



# Contents

## Strategic report

The sections of the Annual Report which make up the Strategic report are set out below. The Strategic report has been approved for issue by the Board of Directors on 24 February 2026.

On behalf of the Board

**Ian Hawksworth**, Chief Executive

|                                                                     |    |
|---------------------------------------------------------------------|----|
| Impossible-to-replicate portfolio in the heart of London's West End | 2  |
| Investing in the West End                                           | 4  |
| What sets us apart                                                  | 6  |
| The year in review                                                  | 7  |
| Chief Executive's statement                                         | 8  |
| Our strategy                                                        | 12 |
| Our business model                                                  | 13 |
| Measuring performance                                               | 14 |
| Our portfolio                                                       | 16 |
| Stakeholder engagement                                              | 37 |
| Financial review                                                    | 42 |
| Risk management                                                     | 49 |
| Non-financial and sustainability information statement              | 70 |
| Sustainability                                                      | 72 |
| Our people and culture                                              | 87 |
| Health, safety and security                                         | 89 |

|                             |           |
|-----------------------------|-----------|
| <b>Corporate governance</b> | <b>91</b> |
|-----------------------------|-----------|

|                             |            |
|-----------------------------|------------|
| <b>Financial statements</b> | <b>151</b> |
|-----------------------------|------------|

|                               |            |
|-------------------------------|------------|
| <b>Additional information</b> | <b>199</b> |
|-------------------------------|------------|



Visit us online to learn more about our business and portfolio  
[www.shaftesburycapital.com](http://www.shaftesburycapital.com)



## Shaftesbury Capital PLC

### The leading central London mixed-use REIT.

Our property portfolio extends to 2.8 million square feet of lettable space across the most vibrant areas of London's West End. With a diverse mix of shops, restaurants, cafés, bars, apartments and offices, our destinations include the high-footfall, thriving neighbourhoods of Covent Garden, Carnaby, Soho and Chinatown. Our properties are close to the main West End Underground stations and transport hubs for the Elizabeth Line.

**COVENT  
GARDEN**

**SOHO  
CARNABY  
STREET**

**CHINATOWN  
LONDON**

#### Presentation of information

The property level information set out within the Annual Report, including valuation and rental data, reflects the portfolio under management at 100 per cent.

Following the sale of the 25 per cent non-controlling interest in the Covent Garden estate during 2025, management now considers the financial information for the business principally on a Group share basis with the non-controlling interest removed on a line-by-line basis. The key financial performance indicators are also presented on this basis. Further details of alternative performance measures are included on page 199.

# Creating vibrant destinations

London's West End is one of the world's most dynamic urban environments, alive with energy, creativity and culture. It is where people come to meet, shop, dine, work and stay.

Our impossible-to-replicate portfolio of over 600 buildings captures the rhythm of this extraordinary city. From the lights of Carnaby and the buzz of Soho to the heritage of Covent Garden and the colour of Chinatown, every part of our estate beats with the life of London. Footfall flows through our streets seven days a week, driven by the constant evolution that keeps the West End at the centre of global attention.

These destinations benefit from exceptional connectivity, and form an impossible-to-replicate portfolio, connected by culture and commerce. These places don't just attract people, they generate value. Leasing demand is strong and our stewardship continues to unlock the potential of our assets. We invest with purpose, protecting the character of the West End while preparing it for the future. By nurturing the unique character of our West End portfolio, positioning it for growth, we are committed to strengthening London's most vibrant mixed-use districts and delivering sustainable returns for shareholders.

# Impossible-to-replicate portfolio in the heart of London's West End

Our property portfolio under management extends to 2.8 million square feet of lettable space across the most vibrant areas of London's West End.

## £5.4bn

Portfolio valuation

BOND STREET

### Portfolio breakdown



## 36%

Retail



## 33%

Food & beverage



## 19%

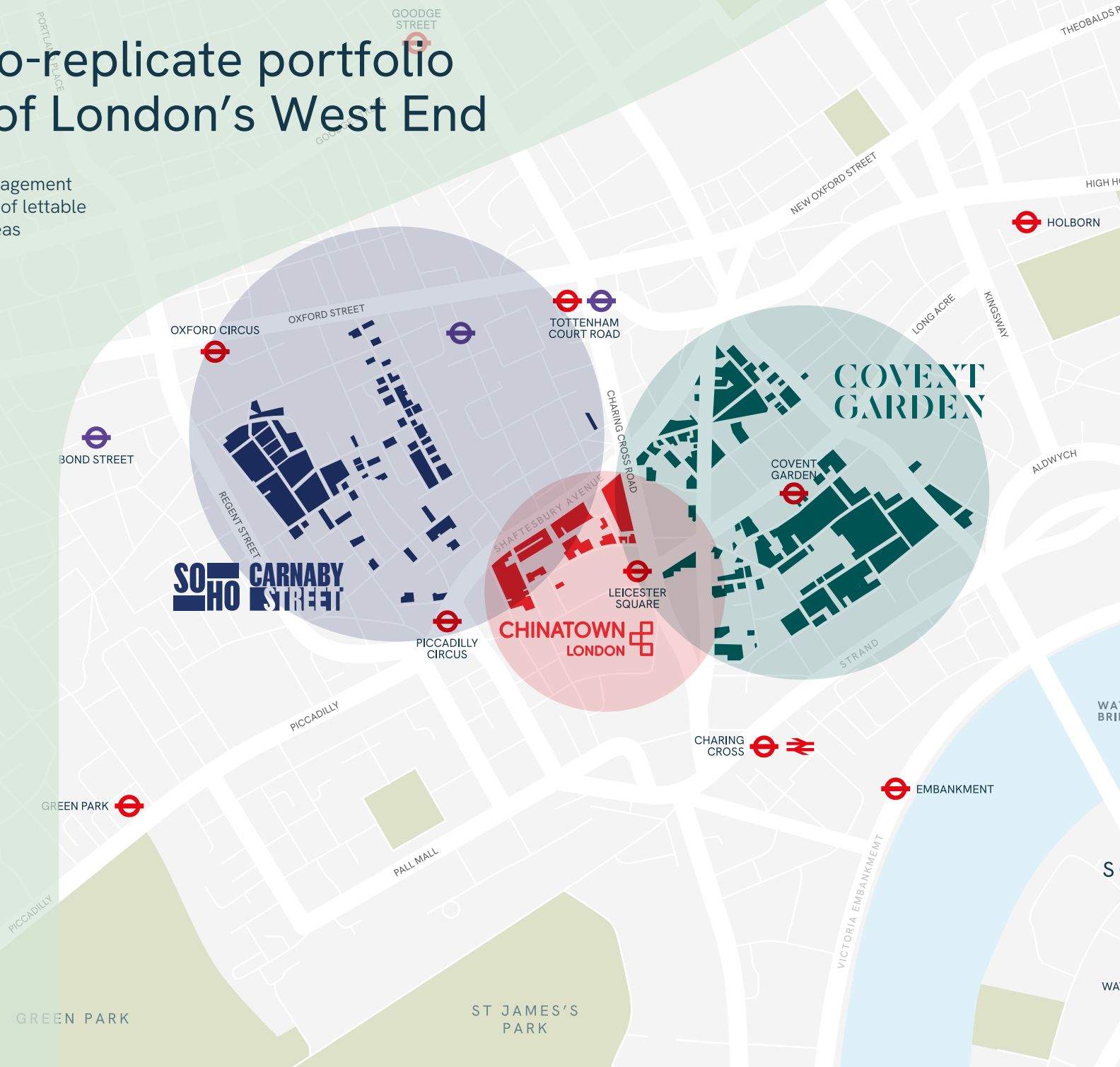
Office



## 12%

Residential

Represents percentage of the portfolio under management



Impossible-to-replicate portfolio in the heart of London's West End *continued*

## Vibrant destinations



### COVENT GARDEN

#### The creative heart of London

Covent Garden, defined by Inigo Jones's 1630s piazza, blends historic culture, arts, retail and dining, attracting global visitors year round.



52%

of the value of the portfolio under management

£2.8bn

Valuation

63m

Annual footfall\*



### SOHO CARNABY STREET

#### London's landmark of experience

Carnaby Street, within historic Soho, rose to global fame in the 1960s as a centre of fashion and music, shaping London's enduring cultural and creative heritage.



34%

of the value of the portfolio under management

£1.8bn

Valuation

42m

Annual footfall\*



### CHINATOWN LONDON

#### Authenticity with global appeal

London's Chinatown, established in the 1950s, is now Europe's largest: a vibrant cultural enclave celebrating East and Southeast Asian heritage, enriching London's diversity.



14%

of the value of the portfolio under management

£0.8bn

Valuation

42m

Annual footfall\*

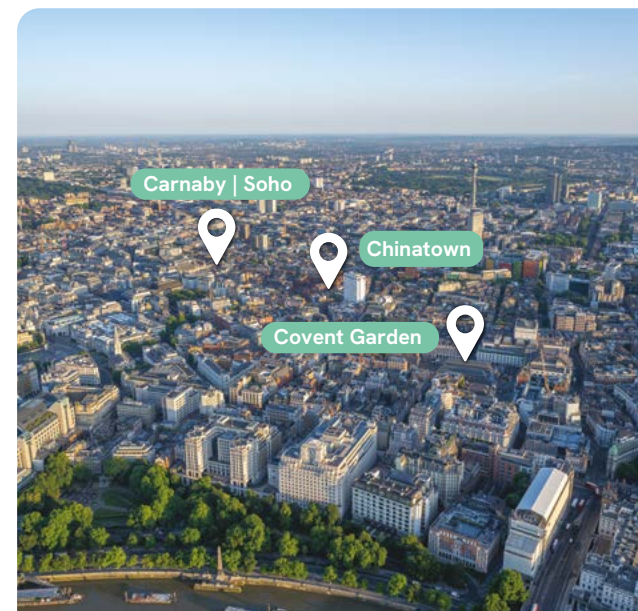
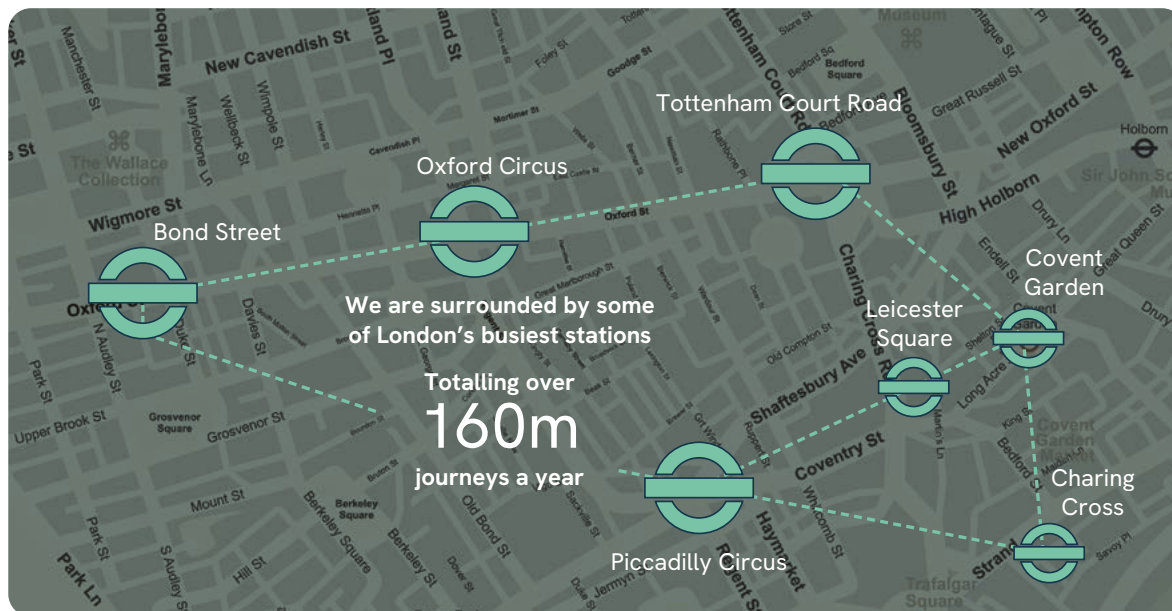
\* MRI OnLocation footfall counters

# Investing in the West End

Investing to create thriving destinations in London's West End where people enjoy visiting, working and living.

The West End offers unique long-term strengths, with a wide variety of retail, leisure and food & beverage experiences, and is a globally recognised location for education, innovation and commerce.

Our impossible-to-replicate portfolio of heritage properties within the West End consists of vibrant, pedestrian-centric locations, with consistently high occupancy, and low capital requirements, which together support reliable, growing long-term cash flows underpinned by long-term resilience and enduring global appeal.



Source data: CACI, Colliers, London Theatre Direct, MRI, Transport for London.

