signs of improvement across key economic indicators, but this was abruptly disrupted by the outbreak of conflict in Iran on 28 February.

The initial shock triggered market volatility and a surge in oil and gas prices, increasing inflation expectations and renewing cost of living pressures. Interest rate cuts are now expected to be paused or even reversed, keeping mortgage rates and borrowing costs elevated. There is now increased risk of weakened business confidence and slower economic growth, but this will depend on how long the conflict lasts.

Market drivers

-  Geopolitical
-  Economic
-  Property cycles
-  ESG
-  Technology

The UK is particularly exposed given the reliance on imported oil and energy. Slower growth and higher borrowing requirements from the UK Government was already a challenging fiscal environment and having a bearing on the risk-free rate, a key determinant of commercial property yields. On the day before the conflict began the ten-year gilt yield was 4.3%. By the end of March it was 4.9% and has continued to experience volatility in reaction to the news cycle. The rising uncertainty within the UK Labour Government contributed to additional upward pressure pushing the ten-year gilt yield to over 5% for the first time since 2008.

Inflation has fallen significantly from its 2022 peak of 11.1% but is still above target. In March the ONS reported that annual CPI increased to 3.3%, driven primarily by higher motor fuel prices. By April, annual CPI had eased to 2.8%, but is expected to increase further during 2026 due to higher energy costs and other underlying price pressures.

The Bank of England has reduced the base rate by 150 basis points, from its August 2023 peak of 5.25% to 3.75% by December 2025. In April 2026, the Monetary Policy Committee decided to hold the base rate at 3.75%.

The labour market has softened, with vacancies falling and wage growth slowing. Annual wage growth in real terms was 0.3% for regular pay and 1.0% for total pay from January 2026 to March 2026. The unemployment rate for the same period was 5.0% compared to 4.5% a year ago.

Retail sales saw a temporary boost in March due to Easter and food-related spending which was reversed in April, with the British Retail Consortium recording a year-on-year decline of 3.4%. Increased uncertainty and concerns over higher living costs are causing consumers to be selective about discretionary spending.

Cautious consumer behaviour is also reflected in the household savings ratio, which at 9.9% is high by historic standards. However, this also indicates that there is potential for consumer demand to support a sustained recovery when uncertainty eases.

Despite the outlook being more challenging than it appeared at the start of the year, the UK has several underlying strengths that give reason for cautious optimism. Inflation is well below the recent peak, wage growth remains positive in real terms and interest rates are significantly lower than the 2023 highs. These factors should help support business, consumer and investor confidence and lead to a gain in momentum once geopolitical pressures subside.

Our Marketplace *continued*

UK property market

UK real estate investment volumes have been at a reduced level since 2023, but from this lower base, strengthened in 2025, surpassing levels recorded in the previous two years.

For the year ending March 2026, the total capital invested reached £61.4 billion. Overall, investment volumes increased 17% compared to the previous year but this was primarily driven by an increase in corporate rather than direct market activity. The fourth quarter of 2025 saw a marked acceleration, however, this momentum did not continue into the first quarter of 2026. By sector, industrial assets accounted for 24% of total activity and recorded a 32% year-on-year increase in investment volumes. Offices represented 23% of the total volume, rising 38% over the same period. Retail investment accounted for 14% of activity and declined 16% year-on-year.

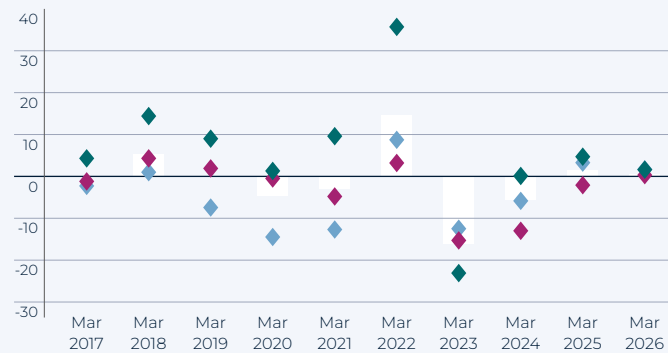
The MSCI UK Quarterly Property Index recorded an All Property total return of 5.4% for the year to March 2026, driven by 0.6% capital growth and a 4.8% income return. This compares to the 6.2% total return for the year to March 2025.

Looking at the three main sectors, retail and industrial outperformed, achieving annual total returns of 7.6% and 6.1%, respectively. Meanwhile the office sector lagged, delivering an annual total return of 4.3%. The retail and industrial sector total returns were lower than the prior year, whereas the office sector saw a marked improvement.

All Property ERV growth was 3.2% for the year to March 2026, compared to 4.0% in the previous year. The industrial sector saw the strongest rental growth at 4.2%, followed by offices at 3.6% and retail at 2.8%.

UK property market dashboard

MSCI UK Quarterly Property Index
Annual capital growth (%)



MSCI UK Quarterly Property Index
Annual estimated rental value growth (%)



12 months to March 2026	All Property	Industrial	Office	Retail
Total return	5.4%	6.1%	4.3%	7.6%
Income return	4.8%	4.4%	4.1%	5.8%
Capital growth	0.6%	1.6%	0.3%	1.7%
Number of positive segments	15	4	2	9
Number of negative segments	9	1	5	3
ERV growth	3.2%	4.2%	3.6%	2.8%
Number of positive segments	22	5	7	10
Number of negative segments	2	0	0	2

Source: MSCI UK Quarterly Property Index

0.6%
Annual capital growth

3.2%
ERV growth

17%
Increased investment activity

Our Marketplace *continued*

Market drivers

As a UK REIT, our performance is influenced by a broad range of external forces that shape both the investment market, impacting yields and pricing, and the occupier market, impacting demand and rental growth. Understanding these drivers shapes our strategic approach, enabling us to position the portfolio effectively and maintain a resilient income stream.



The global geopolitical landscape creates both direct and indirect pressures on the UK real estate market. International conflict, political fragmentation and shifting trade policies influence interest rates, oil and energy costs, supply chains and investor sentiment. Prolonged uncertainty can weigh on business confidence and economic growth, with knock-on effects on occupier demand. In an uncertain and volatile world, the UK remains an attractive destination for global capital, supported by its high levels of transparency, governance and relative political stability.

Domestic economic indicators, including GDP growth, government policy, budgets and fiscal policy, inflation, interest rates, and labour market trends, play a central role in shaping commercial real estate performance. These factors influence capital markets, the cost and availability of debt, construction pricing, and business and consumer confidence. Economic downturns can soften occupier demand, increase vacancy risk and limit rental growth. Elevated inflation raises construction costs and can challenge rent affordability for occupiers, although supply constraints in certain sectors

can also support rental growth. Our approach remains focused on ensuring the portfolio is positioned to withstand these cyclical economic pressures.

The property market is cyclical and varies significantly across sectors and geographies. Whilst each sector has its own structural drivers, common themes such as the impact of inflation and interest rates on development viability, shape market behaviour. Asset selection and sector allocation remain critical drivers of returns. Diversification across sectors and regions helps to dilute cyclical risk, and support more stable long-term performance.

Sustainability considerations are increasingly central to investment decisions and asset pricing. Stakeholders, including investors, occupiers and local communities, expect high standards of sustainability, social impact and governance. Climate change introduces both physical risks, such as extreme weather events, and transitional risks linked to regulation and market expectations. Ensuring asset resilience and compliance with evolving ESG legislation is essential to avoid obsolescence, although this may increase capital expenditure requirements.






ESG priorities are integrated into our strategy, asset management and investment activity.

Technological change, in particular generative and agentic AI, is expected to drive significant structural shifts across the economy and potentially the real estate landscape. It may influence labour markets, workplace design, occupier requirements, energy consumption and cyber security needs. We monitor technology trends to ensure our assets meet occupier requirements and to identify any opportunities where technology can enhance efficiency.

The table overleaf summarises these key drivers and impacts associated with the themes described above and outlines our strategic response.

Our Marketplace *continued*

Market drivers *continued*

Driver	 Geopolitical	 Economic	 Property cycles	 ESG	 Technology
Themes impacting investment markets	<ul style="list-style-type: none"> - Capital market dynamics - Exchange rates - Cost and availability of debt - Government bond pricing - Property yields - Investor sentiment 	<ul style="list-style-type: none"> - Fiscal policy - Inflation - Interest rates - Cost of debt - Cost of construction - Government bond pricing - Property yields - Investor sentiment - Capital markets - REIT discounts/premiums to NAV - Liquidity 	<ul style="list-style-type: none"> - Balance of supply and demand - Rental growth - Property yields - Income return 	<ul style="list-style-type: none"> - Asset pricing: green premiums/brown discounts - Asset depreciation and obsolescence - Risk mitigation - Capital expenditure requirements 	<ul style="list-style-type: none"> - Advances in technology shaping capital markets - Impact of technological obsolescence on property pricing
Themes impacting occupier markets	<ul style="list-style-type: none"> - Economic growth - Oil and energy prices - Supply chains - Trade tariffs - Business and consumer confidence 	<ul style="list-style-type: none"> - Business rates - Taxation - Inflation - Interest rates - Labour market dynamics - Business and consumer confidence - Consumer spending/retail sales - Rent affordability 	<ul style="list-style-type: none"> - Rent affordability - Lease terms and rent incentives - Competition for space 	<ul style="list-style-type: none"> - Sustainable buildings are less costly to occupy - Alignment with occupiers' own ESG goals - Social and wellness amenities associated with improved employee retention for occupiers' businesses 	<ul style="list-style-type: none"> - Shifting demand - Reshaping occupier expectations - Evolving employment trends - Workspace configuration - Cyber security
Our strategic response	<ul style="list-style-type: none"> - Able to adapt to market trends and navigate periods of uncertainty with our agile and flexible business model - Our fixed rate and long-term debt means we are resilient to a volatile interest rate environment 	<ul style="list-style-type: none"> - Disciplined approach to capital structure with a modest level of gearing - Operational flexibility through undrawn revolving credit facility - Diverse income base with around 300 occupiers - Active management of operating costs - Considered approach to capital expenditure - Proactive asset management driving performance and minimising the cost of vacancy 	<ul style="list-style-type: none"> - In-depth understanding of the UK commercial property market - Reduced cyclical risk through diversified portfolio and occupier base - Management of sector and asset allocation to grow income and capital - Investment in structurally supported sectors and locations - Selective disposals and recycling of capital - Proactive engagement with occupiers to maximise retention 	<ul style="list-style-type: none"> - Integrated approach to ESG - Focused on reducing our emissions to achieve our net zero targets - Investing in decarbonising the portfolio - Committed to mitigating any physical or transition risks - Active engagement with our occupiers, shareholders, communities and other stakeholders - Nurturing a positive working environment and alignment of our team - Strong governance and transparent reporting 	<ul style="list-style-type: none"> - Our strategy considers technology and its impact - 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

Key Performance Indicators

Financial KPIs

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

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 EPRA vacancy 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

1/ Total return

6.1%



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 2026

Our total return for the year was driven by positive valuation gains across the portfolio and our share buyback programme.

Link to strategic priorities:



2/ Total shareholder return

12.6%



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 is a performance metric used in the Long-term Incentive Plan.

Our performance in 2026

We saw an increase in the share price over the year, supported by our share buyback programme, which alongside increased dividends, contributed to a return of 12.6%.

Link to strategic priorities:



3/ Total property return

5.9%



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 2026

We have outperformed the MSCI UK Quarterly Property Index for the thirteenth consecutive year, delivering a return of 5.9% compared to the Index return of 5.4% for the year. We have also delivered upper quartile outperformance against MSCI on an annualised basis since launch in 2005.

Link to strategic priorities:



Key Performance Indicators *continued*

Financial KPIs *continued*

Our strategic priorities

Portfolio Performance 

Operational Excellence 

Acting Responsibly 

 Remuneration link

4/ Property income return

5.2%

2026	5.2%
2025	5.2%
2024	5.1%

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 positioned towards income generation in addition to capital growth.

Our performance in 2026

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 every year since launch in 2005.

Link to strategic priorities:



5/ Loan to value ratio

24%

2026	24%
2025	24%
2024	28%

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 2026

The loan to value ratio has remained unchanged over the year. The Group disposed of one asset during the year and is holding increased cash reserves following that disposal.

Link to strategic priorities:



6/ Cost ratio

1.3%

2026	1.3%
2025	1.3%
2024	1.2%

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 2026

We have sought to manage our cost base in several areas and are pleased to have maintained a cost ratio of 1.3% during the year, excluding costs in relation to the Strategic Review.

Link to strategic priorities:



Key Performance Indicators *continued*

EPRA KPIs

7/ EPRA NTA per share

102p

2026	102p
2025	100p
2024	96p

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 2026

The EPRA NTA per share has increased this year by 2% as a result of the positive valuation movements, share buybacks and operating a covered dividend.

Link to strategic priorities:



8/ EPRA earnings per share

4.0p

2026	4.0p
2025	4.2p
2024	4.0p

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 2026

Our EPRA earnings have reduced slightly this year due to lower occupancy and reflecting the timing of key lease events in the latter half of the year.

Link to strategic priorities:



9/ EPRA vacancy rate

15.7%

2026	15.7%
2025	6.2%
2024	9.2%

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 2026

EPRA vacancy has increased this year due to key lease events in the industrial sector, with two key assets, Rushden and Radlett, accounting for 42% of the void.