Investing in the West End *continued*



COVENT  
GARDEN



63m

annual footfall\*

SOHO CARNABY  
STREET



42m

annual footfall\*

CHINATOWN  
LONDON



42m

annual footfall\*

\* MRI OnLocation footfall counters

45%

25%

30%



International\*



Domestic\*



London\*

\* CACI

### Strong growth through our digital channels

26

Social channels

1.6m

Combined followers  
149k new followers in 2025

2.2m

Tagged user generated content

280k

Email subscribers  
12% increase in subscribers



85.5m

Organic social impressions  
20% increase year-on-year



26m

Video views  
36% increase year-on-year



1.3m

Organic engagement  
52% increase year-on-year



# What sets us apart

## Our portfolio

- Concentrated in iconic, high-footfall destinations in the West End
- Balance of uses with diversified income streams
- Long history of occupier demand exceeding availability
- Long-term resilience of exceptional destinations

[Read more on page 16 →](#)

## Our people

- High-performance, professional, inclusive and entrepreneurial culture, reflective of our business strategy where creativity and innovation are promoted across the business
- Collaborative environment where people are motivated to give their best

[Read more on page 87 →](#)

Employee  
engagement



84%

## West End mixed-use expertise

- Strong track record of delivering long-term value across the West End
- Extensive, detailed knowledge of the West End property market
- Creative and active approach to asset management to meet consumers' and our customers' evolving needs

[Read more on page 16 →](#)

Mixed-use income  
streams from



c.640  
buildings



## Customer focus and insights

- Placing our customers at the heart of our business to provide best-in-class service
- Leveraging our deep understanding of our customers and consumers together with data-led insights to inform our business strategy

[Read more on page 25 →](#)

Annual footfall

c.150m

## Stakeholder relationships

- Collaborative approach, maintaining good relationships with our customers and local communities
- Delivering positive environmental and social outcomes to enhance value for stakeholders

[Read more on page 37 →](#)

£5.9m



Social value  
delivered

## Strong capital structure

- Resilience, flexibility and efficiency
- Access to significant liquidity
- Disciplined approach to capital allocation
- Prudent approach to financial leverage and risk

[Read more on page 49 →](#)

EPRA loan-to-  
value ratio



17%

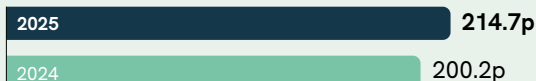
# The year in review

## Strong financial performance

Strong financial performance with growth in rental income, earnings, dividends, valuation and EPRA NTA

EPRA NTA<sup>1</sup>

**+7.2%**



Underlying EPS<sup>1</sup>

**4.5p**

2024: 4.0p

Basic earnings per share

**18.7p**

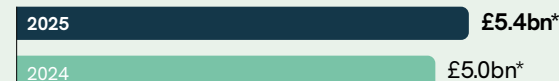
2024: 13.8p

## Excellent operating performance

Strong operating performance with high occupancy, ERV and valuation growth

L-f-L valuation growth

**+6.6%**



L-f-L ERV growth

**+6.2%**

2025 ERV\*: £270m

434 transactions

**+10.3%**

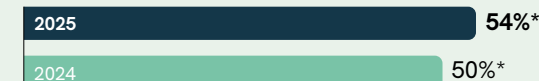
vs December 2024 ERV

## A sustainable business

Responsible long-term approach delivering long-term value

Carbon footprint reduction

**54%**



EPRA LTV<sup>1</sup>

**17%**

2024: 27%

Net debt to EBITDA<sup>1</sup>

**6.6x**

2024: 10.9x

Low vacancy

**2.6%**

ERV available to let

L-f-L AGI growth

**+5.3%**

2025 AGI\*: £215m

Employee engagement

**84%**

2024: 82%

**85%**

Commercial assets EPC A-B by ERV

[Read more on page 42 →](#)

[Read more on page 27 →](#)

[Read more on page 72 →](#)

1. Further information on alternative performance and EPRA measures are set out on page 199.

\* Property portfolio under management

\* Compared to 2019 baseline

# Chief Executive's statement



*"We are pleased to report another successful year, delivering growth in rental income, earnings, dividends, property valuation and net tangible assets per share."*

**Ian Hawksworth**  
Chief Executive

## Overview

We are pleased to report another excellent year with growth in rental income, earnings, dividends, property valuation and net tangible assets per share. Our West End estates are busy and vibrant, with high occupancy, footfall and customer sales. Our customers recognise the exceptional features of our actively managed portfolio which has broad appeal to domestic and international consumers. We start 2026 with a strong leasing pipeline and repositioning opportunities across the portfolio that support our long-term growth prospects.

*"Our West End estates are busy and vibrant, with high occupancy, footfall and customer sales."*

The independent valuation of properties under management increased by 6.6 per cent, resulting in a 14.5 pence increase in EPRA NTA per share to 214.7 pence per share. We continue to deliver rental income growth and cost efficiencies, resulting in a 12.2 per cent increase in underlying earnings and 14.3 per cent growth in dividends.

In April 2025, we established a long-term partnership with Norges Bank Investment Management ("NBIM") which acquired a 25 per cent non-controlling interest in the Covent Garden estate, in line with the December 2024 valuation. The partnership brings together two long-term investors with a shared confidence in and ambitions for the growth prospects of the Covent Garden estate and the West End.

With our strong performance, pipeline, balance sheet and liquidity position, we are well-positioned to deliver attractive total accounting returns.

## Strength of demand for our unique West End portfolio

As one of the largest property owners in London's West End, we play an important role in shaping the area's long-term future. Our iconic portfolio provides world-class retail, food & beverage, office and residential space, supporting London's position as a leading global destination.

London's rich cultural offering, strong transport links, globally-recognised educational hub and innovative business environment continue to underpin its global appeal. The West End remains a thriving hub for culture, retail, dining, leisure and entertainment. With limited new supply and consistently high demand for prime space, the fundamentals of the West End market are supportive of sustainable long-term rental growth.

Leasing demand is strong, with prime West End locations widely regarded as an essential "shop window" for global brands. Our portfolio continues to benefit from active asset management and curation, ensuring our locations remain vibrant, distinctive and well-positioned to capture customer demand. Hotel occupancy in the West End remains high, while the Elizabeth Line continues to broaden catchment for visitors and workers alike.

There is significant growth potential and rental reversion across each of our locations. Footfall and sales continue to strengthen, reflecting consumer confidence and underpinning leasing activity. 2025 has been a positive year, with demand remaining resilient despite uncertainty arising from higher employment costs and ongoing geopolitical and macroeconomic volatility.

We have made significant progress and remain confident and excited about the prospects for each of our destinations. We are generating rental income



*"We enter 2026 with a strong leasing pipeline across our destinations."*

growth through our asset management activities. The benefit of unifying the Covent Garden district including the Piazza and surrounding streets, together with Seven Dials, through leasing, asset management and marketing activities is clear. The changes implemented across Seven Dials over the past three years have delivered 32 per cent rental growth with continued leasing demand, reinforcing consumer interest in the wider Covent Garden area.

The evolution of Carnaby Street has moved forward, with 19 new concepts introduced this year, with brand and category selection designed to address the evolving needs of our customers and consumers. We have undertaken initial engagement on public realm enhancements, including streetscape, lighting and wayfinding, which are expected to commence later this year while carefully preserving Carnaby Street's distinctive character and heritage.

In Chinatown we are continuing to introduce more variety and new concepts to the area, increasing the pan-Asian offering at a range of price points, whilst preserving the character of the area. This is delivering good rental growth with ERVs up 18 per cent since 2022.

### Active investment market

The West End investment market is very active for smaller lot sizes. Property yields are stable, with marginal yield compression observed across certain properties, supported by transactional evidence from a broad range of investors including in many cases owner-occupiers. There is now also enhanced appetite for larger lot sizes with lower interest rates contributing to improved liquidity conditions.

The formation of the long-term partnership on Covent Garden with NBIM, a leading global real estate investor, demonstrates the quality of our portfolio. Through partnering with private capital, we leveraged our operating expertise and assets, enhancing growth and expansion opportunities across our portfolio whilst strengthening our financial position and providing significant optionality to the Group.

We remain disciplined in our approach to capital allocation and continue to look at opportunities to expand selectively, adding to our growth prospects, ensuring that we deploy resources to enhance the overall portfolio and generate long-term value for shareholders. Over the past three years, Shaftesbury Capital has deployed £278 million of capital through acquisitions and capital expenditure and generated proceeds of £1 billion from disposals in line with valuation. We assess the merits of all capital decisions including investment in our portfolio and repositioning opportunities, accretive acquisitions, the disposal of non-strategic assets and the return of surplus capital to shareholders as appropriate.

We continue to deliver capital initiatives, particularly across Covent Garden and Carnaby | Soho. This year, we invested £113.3 million in our portfolio, comprising £33.1 million in capital expenditure and £80.2 million in targeted acquisitions. These acquisitions present attractive asset management opportunities with rental growth potential. We continue to invest where appropriate, with an encouraging pipeline of acquisition opportunities currently under review.

### Significant growth in earnings, dividends and valuation

Our prime West End portfolio is anticipated to continue to deliver long-term sustained total returns. NTA increased by 7.2 per cent over the year to 214.7 pence per share. Annualised gross income increased by 5.3 per cent (like-for-like) to £215.0 million from leasing activity and asset management initiatives. ERV increased by 6.2 per cent (like-for-like) to £270.3 million, reflecting favourable supply-demand dynamics in our markets for high-quality real estate with only 2.6 per cent of portfolio ERV available to let. 434 leasing transactions completed during the year, 10.3 per cent ahead of December 2024 ERV and 13.9 per cent ahead of previous passing rents. Total property return for the year was 10.1 per cent, significantly ahead of the MSCI Total Return Index which recorded 7.1 per cent.

Cost savings continue to be identified and implemented across the business. Current initiatives include supplier consolidation

## Chief Executive's statement *continued*

across portfolio operations, such as security, cleaning, facility management and property management, which are anticipated to generate efficiencies and enhance customer service. Underlying administration costs were £33.3 million excluding the share award charge, reflecting an 8 per cent reduction relative to 2024. Underlying earnings increased by 12.2 per cent to £81.9 million, equivalent to 4.5 pence per share and the Board has proposed a final dividend of 2.1 pence per share taking the total dividend for the year to 4.0 pence per share, up 14.3 per cent over the year, reflecting the progression in underlying and cash earnings. Total accounting return for the year was 9.1 per cent.

We maintain a strong balance sheet with a focus on resilience, flexibility and efficiency. Net debt to EBITDA is 6.6 times, EPRA LTV is 17 per cent and the interest cover ratio is 4.0 times, with substantial headroom against debt covenants. The Group has access to significant liquidity ensuring it is well-positioned to act on market opportunities.

### Prime portfolio positioned for long-term growth

Operational performance continues to be strong and there is a specific plan for each estate and the connections between them to deliver growth from the portfolio. With limited new supply and strong demand, the prospects for rental growth are positive, with leasing activity completed well ahead of previous passing rents and ERV. We are improving the quality of our offer via letting activity which enhances our customer mix.

Market rent (as represented by ERV) for the portfolio is 26 per cent higher than current passing rent, resulting in significant upside potential in rental income through leasing and asset management activity. The portfolio remains virtually full at 97 per cent occupancy. Based on our consumer data and experience, average spend and dwell time have the potential to be significantly higher in areas of our portfolio, with mix, category and brand selection designed to generate higher productivity which should support rental growth.

We place the customer at the heart of our business, delivering high-quality service, while creating vibrant, differentiated experiences for visitors, workers and residents. Our approach focuses on building and maintaining close customer relationships together with our partners. Customer retention remains a strength, underpinned by consistently high renewal rates and trusted partnerships with our customers. The scale and depth of the portfolio provide opportunities to support the growth of our customers with numerous examples of customers having upsized or expanded across the portfolio in recent years. This year we launched a Customer Satisfaction Survey which included customer interviews and was very well received. We have now rolled out our customer connection portal, allowing more frequent engagement.

Our marketing programme continues to focus on the consumer calendar, supporting footfall and sales prospects in our destinations. Our digital channels continue to grow, extending our reach and providing marketing opportunities with customers and partners. Activations and events provide further collaboration opportunities with brands across our portfolio providing ancillary revenue opportunities whilst benefiting stakeholders across the wider West End.

### Commitment to environmental stewardship

Our Sustainability Strategy is founded in future-proofing our heritage buildings and creating sustainable and healthy places where people enjoy visiting, working and living. Throughout 2025, we continued to reduce the environmental impact of our operations. We have ambitious targets to decarbonise, reduce energy use and deliver positive environmental, social and economic impact.

We continue to work towards our aim to be a leader in sustainable heritage buildings and are proud to be included in the Financial Times list of Europe's Climate Leaders 2025. We are committed to meeting our 2030 carbon reduction targets and have reset our Net Zero Carbon target to 2040. We have already made great progress in reducing our carbon emissions and, working with our customers, will continue to

decarbonise by replacing gas with electricity where practical to do so. As we look ahead, we will utilise technology and innovation to enhance our sustainability activities and work closely with customers and our stakeholders to deliver shared sustainability goals.

***"Our scale allows us to shape not only buildings, but also the spaces around them."***

Our scale allows us to shape not only buildings, but also the spaces around them. We are working with local stakeholders to enhance the public realm across our destinations, making them greener and more enjoyable for everyone. Covent Garden's Henrietta Street public realm is currently being improved, with completion expected by the end of 2026, delivering wider, more accessible pavements and enhanced al fresco dining with greening. We are also undertaking early engagement on improvements to Carnaby Street to enhance the experience while preserving the area's unique character.

### Active community engagement

As a responsible long-term investor, community engagement and collaboration are important to us. We recognise the importance of fostering relationships within the communities that help make our places thrive. Our community programme prioritises initiatives and charitable partnerships within Westminster and Camden, and includes financial contributions, provision of space and employee volunteering.

In 2025, we published our first Community Impact Report highlighting our contribution and the valuable work of community partners. In addition, we commenced our three-year community strategy, prioritising support for local people into employment as the area with the greatest potential to deliver lasting impact through partnerships across a range of charitable and community initiatives.

## Chief Executive's statement *continued*

### Our people, values and culture

Our people are one of our competitive strengths and critical to our success. We provide a collaborative environment where people are inspired to give their best and contribute to the Company's success. During the year, Shaftesbury Capital carried out a second employee survey, with a very high participation rate of 90 per cent and an overall engagement score of 84 per cent, ahead of the global benchmark. Overall, the employee feedback received was positive, reflecting strong levels of pride and commitment across the organisation. We thank our employees for taking part in the survey and for their commitment during the year.

We have a very experienced leadership team as well as a breadth of talent across the Group. At the end of the year, two valued colleagues, Michelle McGrath and Andrew Price, stepped down from the business and we thank them for their contribution over many years. Following this, a number of the senior leadership team have taken on greater responsibility in Asset Management, Leasing, Marketing and Investment reporting directly to the Chief Executive and Chief Financial Officer.

We are proud to be named Britain's Most Admired Company 2025 in the Property / Residential & Commercial REITs sector which is an endorsement of our strategy and our people. We continue to invest in our people and have introduced a number of initiatives to support our colleagues, providing greater development opportunities.

### Outlook

Our growth prospects are underpinned by strong fundamentals. The West End market has delivered attractive, predictable growth over the long-term with annualised rental growth of approximately 4 per cent. Our strategy is to deliver consistent, long-term rental growth generating attractive risk-adjusted returns, earnings and valuation progression. The West End market is characterised by consistently high occupancy, scarcity value and limited new supply. We continue to actively rotate capital into core locations and prime streets, supported by selective capital investment. Our forward-looking customer and

consumer focus, including optimising use, category and brand mix, is designed to enhance productivity and value. There are benefits of scale through aggregation, improved public realm and greater use of data continue to support sustainable growth. These strong fundamentals and our active approach have enabled us to outperform.

Despite ongoing macroeconomic and geopolitical uncertainty, the West End continues to perform well, with high footfall, sales growth, limited vacancy and a strong leasing pipeline. The investment in Covent Garden by a leading global real estate investor, NBIM, underlines the quality of our portfolio. With enhanced liquidity and a strong balance sheet, we are well-positioned to pursue accretive opportunities and grow assets under management.

We are confident in delivering our medium-term target rental growth of 5 to 7 per cent, which, alongside stable yields, supports total property returns of 7 to 9 per cent and total accounting returns of 8 to 10 per cent per annum. Through active management of our prime West End portfolio and the strength of our operating platform, we are focused on sustained long-term growth in rental income, earnings, dividends and property valuation.

*"With enhanced liquidity and a strong balance sheet, we are well positioned to pursue accretive opportunities and grow assets under management."*

**Ian Hawsworth**  
Chief Executive

24 February 2026



# Our strategy

## Our purpose

**Investing to create thriving destinations in London's West End where people enjoy visiting, working and living.**



### Confidence in medium-term targets set out in 2023<sup>1</sup>

| Rental growth | Total property return | Total accounting return |
|---------------|-----------------------|-------------------------|
| 5-7%          | 7-9%                  | 8-10%                   |

1. Annualised rates over 3 to 5 years, assuming stable cap rates

## Our strategy



To deliver long-term income and value growth from our unique portfolio of properties through investment, curation and responsible stewardship, benefitting all stakeholders and contributing to the success of the West End.

### Place our customers at the heart of the business

- Deliver best-in-class service to our customers
- Leverage deep understanding of consumers and commercial data

### Creative and active approach

- Invest in and nurture remarkable destinations in London's West End
- Dynamic leasing strategy
- Reuse, repurpose and improve our buildings
- Enhance public realm

### Disciplined financial management

- Prudent, conservative approach to financial leverage and risk
- Maintain cost and capital discipline

### Sustainable and community-minded

- Broad community and stakeholder engagement
- Responsible stewardship
- Commitment to the environment and clear sustainability goals

## Our values



Take a responsible, long-term view



Act with integrity



Take a creative approach



Listen and collaborate



Make a difference

**Underpinned by our talented team and dynamic culture**

# Our business model

## Our resources

### Impossible-to-replicate portfolio

A diverse mixed-use portfolio of scale in the heart of London's West End

### Experienced, creative team

With a deep understanding of our markets and track record of value creation

### Strong capital structure

Resilient and flexible capital structure with a prudent approach to financial leverage and risk

### Effective governance and risk management

A governance structure that supports and helps the delivery of strategic objectives with transparency

## How we deliver

# Our strategy

## How we measure

### Value creation

Create, grow and deliver long-term sustainable economic and social value

### People

Attract, develop and retain talented people

### Sustained long-term growth

Deliver long-term growth in portfolio value, earnings, cash flow and dividends

### Impact

Minimise the environmental impact of our operations and engage with stakeholders

## Creating value for our stakeholders

For more on our stakeholder engagement: see pages 37 to 41 →

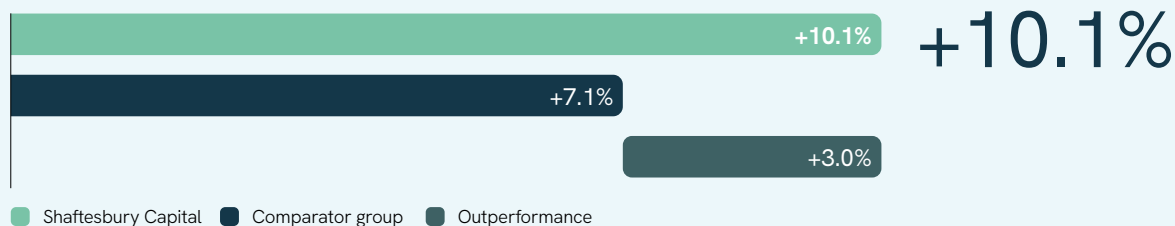
# Measuring performance

We measure performance against key performance indicators which are selected to reflect the Group's strategy. Many of these metrics are performance measures under Group remuneration arrangements, ensuring alignment with shareholder interests.

The following performance measures are part of the Executive Directors' short-term or long-term incentive arrangements.

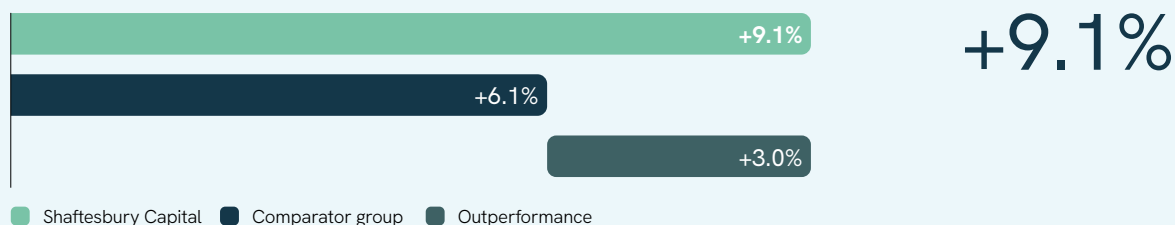
[Read more in the Directors' remuneration report from page 123 to 147 →](#)

## R Total property return



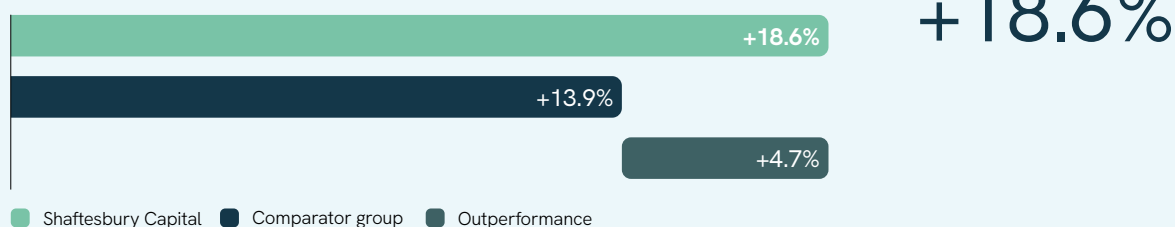
Measures gains and losses on portfolio valuation including disposals, and rents received less associated costs. Benchmarked against the MSCI Total Return All Property Index (comparator group). During 2025, the Group generated TPR of 10.1 per cent, outperforming its benchmark of 7.1 per cent by 3.0 percentage points. (Target: 0.5 to 1.5 percentage points per annum outperformance.)

## R Total accounting return



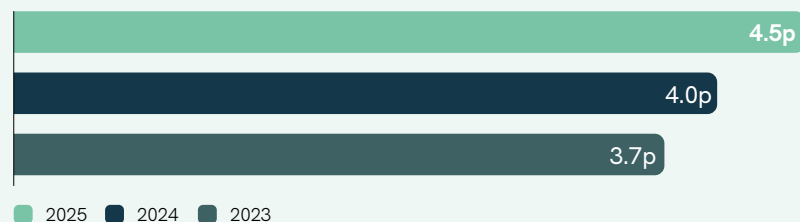
Measures growth in EPRA NTA per share plus dividends per share paid during the year. Benchmarked against the FTSE 350 Real Estate companies (comparator group). The Group generated a total accounting return of 9.1 per cent in the year, outperforming the median of the comparator group by 3.0 percentage points.

## R Total shareholder return



Measures shareholder value creation (share price movement plus dividend per share paid during the year). Benchmarked against the FTSE 350 Real Estate companies (comparator group). The Group generated total shareholder return of 18.6 per cent in the year, outperforming the median of the comparator group by 4.7 percentage points.

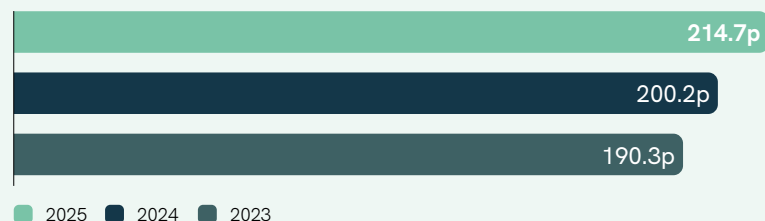
**R** A performance measure under Executive Directors' short-term or long-term incentive arrangements. Read more in the Directors' remuneration report from page 123. Further details of the calculation of performance metrics are included on page 199.

Measuring performance *continued***R Underlying earnings per share<sup>1</sup>**

4.5p

Measures income generation and cost control. During 2025, the Group generated underlying EPS of 4.5 pence per share.

1. Underlying earnings per share for 2023 reflects the standalone performance of Capco for the period 1 January to 5 March 2023 and the performance of the merged business, Shaftesbury Capital, from the completion date to 31 December 2023.

**R EPRA net tangible assets per share**

214.7p

The net assets as at the end of the year including the excess of the fair value of trading property over its cost and revaluation of other non-current investments, excluding the fair value of financial instruments and deferred tax on revaluations, divided by the diluted number of ordinary shares. EPRA NTA per share as at 31 December 2025 was 214.7 pence, a 7.2 per cent increase from 31 December 2024.

**Properties with an EPC rating of A to C**

94%

Measures the number of our properties with an A to C EPC rating. 94 per cent of our properties by ERV have an EPC rating of A to C, an increase of 6 percentage points from 31 December 2024.

**We are proud of the following awards, benchmarks and accreditations:**

1. <https://www.msci.com/legal/notice-and-disclaimer>

2. <https://www.lseg.com/en/ftse-russell/indices/ftse4good>

# Our portfolio

*Delivering long-term sustainable rental income and value growth*

2.6%

ERV available to let

+6.6%

Valuation

+6.2%

ERV

+5.3%

Annualised gross income

434

Leasing transactions completed

# COVENT GARDEN

**+5.5%**

Valuation £2.8bn

**+5.6%**

ERV £142m

**+4.8%**

Annualised gross income £110m

**1.5m**

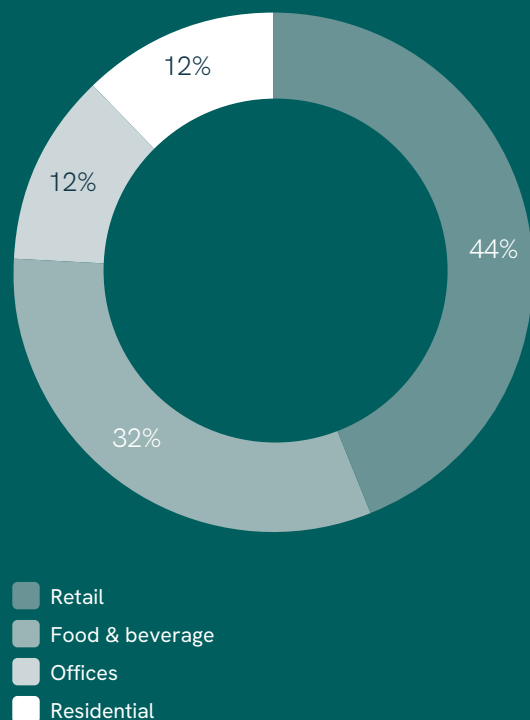
Sq. ft. of lettable space



# COVENT GARDEN

*"With its selection of world-famous theatres, variety of shops and abundance of bars and restaurants, it's easy to see why Covent Garden is often considered the beating heart of London's West End."*

## Square Meal



Percentage of portfolio valuation as at 31 December 2025

## A world-class mixed-use destination

Covent Garden is a world-class global destination in the heart of the West End, steeped in history with a rich heritage, made up of unique neighbourhoods including the iconic Piazza, Market Building and surrounding streets, together with Seven Dials, a seventeenth-century network of streets and courtyards.

Covent Garden offers unique shopping and dining experiences complemented by offices and a high-quality residential neighbourhood. This exceptional mixed-use portfolio of approximately 1.5 million square feet provides a broad range of unit sizes, attracting a wide spectrum of retail and hospitality customers. The estate is a vibrant, high-footfall destination, which provides a seven-days-a-week trading environment, is home to more than half of London's West End theatres, with exposure to a diverse customer base, attracting both domestic and international visitors alike.

The Covent Garden portfolio valuation increased by 5.5 per cent driven by leasing and asset management activity. ERV increased by 5.6 per cent driven by activity across the retail and food & beverage space, with 30 new brands introduced to the district during the year. 65 new commercial leases and renewals were agreed during the year, 10.6 per cent ahead of ERV.

In April 2025, Shaftesbury Capital formed a long-term partnership with NBIM, the Norwegian sovereign wealth fund, in respect of its Covent Garden estate. NBIM acquired a 25 per cent non-controlling interest in the Covent Garden estate at the December 2024 valuation.



### The Theatre of Christmas

Hollywood and West End star Hayley Atwell lit up Covent Garden on 12 November, switching on the iconic Christmas lights and launching a vibrant seven-week festive celebration. With a towering tree, sparkling displays and live performances, the estate once again proved itself one of London's most electric Christmas destinations.



Watch video coverage of the event here:  
<https://bit.ly/4seb5y0>

*Covent Garden continued***Henrietta Street reimagined**

Improvements to the Henrietta Street public realm have commenced to enhance accessibility and pedestrian comfort through widened footways, level surfaces and improved permeability. High-quality materials, sensitively integrated lighting and retained historic features will reinforce the character of the Market Building and Piazza while improving safety and overall streetscape quality.

CGI for illustrative purposes only

**Seven Dials' momentum continues**

The continued repositioning of Seven Dials within the wider Covent Garden district has gained momentum, attracting high-quality, experience-led brands including Alo Yoga, Thule and Kapten & Son on Neal Street. Neal's Yard has also been enhanced with the arrival of St JOHN, Cricket and celebrated gastrotèque Buvette. This brand mix is driving increased consumer engagement across the area.

# SOHO CARNABY STREET

**+8.5%**

Valuation £1.8bn

**+7.5%**

ERV £92m

**+6.8%**

Annualised gross income £72m

**0.9m**

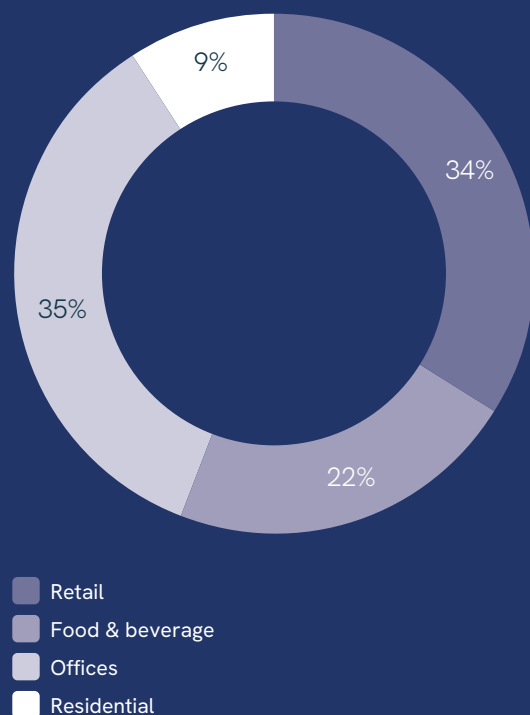
Sq. ft of lettable space



## SOHO CARNABY STREET

*“Carnaby Street, located in the heart of Soho, is no doubt one of the most iconic streets in London – known for fashion, music, and cultural innovation for over a century.”*

### Secret London



Percentage of portfolio valuation as at 31 December 2025

## A distinctive London district shaped by cultural heritage and creative energy

Carnaby Street is a true London original. Constantly evolving, it continues to challenge convention with its world-class culture, game-changing culinary scene and trendsetting style, courtesy of modern fashion flagships and one-of-a-kind premium boutiques. The diverse and vibrant character of Carnaby Street is showcased in its mix of famous shopping experience line-up, paired with the pedestrianised streets.