Link to strategic priorities:



Our strategic priorities

Portfolio Performance	1
Operational Excellence	2
Acting Responsibly	3

Remuneration link

Key Performance Indicators *continued*

Non-Financial KPIs

Our strategic priorities

Portfolio Performance



Operational Excellence



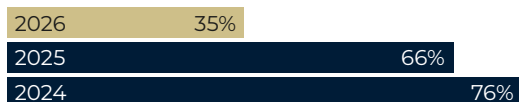
Acting Responsibly



Remuneration link

10/ Retention rate

35%



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 2026

In the year, £11.3 million of ERV was at risk from lease expiries or break options, a marked increase on the prior year. Of the ERV at risk, 35% was retained through lease renewals or the removal of break options. Of the ERV that was not retained, 9% was re-let to a new occupier within the year, while 56% remains vacant. Two vacant industrial units account for more than half of this remaining void.

In addition, a further £3.5 million of ERV was secured through lease extensions, break removals, or back-to-back lease surrenders and re-letting arrangements, where lease events were dated after the year end.

Link to strategic priorities:



11/ EPC rating A-C

86%



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 consultation still underway.

Our performance in 2026

The proportion of EPC ratings between A-C has increased this year, now representing 86% of the portfolio on an ERV basis. Of the remainder, 12% is rated D and only 2% is rated E. We are fully compliant with MEES regulations, with no F or G rated assets. The proportion of EPC A-B ratings has risen markedly since 2020 to 46% in March 2026.

Link to strategic priorities:



12/ Employee satisfaction



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 2026

This year we did not conduct an annual employee survey in light of the Strategic Review. Our designated Director for employee engagement, Helen Beck, held individual meetings with members of the team in order to address questions and concerns directly.

Link to strategic priorities:



Portfolio Review

Our £701 million property portfolio consists of 46 assets. Our diverse exposure provides flexibility to adapt as market conditions dictate.



Geographical weighting

■ 25-50% ■ 10-25% ■ 0-10%

Our top ten properties, which are each valued in excess of £20 million, represent 58% of the portfolio value.



Scan or click here to see our **full list of properties**

<p>01</p>	<p>Parkbury Industrial Estate, Radlett</p> <p>Approx area (sq ft) / 337,900 Capital value (£m) / >100 Occupancy rate (%) / 82 EPC rating / A-D</p>	<p>06</p>	<p>50 Farrington Road, London EC1</p> <p>Approx area (sq ft) / 31,300 Capital value (£m) / 20-30 Occupancy rate (%) / 61 EPC rating / B</p>
<p>02</p>	<p>River Way Industrial Estate, Harlow</p> <p>Approx area (sq ft) / 464,800 Capital value (£m) / 75-100 Occupancy rate (%) / 99 EPC rating / A-D</p>	<p>07</p>	<p>Tower Wharf, Cheese Lane, Bristol</p> <p>Approx area (sq ft) / 70,600 Capital value (£m) / 20-30 Occupancy rate (%) / 90 EPC rating / B-C</p>
<p>03</p>	<p>Shipton Way, Rushden</p> <p>Approx area (sq ft) / 312,900 Capital value (£m) / 30-50 Occupancy rate (%) / 0 EPC rating / C</p>	<p>08</p>	<p>Sundon Business Park, Luton</p> <p>Approx area (sq ft) / 127,800 Capital value (£m) / 20-30 Occupancy rate (%) / 93 EPC rating / A-D</p>
<p>04</p>	<p>Datapoint, Cody Road, London E16</p> <p>Approx area (sq ft) / 55,100 Capital value (£m) / 30-50 Occupancy rate (%) / 90 EPC rating / B</p>	<p>09</p>	<p>Trent Road, Grantham</p> <p>Approx area (sq ft) / 336,100 Capital value (£m) / 20-30 Occupancy rate (%) / 100 EPC rating / C</p>
<p>05</p>	<p>Lyon Business Park, Barking</p> <p>Approx area (sq ft) / 99,400 Capital value (£m) / 20-30 Occupancy rate (%) / 100 EPC rating / B-D</p>	<p>10</p>	<p>The Business Centre, Wokingham</p> <p>Approx area (sq ft) / 95,800 Capital value (£m) / 20-30 Occupancy rate (%) / 97 EPC rating / B-D</p>

Portfolio Review *continued*

Reducing low yielding office exposure, upgrading the portfolio and improving rental values.

Market backdrop

The year to March 2026 has seen mixed economic signals. On the one hand we have seen lower inflation and interest rates, but set against this, the impact of successive UK Budgets have weakened business confidence, and more latterly the uncertainty of rising energy costs as a result of conflict in the Middle East.

Occupational markets have been robust with a sense of improving demand through 2025. We have seen modest but positive rental growth in all three core markets. We continue to see leasing activity across all sectors, albeit asset specific factors, such as location and quality of accommodation, are key drivers of occupational demand with elevated levels of supply in some markets.

The investment market has been more muted since 2023, however, we are now seeing improved liquidity for well-positioned assets.

Overall property values have been relatively stable, with positive leasing and asset management activity providing momentum and offsetting adverse lease events.

Performance

For the year to March 2026, the total property return was 5.9%, outperforming the MSCI UK Quarterly Property Index which recorded a total return of 5.4%. We have outperformed the benchmark for 13 consecutive years and delivered upper quartile performance since launch, ranking in the 91 percentile. This outperformance was driven by both income return and capital growth.

Our portfolio income return was 5.2%, outperforming the MSCI income return of 4.8%. Capital growth was 0.7%, outperforming MSCI at 0.6%.



Portfolio summary	2026	2025	Like-for-like % change
Assets	46	47	
Area	4.6m sq ft	4.6m sq ft	
Occupancy	84%	94%	
Total property return	5.9%	7.3%	
Capital			
Valuation	£700.8m	£723.1m	1.7%
Disposals	£34.5m	£51.0m	
Acquisitions	–	£0.5m	
Capital expenditure	£8.8m	£11.8m	
Capital receipt	£2.4m	–	
Equivalent yield	6.8%	6.8%	
Income			
Passing rent	£37.0m	£42.3m	-9.9%
Contracted rent	£43.1m	£48.2m	-8.1%
Void ERV	£8.8m	£3.4m	163%
Rental uplift to ERV	£4.4m	£4.0m	26%
ERV	£56.4m	£55.6m	4.8%

5.9%
Total property
return

5.2%
Income
return

Portfolio Review *continued*

Capital growth

The portfolio valuation as at 31 March 2026 was £700.8 million, a like-for-like portfolio valuation increase of 1.7% or 0.7% after capital expenditure, underpinned by our industrial exposure.

Capital expenditure in the year was £8.8 million across multiple projects. These were primarily focused on refurbishment upgrades ahead of re-leasing and decarbonisation works at our office assets in Bristol, Colchester and Milton Keynes.

During the year we disposed of our lowest yielding office asset, Stanford Building, London, for £34.5 million, at a 1% premium to the March 2025 valuation, and acquired the freehold interest of our long leasehold Cardiff asset for £0.2 million which will tactically help unlock future redevelopment upside.

Income

At a headline level, portfolio rental income was lower this year than the previous year.

This was impacted by our asset disposal and also a number of key lease events, which are detailed further below. We do not believe our lower occupancy to be structural. The majority of our vacancy is under six months

old, but it does have a direct correlation to income, not only by virtue of rental income but associated void holding costs, be that business rates, service charges or security.

In terms of portfolio activity, we have completed 27% more leasing transactions than the preceding year, and by rental value have completed 35% more lettings.

Recognising tougher operating conditions, we continue to work with our occupiers in a collaborative way, and where we have had occupier defaults, we have re-let 36% of the space.

As a result, over the year we have seen a reduction in like-for-like passing rental income of 9.9% to £37.0 million and a reduction in contracted rental income of 8.1% to £43.1 million, reflecting lower occupancy.

Reversion

Following our asset upgrades, transactional evidence and market rental growth, we have seen a 4.8% like-for-like increase in the estimated rental value to £56.4 million.

The portfolio has reversionary potential of £19.3 million, of which £6.1 million is achieved through contractual rental uplifts, £4.4 million is from rental uplifts to ERV on lease

1.7%

Like-for-like
portfolio
valuation
increase

4.8%

ERV increase



■ We have completed 99 asset management transactions across a combined annual rent of nearly £12 million, including £4 million of new lettings.

Portfolio Review *continued*

events, and £8.8 million is from leasing our void units.

Portfolio activity

Our programme of targeted capital investment, a selective disposal and active leasing has generated a positive valuation movement and increased reversionary potential. We have completed 99 active management transactions, securing uplifted rents ahead of March 2025 ERV.

- 33 lettings or agreements for lease, securing additional rent of £3.9 million, 4% ahead of ERV
- 43 lease renewals or regears, securing £4.7 million per annum, an uplift of £0.4 million, 10% ahead of passing rent
- 17 rent reviews, securing an uplift of £0.4 million per annum, 18% ahead of passing rent and 4% ahead of ERV
- Six lease variations to remove occupier break options, securing £0.6 million per annum and extending the average lease term by four years

Occupancy

Our occupancy over the year has reduced to 84% from 94% in March 2025. This compares with the MSCI UK Quarterly Property Index of 91%.

Lower occupancy at the year end reflected a concentration of lease events during 2025 and we do not believe this is a long-term structural trend.

Re-leasing our two key industrial voids will see this position reverse and align with our five-year average occupancy which has been over 90%. The total void ERV is £8.8 million.

Retention

Over the year to March 2026, total ERV at risk due to lease expiries or break options totalled £11.3 million. This figure excludes the disposal during the year.

We retained 35% of the ERV at risk, or 44% where leases were surrendered, principally in Chatham and Radlett. Of the ERV not retained, 9% (£1.0 million) was re-let to new occupiers during the year. In addition, £3.5 million of ERV was secured through lease extensions, break removals or back-to-back lease surrenders and re-lettings, where lease events were dated after the year end.

Longevity of income

This was improved over the year and, as at 31 March 2026, expressed as a percentage of contracted rent, the average length of leases to first termination was 5.4 years (2025: 4.9 years). This is summarised as follows:

	%
0 to 1 year	14.9
1 to 2 years	8.2
2 to 3 years	13.9
3 to 4 years	16.9
4 to 5 years	11.8
5 to 10 years	20.9
10 to 15 years	12.0
15 years or more	1.4
Total	100



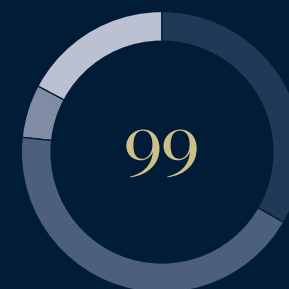
99

Asset management transactions

5.4 yrs

Average lease length

Portfolio activity



Lettings (New rent vs March 2025 ERV)

4%

New rent	£3.9m
March 2025 ERV	£3.8m

Renewals/regears (New rent vs previous rent)

10%

New rent	£4.7m
Previous rent	£4.2m

4% ahead of March 2025 ERV

Break removals (Lease length extension)

4 yrs

New rent	£0.6m
March 2025 ERV	£0.7m

Rent reviews (New rent vs previous rent)

18%

New rent	£2.7m
Previous rent	£2.3m

4% ahead of March 2025 ERV

Portfolio Review *continued*

Summary and outlook

The commercial property market has been subdued, recognising both global and domestic headwinds. However, we have seen positive valuation movement and growth in rental values over the period.

The occupational markets in particular, have shown resilience in the face of external pressures. Following the structural repricing over recent years of the retail and office sectors in particular, there has been a greater depth of investor demand across a variety of assets.

As we look forward, inflation, interest rate movement and cost of capital will be the key drivers for market liquidity and capital values. At present, visibility on these remains unclear as a result of geopolitical events and impact on supply chains and capital flows. We expect supply levels and investment transaction volumes to remain muted until a clear pathway is established. In addition, increases in construction costs will further restrict the supply of new developments in an already constrained market.

We expect occupational markets to continue to demonstrate resilience in the face of external pressures but demand will continue to focus on strong geographies and high quality assets that meet occupiers' requirements. Restricted supply of new developments will enable further rental growth for the best space across most markets and geographies.

The portfolio has significant reversion, which we believe can be unlocked within the next 12 months and we remain focused on growing income and creating value.

We are encouraged by leasing activity and the rents being achieved where we have invested capital to upgrade assets ahead of re-leasing, the proof of which has been

£19m
Reversionary
potential

£9m
Invested into
upgrading
the portfolio

demonstrated by the ERV growth during the year. We are on-site refurbishing space that became available during the year and have a good pipeline of leasing interest across all sectors within the portfolio.

Tim Hamlin
Head of Asset Management
11 June 2026

We remain focused on growing income and creating value.



For more information:

Industrial activity pages 30 to 31

Office activity pages 32 to 33

Retail and Leisure activity pages 34 to 35

Portfolio Review *continued*

Capturing the reversionary potential in the portfolio

Our portfolio has significant income upside potential. Re-leasing and securing uplifts as rents are reset to market levels will deliver income and value growth.

Link to strategic priorities:



During the year, despite reduced occupancy, we have delivered a 5% increase in overall portfolio ERV, underpinning further income growth potential.

The timing of lease events has been a key driver, with a number of lease events increasing void space at the end of 2025.

We have actively reinvested capital into upgrading this space, enhancing its quality and positioning in order to capture higher rents. This includes industrial assets at Radlett and Rushden, which together represent 42% of total vacancy.

£8.8m

ERV of void assets

£4.4m

Resetting rents to ERV

Illustration:
Shipton Way, Rushden



Portfolio Review *continued*

The portfolio has a total of £19.3 million reversionary upside, comprising £6.1 million of contracted increases from rent frees or fixed uplifts, and £13.2 million from a combination of leasing vacant space and resetting rents to ERV at upcoming lease events.

In respect of the £6.1 million contractual upside, £2.3 million is in our industrial portfolio, £1.9 million is in offices and £1.9 million is in retail and leisure.

Vacancy

A significant proportion of our vacancy is under refurbishment, ahead of re-leasing. Of the £8.8 million of vacant ERV, £4.2 million relates to industrial assets, £4.4 million to offices, and £0.3 million to retail and leisure. We are making good progress in converting this into income, with £3.3 million of ERV already refurbished and available for immediate occupation, and a further £5.1 million of ERV under refurbishment or scheduled for works.

Our vacant reversion, where space became available during the period, is concentrated at industrial assets Rushden and Radlett, and office space at Chatham and Farringdon Road, London.

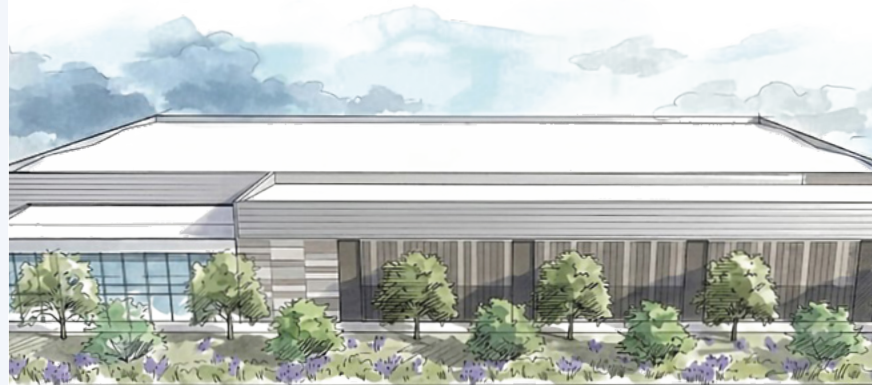
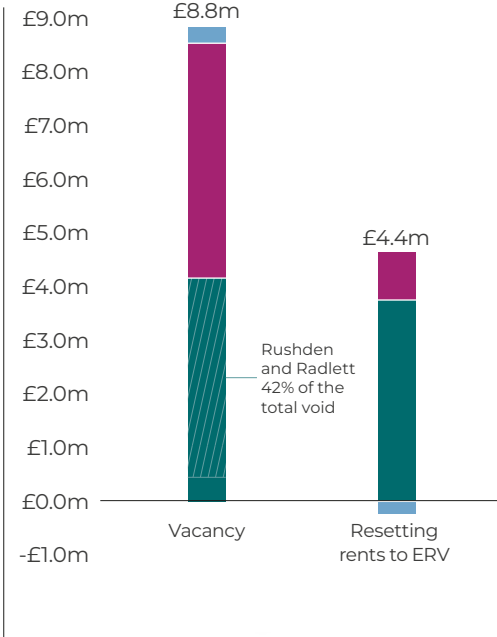
Refurbishment activity is well advanced: works at Rushden are due to complete in June 2026, Radlett has undergone a light-touch upgrade, and Chatham is now fully refurbished, with works at Farringdon, London also underway.

Resetting rents to ERV

In respect of rental uplifts achieved by resetting rents to ERV, £3.7 million is in our industrial portfolio and £0.9 million in offices. We still have a small amount, £0.2 million, of over-rented space in our retail assets.

We expect to capture £2.0 million of market rent upside during the next financial year, £0.7 million in the financial year ending 2028 and £1.1 million in the financial year ending 2029.

Reversionary potential in the portfolio



££ The reversionary potential of the portfolio from leasing vacant space and resetting rents to ERV is £13.2 million.

42%

Of total void made up of Radlett and Rushden

£9m

Invested into asset upgrades

Illustration:
Parkbury Industrial Estate, Radlett

Portfolio Review *continued*

Industrial

Strong ERV growth driven
by asset management activity.

Sector weighting

67%



Valuation

£469m

Contracted rent

£23m

	2026	2025	Like-for-like % change
Assets	19	19	
Area	3.3m sq ft	3.2m sq ft	
Occupancy	87%	99%	
Total property return	5.5%	8.7%	
Capital			
Valuation	£468.7m	£463.2m	1.2%
Disposal proceeds	-	-	
Acquisitions	-	£0.5m	
Capital expenditure	£2.8m	£3.0m	
Equivalent yield	5.9%	5.6%	
Income			
Passing rent	£21.0m	£22.6m	-7.1%
Contracted rent	£23.3m	£25.7m	-9.1%
Void ERV	£4.2m	£0.4m	894%
Rental uplift to ERV	£3.7m	£3.4m	9.8%
ERV	£31.2m	£29.5m	5.9%

Parkbury Industrial Estate, Radlett



Portfolio Review *continued*

Industrial *continued*

Market backdrop

The industrial and logistics sector has seen modest capital growth throughout the year. However, the main driver of growth has again been movements in income as rents are reset on lease events.

Overall, investment transaction volumes have been driven by a shortage of supply of suitable assets rather than a lack of demand.

Occupational demand has been resilient with a noticeable improvement in demand in the latter half of the year. Speculative development remains restricted and areas of oversupply are starting to reduce as a consequence.

Key activity

Our industrial assets increased in value by 1.2% over the year, to £468.7 million. Contracted rent has reduced by 9.1% to £23.3 million and the ERV grew by 5.9% to £31.2 million. Occupancy has reduced from 99% to 87%.

During the year, the occupier at Rushden exercised their break option and this represents the largest single reversionary opportunity within the portfolio with an ERV of more than 50% above the previous passing rent. We received a payment of

1.2%
Valuation
increase

5.9%
ERV growth

£2.5 million in accordance with their lease terms and this will enable upgrade works to the building ahead of re-leasing.

At Radlett, an occupier vacated a unit where we received £1.1 million in lease surrender and dilapidations payments and the ERV is more than 20% above the previous passing rent. Marketing has commenced for both units with good interest.

Over the year we completed £6.5 million of lease transactions at an average of 4% ahead of the March 2025 ERV. Of these £1.8 million were new lettings, 6% ahead of ERV, £2.8 million were lease renewals or regears, 7% ahead of ERV and 32% ahead of the previous rents. A further £1.3 million of rent reviews were completed, securing a rental uplift of £0.3 million, 6% ahead of ERV and 31% ahead of the previous rent. In addition, we removed five break options securing £0.6 million.

Key transactions in the year included:

- **Harlow** – lease regear with the largest occupier securing a ten-year term subject to breaks with penalty payments at £1.0 million, 25% ahead of the passing rent and 10% ahead of March 2025 ERV. We also

surrendered a lease and simultaneously re-let the unit for £0.6 million per annum, 5% ahead of the previous passing rent and 4% ahead of March 2025 ERV

- **Radlett** – lease renewal securing £0.3 million per annum, 64% ahead of the previous passing rent and 6% ahead of March 2025 ERV
- Additionally, we completed lettings in Radlett, Gloucester, Winnersh, Datapoint, London, Luton and Warrington for a combined £0.8 million per annum, 8% ahead of March 2025 ERV

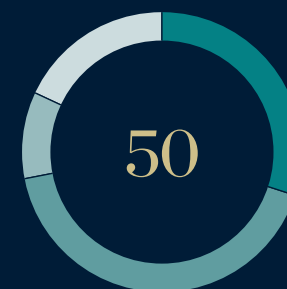
Outlook

The industrial portfolio currently has £10.2 million of reversionary income potential: £2.3 million from contractual uplifts, £3.7 million from market reversion and £4.2 million from leasing void units.

Demand at our multi-let industrial assets remains resilient, and we continue to capture reversionary potential at lease events with further rental growth over the period.

Our vacancies at Rushden and Radlett comprise the largest income upside. We continue to see rental growth in the sector, albeit at a lower rate than in recent years.

Key asset management activity



Transactions

Lettings	15
Renewals/regears	21
Break removals	5
Rent reviews	9

Lettings (New rent vs March 2025 ERV)

6%

New rent	£1.8m
March 2025 ERV	£1.7m

Break removals (Lease length extension)

4 yrs

New rent	£0.6m
March 2025 ERV	£0.7m

Renewals/regears (New rent vs previous rent)

32%

New rent	£2.8m
Previous rent	£2.1m

7% ahead of March 2025 ERV

Rent reviews (New rent vs previous rent)

31%

New rent	£1.3m
Previous rent	£1.0m

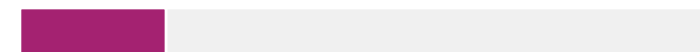
6% ahead of March 2025 ERV

Portfolio Review *continued*

Office

Our asset upgrade programme has delivered leasing results with £1.8 million of new lettings ahead of ERV, and an encouraging pipeline.

Sector weighting



21%



Valuation

£146m

Contracted rent

£12m

	2026	2025	Like-for-like % change
Assets	13	14	
Area	0.6m sq ft	0.7m sq ft	
Occupancy	75%	86%	
Total property return	5.3%	1.6%	
Capital			
Valuation	£146.3m	£175.3m	3.5%
Disposal proceeds	£34.5m	£51.0m	
Acquisitions	-	-	
Capital expenditure	£5.9m	£8.1m	
Equivalent yield	9.1%	8.2%	
Income			
Passing rent	£10.4m	£14.0m	-18.1%
Contracted rent	£12.3m	£14.9m	-9.9%
Void ERV	£4.4m	£2.6m	73%
Rental uplift to ERV	£0.9m	£1.2m	32.2%
ERV	£17.6m	£18.7m	4.3%

Grafton Gate, Milton Keynes



Portfolio Review *continued*

Office *continued*

Market backdrop

Office capital values continued to weaken during the year, albeit the rate of decline was significantly more muted relative to prior years.

Investment transactions have been focused on either well-located, high quality assets or peripheral buildings more suited to alternative uses.

There has been almost no new development in the majority of office markets outside of central London and other large regional cities. At the same time there remains an oversupply of secondary space relative to occupational demand which is leading to vacancy and downward rental pressures, whilst prime assets are still seeing leasing activity and rental growth.

Key activity

During the year we completed the disposal of a low yielding central London office asset (following the three office disposals last year) at a 1% premium to the March 2025 valuation, which has reduced our office exposure to 21%.

The value of our office assets has increased on a like-for-like basis by 3.5% over the year to £146.3 million.

We have continued to invest to improve the quality of

£35m
Disposal
proceeds

4%
Increase
in ERV

our office space and deliver better occupier amenities.

Our asset upgrades, leasing transactions and the impact of a market with a shortage of high quality space have driven rental growth which has seen the ERV increase by 4.3% to £17.6 million.

Following an active management surrender at Chatham, and space becoming available at Farringdon, London and Metro, Manchester, our office occupancy fell to 75% from 86%. The passing rent on our retained office assets reduced by 18% to £10.4 million, and the contracted rent reduced by 10% to £12.3 million.

Over the year we completed £4.4 million of lease transactions at an average 2% ahead of the March 2025 ERV. Of these, £1.8 million were new lettings, 3% ahead of ERV and £1.4 million were lease renewals or regears, 1% ahead of ERV and 9% ahead of the previous rent. We also settled five rent reviews securing an uplift of £0.1 million, 9% ahead of passing rent and 1% ahead of ERV.

We have completed £1.8 million of leasing transactions as a direct result of our refurbishment upgrades, 3% ahead of March 2025 ERV.

Key transactions in the year included:

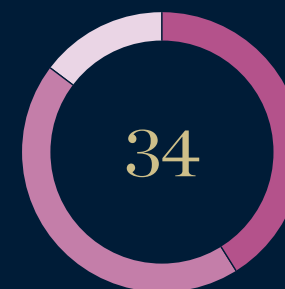
- **Colchester Business Park** – leased three of the four suites at Building 200 at £0.5 million, 7% ahead of the March 2025 ERV
- **Tower Wharf, Bristol** – leased two suites at £0.3 million, in line with the March 2025 ERV
- **Metro, Manchester** – secured a renewal and new letting of £0.4 million, 4% ahead of the previous rent and 7% ahead of the March 2025 ERV

Outlook

Our office assets have a reversionary yield in excess of 11%. The reversionary potential is £7.2 million, with £1.9 million from contractual uplifts, £0.9 million from resetting to market rents and £4.4 million from leasing vacant space.

Whilst pricing has stabilised, the sector remains polarised. We expect strong rental growth to continue at the best buildings and locations as new supply is likely to remain constrained. The weakest locations and buildings will continue to suffer from weak occupational demand requiring an alternative use.

Key asset management activity



Transactions

Lettings	14
Renewals/regears	15
Rent reviews	5

Lettings (New rent vs March 2025 ERV)

3%

New rent	£1.8m
March 2025 ERV	£1.7m

Rent reviews (New rent vs previous rent)

9%

New rent	£1.2m
Previous rent	£1.1m

1% ahead of March 2025 ERV

Renewals/regears (New rent vs previous rent)

9%

New rent	£1.4m
Previous rent	£1.3m

1% ahead of March 2025 ERV

Portfolio Review *continued*

Retail and Leisure

We continue to see high levels of occupancy at our retail assets and have unlocked additional value via lease restructures.