Our portfolio in central Soho focused on Berwick, Beak and Broadwick streets offers a diverse array of creative and independent businesses, iconic restaurants and entertainment venues. Our Carnaby | Soho portfolio comprises approximately 0.9 million square feet with over 100 hospitality concepts which are a key ingredient to the area's vibrancy.

Carnaby Street's iconic Kingly Court is a go-to location for Soho locals and visitors alike. Across three storeys and a buzzing open-air courtyard, critically-acclaimed restaurants serve up fresh food from across the world. Syrian sharing plates, Japanese sashimi, classic Filipino dishes – providing something for everyone.

Carnaby | Soho delivered strong performance this year with 8.5 per cent valuation growth driven by strong leasing and asset management activity. ERV growth was 7.5 per cent during the year, as a result of 60 new commercial leases and renewals agreed 11.3 per cent ahead of ERV, primarily driven by retail and food & beverage lettings and asset management activity.

### Flagship store opening for beauty icon

Internationally recognised luxury beauty brand Charlotte Tilbury opened a new flagship in a prominent gateway unit at a key entrance to Carnaby Street. The signing follows the brand's recent upsizing in Covent Garden, reflecting our ability to support customer growth and expansion across the portfolio.



Carnaby | Soho *continued*

## Carnaby Street public realm enhancements

Early-stage engagement has commenced on proposed public realm enhancements for Carnaby Street, aimed at improving the experience for both the local community and visitors. The proposals focus on streetscape quality, greening, lighting, wayfinding and public art, while carefully preserving Carnaby Street's distinctive character and heritage.

CGI for illustrative purposes only



## A new wave of brands across Carnaby Street and Soho

Leasing momentum across Carnaby Street and Soho remains strong, with an extensive mix of fashion, beauty and hospitality brands joining the district. New openings include Tala, Farm Rio and Charlotte Tilbury alongside signings including Sephora and Edikted, which sit alongside a number of new high-quality dining offers, reinforcing the area's position as a dynamic, experience-led destination.

# CHINATOWN LONDON

**+6.4%**

Valuation £0.8bn

**+5.5%**

ERV £36m

**+4.0%**

Annualised gross income £33m

**0.4m**

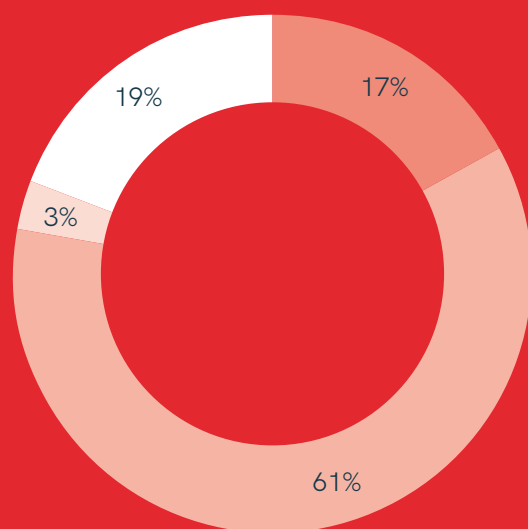
Sq. ft. of lettable space



# CHINATOWN LONDON

*"London's Chinatown is unmatched in its variety and authenticity – offering an array of cuisines in a vibrant area."*

The Times



- Retail
- Food & beverage
- Offices
- Residential

Percentage of portfolio valuation as at 31 December 2025

## Europe's premier Chinatown with a vibrant cultural identity

Europe's premier Chinatown is in the heart of the West End's entertainment district. Its 12 predominantly pedestrianised and interconnected streets, lined with iconic red lanterns, offer an exceptional concentration of restaurants with a wide range of East and Southeast Asian dining choices. Equally thriving day and night, the area's restaurants, bars, shops and cafés, as well as its unique mix of oriental supermarkets and authentic Asian retail stores, attract large numbers of Londoners, tourists, Chinese students and local workers.

The district continues to thrive on its rich cultural identity, with its architecture and streetscape creating a distinctive sense of place that attracts Londoners and visitors alike. Its restaurants, cafés and shops contribute to a dynamic day-to-night atmosphere. Cultural celebrations such as Chinese New Year

further animate the area, drawing large crowds and reinforcing Chinatown's long-established role as a centre of East and Southeast Asian culture in London.

Throughout the year, activations and seasonal events bring additional energy to the streets, with Chinese New Year remaining one of London's most celebrated cultural moments.

Chinatown delivered strong performance this year with a 6.4 per cent valuation growth. 24 new commercial leases and renewals were agreed in Chinatown, 17.4 per cent ahead of ERV. ERV growth in Chinatown was 5.5 per cent over the year, driven by food & beverage letting activity.

*"Our relationship with Shaftesbury Capital is one that has proven incredibly rewarding, working with them now for more than 18 years, so it felt right that we select Chinatown London for Arôme. It is a hub for ESEA culture, and whether we are welcoming tourists, residents, or office workers, we know that the people who come to this part of the West End are seeking exactly what we're offering – authenticity enhanced through innovation."*

**Ellen Chew**  
Co-Founder of Arôme Bakery



# Creating unrivalled consumer experiences across our West End portfolio

Through carefully crafted events, targeted campaigns and memorable consumer moments, we enliven our vibrant, predominantly pedestrianised and traffic-calmed destinations, attracting visitors, building loyalty and driving repeat visits.

Our year-round, differentiated consumer experiences enhance key metrics including footfall, conversion and spend and, alongside strong customer partnerships, directly support long-term rental growth prospects.

Our digital platforms including social media, email newsletters and websites continue to see significant growth. During the year, our level of engagement and number of followers increased by 17.8 per cent in aggregate across all destinations. We have direct engagement with over 1.6 million consumers across our channels and in December 2025 launched a new consumer website for Covent Garden.

## 1.6m

total social audience

## 280k

email subscribers

## 149k

new followers in 2025

## Bold brand experiences

Our West End portfolio has welcomed a number of unique activations from global brands seeking a world-class destination to engage with both new and existing customers. For example, Chanel unveiled an experiential installation that reimagined skate culture through a luxury lens, celebrating a decade since opening their first ever beauty store in Covent Garden.

*"We continue to deliver distinctive consumer experiences across our West End portfolio, with brand-led activations and cultural moments enhancing reach, footfall, conversion and spend, reinforcing the West End's position as a world-class destination and supporting rental growth."*

**Catherine Riccomini**

Director of Marketing & Communications



Creating consumer experiences continued

### Customer collaboration

Carnaby Street celebrated the start to the Christmas season with the switch-on of the 'All Is Bright' festive lights, attracting thousands of visitors to the area. The lights were switched on by Charlotte Tilbury MBE, following the recent opening of a flagship store on Carnaby Street, marking a high-profile moment for the destination.



Watch video coverage of the event here:  
<https://bit.ly/47g8ag3>

### Celebrating authentic culture

Chinatown once again played host to the annual Chinese New Year parade, the largest outside of Asia, which took place in February 2025 celebrating the Year of the Snake.



# Operating and portfolio review

## Overview

Shaftesbury Capital owns and manages an impossible-to-replicate portfolio that extends to 2.8 million square feet of lettable space across the most vibrant areas of London's West End. The Group's portfolio of adaptable mixed-use buildings provides diversified income streams with a long history of occupier demand exceeding availability of space. With a broad mix of shops, restaurants, cafés, bars, apartments and offices, our destinations include the high-footfall, thriving neighbourhoods of Covent Garden, Carnaby Street, Soho and Chinatown. Our properties are located at the heart of the West End's entertainment and cultural attractions, benefitting from excellent connectivity through close proximity to the main West End Underground and train stations together with transport hubs for the Elizabeth Line. These locations are characterised by high occupancy, low capital requirements and reliable, growing long-term cash flows.

## Fundamentals supportive of rental growth

There is significant rental growth potential for each of our locations with embedded reversion in the portfolio of over 600 buildings. 434 leasing transactions completed during the year, 10.3 per cent ahead of December 2024 ERV, in turn delivering 6.2 per cent ERV growth over the year. Annualised gross income increased by 5.3 per cent (like-for-like) to £215 million. The valuation of the property portfolio under management increased by 6.6 per cent (like-for-like) to £5.4 billion.

- Market rent (as represented by ERV) for the portfolio is 26 per cent higher than current passing rent, resulting in significant upside potential in rental income through leasing and asset management activity. Customer sales in aggregate are

approximately 30 per cent ahead of pre-pandemic levels, while retail ERVs are only marginally ahead of 2019 levels, both in nominal terms.

- Based on our consumer data and experience, average spend and dwell time have the potential to be significantly higher in areas of our portfolio, with our mix, category and brand selection designed to generate higher productivity which should be supportive of rental growth over time.
- With a weighted average term to lease expiry or break of five years, approximately 20 per cent of the portfolio ERV re-prices annually, providing consistent opportunities to capture rental uplifts and align leases with prevailing market rates.

Our approach and aggregated ownership of estates enables us to deliver rental growth whilst establishing new rental tones, the benefit of which is often compounded across nearby buildings. Our focus is on converting the portfolio's reversionary potential into contracted income and cash flow. Total reversion is £55.3 million, with approximately two-thirds represented by the retail and F&B portfolio. 2025 retail and F&B new leases and renewals transacted 22 per cent ahead of previous passing rents with a strong leasing pipeline.



## Operating and portfolio review *continued*

### Components of the reversion under management

|                                                                        | 31 December<br>2025<br>£m | 31 December<br>2024<br>£m |
|------------------------------------------------------------------------|---------------------------|---------------------------|
| Annualised gross income                                                | 215.0                     | 202.8                     |
| Contracted (includes rent-free periods and contractual rent increases) | 15.6                      | 14.9                      |
| Under offer                                                            | 4.0                       | 3.0                       |
| Available-to-let                                                       | 6.8                       | 6.3                       |
| Under refurbishment                                                    | 11.3                      | 13.5                      |
| Net under-rented                                                       | 17.6                      | 10.1                      |
| <b>ERV</b>                                                             | <b>270.3</b>              | <b>250.6</b>              |

### Disciplined capital allocation

We continue to deliver a range of refurbishments demonstrating our ability to drive significant performance improvements, unlocking income and value through active asset management.

Our investment activity is focused on Covent Garden, Carnaby | Soho and Chinatown. We maintain a targeted approach and look for opportunities to expand, adding to our growth prospects. Ongoing asset management initiatives continue across Covent Garden and Carnaby | Soho in particular. During the year, £113.3 million has been invested in our portfolio, comprising £33.1 million in capital expenditure and £80.2 million (before costs) in targeted acquisitions in Covent Garden and Soho, presenting asset management opportunities with excellent rental growth prospects. The pipeline of acquisitions is encouraging, with a number of buildings currently under review. Three properties, including the last remaining Fitzrovia assets, have been disposed of during the year for gross proceeds of £12.4 million, in line with the 31 December 2024 valuation.

Capital commitments totalled £10.8 million as of 31 December 2025. On average, approximately 1 per cent of portfolio value is invested annually in refurbishment, asset management, and repositioning initiatives, including measures to improve energy performance.




 Operating and portfolio review *continued*

*“Our investment activity is focused on acquiring assets with rental growth potential. We remain highly selective, targeting opportunities that strengthen the portfolio and create long-term value through active management.”*

**James Lane**

Director of Acquisitions and Sales

**Delivering valuation growth**

The valuation of the property portfolio under management increased by 6.6 per cent on a like-for-like basis to £5.4 billion, equivalent to approximately £1,962 per square foot on average (Dec 2024: £1,833 per square foot).

The valuation gain has been driven by leasing and asset management activity. Leasing activity was on average 10.3 per cent ahead of December 2024 ERV, resulting in an overall increase in portfolio ERV of 6.2 per cent (like-for-like) to £270.3 million (Dec 2024: £250.6 million). The equivalent yield moved inwards marginally by 2 basis points to 4.43 per cent, whilst the portfolio net initial yield is 3.6 per cent and topped-up net initial yield (allowing for the expiry of rent-free periods) is 3.9 per cent. The equivalent yield for the commercial portfolio (excluding residential) is 4.6 per cent. Total property return for the year was 10.1 per cent, outperforming the MSCI UK Property Index which recorded 7.1 per cent.

Prime West End property yields are stable, and certain properties have seen marginal yield compression, supported by occupational and investment transactional evidence demonstrating demand for high-quality, prime central London real estate, from both international and domestic investors. There is renewed appetite for larger lot sizes with lower interest rates contributing to improved liquidity conditions. There is also growing demand for London retail investments with owner-occupiers continuing to acquire.

Retail properties, which represent 36 per cent of the portfolio, performed particularly strongly with ERVs up 8.1 per cent and valuations 10.4 per cent higher.

Covent Garden generated ERV growth of 5.6 per cent through leasing and asset management activity across the retail and food & beverage space, with 196 leasing transactions signed 9.6 per cent ahead of ERV. Across Carnaby | Soho, ERV growth was 7.5 per cent during the year, as a result of 164 new leases and renewals agreed 9.8 per cent ahead of ERV, primarily driven by retail lettings and asset management activity. During the year, 74 new leases and renewals were agreed in Chinatown, 13.9 per cent ahead of ERV. ERV growth in Chinatown was 5.5 per cent over the year, driven by food & beverage letting activity.

*“In 2025, the portfolio achieved a 6.6 per cent valuation uplift, reflecting the quality of our assets and the effectiveness of our active asset management. Sustained customer demand continues to support valuation growth across our destinations.”*

**Christopher Denness**

Director of Asset Management

Independent valuations of the portfolio under management have been undertaken in accordance with Royal Institution of Chartered Surveyors guidelines by CBRE and Cushman & Wakefield. The valuations represent the aggregated value of predominantly freehold properties. There is no reflection of any premium or discount which some potential investors may ascribe to the comprehensive ownership of a combination of some, or all, parts of the portfolio.