Sector weighting



12%



Valuation

£86m

Contracted rent

£7m

	2026	2025	Like-for-like % change
Assets	14	14	
Area	0.7m sq ft	0.7m sq ft	
Occupancy	96%	94%	
Total property return	10.1%	14.1%	
Capital			
Valuation	£85.8m	84.6m	1.4%
Disposal proceeds	-	-	
Acquisitions	-	-	
Capital expenditure	£0.1m	£0.7m	
Capital receipt	£2.4m	-	
Equivalent yield	7.9%	7.9%	
Income			
Passing rent	£5.6m	£5.7m	-2.5%
Contracted rent	£7.5m	£7.6m	-1.7%
Void ERV	£0.3m	£0.4m	-28.8%
Rental uplift to ERV	-£0.2m	-£0.6m	60.4%
ERV	£7.6m	£7.4m	1.4%

English Street, Carlisle



Portfolio Review *continued*

Retail and Leisure *continued*

Market backdrop

Retail capital values have shown modest overall growth over the year, with selective rental growth in certain sub-markets including central London and retail parks in particular.

Investment demand has focused on the retail warehouse sector which is supported by consumer behavioural patterns, and locally dominant high street and shopping locations.

Occupationally, the sector shows remarkable resilience in the face of domestic political headwinds and broader cost pressures. However, some structural issues remain and the sector remains polarised between locations with strong footfall and disposable income that support rental growth, and more peripheral locations unable to attract customers.

Rents in the sector have broadly rebased and we have seen rental growth at key high street locations. Occupier defaults have remained at fairly low levels, and notably much of the space returned has been absorbed by other operators, in some instances at higher rental levels.

The sector offers opportunities but asset selection and the ability to maintain income is key.

1.4%
Valuation
increase

1.4%
Increase
in ERV

Key activity

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 two vacant units in Swansea. Our high yielding high street portfolio makes up 2% of the total portfolio, and leisure comprises 2%.

Our retail assets increased in value by 1.4% over the year to £85.8 million, and the ERV grew by 1.4% to £7.6 million, mainly as a result of leasing transactions. Occupancy increased from 94% to 96%.

The contracted rent reduced by 1.7% to £7.5 million, partly due to a lease restructure involving receipt of a capital payment of £2.4 million, and also the re-letting of space following the expiry of an over-rented lease.

Over the year we completed £1.0 million of lease transactions at an average 2% ahead of the March 2025 ERV. Of these, £0.3 million were lettings, 4% ahead of ERV, £0.5 million were lease renewals or regears, 1% below ERV, three rent reviews at £0.2 million securing an uplift of 1% against the previous rent and a break removal.

Key transactions in the year included:

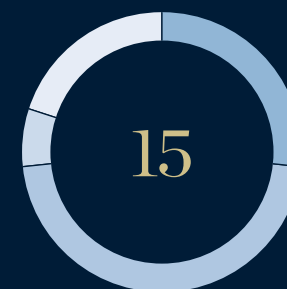
- **Bristol** – leased a unit and renewed two leases at £0.3 million, 5% ahead of the March 2025 ERV
- **Leeds** – surrendered and simultaneously re-let a unit at £0.1 million, 64% ahead of the previous rent and 27% ahead of the March 2025 ERV
- **Carlisle** – restructured the hotel lease (lower rent, longer term), in return for a premium of £2.4 million

Outlook

Our retail and leisure assets have reversionary potential of £2.0 million, of which £1.9 million is contractual uplifts, £0.2 million of over-rented leases approaching expiry and £0.3 million of vacant units.

The sector offers attractive income characteristics with growth potential. However, the ownership structure of many retailers magnifies the risks in the event of continued economic pressures. Investment demand is likely to focus on dominant, structurally supported locations, and strong covenant-backed cash flows.

Key asset management activity



Transactions

Lettings	4
Renewals/regears	7
Break removals	1
Rent reviews	3

Lettings (New rent vs March 2025 ERV)

4%

New rent	£0.3m
March 2025 ERV	£0.3m

Rent reviews (New rent vs previous rent)

1%

New rent	£0.2m
Previous rent	£0.1m

5% ahead of March 2025 ERV

Renewals/regears (New rent vs previous rent)

-42%

New rent	£0.5m
Previous rent	£0.8m

1% below March 2025 ERV

Financial Review

This year we have delivered EPRA earnings of £21 million and a profit after tax of £26 million.

£26m

Profit after tax
2025: £37m
2024: £(5m)

£21m

EPRA earnings
2025: £23m
2024: £22m

£4.0p

EPRA earnings per share
2025: £4.2p
2024: £4.0p

3.8p

Dividends per share
2025: 3.7p
2024: 3.5p

103%

Dividend cover
2025: 113%
2024: 114%

24%

Loan to value
2025: 24%
2024: 28%

102p

NAV per share
2025: 100p
2024: 96p

107p

EPRA NDV per share
2025: 105p
2024: 101p



Financial Review *continued*

Our focus at the outset of the year was to reduce exposure to lower yielding assets and recycle capital from disposal proceeds into more attractive risk-adjusted investments, including share buybacks to deliver shareholder value.

Earnings growth which supports an increasing, covered and sustainable dividend continues to be our main focus in a volatile and higher interest rate environment.

This year we have delivered EPRA earnings of £20.9 million and a profit of £25.9 million. It has been a more challenging year to deliver earnings growth due to our lease expiry profile, however, we believe the portfolio is well-positioned in the medium to long-term as demonstrated by the reversionary potential and 5% ERV growth during the year.

Whilst EPRA earnings are lower this year, we have seen continuing modest but positive valuation movements, as well as the disposal of our largest office asset for £34.5 million, 1% above March 2025 valuation. These disposal proceeds have been used to reinvest in the portfolio and return capital to shareholders through our share buyback programme which has been accretive, on a pence per share basis, to EPRA earnings and EPRA NTA.

Our balance sheet remains robust and our financial position has been strengthened by the surplus cash from disposal proceeds, low loan to value ratio and £50 million undrawn revolving credit facility.

EPRA earnings

EPRA earnings decreased by 4% to 4 pence per share during the year as a result of lower occupancy impacting net property income. We were pleased to maintain the administration costs in line with the previous year, and only see a small increase in the net finance costs. This analysis is set out in Table A: EPRA earnings.

Net property income

Net property income was £35.8 million, a decrease of 5% from the previous year due to:

- Industrial occupancy: our occupier in Rushden exercised their break in October 2025 resulting in reduced rental income, but represents the largest reversionary potential within the portfolio. We received a break penalty of £0.8 million to offset the lost income and acceleration of lease incentives. Excluding Rushden, we saw net property income growth of 5% across the remainder of the industrial portfolio
- Office occupancy: reduced occupancy at Farringdon Road, London, Chatham and Metro, Manchester, where the space has undergone, or is undergoing refurbishment for re-leasing
- Retail and leisure rent rebasing and the occupier lease regear at the hotel in Carlisle

This analysis is set out in Table B.

Rent collection

We continue to be focused on rent collection, with 99% received during the financial year.

In recognition of a tougher trading environment for our occupiers, we have sought to agree payment plans where necessary and maintain a low arrears position. During the period we have written off arrears of £0.3 million where an occupier went into administration.

Table A: EPRA earnings

	2026 £m	2025 £m
Rental income	41.2	43.5
Property costs	(7.5)	(6.5)
Other income	2.1	0.7
Net property income	35.8	37.7
Administration costs ¹	(7.1)	(7.1)
Net finance costs	(7.8)	(7.7)
EPRA earnings	20.9	22.9
EPRA earning per share (pps)	4.0	4.2

Table B: Net property income analysis

	£m
Net property income in the year to 31 March 2025	37.7
Impact of disposals	–
Rushden occupier break	(1.2)
Industrial net property income movement (excl. Rushden)	1.1
Office net property income movement	(1.0)
Retail and leisure net property income movement	(0.8)
Net property income in the year to 31 March 2026	35.8

1. Excluding accrued Strategic Review costs of £0.6 million.



Financial Review *continued*

Administration costs and cost ratio

Administration costs, excluding the Strategic Review, have remained in line with the prior year. The Group cost ratio has been maintained at 1.3%. We remained focused on managing our cost base and sought to reduce costs wherever possible.

Our EPRA cost ratio (excluding direct vacancy costs) has increased from 22% to 25% during the financial year in part due to the write-off of occupier incentives arising from reduced occupancy over the financial year.

Net finance costs

Our net financing costs have increased from £7.7 million to £7.8 million as a result of lower interest income during the year. Our interest expense is fixed, as 100% of the debt drawn is under our long-term fixed rate facilities.

Dividends

In May 2025, we announced an increase in the dividend to 3.8 pence per share, a 2.7% increase. Dividend cover is 103%.

The Board recognises the importance of dividend growth and will continue to review the dividend level going forward.

Balance sheet

Net asset value

The Group's net asset value as at 31 March 2026 was £522 million, or 102 pence per share. This reflected an increase of 2% or 2 pence per share over the financial year. The analysis of the net asset value movement is set out in Table C.

Table D reconciles the net asset value calculated in accordance with International Financial Reporting Standards (IFRS) with that of EPRA.

Portfolio valuation

The property valuation was £700.8 million, an increase of 1.7% on a like-for-like basis, excluding Stanford Building, London WC2, which was sold in the year. This equates to 0.7% including net capital expenditure, being £8.8 million of capital expenditure incurred less the £2.4 million premium received on the lease regear at the hotel in Carlisle. The lease regear resulted in a reclassification of the hotel in Carlisle from investment property to a finance lease receivable.

During the year, we have continued to upgrade our portfolio with £8.8 million incurred principally on the office assets to increase occupier demand and unlock rental income increases and capital values over the medium to longer-term.

Disposals

We disposed of Stanford Building, London WC2, our largest office asset, for gross proceeds of £34.5 million, 1% above the March 2025 valuation, prior to sale costs and lease incentive adjustments. On completion of the sale, we simultaneously entered into a lease of the first floor which is now classified as a right of use asset, rather than owner occupied.

The proceeds were released from the security pool in full and used to increase the share buyback programme and to reinvest in the portfolio.

Table C: Net asset value movement

	EPRA NTA £m	EPRA NTA pence per share
March 2025 net asset value	533.4	100.0
EPRA earnings	20.9	4.0
Portfolio valuation	6.6	1.3
Loss on disposals	(1.0)	(0.2)
Strategic Review costs	(0.6)	(0.1)
Employee share-based awards	0.7	0.2
Shares purchased by Employee Benefit Trust	(0.9)	(0.2)
Share buyback	(17.3)	1.0
Dividends paid	(19.8)	(3.8)
March 2026 net asset value	522.0	102.2

Table D: EPRA analysis

	2026 £m	2025 £m	2024 £m
Net assets – IFRS and EPRA net tangible asset value	522.0	533.4	524.5
Fair value of debt	21.9	26.1	24.7
EPRA net disposal value	543.9	559.5	549.2
Net asset value per share (pence)	102	100	96
EPRA net tangible asset value per share (pence)	102	100	96
EPRA net disposal value per share (pence)	107	105	101

1.7%

Like-for-like valuation
movement

£35m

Disposal proceeds

Financial Review *continued*

Financing

Total borrowings were £208.1 million at 31 March 2026, with the loan to value ratio at 23.5%. The weighted average interest rate on our borrowings was 3.7% and the average loan duration was 5.7 years.

The fair value of our drawn borrowings at 31 March 2026 was £186.2 million, lower than the book value by £21.9 million, or an additional 5 pence per share. Market financing rates continue to be higher relative to the fixed rates on our long-term loans.

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 £1.6 million.

Summary of borrowings

	2026	2025	2024
Fixed rate loans (£m)	208.1	209.6	211.1
Drawn revolving facility (£m)	-	-	16.4
Total borrowings (£m)	208.1	209.6	227.5
Borrowings net of cash (£m)	164.8	174.3	207.7
Undrawn facilities (£m)	50.0	50.0	33.6
Loan to value ratio (%)	23.5	24.1	27.9
Weighted average interest rate (%)	3.7	3.7	3.9
Average duration (years)	5.7	6.7	7.2

24%

Loan to value

3.7%

Weighted average interest rate

£50m

Undrawn facilities

100%

Fixed rate debt drawn

Cash flow and liquidity

During the year, our cash balances increased to £43.3 million, mainly due to the disposals during the year. The cash flow from operating activities this year was £21.6 million and dividends paid were £19.7 million.

Net disposal proceeds of £33 million have primarily been used to repurchase and cancel shares (£17.3 million) and invest in the property portfolio (£8.8 million). The remaining proceeds will be used to fund future capital expenditure.

Share buyback programme

We continued with the share buyback programme announced on 30 January 2025. We increased the programme from £10 to £30 million during the year, with buybacks of £17.3 million, at an average discount of 25% to the March 2026 NAV. In total, 33.8 million shares were purchased and cancelled since the start of the programme, at a cost of £24.8 million, at an average price of 74 pence. This total equates to a 28% discount to the March 2026 NAV per share and has been accretive to both earnings and NAV, on a pence per share basis.

The share buyback programme was suspended following the announcement of the Strategic Review in January 2026.

£17m

Deployed into share buybacks

25%

Share buyback discount

Employee Benefit Trust

The Company's Employee Benefit Trust (EBT) purchased 1,200,000 shares during the year and holds 3,119,446 shares as at 31 March 2026. 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
11 June 2026

Financial Review *continued*

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 144.

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 19 to 22.

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 19 to 22, with further disclosures and supporting calculations on pages 144 to 147.

EPRA NTA per share

102p

2026	102p
2025	100p
2024	96p

EPRA NDV per share

107p

2026	107p
2025	105p
2024	101p

EPRA NRV per share

111p

2026	111p
2025	109p
2024	105p

EPRA earnings

£20.9m

2026	£20.9m
2025	£22.8m
2024	£21.7m

Financial Review *continued*

EPRA earnings per share

4.0p

2026	4.0p
2025	4.2p
2024	4.0p

EPRA vacancy rate

15.7%

2026	15.7%
2025	6.2%
2024	9.2%

EPRA net initial yield

4.4%

2026	4.4%
2025	5.4%
2024	5.4%

EPRA 'topped-up' net initial yield

5.3%

2026	5.3%
2025	6.2%
2024	5.9%

EPRA cost ratio¹

35.2%

2026	35.2%
2025	30.9%
2024	32.4%

EPRA cost ratio²

25.1%

2026	25.1%
2025	21.9%
2024	23.0%

EPRA LTV

23.9%

2026	23.9%
2025	24.5%
2024	28.2%

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 12

Key Performance Indicators page 19

Principal Risks page 43

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 2026 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.

Risk management framework

The Board reviewed its Risk Management Policy in 2025 and has continued to operate in line with this policy during the year. The Board has ultimate responsibility for risk management and adopts a structured approach to considering risks which informs its decision making.

The Board has reviewed its principal risks and has added cyber risk as a principal risk based on the risk scoring framework in place. This reflects the increasing number of cyber events causing

business interruption generally, rather than any specific changes to our operating environment. During the year, we have updated our cyber certifications and worked with our property managers to better understand how risk is managed in our supply chain.

The Board also reviewed changes in risk trends and in particular notes the increased risk scores attached to our discount and ability to attract capital and occupier risks. The impact of the continuing discount and inability to attract capital increased during the year and has been a key consideration in the decision to commence a Strategic Review in January 2026. From a portfolio perspective, the Board is monitoring the increase in vacancy and leasing activity. The Board views the decrease in occupancy as a short-term timing issue due to the lease profile of the portfolio rather than a medium or long-term structural trend.

The Board has also considered its risk appetite to help manage risks and operations. The risk appetite may change over time and at different points in the property cycle, but the overall appetite for risk remains low and aligned to our long-term strategic objectives.

The Board considers the prolonged period of trading at a significant discount to NAV and the current level of occupancy to be nearing its risk parameter and this is an area of focus looking ahead.

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 principal and emerging risks alongside mitigating controls and their effectiveness. The Audit and Risk Committee will report to the Board on such matters.

Executive Committee

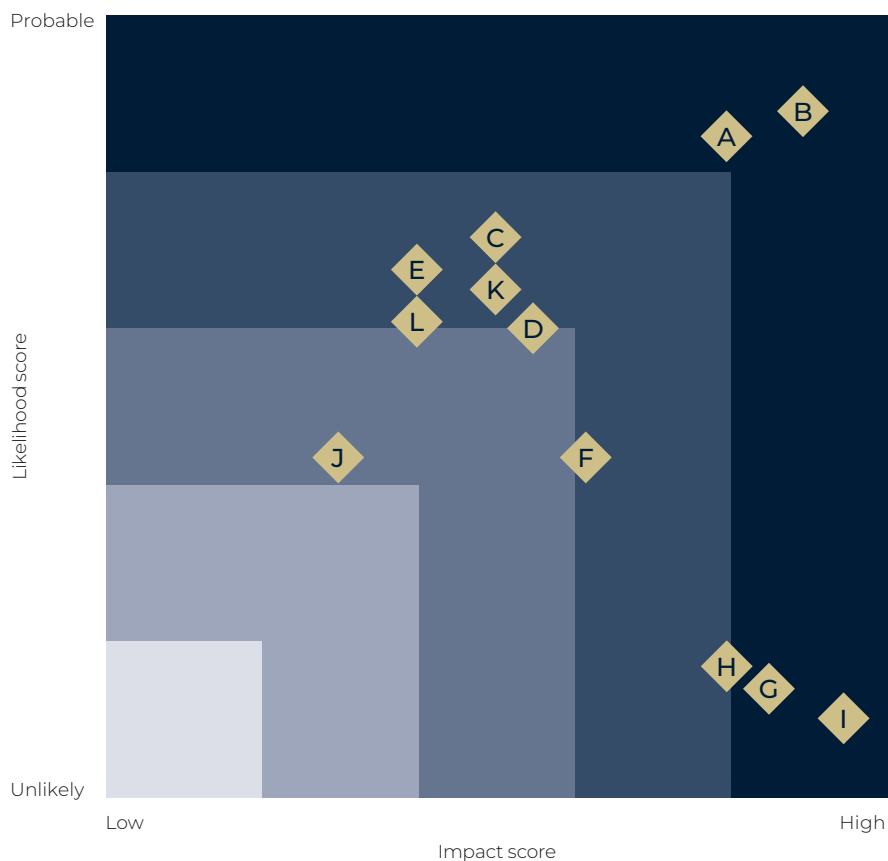
The Executive Committee is responsible for detailed risk assessment including maintaining a risk matrix setting out risks, detailed controls and risk appetite as well as embedding a culture of risk awareness in relation to day-to-day operational matters.

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 table below, which also includes commentary on updates of any changes during the year.



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 Cyber
- ◆ L Climate change

Emerging risks

The Board has incorporated emerging risks into its principal risks and considers this to be an appropriate way of reporting and managing these, recognising that these elements are rapidly evolving and harder to predict.

The risk matrix includes additional commentary on emerging risks, and we continue to monitor these to determine how they will affect us, our occupiers and wider stakeholders.

We continue to monitor the impact of the conflict in the Middle East and the evolving geopolitical landscape's impact on investor sentiment and return expectations.

We are also cognisant of the impact of technology, and shifting consumer trends on our occupiers in adapting our portfolio and sector mix.

Finally, we will continue to assess the impact of any new but unknown changes in legislation which may impact the cost and returns across our portfolio.



For more information:

Principal Risks pages 44 to 49

Principal Risks *continued*

Risk trend:

 Increasing
  No change/stable
  Decreasing

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.

Impact

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

The Board has continued its focus on capital allocation and reinvesting disposal proceeds during the year into attractive areas on a risk return basis, including the share buyback programme.

Commentary

Current macroeconomic conditions and geopolitical events mean the outlook continues with some uncertainty.

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

Emerging risks:

Geopolitical risk is heightened given the conflict in the Middle East which, combined with higher energy prices, may lead to a higher volatility, inflation and interest rate environment for a prolonged period.

Overseen by Board

Risk trend:



Link to strategic priorities:



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.

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 disposal proceeds to its share buyback programme with a total programme commitment of £30 million.

Proactive push to widen shareholder base with brokers and increase shareholder engagement, for example, increasing the frequency and number of webinars.

Commentary

The Board believes that the Company's share price has not, for a sustained period of time, adequately reflected the intrinsic value of the Company and its assets.

The Company announced a Strategic Review on 13 January 2026 in order to explore options available to maximise value for shareholders.

Overseen by Board

Risk trend:




Link to strategic priorities:



Principal Risks *continued*

Risk trend:

 Increasing
  No change/stable
  Decreasing

Portfolio

C Portfolio strategy

Diversification across geographies and 'traditional' sectors may lead to the Company's portfolio delivering below MSCI/peer group performance.

Impact

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.

How is the risk managed

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.

Commentary

The Group has sought to reduce exposure to the office sector and recycle capital from lower yielding assets. The disposal of the largest office asset, Stanford Building, completed in September 2025 for £34.5 million at a 1% premium to 31 March 2025 valuation. The portfolio is most concentrated in the industrial sector.

The portfolio has outperformed the MSCI UK Quarterly Property Index this year.

Emerging risks:
Technological change and the impact of Artificial Intelligence may mean assets do not meet future occupier demand.

Overseen by Board

Risk trend:



Link to strategic priorities:



D Investment

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.

Impact

Underperformance in the property portfolio.

Unable to recycle capital and reprofile returns and/or yield on the portfolio.

How is the risk managed

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.

Commentary

We have evolved our capital allocation strategy, deprioritising new acquisitions at present and allocating capital to increase the share buyback programme.

MSCI recorded a 17% increase in transaction volumes in the year to March 2026, albeit investment volumes were boosted by portfolio and corporate deals.

Overseen by Board

Risk trend:



Link to strategic priorities:



Principal Risks *continued*

Risk trend:

 Increasing
  No change/stable
  Decreasing

Portfolio *continued*

E Occupiers	
<p>Occupier defaults, increasing numbers of lease breaks actioned.</p> <p>Poorer occupational property market.</p> <p>Impact Immediate impact on earnings and dividend capacity. Risk of bank covenant breaches.</p>	<p>How is the risk managed The property portfolio is diversified across sectors, assets and occupiers.</p> <p>Our occupier focused approach, underpinned by our key Picton Promise commitments, ensures strong occupier engagement, evidenced by our annual occupier survey.</p> <p>Monthly meetings monitor property manager performance, with weekly rent collection reporting.</p> <p>Commentary During the year, two industrial occupiers exercised their break options, which in part caused occupancy to reduce from 94% to 84%, despite an increased number of new lettings/renewals over the year.</p> <p>The Board views the fall in occupancy as a short-term timing issue rather than a medium or long-term structural trend. The assets are of a high quality and well located and we therefore remain confident occupancy will increase in the near-term.</p> <p>The occupier market has remained resilient, with MSCI reporting five consecutive years of robust levels of rental growth to March 2026.</p> <p>Our rent collection rate is 99%.</p>
<p>Overseen by Board</p> <p>Risk trend: </p> <p>Link to strategic priorities:</p> <p></p>	

F Valuation	
<p>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.</p> <p>Impact Decreasing valuations reduce investor confidence and share price. Volatile or unsupportable valuations could lead to loss of investor confidence in the NAV. Risk of bank covenant breaches.</p>	<p>How is the risk managed The properties are valued quarterly by an independent valuer in accordance with the Royal Institution of Chartered Surveyors Red Book valuation standards, with oversight from the Property Valuation Committee, which facilitates an in-depth quarterly review.</p> <p>Mandatory valuation rotation with a maximum of five years for an individual and ten years for a firm.</p> <p>No development or land.</p> <p>Commentary Commercial property values have stabilised during the year and headroom exists on banking covenants.</p> <p>Knight Frank was appointed as external valuer effective June 2025 due to mandatory valuer rotation and the transition has been smooth.</p> <p>The Board notes the additional disclosure in the Knight Frank valuation report regarding the conflict in the Middle East and will continue to monitor the impact of the macroeconomic environment on the valuation.</p>
<p>Overseen by Property Valuation Committee</p> <p>Risk trend: </p> <p>Link to strategic priorities:</p> <p></p>	

Principal Risks *continued*

Risk trend:



Increasing

No change/
stable

Decreasing

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.

Impact

Insufficient cash to meet liabilities which may mean delayed payments to suppliers and 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

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.

Surplus disposal proceeds from the sale of Stanford Building have been retained to fund capital expenditure.

Overseen by

Executive Committee

Risk trend:

Link to strategic priorities:

2

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.

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

Gearing has been maintained at a modest level of 24% during the year.

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 5.7 years.

Overseen by

Board



Risk trend:

Link to strategic priorities:

2

Principal Risks *continued*

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.

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.

Overseen by Board

Risk trend:



Link to strategic priorities:



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 Real Estate UK.

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 UK Government continues to support the REIT regime and its focus to decarbonise and transition to net zero.

The new Renters Rights Act 2026 does not impact our portfolio.

Emerging risks:

Increase in new regulation and/or legislation constrains returns, such as the proposed ban on upwards only rent reviews.

J Operational

A small team with higher key person reliance and simple operational structure which may be impacted by a major event/business disruption.

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.

Overseen by Executive Committee

Risk trend:



Link to strategic priorities:



How is the risk managed

A succession plan is in place and reviewed annually.

We have in place an employee remuneration structure that supports retention.

We continue to engage with our employees through our Board and open culture.

Commentary

During the year, we focused on embedding additional asset management resource into the team.

In light of the Strategic Review, the designated Director for employee engagement has held one-to-ones with employees and sought individual feedback on related matters.

We reviewed our Employee Handbook, Incident Management Strategy and Business Continuity Plan.

Principal Risks *continued*

Risk trend:

 Increasing
  No change/stable
  Decreasing

Other *continued*

K Cyber

Systems are subject to cyber security breaches which cause business interruption, financial or reputational damage.

Impact

Loss of personal data, loss of financial information or operations delays will impact the ability to meet regulatory reporting and may cause financial loss.

Loss of investor confidence.

How is the risk managed

Annual certification of cyber security with monthly IT reporting from IT providers.

Employee training.

Commentary

We are not heavily reliant on in-house systems to carry out our business; however, the risk of cyber attack remains. We are reliant on key service providers for rent collection and property management and we ensure we have contractual protection and appropriate oversight.

Emerging risks:
Increased use of Artificial Intelligence may have consequences yet unknown and these will be rapid and difficult to respond to.

Overseen by
Executive Committee

Risk trend:


Link to strategic priorities:



L 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.

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

Our ESG Governance Policy is in place and embedded into processes.

The portfolio is diversified across a number of sectors, assets and geographic locations.

Flood risk assessments have been updated for all properties in respect of pluvial, fluvial and reservoir flooding.