Operating and portfolio review *continued***Excellent leasing activity**

The portfolio under management represents 2.8 million square feet of lettable space, comprising 1.7 million square feet of retail and food & beverage space together with 0.7 million square feet of offices and 659 residential apartments.

During the year, 434 leasing transactions were concluded with a combined rental value of £38.8 million, comprising:

- 149 commercial lettings and renewals: £27.9 million, 11.9 per cent ahead of 31 December 2024 ERV and 20.1 per cent ahead of previous passing rents; and
- 285 residential lettings: £10.9 million, 6.4 per cent ahead of 31 December 2024 ERV and 3.9 per cent ahead of previous passing rents

In addition, 56 commercial rent reviews with a rental value of £14.1 million were concluded on average 7.7 per cent ahead of previous passing rents.

*“In 2025, demand for our retail and F&B space was led by a dynamic mix of high-quality brands. Our targeted leasing approach continues to shape exciting, ever-evolving line-ups that strengthen the energy and ongoing appeal of our destinations.”*

**William Oliver,**

Director of Retail & Restaurant Leasing

**Leasing transactions across the portfolio by use concluded during the year**

| Use             | Transactions | New contracted rent £m | % above Dec 2024 ERV | % above previous passing rent |
|-----------------|--------------|------------------------|----------------------|-------------------------------|
| Retail          | 66           | 13.1                   | 11.8                 | 18.7                          |
| Food & beverage | 37           | 8.7                    | 15.7                 | 27.3                          |
| Offices         | 46           | 6.1                    | 7.2                  | 11.1                          |
| Residential     | 285          | 10.9                   | 6.4                  | 3.9                           |
| <b>Total</b>    | <b>434</b>   | <b>38.8</b>            | <b>10.3</b>          | <b>13.9</b>                   |

**Leasing transactions by destination concluded during the year**

| Destination    | Transactions | New contracted rent £m | % above Dec 2024 ERV | % above previous passing rent |
|----------------|--------------|------------------------|----------------------|-------------------------------|
| Covent Garden  | 196          | 18.3                   | 9.6                  | 17.8                          |
| Carnaby   Soho | 164          | 14.2                   | 9.8                  | 9.9                           |
| Chinatown      | 74           | 6.3                    | 13.9                 | 11.6                          |
| <b>Total</b>   | <b>434</b>   | <b>38.8</b>            | <b>10.3</b>          | <b>13.9</b>                   |

**High occupancy**

At 31 December 2025, EPRA vacancy (including units under offer) was 4.2 per cent of portfolio ERV (Dec 2024: 3.9 per cent); as summarised in the tables below, 1.6 per cent was under offer and 2.6 per cent was available-to-let.

**Under offer**

| Use                      | % of portfolio under management ERV | ERV £m     | Area ('000 sq. ft.) |
|--------------------------|-------------------------------------|------------|---------------------|
| Retail                   | 0.7                                 | 1.7        | 9                   |
| Food & beverage          | 0.8                                 | 2.0        | 26                  |
| Offices                  | 0.1                                 | 0.2        | 4                   |
| Residential              | 0.0                                 | 0.1        | 2                   |
| <b>Total<sup>1</sup></b> | <b>1.6</b>                          | <b>4.0</b> | <b>41</b>           |

1. Includes nine units let on a temporary basis (ERV: £1.3 million) (Dec 2024: £1.5 million).

**Available-to-let space**

| Use             | % of portfolio under management ERV | ERV £m     | Area ('000 sq. ft.) |
|-----------------|-------------------------------------|------------|---------------------|
| Retail          | 0.7                                 | 1.7        | 15                  |
| Food & beverage | 0.5                                 | 1.4        | 19                  |
| Offices         | 0.7                                 | 1.9        | 32                  |
| Residential     | 0.7                                 | 1.8        | 31                  |
| <b>Total</b>    | <b>2.6</b>                          | <b>6.8</b> | <b>97</b>           |

**Refurbishment activity**

Active asset management and refurbishment initiatives continue to realise income and value while enhancing environmental performance across the portfolio. £33.1 million was invested in capital expenditure in 2025. Refurbishment projects currently underway represent £11.3 million in ERV across 130,000 square foot equating to 4.2 per cent of total portfolio ERV, with delivery expected over the next 12–18 months.

Larger refurbishments include a retail scheme on Broadwick Street, mixed-use retail and office schemes on Floral Street and an important gateway site on Neal Street as well as an office-to-residential conversion on the upper parts of James Street, Covent Garden. Improvements to the Henrietta Street public realm are underway and are expected to be completed by the end of 2026. The works include widening the footway, creating a level surface to improve accessibility, and upgrading the surfacing to enhance the historic character. Public lighting will be improved while retaining the heritage-listed gas lamp columns. Clearer pedestrian routes and sightlines will help activate the street, alongside enhanced al fresco dining through the introduction of awnings and greening.

Operating and portfolio review *continued***Under refurbishment**

| Use             | % of portfolio under management ERV | ERV (£m)    | Area ('000 sq. ft.) |
|-----------------|-------------------------------------|-------------|---------------------|
| Retail          | 0.3                                 | 0.8         | 7                   |
| Food & beverage | 0.7                                 | 1.8         | 22                  |
| Offices         | 3.0                                 | 8.2         | 93                  |
| Residential     | 0.2                                 | 0.5         | 8                   |
| <b>Total</b>    | <b>4.2</b>                          | <b>11.3</b> | <b>130</b>          |

**Lillie Square joint venture**

Shaftesbury Capital owns 50 per cent of the Lillie Square joint venture, a residential estate and remaining development phases located in West London. Investor sentiment towards the residential sector weakened in 2025, as regulatory uncertainty weighed on transaction volumes. The property valuation of our 50 per cent share as at 31 December 2025 was £62.3 million, 4.6 (like-for-like) per cent below the 31 December 2024 valuation of £65.3 million. In addition, Shaftesbury Capital owns £1.9 million of other related assets adjacent to the Lillie Square estate. The joint venture has cash of £9.7 million (£4.9 million Shaftesbury Capital share). In total, 355 Phase 1 and 2 residential apartments have been sold.

|                                                  | 2025<br>Assets under<br>management | 2024<br>Assets under<br>management | 2025<br>Group share<br>portfolio |
|--------------------------------------------------|------------------------------------|------------------------------------|----------------------------------|
| Valuation (£m) <sup>1</sup>                      | <b>5,405.2</b>                     | 4,971.6                            | <b>4,698.8</b>                   |
| L-f-L valuation movement (FY 2025)               | <b>+6.6%</b>                       | +4.5%                              | <b>+6.7%</b>                     |
| L-f-L valuation movement (H2 2025)               | <b>+3.4%</b>                       | +3.1%                              | <b>+3.5%</b>                     |
| Annualised gross income (£m)                     | <b>215.0</b>                       | 202.8                              | <b>187.6</b>                     |
| L-f-L annualised gross income movement (FY 2025) | <b>+5.3%</b>                       | +8.0%                              | <b>+5.4%</b>                     |
| L-f-L annualised gross income movement (H2 2025) | <b>+3.1%</b>                       | +4.1%                              | <b>+2.9%</b>                     |
| ERV (£m)                                         | <b>270.3</b>                       | 250.6                              | <b>234.8</b>                     |
| ERV psf (£)                                      | <b>98</b>                          | 92                                 | <b>98</b>                        |
| L-f-L ERV movement (FY 2025)                     | <b>+6.2%</b>                       | +4.7%                              | <b>+6.3%</b>                     |
| L-f-L ERV movement (H2 2025)                     | <b>+3.0%</b>                       | +7.7%                              | <b>+3.0%</b>                     |
| Net initial yield                                | <b>3.6%</b>                        | 3.6%                               | <b>3.6%</b>                      |
| Topped up net initial yield                      | <b>3.9%</b>                        | 3.9%                               | <b>3.9%</b>                      |
| Equivalent yield                                 | <b>4.4%</b>                        | 4.4%                               | <b>4.4%</b>                      |
| WAULT (years)                                    | <b>4.8</b>                         | 4.4                                | <b>4.8</b>                       |
| Floor area (sq ft m) <sup>2,3</sup>              | <b>2.8</b>                         | 2.7                                | <b>2.8</b>                       |
| Unit count <sup>2,3</sup>                        | <b>1,906</b>                       | 1,869                              | <b>1,906</b>                     |

1. Excludes £1.9 million of Group properties held in Lillie Square LP Limited (a wholly-owned subsidiary).
2. Excluding long-leasehold residential interests.
3. WAULT, floor area and unit count have not been adjusted and reflect 100% of the portfolio. Refer to page 206 which has the full tables.



Operating and portfolio review *continued*

## Retail



36%

of the property portfolio  
under management value

Demand for West End retail is excellent, with brands placing considerable value on locations that combine high footfall, culture and a diverse consumer base. Scarcity continues to support rental tones with availability on many of our streets at or near record lows, driving competitive tension. Our districts benefit from a seven-days-a-week trading environment, supported by strong tourism levels. Trading conditions have been generally positive, with strong performance in luxury, premium, fashion and lifestyle categories. The portfolio now comprises over 400 shops with an average ERV of £137 per square foot, across a range of rental tones. Units continue to attract multiple interested parties and supporting uplifts in rents through new lettings and renewals.

Our estates are attractive for both global brands entering or expanding in the UK and home-grown operators. During the year, there were 30 new retail openings across the portfolio, with customers continuing to choose our portfolio to expand their operations. There have been a number of successful openings across Covent Garden including Nespresso and Dolce & Gabbana. Leading performance brand Saucony opened on James Street joining Swatch, which relocated to a larger unit. Recent additions such as Matiere Premiere, Byredo and Parfums de Marly reinforced the district's appeal for lifestyle and experiential retail. A number of high-quality brands have been added to Seven Dials including luxury



## Operating and portfolio review *continued*

activewear brand Alo Yoga, Swedish outdoor specialist Thule and German lifestyle brand Kapten & Son, all of which have opened on Neal Street.

Soho and Carnaby Street continue to attract an exciting mix of brands, including Tala, Farm Rio and Pure Seoul. Luxury beauty brand Charlotte Tilbury has opened a brand-new store at the key entrance to Carnaby Street, following the success of its Covent Garden flagship. MAC Cosmetics has launched a new experience-led concept as part of a relocation on Carnaby Street, emulating the vibrancy of Soho's nightlife. US fashion brand Edikted will open its European debut store, its first location outside the US. Global beauty retailer Sephora has also taken space on Carnaby Street and is due to open later this year. French-Swedish menswear brand Ron Dorff will launch a new UK flagship store in Soho later this year, relocating from Covent Garden.

Reflecting demand during the year, 66 lettings and renewals were completed, securing a rental value of £13.1 million, at an average of 11.8 per cent above December 2024 ERV and 18.7 per cent ahead of previous passing rents.

A total of 20 retail rent reviews, with a rental value of £3.3 million, were concluded at an average uplift of 13.1 per cent on previous passing rents.

BYREDO

SEPHORA

edikted

DOLCE & GABBANA

FARM RIO

TALA

MATIERE  
PREMIERE

Charlotte Tilbury



66

lettings and renewals

+£13.1m

contracted rent

419

shops

+8.1%

L-f-L ERV

+10.4%

L-f-L valuation growth

+3.2%

L-f-L annualised gross income

Operating and portfolio review *continued*

## Food & beverage



33%

of the property portfolio  
under management value

Our West End F&B portfolio welcomed 24 new dining concepts, reflecting the continued appeal of our districts to both independent operators and international entrants. The new arrivals span a range of cuisines, formats and price points, offering a wide variety of experiences across our predominantly pedestrian-centric destinations. The food & beverage portfolio extends to nearly 400 units. There were a small number of failures and sales moderated in certain restaurants in H1 2025; however trading levels improved in the second half, with particularly strong performance from bars and differentiated restaurants. Going out remains a priority for consumers with prime areas in demand. Health-conscious menus and wellness-led concepts continue to see strong consumer interest. Leasing demand has resulted in available space being filled quickly with just 0.5 per cent of the F&B portfolio available to let.

In Covent Garden, Harry's Bar opened a new Italian concept overlooking the Piazza, while Buvette, the celebrated gastrothèque by chef Jody Williams, will open in Neal's Yard this summer, offering a day-to-night dining concept. High-quality Italian dining concept, Burro, will open its first location in Floral Court in the coming months, with al fresco seating in the courtyard. Inception Group, the operator of unique hospitality concepts across London, will open a new flagship Mr Fogg's Tavern in the Market Building. The all-day dining offer has been supported by the

arrivals of Qima Café, Copain, Hagen and St. JOHN Neal's Yard Bakery and Bar. Neal's Yard will welcome Kricket, and ADOH! has opened on Maiden Lane, led by the team behind the highly regarded Kolomba. The operators of Ergon House are set to open its Greek-inspired boutique hotel-and-dining experience on King Street later this year.

There continues to be strong performance from our Soho portfolio. Founder-led Soho restaurant Heard opened on Foubert's Place, alongside pizza and natural wine concept Ria's, joined by French-inspired restaurant and wine bar Marjorie's. Breadstall Pizza, which takes the best elements from both New York and Neapolitan-style pizzas, opened on Berwick Street. Northern Spanish-inspired ALTA opened in Kingly Court over two floors with an outdoor terrace and Soho icon The Shaston Arms relaunched under new management. Italian restaurant, Padella, signed to

THE  
SHASTON  
ARMS

Ria's

HARRY'S  
COVENT GARDEN

PADELLA

Burro

Heard.

A  
L  
T  
A



## Operating and portfolio review *continued*

Kingly Street, a milestone for the brand as its first in the West End. Pioneering Indian restaurant, Darjeeling Express, will relocate from Kingly Court to a larger space on Rupert Street joining the likes of The Palomar and Speedboat Bar.

Chinatown continues to attract strong interest from operators looking to establish a presence in one of the West End's most distinctive, high-footfall dining destinations. Both local and international restaurateurs regard the district as a preferred location, benefiting from its high footfall, loyal customer base and unique cultural resonance. Interest in Chinatown, especially from new international entrants, is positive, with active demand from existing customers. Recent openings include Noodle & Beer, Sushinoya and Arome Bakery, each contributing to the area's expanding mix of pan-Asian cuisine and specialist bakery operators. Ning's Fresh Beef Hot Pot has joined Chinatown for what will be the brand's second location, serving authentic Cantonese cuisine. Chinatown London was

at the centre of the Chinese New Year festivities, the largest celebration in the world outside of Asia, welcoming thousands of visitors over the 15-day celebration period.