EPC ratings are closely monitored and reported quarterly to the Board.

Commentary

We have continued to decarbonise and upgrade our portfolio.

We continue to improve our EPC profile and remain fully MEES compliant.

Our due diligence and risk assessment show limited physical or transition risk within the portfolio, recognising mitigating actions.

Emerging risks:
Unexpected or accelerated climate change may lead to an increase in stranded assets.

Overseen by
Responsibility Committee

Risk trend:


Link to strategic priorities:



Sustainable Thinking: Practical Solutions

We have refined our net zero targets to reflect our decarbonisation progress across the portfolio.



We believe strong ESG performance should underpin asset-level performance and reduce downside risk.

Sustainability landscape

The UK's latest Carbon Budget and Growth Delivery Plan signals tougher EPC standards, and investment in cleaner energy.

The industry has made meaningful progress in defining what net zero carbon means in practice for UK buildings. The Net Zero Carbon Buildings Standard, an emerging technical benchmark that builds on earlier frameworks such as those developed by the UK Green Building Council (UKGBC), covers both operational and embodied emissions and sets targets and limits aligned with the UK's carbon budgets. Its pilot phase concluded in 2025, and the first version was introduced in March 2026.

Net zero strategy

Following the launch of our new ESG framework last year, we have continued to embed new policies whilst developing additional commitments that reinforce our long-term approach.

We have assessed options for adopting industry-recognised emissions reduction targets and aligned our methodology with the Science Based Targets Initiative (SBTi). The SBTi's Buildings Criteria, which takes a whole building approach, introduced in August 2024, is particularly relevant given that around 70% of our emissions originate from our buildings.

We recognise that reductions within our direct control are the most readily achievable, and we expect to be fossil fuel free in landlord-controlled areas by 2035, eliminating Scope 1 emissions well ahead of the 2045 target. Our procurement of REGO-backed renewable electricity means we report zero Scope 2 emissions under the market-based approach as per the GHG Protocol methodology applied by SBTi. Our greatest challenge lies in occupier-related emissions, where progress will depend on sustained collaboration and engagement.

Across our buildings we continue to prioritise decarbonisation through the removal of fossil fuel-based systems and improvements in operational efficiency. These efforts are reflected in our improving EPC profile and the emission reductions being achieved.

For our non-building related emissions, we have aligned with the SBTi Corporate Net Zero Standard and set a target of achieving net zero across our remaining Scope 3 emissions, including those associated with purchased goods and services, by 2045.

As a small business, our influence over supply chain emissions is limited, but we are committed to working closely with suppliers to drive meaningful improvement.

Looking ahead






We are proud of the progress made to date and remain committed to enhancing the quality and completeness of our data as we work towards our near and long-term targets.

Michael Morris
Chief Executive
11 June 2026

Sustainable Thinking *continued* Sustainability progress

Key areas of progress

This year we continued to strengthen our commitment to responsible and sustainable practices across the portfolio and our operations. Key areas where we have made progress under the areas of environmental, social and governance in the year are summarised here.

Environmental focus	Social impact	Governance
<p>Our environmental priorities are focused on managing climate risk, owning sustainable buildings and conserving and enhancing biodiversity at our assets.</p>	<p>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.</p>	<p>Strong governance ensures our clear and transparent reporting, ethical practices, regulatory compliance and alignment with our stakeholders' expectations.</p>
<p>Reduction in Scope 1 emissions</p> <p>21% Rebaselined our net zero carbon pathway using SBTi guidance and set new near-term and net zero targets</p>	<p>Occupiers recommend us as a landlord</p> <p>93% Increased number of occupiers who would recommend us as a landlord 2025: 88%</p>	<p>EPRA award gold rating</p> <p> Maintained EPRA Gold award for 2025 annual reporting and sustainability reporting</p>
<p>EPC rating A-C</p> <p>86% Improved EPC ratings, with increased focus on achieving a higher proportion of A and B ratings in the portfolio 2025: 83%</p>	<p>Charitable donations to 13 charities</p> <p>£25k Continued support for our key charity partnerships, in addition to our fundraising walk for The Royal Marsden Cancer Charity 2025: £26k</p>	<p>2025 GRESB rating</p> <p> Improved our GRESB score to 82 and retained 3 green stars</p>
<p>Scope 3 data collection</p> <p>35% Continue to work on collecting Scope 3 data with final figures quoted later in the year in our Sustainability Data Performance Report 2025: 55%</p> <ul style="list-style-type: none"> - Reduced the amount of waste emissions generated in landlord-controlled areas by 18% - Continued our biodiversity focused partnership with Youngwilders - Published our net zero strategy, Climate Change Policy, Waste Statement and updated Biodiversity Policy <p> Read more on pages 52 to 58</p>	<p>Average length of employee service</p> <p>6 yrs Aligned, nimble and experienced team with an open and inclusive culture 2025: 6 yrs</p> <ul style="list-style-type: none"> - Maintained our strong health and safety record with no reportable accidents, near misses or other health and safety incidents - Remained 99% compliant in all critical and secondary health and safety documents - Reviewed our charity partnerships in line with our Social Impact Policy - Team undertook 480 training hours <p> Read more on pages 59 to 61</p>	<p>Investor meetings</p> <p>74 In addition to increased investor engagement, we attended the EPRA 2025 Corporate Access Event 2025: 66</p> <ul style="list-style-type: none"> - Remained aligned with the Better Buildings Partnership - Continued to assure our environmental performance information in accordance with ISAE 3000 - Reviewed all ESG policies and published four new strategies, statements and policies <p> Read more on pages 62 to 63</p>



Scan or click here to see our ESG strategy and policy framework

Sustainable Thinking *continued*
Sustainability in Action

Decarbonising our office assets

To develop our original net zero pathway, we undertook a comprehensive mapping of our 2019 operational emissions, identifying the sources within our direct control. This confirmed that the greatest opportunity for meaningful decarbonisation lay within our office portfolio.

Since then, we have been systematically removing fossil fuel-based systems from our offices and transitioning buildings to fully electric solutions, scheduling works around lease events and collaborating closely with occupiers to minimise disruption. In many cases occupiers were able to remain in situ throughout the upgrades, with several contributing to the cost in recognition of the shared long-term benefits.

To date, 40% by value of our office assets have been fully decarbonised, 45% have undergone partial decarbonisation and only three office buildings, or 15%, now remain reliant on gas, highlighting the significant progress made in a relatively short timeframe.

40%

Office assets fully
decarbonised

45%

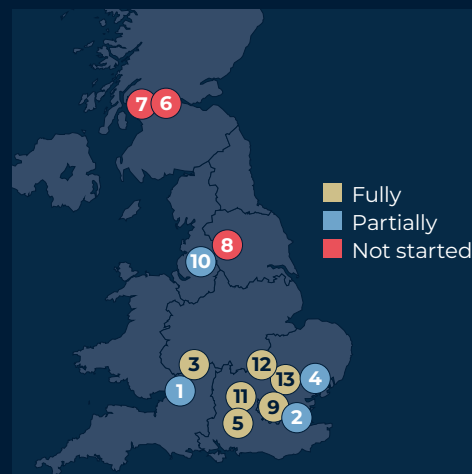
Office assets partially
decarbonised



Illustration:
Tower Wharf, Bristol

Sustainable Thinking *continued*
Sustainability in Action *continued*

Decarbonisation status



Current EPCs

1. Bristol, Tower Wharf	B-C
2. Chatham, 30 & 50 Pembroke Court	A-C
3. Cheltenham, 109-117 High Street	B
4. Colchester, Colchester Business Park	A-D
5. Fleet, Sentinel House	A
6. Glasgow, Queens House	B
7. Glasgow, 180 West George Street	B
8. Leeds, Waterside House	C
9. London, 50 Farringdon Road	B
10. Manchester, Metro Building	B-D
11. Marlow, Atlas House	A
12. Milton Keynes, 40 Grafton Gate	A
13. St Albans, Trident House	B



Tower Wharf, Bristol

Summary of work

Whole building de-carbonisation scheme. Removal of existing air conditioning system, including gas boilers, and replacement with new energy efficient VRF air conditioning system along with refurbishment of the central ventilation plant.

Progress to date

Project underway with works expected to complete September 2026.

Expected EPC

A



Metro, Manchester

Summary of work

Whole building de-carbonisation scheme. Removal of gas systems from the building and replacement with rooftop air source heat pump technology to provide heating and cooling to the building. The works also include a major overhaul of the existing internal fan coil units.

Progress to date

Project underway with works expected to complete Summer 2026.

Expected EPC

B



50 Pembroke Court, Chatham

Summary of work

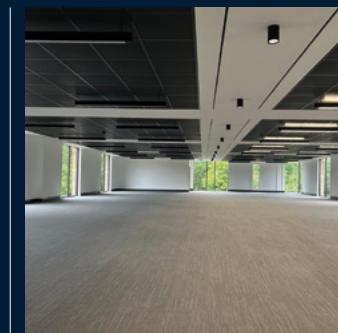
Following the whole building decarbonisation and air conditioning replacement scheme, the building has undergone extensive electrical upgrades and infrastructure works to improve metering and transparency on usage.

Progress to date

Project completed.

Expected EPC

A



Building 200, Colchester

Summary of work

Phase 2 refurbishment of the west wing of the building to facilitate partial re-letting. The office will benefit from new energy efficient VRF air conditioning systems, more efficient ventilation plant and LED lighting.

Progress to date

Project underway with works expected to complete by Summer 2026.

Expected EPC

B

Sustainable Thinking *continued*

Environmental focus

Continued focus on decarbonising our assets and 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.

Our environmental priorities are climate change, climate resilience and biodiversity, and we are aligned to the United Nations Sustainable Development Goals (UN SDGs) of climate action, sustainable cities and communities, responsible consumption and production, affordable and clean energy, life on land and life below water.

Our net zero commitment

In 2022, we published our pathway to net zero and accompanying action plan, committing to achieve net zero carbon across both operational and embodied carbon emissions by 2040, relative to a 2019 baseline. We have since made substantial progress and delivered many of the early actions set out in our original roadmap.

An important next step was to establish robust emissions reduction targets. After evaluating the available frameworks, we have aligned our approach with the SBTi, which required us to recalculate and expand our baseline to include additional emissions categories and set new near-term and long-term net zero targets. This has shaped a comprehensive, target-led net zero strategy that provides a clear, credible and actionable pathway to achieving our goals.

In August 2024, the SBTi launched the Buildings Sector Science-Based Target-Setting Criteria. Under the updated framework we are required to set whole-building in-use operational targets and corporate Scope 3 targets. As around 70% of our emissions originate from building-related activities, it is appropriate for us to set targets using this method.

To reflect the progress we have already made, the broader scope of the new baseline and the varying level of influence we have across different emission categories, we have set our new SBTi-aligned net zero target to 2045 across all Scopes, later than our original 2040 commitment but still five years ahead of the UK Government's 2050 deadline.

Whole-building in-use operational emissions targets

Near-term reduction target

73% per m²

We commit to reducing Scope 1, market-based Scope 2 and Scope 3 in-use operational GHG emissions of owned and leased buildings 73% per m² by 2035 from the 2024 baseline year.

Net zero target

96% per m²

We commit to reducing Scope 1, market-based Scope 2 and Scope 3 in-use operational GHG emissions of owned and leased buildings 96% per m² by 2045 from the 2024 baseline year.

Scope 3 targets

Near-term target

63%

We commit to reducing absolute Scope 3 emissions 63% by 2035 from the 2024 baseline year.

Net zero target

90%

We commit to reducing absolute Scope 3 emissions 90% by 2045 from the 2024 baseline year.

Sustainable Thinking *continued*

We are also introducing a near-term target of 2035 across all Scopes, to ensure progress towards our long-term goals. We expect to be net zero on Scope 1 and 2 emissions by our SBTi near-term target.

Reporting

The Annual Report will continue to disclose our annual emissions in line with EPRA Best Practices Recommendations, however, due to ongoing challenges in obtaining reliable and timely occupier-controlled emissions data, we will report progress against our SBTi aligned targets through a separate, dedicated update. This approach enables us to maintain our established timeseries of core emissions data published in the Annual Report and Sustainability Data Performance Report, whilst we transition to the SBTi methodology.

2035

Near-term target

2045

Net zero target

Biodiversity

This year we have updated our Biodiversity Policy to clearly set out our approach and commitment to protecting, enhancing and sustainably managing biodiversity across our assets, thereby contributing to the protection of ecosystems and promoting environmental stewardship.

Although we do not own land or undertake new build development projects, our direct influence extends to rooftops, grass verges and other small outdoor spaces. Our focus is therefore on raising awareness amongst stakeholders, integrating biodiversity considerations into decision making, and supporting local restoration initiatives.

Healthy ecosystems enhance asset resilience and contribute to the wellbeing of our occupiers. Working closely with our property managers, we seek to minimise any negative impact associated with our buildings.

We also partner with Youngwilders, a community interest company dedicated to biodiversity and nature recovery. We provide financial support and business advice to help them accelerate their impact.

Climate change

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

This year we published our 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 include:

- Annual measuring and reporting of our carbon footprint
- Achieving net zero carbon by 2045
- 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 (TCFD)
- Regularly assessing and disclosing climate risk and opportunities in line with best practice



Scan or click here to read our **Net zero strategy**



Scan or click here to read our **Biodiversity Policy**



Scan or click here to read our **Climate Change Policy**



Our Climate Change Policy focuses on achieving net zero emissions, enhancing climate resilience and driving long-term value for all our stakeholders.

Michael Morris
Chief Executive

Sustainable Thinking *continued*

Climate resilience

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

We report annually in line with TCFD. Our TCFD Statement, which sets out our approach to identifying and managing climate-related risk, can be found on pages 64 to 72.

Data and certifications

We have redefined our portfolio's baseline carbon footprint using 2024 to map the emissions reductions required to meet our new SBTi-aligned near-term and net zero targets. In the Annual Report we disclose Scope 1 and 2 emissions in full. Under Scope 3 we report business travel, landlord water and treatment, landlord waste and any occupier electricity and fuel consumption data that we are able to collect prior to publication.

In line with EPRA best practice, we report energy usage data on an absolute GHG emissions (tCO₂e) and GHG intensity (tCO₂e/m²) 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.

Our environmental performance information is independently assured in accordance with the International Standard on Assurance Engagements 3000, Revised (ISAE 3000).

We publish our Sustainability Data Performance Report post assurance in June 2026, which captures any later collected occupier consumption data under Scope 3.

From this year, we will provide an additional update on progress against our SBTi-aligned targets, which will capture all categories required under Scope 3.

Greenhouse gas emissions

We have continued to make meaningful progress in decarbonising the portfolio by phasing out fossil fuel-based systems. In 2025, we achieved a 21% reduction in Scope 1 emissions intensity and an 8% like-for-like reduction compared with 2024.

Our Scope 2 emissions intensity fell by 26% year-on-year, with a like-for-like reduction of 15%. We continue to purchase 100% of our electricity from REGO-backed renewable sources. Our focus for the next phase will be on reducing the energy demand of our buildings in line with our SBTi targets.

Head office emissions, which fall under Scope 1 and 2, decreased by 51% on an absolute and intensity basis in 2025 compared with 2024.

The majority of our Scope 3 emissions arise from occupier electricity and fuel consumption. To date we have collected 35% of our Scope 3 occupier data, which compares to 55% in last year's Annual Report. A further update will be provided in our Sustainability Data Performance Report in June, by which time we expect to have achieved a higher data collection rate.

GHG emissions	GHG Scope	2025		2024		2023	
		Absolute GHG emissions (tCO ₂ e)	GHG intensity (tCO ₂ e/m ²)	Absolute GHG emissions (tCO ₂ e)	GHG intensity (tCO ₂ e/m ²)	Absolute GHG emissions (tCO ₂ e)	GHG intensity (tCO ₂ e/m ²)
Combustion of fuel and operation of facilities	1	907	0.017	1,154	0.021	1,161	0.019
Electricity, heat, steam and cooling purchased for own use	2	1,239	0.014	1,619	0.019	1,748	0.019
Head office premises	1 & 2	3	0.013	7	0.025	7	0.026
Total Scope 1 and 2		2,150	0.023	2,780	0.030	2,916	0.029
Business travel	3	7	N/A	5	N/A	9	N/A
Occupier data (electricity and fuel consumption)	3	3,387 ¹	0.026	9,404	0.030	9,309	0.031
Landlord water and treatment	3	13	0.0002	11	0.0001	18	0.0002
Landlord waste	3	2	0.0000	2	0.0000	10	0.0002
Total Scope 3		3,409	0.026	9,423	0.030	9,346	0.024
Total all Scopes		5,559	0.027	12,203	0.030	12,263	0.032

1. Data not complete.

21%

Scope 1 emissions intensity reduction

8%

Like-for-like reduction in Scope 1 emissions

Sustainable Thinking *continued*

Annual change in emissions	Change in absolute GHG emissions (tCO ₂ e)	Change in like-for-like GHG emissions (tCO ₂ e)	Change in GHG intensity (tCO ₂ e/m ²)
Scope 1			
Combustion of fuel and operation of facilities	-21%	-8%	-21%
Scope 2			
Electricity, heat, steam and cooling purchased for own use	-23%	-15%	-26%
Scope 1 and 2			
Head office premises	-51%	-51%	-51%
Total Scope 1 and 2	-23%	N/A	-23%
Scope 3			
Business travel	23%	N/A	N/A
Occupier data (electricity and fuel consumption)	TBC	TBC	TBC
Landlord water and treatment	17%	37%	17%
Landlord waste	-18%	-18%	-18%
Total Scope 3¹	TBC	TBC	TBC
Total	TBC	TBC	TBC

1. Scope 3 occupier data collection figures are still incomplete at time of publication. This will be reported in the Sustainability Data Performance Report in June.



Water consumption

Water is a small part of our total footprint. There was a 17% increase in landlord water emissions over the year, which was reportedly due to both a general increase in office use and a number of factors at specific buildings, ranging from power washing façades and other refurbishment works to issues relating to meters and water tanks.

We continue to use building refurbishments and our sustainability action plans to improve water efficiency across the portfolio.



Scan or click here to read our **Waste Statement**

Waste

This year we published our Waste Statement, setting out our commitment to responsible waste management at both a corporate level and across our properties.

We aim to minimise the environmental impact of waste generated through the refurbishment, operation and management of our buildings while ensuring full compliance with applicable laws and regulations.

Waste management is incorporated into our net zero strategy. Our approach follows the waste hierarchy of reduce, reuse and recycle.

We actively promote recycling initiatives and target zero waste to landfill in landlord-controlled areas. Wherever possible, we incorporate waste-related clauses into our standard lease form to encourage occupiers to avoid sending waste to landfill.

We have again successfully diverted 100% of waste from landfill across property management activities, using either recycling or heat recovery.

Of the waste collected in the year, 77% was recycled and 23% recovered.

Sustainable Thinking *continued*

Methodology

We collect all our landlord-controlled energy data via automatic meter readings and we report energy consumption for 100% of our floor area. 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 use 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 GHG Conversion Factors for Company Reporting 2025.

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.

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 2025.

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

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.

Green lease clauses

Our standard green lease clauses remain aligned with the Better Buildings Partnership's guidance.

Over the year, we completed 76 lettings, lease renewals and regears.

Of these, 92% by rental value included our green lease clauses. Of the remainder, 5% related to car parking, open storage land or inclusive leases and 3% to protected lease renewals.

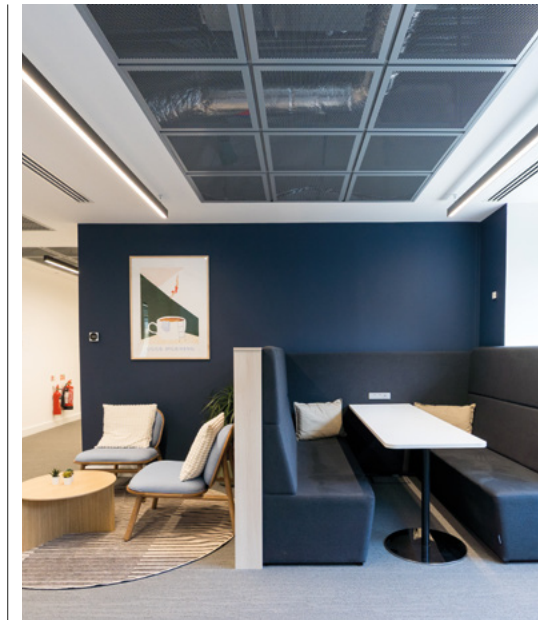
Asset type	Green building certification 2026 ¹
Office	41%
Industrial, Business Parks	22%
Industrial, Distribution Warehouse	29%
Hotel	0%
Leisure	0%
Retail High Street	0%
Retail Warehouse	0%
% of total portfolio	23%

1. By floor area.

Minimum Energy Efficiency Standards (MEES)

We continue to improve the EPC profile of the portfolio; on an ERV basis, 86% is now rated EPC A–C, compared to 83% last year. Over the year 46 EPCs were reassessed, with an average score improvement equivalent to moving from a C rating to a B rating.

Although timings are yet to be confirmed, minimum standards are expected to be raised to enable the UK Government to meet its 2050 net zero emissions target. Currently 46% of our portfolio is rated A–B.



Sustainable Thinking *continued*

Social impact

Ongoing occupier, employee, community and supplier engagement programmes

Connected UN SDGs:



In 2025, we formalised our Social Impact Policy which sets out our approach to our stakeholders, recognising the importance of our occupiers, employees and the wider community, and in tandem work with our suppliers. This approach and our governance framework ensures we remain focused on stakeholder engagement.

Occupiers

Occupier engagement

Occupier engagement is at the centre of our business model and is integrated into our responsible approach to asset management. We support occupiers by providing high quality buildings and amenities to property management issues. This supports occupier retention and our ability to add value through asset management.

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

This year we have continued with the roll-out of our occupier app which has been a positive way for our office occupiers to meet, providing a forum for

sharing ideas and promoting their businesses within the community. Additionally in the year, we hosted a wide variety of events and we worked with our occupiers to identify areas of collaboration such as upgrading communal areas and energy efficiency.

Next year we will continue to enhance the occupier app capability, including sustainability-led data, as well as introducing digital screens in most of our multi-let offices in order to further sustainability awareness and engagement.

Occupier survey

The results of our annual occupier survey showed an increase in the number of occupiers who would recommend Picton as a landlord to 93% (2025: 88%), supported by increases in satisfaction across

The fact that you put on events for occupiers is brilliant and unexpected. You get the local businesses involved as well so everybody wins!

Occupier

Farringdon Road, London

communication, responsiveness and service levels.

We continue to obtain valuable feedback from these surveys and actions are followed up by our Head of Occupier Services in partnership with our property managers.



Social event for occupiers held at Farringdon Road, London

Sustainable Thinking *continued*

Health and safety

Health and safety is central to our business activities. We are committed to making our buildings a healthy, safe and secure environment for our occupiers and their visitors, our employees, contractors, and the public.

We aim to achieve high standards through our governance framework, training and awareness and risk mitigation. Our Health and Safety Committee meets every other month and reports directly to the Executive Committee, who deliver a quarterly update to the Board.

During the year, we continued our awareness and training programme, including asbestos training, and a review of how new legislation, such as Martyn's Law, might apply to some of the portfolio.

There were zero reportable accidents, near misses or other health and safety incidents.

99%

Compliant in all critical and secondary health and safety documentation

Employees

Our employees are at the centre of delivering our strategy with a nimble, and experienced team. We have a strong and open company culture with shared values co-created by our employees which is aligned and focused on all our stakeholders and strategic pillars.

We continue to be committed to building an inclusive workplace where everyone is treated with fairness and respect. Our Diversity and Inclusion Policy can be found on our website.



This year, Helen Beck, one of our Non-Executive Directors designated as Director for employee engagement, held one-to-ones with employees. This replaced the annual employee engagement survey and sought to provide a more personal approach, recognising the size of the team and in light of the Strategic Review.

Our policies are set out in our Employee Handbook which includes a Whistleblowing Policy, as well as details on how we support and engage with our employees through the following:

- Wellbeing: we have a low absentee rate and promote wellbeing through policies including flexible working arrangements, family-friendly, health and safety and special leave policies. Comprehensive private medical cover, health assessments and homeworking assessments are also provided
- Progression, training and development: we hold annual and mid-year reviews through a web-based portal with all employees. Training and development is provided through a mix of internal and external resources and logged. In addition, we encourage committee membership and have a study leave policy and support professional memberships to bodies such as the RICS, ICAEW, and the IPF
- Reward and recognition: remuneration is aligned to individual and corporate performance, with all employees eligible for employee share schemes
- Recruitment and retention: we have a low level of turnover with an average length of service of six years. There are length of service awards every five years, granting employees an additional five days of leave after each five years of service

40%

Of our team are women

1.1%

Absentee rate

480

Training hours

100%

Of staff eligible for employee share scheme

6 yrs

Average length of service



Jay Cable

Jay had been living with cancer since 2023 and sadly passed away on 28 March. He dealt with his diagnosis with unbelievable and inspirational stoicism, as only he could.

Jay was truly a great individual. He brought positivity, energy, warmth and enthusiasm to any situation. He was at ease and respected universally from the boardroom downwards. He was a key team member from the outset. He had been with Picton since its IPO and was instrumental in creating the reputation we have today.

Sustainable Thinking *continued*

Community

Community engagement

We are committed to maximising the social value we deliver to our stakeholders, communities, and wider society. 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.

Engagement programme

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

Charitable giving

Our charitable giving policy aims to invest in our communities at grassroots level, to make a positive difference to the local areas in which we own property.

We support charitable giving through our varied charity partnerships and matched giving initiatives.

- Charity partnerships: this year we continued our charity partnerships with The Funding Network, Future Youth Zone and Youngwilders, providing regular funding, volunteers and event spaces where required. We also continue to support LandAid's Christmas appeal
- Employee matched giving: as part of our 20-year celebrations, the team took on a special challenge; a 30km Thames Path walk from Maidenhead to Henley, to raise funds for The Royal Marsden Cancer Charity. We raised over £10,000 and Picton matched a further £10,000

In addition, our Chief Financial Officer Saira Johnston ran the Royal Parks Half Marathon where Picton matched a further £250, with a total of £2,500 being raised.



- 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, we make a donation to our charity partners, Coram, for every response received from our annual occupier survey

+£20k

Fundraised for The Royal Marsden Cancer Charity

13

Charities supported

It was only right that our fundraising efforts this year were to support The Royal Marsden Cancer Charity. It marked a particularly special time and event whilst Jay Cable, much loved team member, was undergoing treatment under their care.