During the year, 37 lettings and renewals were completed with a rental value of £8.7 million, 15.7 per cent ahead of December 2024 ERV and 27.3 per cent ahead of previous passing rents.

A total of 30 rent reviews, representing £10.5 million of rental value, were concluded at an average uplift of 6.1 per cent above previous passing rents.

# 37

lettings and renewals

# +£8.7m

contracted rent

# 392

units

# +4.9%

L-f-L ERV

# +5.8%

L-f-L valuation growth

# +5.0%

L-f-L annualised gross income



Operating and portfolio review *continued*

## Office



19%

of the property portfolio  
under management value

Our prime West End office portfolio is well let, with customers continuing to prioritise high-quality, well-designed space in locations that support employee experience and productivity. Demand is increasingly centred around buildings that offer high-quality fit-outs, access to exceptional district amenities and strong sustainability credentials.

Our offices benefit from unparalleled connectivity, with short walking distances to busy West End stations including Covent Garden, Leicester Square, Charing Cross, Oxford Circus, Piccadilly Circus and Tottenham Court Road. Customers place high value on being located within vibrant mixed-use neighbourhoods, where retail, dining, culture and leisure are on the doorstep.

We continue to see customers relocating from other parts of central London as employers recognise the importance of location in attracting and retaining talent. Our Carnaby | Soho and Covent Garden offices have captured this demand, with lettings to occupiers in the financial, professional services and real estate sectors.

Our refurbishment strategy remains focused on delivering spaces that meet a broad spectrum of customer requirements – from larger floorplates to highly flexible, ready-to-occupy suites – ensuring we can accommodate both established organisations and fast-growing businesses. The range of options across our portfolio continues to support customer



expansion and long-term retention. During the year, refurbishment of 23,000 square feet at The Floral, Covent Garden, targeting BREEAM Outstanding, completed and is fully occupied, together with new signings on King Street, Ganton Street and Carnaby Street, commanding rents of over £110 per square foot.

During the year, 46 office leasing transactions were completed with a rental value of £6.1 million, achieving 7.2 per cent ahead of December 2024 ERV and 11.1 per cent ahead of previous passing rents.

A total of six rent reviews, representing £0.3 million of rental value, were concluded at an uplift of 8.5 per cent above previous passing rents.

## Residential



12%

of the property portfolio  
under management value

The residential portfolio has performed well, with sustained leasing demand and high rates of renewal across our 659 apartments. Demand continues to be driven by the quality and character of our period buildings, which combine modern specification with the advantages of vibrant neighbourhoods and well-managed estates. These attributes remain highly valued by residents seeking convenience, connectivity and cultural proximity. Throughout the year we have seen competitive demand across all unit types, limited voids and short re-letting periods, reflecting the appeal of our homes and the continued strength of the central London rental market, with limited new supply supporting rental levels and occupancy. Investor sentiment towards the residential sector weakened in 2025, notwithstanding the continued rental growth, as regulatory uncertainty weighed on transaction volumes.

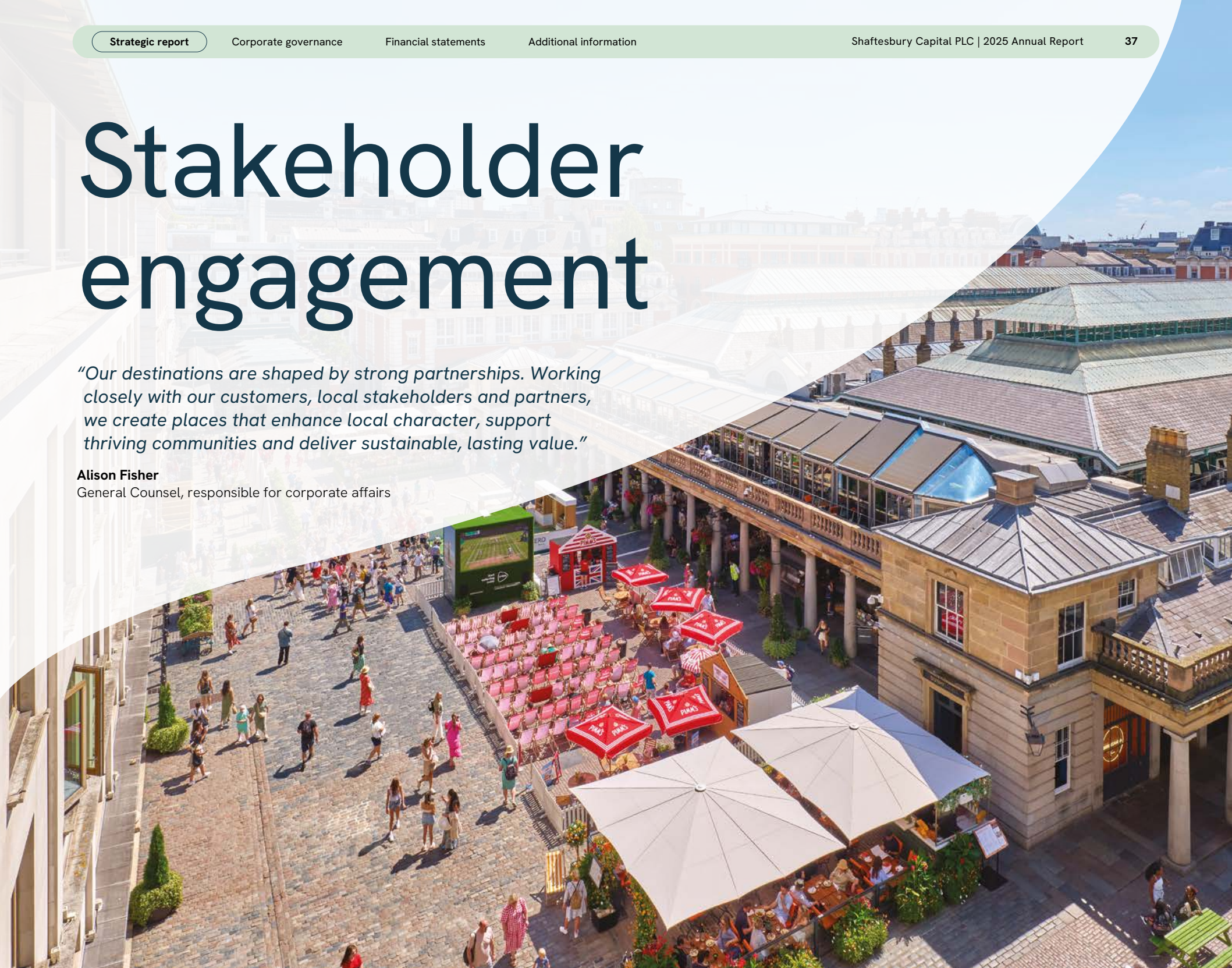
Looking ahead, our focus is on maintaining quality, improving energy efficiency and ensuring the residential portfolio continues to play a role in supporting our vibrant, mixed-use neighbourhoods. Across the year, 285 residential lettings and renewals were completed, generating a rental value of £10.9 million, averaging 6.4 per cent ahead of December 2024 ERVs and 3.9 per cent ahead of previous passing rents. At 31 December 2025, 0.7 per cent of the portfolio was available to let, demonstrating the depth of demand and the resilience of occupancy levels.

# Stakeholder engagement

*"Our destinations are shaped by strong partnerships. Working closely with our customers, local stakeholders and partners, we create places that enhance local character, support thriving communities and deliver sustainable, lasting value."*

**Alison Fisher**

General Counsel, responsible for corporate affairs



# Stakeholder engagement

Our section 172(1) statement, which explains how the Board considered stakeholder interests and the other matters set out in section 172(1) of the Companies Act 2006, can be found in our Corporate governance report on pages 104 to 106.



## Customers

The wide range of retailers, food & beverage operators, office occupiers and residents across our portfolio of c. 640 buildings.

### Priorities

- Providing and promoting vibrant, safe and well-maintained destinations.
- Providing proactive and responsive customer service, with the customer placed at the heart of our business.
- Providing employee and partner training to improve customer experience.
- Enhancing sustainability and energy performance.
- Being mindful of socioeconomic and political factors impacting customers and visitors.

### Why we engage

- To put the customer at the heart of our business. Success is based on our ability to listen, understand and respond to our customers', and potential customers', needs.
- To adapt to evolving customer and consumer trends and requirements.
- To keep our customers informed of activities of interest to them across our destinations.

### How we engage

- Liaising directly and through our partners with our customers and potential customers to build collaborative partnerships.
- Annual Customer Satisfaction Survey to identify priorities for improvement.
- Tailored online customer connection portals, for secure communication and operational support.
- Commercial and residential welcome and destination guides and newsletters on operations, marketing, sustainability and community matters.

### Outcomes of our engagement

- Launch of the new customer strategy, which sets out our vision, promises and success measures.
- Action plans to address feedback and ensure ongoing enhancements to our customer service.
- Strong commercial partnerships, which help us to provide the right services and environment for our customers' success.
- Quality living experiences for our residential customers.
- Carefully curated destinations.
- 149 new commercial lettings and renewals, including UK-first stores, relocations and expansions.



## Employees

The people who are directly employed by us on permanent or fixed-term contracts.

### Priorities

- Building our dynamic culture.
- Attracting, developing and retaining talented people who share our values.
- Ensuring open and collaborative communication.
- Promoting employee well-being.
- Supporting progression through personal development opportunities.

### Why we engage

- To deliver our strategic objectives through employee expertise and commitment.
- To foster motivated ambassadors for our organisation.
- To keep employees informed and to seek their input.
- To continuously improve our ways of working.

### How we engage

- Annual employee survey.
- Regular townhall meetings led by the Executive Directors.
- Our Chief Executive meets informally with small groups of employees.
- Employee Engagement Forum, attended by our Senior Independent Director, with representatives from across the Company.

### Outcomes of our engagement

- The townhall meetings in 2025 covered financial results, the launch of the customer strategy and the different business functions, enabling employees to learn more about these topics and to feel invested in them.
- Feedback from the employee survey and Employee Engagement Forum was shared with the Board.
- Positive results from the employee survey, including an engagement score of 84 per cent.
- Delivery of a high-quality learning and development programme and training on core skills, resilience and well-being, as well as team-specific technical training.

Stakeholder engagement *continued***Visitors**

The people who visit our destinations or engage with us through our 26 social media channels, email newsletters and consumer websites.

**Priorities**

- Providing a vibrant mix of retail and food & beverage offerings; innovative installations; events and campaigns; and greening and wayfinding.
- Engaging and informative promotion of our destinations and our customers through our digital channels.
- Attracting visitors via tourism partnerships.
- Providing welcoming, clean and secure environments across our destinations.

**Why we engage**

- To help our visitors create memorable experiences.
- To support the success of our customers.
- To showcase the unique appeal of our destinations, and the culture within the wider area.
- To contribute to the vitality of the West End.

**How we engage**

- A comprehensive programme of campaigns, events, brand partnerships and cultural installations aligned with the consumer calendar.
- Driving regular interaction via our 26 social media channels, across all our destinations.
- In 2025, consumer engagement surveys were conducted for Covent Garden and Carnaby | Soho email and reward card subscribers, to better understand their views on our current and future offerings.

**Outcomes of our engagement**

- Undertook a wide variety of marketing campaigns and activations across our destinations including the TUSK Turtle Trail, the Big Beauty campaign and a series of 'Soho Nights'. Across our destinations, there were over 31.5 million social media impressions made during the 2025 Christmas campaign.
- Grew level of engagement and social media followers by 17.8 per cent in aggregate across our destinations to reach over 1.6 million consumers across our social media channels.
- Received nearly 1,000 responses to the Covent Garden consumer engagement survey, with 87 per cent likely to recommend Covent Garden to a friend.
- Received over 1,100 responses to the Carnaby | Soho consumer engagement survey, with 92 per cent likely to recommend the area to a friend.
- Launched new Covent Garden website with improved user experience.

**Suppliers**

Those who have a direct contractual relationship with us, including managing agents, outsourced service providers, building contractors, project managers, consultants and professional advisers.

**Priorities**

- Building and maintaining constructive and collaborative relationships.
- Providing high-quality goods and services responsibly, with suppliers who are aligned with our values, including throughout their own supply chains.
- Ensuring services meet agreed standards.
- Providing fair payment terms.

**Why we engage**

- To deliver high-quality service to our customers and visitors by leveraging trusted, long-term supplier relationships.

**How we engage**

- Monitoring performance against agreed service levels, including regular meetings.
- Tendering and onboarding processes that promote high standards and responsible business practices in our supply chain.
- Running an annual conference with key operational supply chain partners to review Customer Satisfaction Survey results.
- Delivering periodic seminars to share our objectives and values with suppliers.

**Outcomes of our engagement**

- Strengthened supplier relationships through clear communication of expectations. This has fostered long-term collaboration and trust.
- Implemented machine reading functionality within our accounts payable systems to streamline processing and payment of invoices.
- Refined and relaunched our internal procurement policy and process, providing a robust framework for supplier management.
- The annual operational supply chain conference enabled key partners to propose actions to address feedback from the Customer Satisfaction Survey.

Stakeholder engagement *continued***Partners**

Local authorities and business improvement districts, neighbouring landowners, tourism partners, local amenity societies and business associations, and a variety of cultural partners. At a national level, our partners include government bodies, regulators and industry bodies.

**Priorities**

- Engaging with and supporting our partners' local statutory and economic plans and public realm initiatives to ensure the continued appeal of the West End.
- Working co-operatively with a range of government bodies and regulators to ensure compliance, and to foster transparency and accountability in our operations.

**Why we engage**

- To promote the long-term success of the West End as a vibrant, safe and attractive destination, by being a good neighbour and practising responsible stewardship.

**How we engage**

- Meetings, planning consultations, working groups and responses to policy consultations and surveys.
- Active participation in local interest and neighbourhood co-ordination groups where we have membership or representation.
- Contribution to initiatives that promote the success of the West End beyond our destinations.

**Outcomes of our engagement**

- Ongoing engagement with Westminster City Council and the London Borough of Camden Council to find opportunities to use our practical knowledge and experience to help to achieve our shared goals.
- Participated in or supported local projects, including the repaving of Monmouth Street, public realm improvements to Henrietta Street and Carnaby Street greening trials.
- Responded to policy consultations on matters including licensing framework and legislation, and planning policy such as the Greater London Authority's 'Towards a new London Plan'.
- Active members of the UKGBC, Better Buildings Partnership and British Property Federation.
- Supported London Fashion Week via our association with the British Fashion Council.
- Maintained low-risk tax rating with HMRC.

**Local communities**

The people who work, live or study in or around our destinations, as well as local organisations, schools, charities and social enterprises.

**Priorities**

- Understanding community needs and how we can best support them as a responsible, long-term steward of our destinations.
- Keeping our communities informed of our activities and initiatives.

**Why we engage**

- To enhance the vibrancy of our destinations through community investment.
- To keep our communities informed of our activities and initiatives and to respond to their views and needs.
- To help address local issues such as employment and training, as a responsible investor in the West End.

**How we engage**

- Collaborate with community partners, local enterprises and others to support projects and initiatives that benefit our local communities.
- Provide time, space, expertise and donations to local charities, organisations and groups.
- Community grants programme provides funding towards the cost of local projects and events.
- Provide destination-specific websites and in-person drop-in sessions to share information with and request feedback from local stakeholders about current and proposed projects in each area, including planning applications and public realm improvements.
- Destination reward cards offer discounts across local businesses for those that work, live or study within our destinations.

**Outcomes of our engagement**

- Delivered the first year of our three-year Community Investment Strategy, primarily focused on local employment; the area identified as most relevant to our local communities.
- In 2025, our direct total community contribution was £1.1 million. This included:
  - Direct financial contributions to charities, organisations and groups such as the Young Camden and Westminster Foundations.
  - £0.1 million in total in community grants towards 19 local projects and events.
  - 583 employee hours volunteered to local community projects and initiatives.
  - A value of £0.5 million of in-kind space based on a discounted rate for the space for charities and charitable events.
- Extensive public engagement on planning, licensing and public realm proposals enabled local stakeholders to be closely involved in the development of proposals and allowed the needs and aspirations of local communities to be incorporated, where possible.
- In 2025, in response to community feedback, we installed 35 new CCTV cameras across Chinatown and amended operating plans of a proposed new restaurant in Covent Garden (including removal of a customer terrace and the introduction of window privacy screens).

Stakeholder engagement *continued*

 **Capital partners, joint ventures and associates**  
Our partnership with NBIM in respect of the Covent Garden estate (in which NBIM acquired a 25 per cent non-controlling interest) and our 50:50 Lillie Square joint venture with The Kwok Family Interests.

| Priorities                                                                                                                                                                                  | Why we engage                                                                                                                                        | How we engage                                                                                                                                                                                                                                                                                                                                                                                   | Outcomes of our engagement                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Agreeing strategies to enhance our portfolios.</li> <li>Ensuring the estates are well-managed.</li> <li>Building long-term relationships.</li> </ul> | <ul style="list-style-type: none"> <li>To work closely together to deliver successful outcomes that add long-term value for both parties.</li> </ul> | <ul style="list-style-type: none"> <li>For Covent Garden, regular Board and management meetings are held throughout the year, with additional ongoing engagement including site visits to see day-to-day operations.</li> <li>For Lillie Square, we engage frequently with our partner, including regular dialogue between operational and management teams, outside Board meetings.</li> </ul> | <ul style="list-style-type: none"> <li>Agreed the annual business plan for Covent Garden, which covers priorities for 2026.</li> <li>Continued to implement the business plan for Lillie Square.</li> </ul> |

 **Shareholders**  
The owners of our business.

| Priorities                                                                                                                                                                                                                         | Why we engage                                                                                                                                                                                                                                                                | How we engage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Outcomes of our engagement                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Communicating our investment case.</li> <li>Delivering on our purpose and our strategy.</li> <li>Achieving our medium-term targets.</li> <li>Making a long-term positive impact.</li> </ul> | <ul style="list-style-type: none"> <li>To strengthen relationships with our existing shareholders, potential investors and analysts, ensuring that we understand their priorities.</li> <li>To provide updates on our activities, investment case and governance.</li> </ul> | <ul style="list-style-type: none"> <li>The investor relations programme provides regular updates on our results, activities and investment case. This includes results and reporting, regular press releases, one-to-one meetings, roadshows and conferences, property tours and our Annual General Meeting.</li> <li>The Chairman of the Remuneration Committee wrote to shareholders who represent 65 per cent of the share register regarding proposed changes to the Directors' Remuneration Policy.</li> <li>Contacted shareholders to explain transition to electronic dividends which improve speed, security and reliability.</li> </ul> | <ul style="list-style-type: none"> <li>All resolutions at our 2025 Annual General Meeting passed with over 89 per cent support.</li> <li>During 2025, we had approximately 300 investor interactions including tours, meetings and conferences.</li> <li>Investor feedback shared with the Board.</li> <li>Shareholder feedback incorporated into proposed Directors' Remuneration Policy.</li> </ul> |

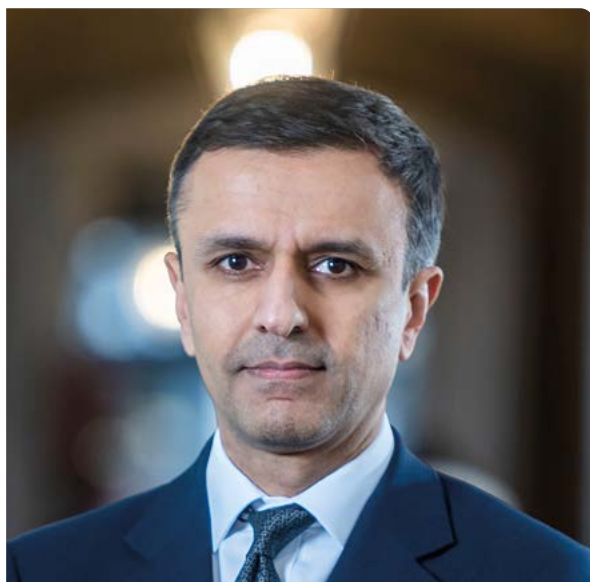
 **Finance providers**  
Our lending banks, secured-debt providers, exchangeable bondholders and private placement loan note holders.

| Priorities                                                                                                                                                                                                                                                             | Why we engage                                                                                                                                                                                                                                                                                                                 | How we engage                                                                                                                                                          | Outcomes of our engagement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Maintaining a strong balance sheet with low leverage, access to significant liquidity and diversified sources of funding and a balanced maturity profile.</li> <li>Ensuring compliance with our financial covenants.</li> </ul> | <ul style="list-style-type: none"> <li>To build strong, transparent relationships based on mutual understanding and regular engagement.</li> <li>To ensure that our finance providers are informed on business performance, covenant compliance and our proposed actions in relation to underlying secured assets.</li> </ul> | <ul style="list-style-type: none"> <li>Regular meetings with counterparties.</li> <li>Portfolio tours led by the Executive Directors and senior management.</li> </ul> | <ul style="list-style-type: none"> <li>Entered into a five-year £300 million revolving credit facility for the Covent Garden partnership.</li> <li>Extended and repriced £150 million unsecured revolving credit facility until 2030. This followed early repayment of £200 million of the facility.</li> <li>Extended and repriced £300 million unsecured revolving credit facility until 2029.</li> <li>Launched a sustainability linked financing framework.</li> <li>Entered into interest rate hedging arrangements.</li> </ul> |

# Financial review



# Financial review



*“Performance in 2025 was strong with positive progress across our key metrics and a total shareholder return of 18.6 per cent. The Group is well-positioned to achieve its medium-term targets and generate value for our stakeholders.”*

**Situl Jobanputra**  
Chief Financial Officer

2025 was a year of positive performance with growth in rental income, earnings, dividends, property valuation and net tangible assets per share. We are pleased to have introduced private capital through the formation of a long-term partnership on Covent Garden with the Norwegian sovereign wealth fund which highlights the fundamental value and attractiveness of our portfolio, and to have further strengthened our balance sheet through our financing activities and enhanced the Group’s financial flexibility.

Total accounting return for the year was 9.1 per cent and a total property return of 10.1 per cent was achieved, representing 3 percentage points of outperformance against the MSCI UK Property Index. ERV increased by 6.2 per cent resulting in 6.6 per cent growth in the valuation of property under management on a like-for-like basis. Underlying earnings increased by 12.2 per cent to £81.9 million and the dividend increased by 14.3 per cent for the year, reflecting the progression in underlying and cash earnings. The Group maintains a strong balance sheet with EPRA loan-to-value of 16.8 per cent and significant headroom against debt covenants. The Group has access to liquidity of £1.0 billion, positioning it to act on market opportunities.

On 1 April 2025, the Group completed the sale of a 25 per cent non-controlling interest in the Covent Garden estate to Norges Bank Investment Management (“NBIM”). The transaction valued the Covent Garden estate in line with its independent property valuation as at 31 December 2024 and generated gross cash proceeds of £574 million for the Group.

## Presentation of information

The Group financial statements are prepared under IFRS whereby the Group fully consolidates the Covent

## Financial results

**£161.1m**

Gross profit<sup>1</sup>

**4.0p**

Dividend per share

**£340.2m**

IFRS profit for the year attributable to owners of Parent

**£81.9m**

Underlying earnings<sup>1</sup>

**4.5p**

Underlying earnings per share<sup>1</sup>

**£5,407m**

Total market value of portfolio under management

**£3,954m**

Net assets attributable to owners of Parent

**£1,014m**

Cash and undrawn facilities<sup>1</sup>

**214.7p**

EPRA NTA per share<sup>2</sup>

**16.8%**

EPRA loan-to-value<sup>2</sup>

**10.1%**

Total property return<sup>2</sup>

**18.6%**

Total shareholder return<sup>2</sup>

**9.1%**

Total accounting return<sup>2</sup>

1. Presented on a Group share basis. See page 199 for further information and reconciliation to IFRS.

2. Further details on alternative performance measures are set out on page 199.

## Financial review *continued*

Garden estate, with NBIM's 25 per cent interest in Covent Garden presented as a non-controlling interest.

Prior to the establishment of the Covent Garden partnership, the Group's focus was primarily on the wholly-owned portfolio with information presented on an IFRS basis. Following the sale of the 25 per cent non-controlling interest in the Covent Garden estate, management considers the business principally on a Group share basis with the non-controlling interest removed on a line-by-line basis. The key financial performance indicators are also presented on this basis. Results for the first quarter of the year reflect 100 per cent ownership of Covent Garden, whilst the remaining three quarters reflect a gross cash inflow of £574 million and the Group's 75 per cent ownership post-completion of the transaction.

The Group's share of joint ventures and associates continues to be viewed as a single line item. The Group holds a 50 per cent interest in the Lillie Square joint venture. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included on a Group share basis and are excluded from the calculation of underlying earnings. In the prior year the Group also held a 50 per cent interest in the Longmartin investment, which was sold to the partner in October 2024.

A summary income statement and balance sheet which reconcile the IFRS reported results to Group share are set out within the alternative performance measures on page 201.

### Financial highlights

We have delivered continued strong operational and financial performance across the Group. Activity levels remained consistently high, as evidenced by the vibrancy of our estates, footfall, customer sales, leasing volumes and the strong pipeline.

Underlying earnings increased by 12.2 per cent to £81.9 million, equivalent to 4.5 pence per share, driven primarily by higher net rental income, on a like-for-like basis, and cost efficiencies including lower net finance costs. The Group's cost ratio, which adjusts for the non-cash share award charge, has reduced to 33.1

per cent (Dec 2024: 36.2 per cent). The Directors have proposed a final dividend of 2.1 pence per share, which when combined with the interim dividend of 1.9 pence results in a total dividend for the year of 4.0 pence per share. This represents an increase of 14 per cent compared with the 3.5 pence per share dividend for 2024 (H1 2024: 1.7 pence; H2 2024: 1.8 pence).

Property assets under management have been independently valued at £5,407.1 million, reflecting 6.6 per cent like-for-like growth. ERV increased by 6.2 per cent (like-for-like) to £270.3 million and annualised gross income was up 5.3 per cent like-for-like to £215.0 million. The equivalent yield of the portfolio was 4.43 per cent, reflecting a marginal inward movement of 2 basis points since 31 December 2024.

During the year, £113.3 million was invested into asset acquisitions and capital expenditure across the portfolio and proceeds of £12.4 million were realised on the sale of three properties.

Overall EPRA NTA (net tangible assets) per share increased by 7.2 per cent from 200.2 pence to 214.7 pence. Combined with the 3.7 pence per share dividend paid to shareholders during the year, the total accounting return for the year was 9.1 per cent. Total shareholder return for the year was 18.6 per cent, reflecting dividends paid and the change in the share price from 125.5 pence to 144.5 pence per share. Total property return was 10.1 per cent, outperforming the 7.1 per cent return on the MSCI Property Index.

Net finance costs have been reduced by 28 per cent from £57.2 million to £41.4 million primarily due to the increase in interest income earned on the cash proceeds received from the sale of a non-controlling interest in Covent Garden. The proceeds were used in part to reduce gross debt by £242 million, which included a part repayment of the secured Canada Life loan, for general corporate purposes, and are expected in due course to be used for the repayment of the £275 million of exchangeable bonds which are due to mature in March 2026.

The Group has a strong balance sheet with an EPRA loan-to-value ratio of 16.8 per cent (Dec 2024: 27.4 per cent) and net debt of £0.8 billion (Dec 2024: £1.4 billion). The ratio of net debt to EBITDA has been reduced from approximately 11 to under 7 times. There is substantial headroom against debt covenants and access to liquidity, including undrawn committed bank facilities of £675 million.

### Alternative performance measures

As is usual practice in the real estate sector, alternative performance measures ("APMs") are presented for certain indicators, including earnings, earnings per share and EPRA net tangible assets, making adjustments set out by EPRA in its Best Practice Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency, comparability and coherence of the sector.

One of the key performance measures which the Group uses is underlying earnings. The underlying earnings measure reflects the underlying financial performance of the Group's West End property rental business, on a Group share basis, and is a relevant metric in determining dividends. The measure aligns with the main principles of EPRA earnings. EPRA earnings exclude valuation movements on the property portfolio, profit or loss on disposal of investment properties and investment in subsidiaries and associates, fair value changes of financial instruments, cost of early close out of debt and adjustments in relation to any other non-operating and exceptional items.

The non-operating and exceptional items adjusted for by the Group in the current and prior years include non-recurring corporate and transaction costs. These costs are considered non-recurring as they relate to significant transactions outside the ongoing operations of the Group. Other exceptional items adjusted for include the fair value movements of the option component of the exchangeable bond, and following the completion of the all-share merger in March 2023, the unwinding of the IFRS 3 fair value of debt.

## Financial review *continued*

In calculating underlying earnings, additional adjustments of £6.7 million (Dec 2024: £2.3 million) are made to EPRA earnings to exclude the financial performance of the Lillie Square joint venture, associated tax adjustments and the interest receivable on the loan issued to the joint venture by the Group. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included in underlying earnings.