Michael Morris
Chief Executive

Suppliers

We collaborate with our supply chain and ensure that our suppliers also operate in an ethical way and share our business principles in observing relevant laws and regulations.

Our Supplier Code of Conduct sets out the principles and standards that we expect so we can work together to achieve a responsible way of sourcing labour, goods and services. This year we have carried out our annual Modern Slavery review which includes a review of our Supplier Code of Conduct with key suppliers. In addition, annual training has been completed by employees.



Scan or click here to read our **Modern Slavery Statement**

>200

Suppliers engaged in the year

Sustainable Thinking *continued*

Governance

Further developing how ESG is integrated within our governance structure and embedding our ESG Governance Policy

Connected UN SDGs:



We set out a new ESG Governance Policy in 2025 to ensure our governance structure supports the integration of ESG into all elements of our business, with the Board retaining ultimate responsibility for ESG strategy. We have continued to embed this during the year and focused on practical implementation across our portfolio through our Responsibility Committee and the Climate Action Working Group.

We remain committed to understanding industry best practice, stakeholder expectations and adopting a targeted approach to ESG workstreams. We seek input from external advisers, as appropriate, and stakeholder engagement with our shareholders, occupiers, employees and local communities to identify and respond to ESG issues.

Our ESG approach ensures clear and transparent reporting through:



Scan or click here to read our **ESG Governance Policy**

Our commitment to the following:

Better Buildings Partnership

We continue to be a signatory to the BBP Climate Commitment and adopt the BBP's definition of climate resilience. We report our portfolio's energy data in the BBP Real Estate Environmental Benchmark and follow their guidance on green lease clauses which supports our data collection.

EPRA

This is the seventh year we have been awarded EPRA Gold in line with Sustainability Best Practices Recommendations.

GRESB

We have been reporting to GRESB since 2017. Our score for 2025 improved to 82 and remained at three green stars. We scored ahead of the GRESB average in each of the Environmental, Social and Governance categories, and overall.

92%

New leases containing green clauses



EPRA gold



GRESB REAL ESTATE

GRESB rating

Sustainable Thinking *continued*

Our practices around the following:

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. We report this data in our Sustainability Data Performance Report and appoint a third party adviser to independently verify the data collection.



Scan or click here to read our **Sustainability Data Performance Report**

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.



For more information:

Managing Risks and Principal Risks on pages 42 to 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. A copy of our Anti-Bribery Policy is available on our website.

In addition, our Employee Handbook sets out the principles and processes to support compliance with the Bribery Act 2010 and ethical conduct as well as steps to follow in case of whistleblowing.

Our Employee Handbook is available to all staff and is included as part of the new joiner induction process.



Scan or click here to read our **Anti-Bribery Policy**

A commitment to professional conduct and ethical behaviour underpins all that we do, shaping the way we act in the best interests of our stakeholders.

Michael Morris
Chief Executive



TCFD Statement

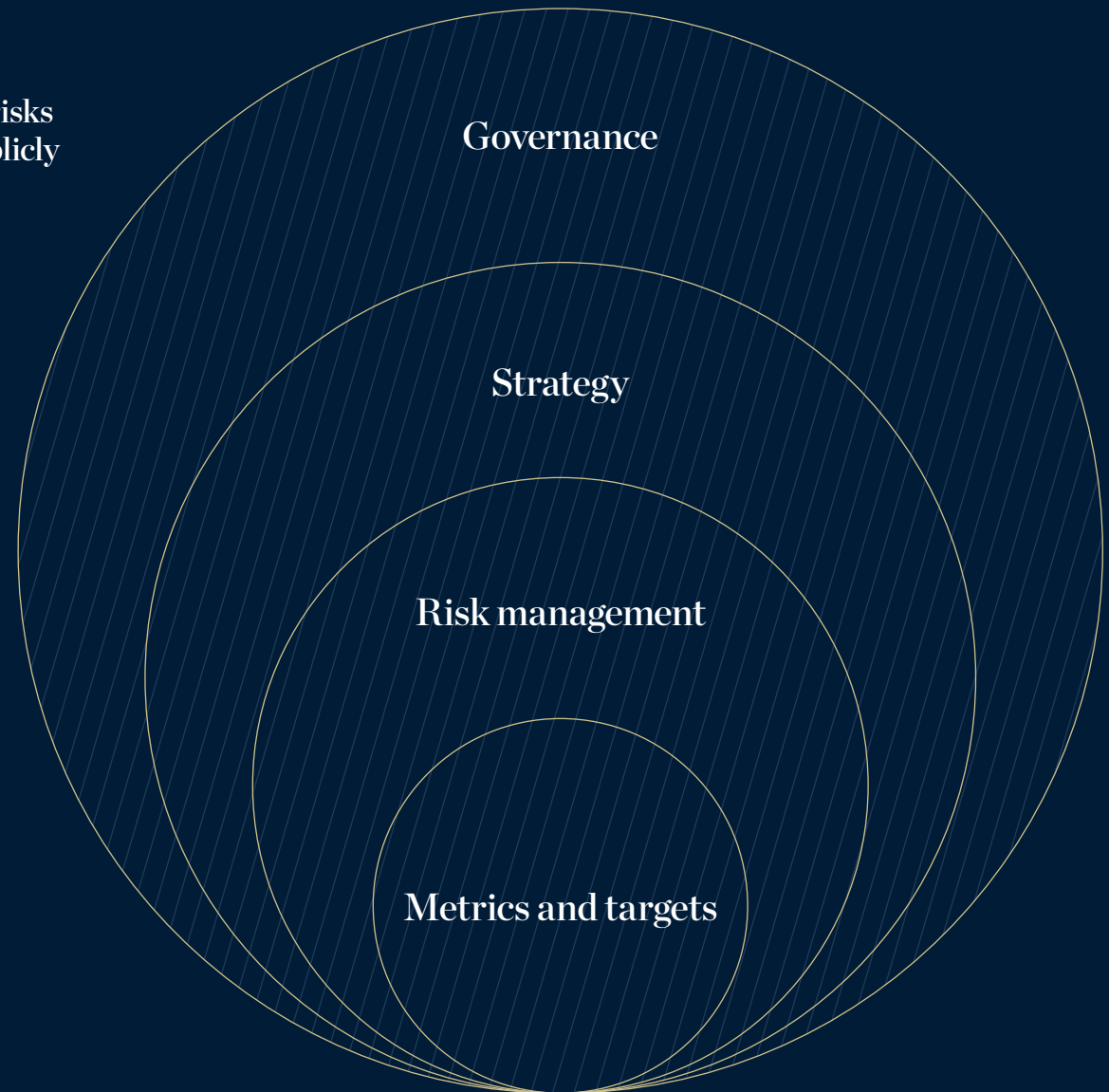
We are committed to ensuring that sustainability is embedded in everything we do as a business, and we are dedicated to proactively managing our climate-related risks and reporting climate-related financial information publicly and transparently for our stakeholders.

Here we outline our overarching risk management approach and disclosed climate-related risks and opportunities for the business, which we have identified in accordance with the TCFD recommendations and which comply 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

- 65** Governance
- 66** Strategy
- 70** Risk management
- 72** Metrics and targets



TCFD Statement *continued*

Governance

Recommendation	Commentary
<p>1.1 The Board's oversight of climate-related risks and opportunities</p> <p>For more information</p> <p> Managing Risks on page 42</p> <p> Board Committees on page 88</p>  <p>Scan or click here to see our ESG policies</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>1.2 Management's role in assessing and managing climate-related risks and opportunities</p>	<p>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.</p> <p>The Executive Committee has delegated day-to-day responsibility for ESG, including climate-related matters and wider sustainability issues, to the Responsibility Committee.</p> <p>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.</p> <p>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.</p>

TCFD Statement *continued*

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 term (2030–2039) and long-term (>2040) as well as assess their implications and the necessary actions to manage them. As it is now five years since this assessment was carried out we have considered conducting a reassessment. However, given the timing of the Strategic Review it was decided to revisit this later in the year.

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 the 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

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.

Medium term
2030–2039

This year we have committed to a new SBTi-aligned net zero carbon target of 2045 for all emission Scopes covered under the SBTi buildings criteria and other Scope 3, 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.

Long-term
>2040

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.

TCFD Statement *continued*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.	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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
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.	<ul style="list-style-type: none"> - Capital expenditure cost to meet new standards - Stranded asset risk and increased void period for non-compliance 	<ul style="list-style-type: none"> - 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
Financial market impacts	Market preferences shift towards low carbon solutions and climate resilience, or due to sustained damage from climate-related physical impacts.	<ul style="list-style-type: none"> - Potential effect on our ability to secure financial capital, acquisition activities and asset values 	<ul style="list-style-type: none"> - 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

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.	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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
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.	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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
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.	<ul style="list-style-type: none"> – 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.	<ul style="list-style-type: none"> – 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.	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – We will carry out a detailed water stress assessment and develop a mitigation and adaptation plan

TCFD Statement *continued*

Strategy *continued*

Recommendation	Commentary
<p>2.2 Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</p> <p>For more information</p> <p> Sustainable Thinking page 50</p> <p> Net zero progress on pages 54 to 58</p>	<p>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. We have created a comprehensive framework of policies and strategies that guide our approach. The framework includes a Climate Change Policy, supported by a climate resilience and net zero strategy as well as a Biodiversity Policy.</p> <p>Our pathway to achieve net zero carbon by 2045 aligns with the SBTi's target-setting methodology, the BBP's Net Zero Carbon Pathway Framework and the UKGBC's net zero carbon hierarchy.</p> <p>Managing climate risk is integrated in all stages of the asset life cycles as set out below:</p> <p>1. Acquisitions</p> <p>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.</p> <p>2. Refurbishment</p> <p>We have created sustainable 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:</p> <ul style="list-style-type: none"> - 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 <p>3. Asset management</p> <p>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.</p> <p>Effective collaboration with our occupiers is essential if we are to achieve our net zero commitment.</p>
<p>2.3 Resilience of the organisation's strategy, taking into consideration different climate-related scenarios</p>	<p>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.</p> <p>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.</p> <p>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.</p>

TCFD Statement *continued*

Risk management

Recommendation

Commentary

3.1 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. We have formalised an ESG Governance Policy, which sets out responsibilities for all elements of ESG including climate risk.

Climate change risk is recognised as a principal risk for our business. As a UK property owner, we consider flooding to be the most material climate-related threat to our operations. This year we strengthened our assessment by conducting unit-level desktop flood analysis across the portfolio, giving us a more detailed understanding of our exposure to this risk.


We found that on an ERV basis, 91% of the portfolio currently has a low or very low likelihood of surface water flooding, and 97% has a low or very low likelihood of flooding from rivers or the sea on an annual basis. Where the data highlighted areas of elevated risk, we carried out further investigation and implemented mitigation measures where feasible.

Looking ahead to longer term climate scenarios (between 2040 and 2060), 80% of the portfolio is projected to remain at low or very low risk from surface water flooding, and 90% is at low or very low risk from river and coastal flooding.

The findings of this exercise will be incorporated into this year's asset-level business plans.

TCFD Statement *continued*

Risk management *continued*

Recommendation	Commentary
<p>3.2 The organisation's processes for managing climate-related risks</p> <p>For more information</p> <p> Net zero progress on pages 54 to 58</p>	<p>We are committed to future-proofing our portfolio and retaining its value and have built this into our business model as noted below.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>4. Portfolio management We will continue to inspect properties on an ongoing basis to ensure the asset-level business plans are implemented and 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>3.3 The processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management framework</p>	<p>Our Risk Management Policy has enabled us to effectively integrate the climate-related risks which we have identified and assessed (see the 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.</p>

TCFD Statement *continued*

Metrics and targets

Recommendation	Commentary
4.1 Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	<p>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:</p> <ul style="list-style-type: none"> - 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 tCO₂e/m² - 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 <p>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.</p> <p>Metrics included in our net zero carbon pathway which we will aim to report on in the future include:</p> <ul style="list-style-type: none"> - Portfolio on-site renewable energy capacity (MW) - Renewable energy procurement (%) - High quality renewable energy procurement (%) - Major refurbishment embodied carbon intensity (tCO₂e/m² GIA) - Minor development and fit-out embodied carbon intensity (tCO₂e/m² GIA) - Total portfolio embodied carbon development (tCO₂e) - Total carbon emissions offset (tCO₂e)
4.2 Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>We disclose Scope 1, 2 and 3 greenhouse gas emissions in our Annual Report and Sustainability Data Performance Report.</p> <p>We calculate and report our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard.</p>
4.3 Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>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 2045.</p> <p>This year we set new SBTi-aligned whole-building in-use operational targets and targets for other scope 3 categories as defined by the SBTi.</p> <p>We commit to reduce Scope 1, 2 and 3 in-use operational GHG emissions of owned and leased buildings by 96% per m² by 2045 from a 2024 baseline year. Our near-term target is to reduce in-use operational GHG emissions of owned and leased buildings emissions by 73% per m² by 2035 from a 2024 baseline. We commit to achieving net zero across all other Scope 3 categories by 2045. This requires an absolute reduction of 90% by 2045 from a 2024 baseline. Our near-term target is to reduce these Scope 3 emissions by 63% by 2035 from a 2024 baseline.</p> <p>To increase our accountability and culturally embed climate risk management throughout the organisation, there are remuneration-linked annual objectives applicable to Executive Directors' bonus opportunities for sustainability progress.</p>