Further details on APMs used and how they reconcile to IFRS are set out on page 199.

### Income statement

Underlying earnings is a key measure used by the Group to assess performance. The numbers for 2025 presented below are on a Group share basis for the Covent Garden estate (reflecting the Group's 75 per cent ownership) and profits from associates (which relate to the prior year) are reflected as a single line item. Further details regarding underlying earnings are set out in note 3 to the financial statements, 'Performance measures', on pages 171 to 172.

|                                                     | 2025<br>£m   | 2024<br>£m |
|-----------------------------------------------------|--------------|------------|
| Gross profit <sup>1</sup>                           | 161.1        | 167.1      |
| Other income <sup>1</sup>                           | 3.0          | -          |
| Administration expenses <sup>1</sup>                | (41.0)       | (39.4)     |
| Net finance costs <sup>1</sup>                      | (41.4)       | (57.2)     |
| Profit from associate <sup>1</sup>                  | -            | 2.8        |
| Taxation <sup>1</sup>                               | 0.2          | (0.3)      |
| <b>Underlying earnings for the year<sup>1</sup></b> | <b>81.9</b>  | 73.0       |
| Non-controlling interest                            | 47.2         | -          |
| EPRA and non-underlying adjustments                 | 258.3        | 179.1      |
| <b>IFRS profit for the year</b>                     | <b>387.4</b> | 252.1      |
| Underlying earnings per share                       | 4.5p         | 4.0p       |
| IFRS earnings per share                             | 18.7p        | 13.8p      |
| Dividend per share                                  | 4.0p         | 3.5p       |

1. Numbers for 2025 presented on a Group share basis.

### Gross profit

|                                                                                            | 2025<br>£m    | 2024<br>£m |
|--------------------------------------------------------------------------------------------|---------------|------------|
| Rent receivable                                                                            | 212.7         | 197.2      |
| Straight-lining of tenant lease incentives                                                 | 3.6           | 7.8        |
| Revenue attributable to non-controlling interest for 9-month period April to December 2025 | (20.7)        | -          |
| <b>Revenue</b>                                                                             | <b>195.6</b>  | 205.0      |
| Property expenses                                                                          | (33.7)        | (33.1)     |
| Expected credit loss provision                                                             | (3.3)         | (3.9)      |
| Tenant lease incentives written off                                                        | (1.6)         | (0.9)      |
| Costs attributable to non-controlling interest for 9-month period April to December 2025   | 4.1           | -          |
| <b>Costs</b>                                                                               | <b>(34.5)</b> | (37.9)     |
| <b>Gross profit<sup>1</sup></b>                                                            | <b>161.1</b>  | 167.1      |

1. Gross profit for 2025 is presented on a Group share basis.

Positive leasing and asset management activity across the portfolio has resulted in an increase in rent receivable, up 5.9 per cent on a like-for-like basis, adjusting for acquisitions and disposals, and for the sale of the 25 per cent interest in the Covent Garden estate, which took effect on 1 April 2025.

Cash collections have continued to be strong with limited customer administrations or anticipated failures in the year. Property costs have remained consistent on an IFRS basis, with inflationary pressures offset by operational efficiencies.

Gross profit attributable to the non-controlling interest for the nine-month period 1 April to 31 December 2025 was £16.6 million.

### Other income

Following the 25 per cent investment by NBIM in the Covent Garden estate, the Group provides day-to-day asset management and property management services. Asset management fees, broadly reflecting the costs of managing the estate, are paid to the Group and, together with other items, £3.0 million of income was recognised in the year in respect of the nine months commencing on 1 April 2025.

### Administration expenses

Underlying administration expenses of £41.0 million have been incurred during the year, reflecting ongoing efficiencies with an offsetting increase in non-cash share award charges (which were £4.6 million higher than in the prior year). Administration expenses now include a running cost of three years of share award charges for the first time since merger completion in 2023. In view of strong relative performance against the peer group on the TAR measure, expected vesting assumptions have been increased in relation to the 2023 awards.

## Financial review *continued*

Adjusting for this, and reflecting the effect of ongoing efficiencies, cash administration costs were effectively eight per cent lower relative to 2024, and further cost savings are targeted over the next two years.

£5.9 million (Dec 2024: £3.3 million) of non-recurring corporate and transaction related administration costs, which do not relate to the ongoing operations of the Group, have been incurred during the year.

The Group's cost ratio, which adjusts for the non-cash share award charge, has reduced to 33.1 per cent (Dec 2024: 36.2 per cent).

### Net finance costs

The cash inflow from the Covent Garden partnership transaction of £574 million brought net debt down significantly. Net finance costs have been reduced to £41.4 million (Dec 2024: £57.2 million). Finance costs of £61.6 million were incurred in the year with the average gross drawn debt balance of £1.4 billion, reducing to £1.2 billion at 31 December 2025.

Finance income of £20.2 million comprises £3.2 million in relation to interest rate hedging arrangements and £17.0 million interest on cash held on deposit.

The majority of the Group's debt is at fixed rates, and as at the year end, the Group had only £75 million of drawn debt at variable rates. Protection is currently in place in relation to the interest rate exposure on the Group's expected drawn variable rate debt until the end of 2026 through derivative contracts entered into in December 2025. These comprise interest rate caps for SONIA exposure at 3 per cent for notional value of £150 million in each of Covent Garden and the Group. It is expected that further interest rate hedging arrangements will be put into place in due course, as appropriate, in relation to variable rate exposure for future years.

In 2026, we will refinance or repay £400 million of maturing debt, comprising the exchangeable bonds and private placement loan notes; however based on current borrowing levels we are targeting finance costs to be broadly flat overall.

### Profit from associate

In October 2024 the sale of our 50 per cent share in Longmartin investment was completed. Up until October 2024 the investment was presented as an associate with our share of the profit included in the underlying metrics.

### Taxation

The Group continues to satisfy the requirements to qualify for REIT status. Therefore, as its income is derived substantially from qualifying property rental business activities within the REIT regime, the majority of its income is exempt from tax. There is a tax credit of £0.2 million in the year (2024: £0.3 million charge) arising in respect of an adjustment to the prior period tax charge relating to non-REIT activity.

### Dividends

The Board has proposed a final dividend of 2.1 pence per share, bringing the total dividend to 4.0 pence per share (2024: 3.5 pence per share), reflecting progression in underlying earnings and cash generation. The dividend is to be paid wholly as a PID on 22 May 2026 to shareholders on the register at 24 April 2026.

### Summary balance sheet

The summary balance sheet below as at 31 December 2025 is presented on a Group share basis, excluding the 25 per cent non-controlling interest in the Covent Garden estate.

|                                                       | 31 December 2025 |                                                     |                      | 31 December 2024 |
|-------------------------------------------------------|------------------|-----------------------------------------------------|----------------------|------------------|
|                                                       | IFRS<br>£m       | Adjustment for<br>non-controlling<br>interest<br>£m | Group<br>share<br>£m | IFRS<br>£m       |
| Property portfolio <sup>1</sup>                       | 5,358.0          | (697.1)                                             | 4,660.9              | 4,929.0          |
| Net debt <sup>2</sup>                                 | (901.5)          | 88.2                                                | (813.3)              | (1,405.0)        |
| Other assets and liabilities                          | 111.6            | (5.0)                                               | 106.6                | 150.3            |
| Non-controlling interest                              | (613.9)          | 613.9                                               | -                    | -                |
| <b>Net assets (IFRS and Group share)</b>              | <b>3,954.2</b>   | <b>-</b>                                            | <b>3,954.2</b>       | <b>3,674.3</b>   |
| <b>EPRA net tangible assets</b>                       | <b>3,954.9</b>   | <b>-</b>                                            | <b>3,954.9</b>       | <b>3,671.1</b>   |
| <b>EPRA net tangible assets per share (pence)</b>     | <b>214.7p</b>    | <b>-</b>                                            | <b>214.7p</b>        | <b>200.2p</b>    |
| <b>Adjusted, diluted number of shares<sup>3</sup></b> | <b>1,842.3m</b>  | <b>-</b>                                            | <b>1,842.3m</b>      | <b>1,833.3m</b>  |

1. Includes £20.7 million (2024: £20.1 million) accounted for as owner-occupied property and £nil (2024: £9.8 million) accounted for as held for sale. The market value of the property portfolio under management is £5,407.1 million (2024: £4,973.5 million).

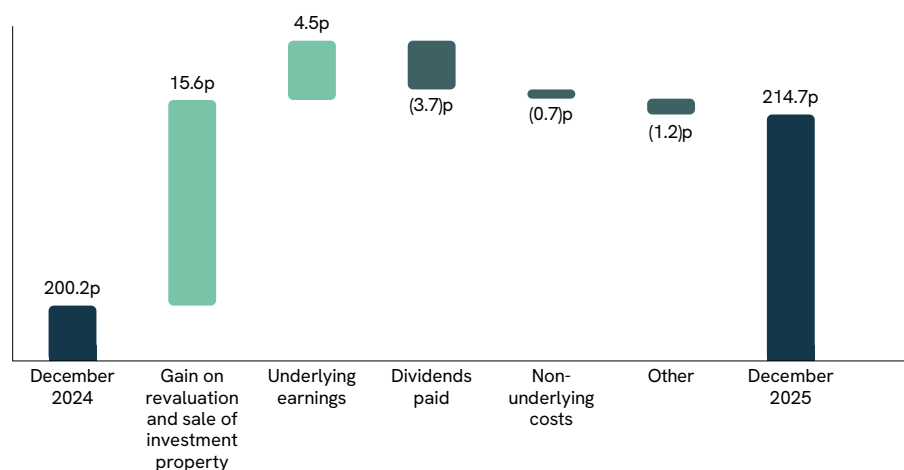
2. Net debt based on nominal value of debt drawn less cash, excluding tenant deposits of £11.6 million (2024: £14.2 million).

3. Number of shares excludes 128.4 million shares held in relation to the exchangeable bond and 3.1 million within an approved Employee Benefit Trust. Total shares in issuance, including these components, was 1,953.2 million shares.

IFRS net assets and EPRA NTA have increased by 7.2 per cent in the year, primarily due to the like-for-like increase in the valuation of the property portfolio. The non-controlling 25 per cent interest in the Covent Garden partnership is £613.9 million, having increased by £47.2 million since completion of the transaction in April 2025. £7.9 million of dividends were paid to NBIM during the year, representing 25 per cent of the Covent Garden dividends for the period April to September 2025.

Financial review *continued*

## EPRA net tangible assets per share +7.2% to 214.7 pence



## Property portfolio

The carrying value of the portfolio under management, reflected at 100 per cent, as at 31 December 2025 is £5,358.0 million having increased from £4,929.0 million at 31 December 2024.

The independent market valuation of the portfolio of £5,407.1 million has increased by 6.6 per cent (like-for-like) since 31 December 2024 driven by ERV growth of 6.2 per cent (like-for-like) and the equivalent yield of 4.43 per cent (Dec 2024: 4.45 per cent).

£80.2 million (before costs) has been invested in targeted acquisitions in Covent Garden and Soho, presenting asset management opportunities with excellent rental growth prospects and the pipeline of acquisitions is encouraging, with a number of buildings currently under review.

Capital expenditure during the year was £33.1 million, predominantly relating to office refurbishments in Covent Garden.

The sale of three properties, including the last remaining Fitzrovia assets, was completed in the year for total proceeds of £12.4 million, in line with the 31 December 2024 valuation.

## Debt and gearing

The Group maintains a strong financial position, with diversified sources of funding, a spread of debt maturities, significant headroom against debt covenants, access to liquidity, modest capital commitments, significant unencumbered asset value and interest rate hedging in place for 2026.

The Group's cash and undrawn committed facilities as at 31 December 2025 were £1,014.1 million (Dec 2024: £559.8 million). As at 31 December 2025, the Group had capital commitments of £8.9 million.

|                                              | 31 December 2025<br>£m | 31 December 2024<br>£m |
|----------------------------------------------|------------------------|------------------------|
| <b>Group share<sup>1</sup></b>               |                        |                        |
| Cash and cash equivalents <sup>2</sup>       | 339.1                  | 109.8                  |
| Undrawn committed facilities                 | 675.0                  | 450.0                  |
| <b>Cash and undrawn committed facilities</b> | <b>1,014.1</b>         | 559.8                  |
| Commitments                                  | (8.9)                  | (24.1)                 |
| <b>Available resources</b>                   | <b>1,005.2</b>         | 535.7                  |

1. Numbers for 2025 are presented on a Group share basis.

2. Excludes tenant deposits of £11.6 million (Dec 2024: £14.2 million).

It is expected that £275 million of the cash and cash equivalents on balance sheet will be applied towards repayment of the exchangeable bonds upon maturity in March 2026.

The loan-to-value ("LTV") ratio and EPRA LTV at 31 December 2025 were 17 per cent. This is comfortably within the Group's limit of no more than 40 per cent. Net debt to EBITDA has been reduced from a multiple of approximately 11 to under 7 times.

|                                                       | 31 December 2025<br>£m | 31 December 2024<br>£m |
|-------------------------------------------------------|------------------------|------------------------|
| <b>Group share<sup>1</sup></b>                        |                        |                        |
| Cash and cash equivalents                             | 339.1                  | 109.8                  |
| Debt at nominal value                                 | (1,152.4)              | (1,514.8)              |
| <b>Net debt</b>                                       | <b>(813.3)</b>         | (1,405.0)              |
| Loan-to-value                                         | 17.3%                  | 28.2%                  |
| EPRA loan-to-value                                    | 16.8%                  | 27.4%                  |
| Net debt to EBITDA                                    | 6.6x                   | 10.9x                  |
| Interest cover                                        | 396.4%                 | 292.1%                 |
| Weighted average debt maturity – drawn facilities     | 4.0 years              | 4.6 years              |
| Weighted average cost of debt – gross                 | 3.6%                   | 4.0%                   |
| Weighted average cost of debt – net                   | 3.4%                   | 3.7%                   |
| Drawn debt with interest rate protection <sup>2</sup> | 100%                   | 100%                   |

1. Numbers for 2025 are presented on a Group share basis.

2. Taking account of interest on cash deposits and interest rate caps.

At 31 December 2025, Group net debt was £813.3 million having reduced significantly following the receipt of the £574 million of gross proceeds from the creation of the Covent Garden partnership with NBIM. Proceeds have been used to reduce drawn debt, with partial repayment of the Canada Life term loan (£67.4 million of the £135 million, which utilised approximately £42 million of the proceeds net of restricted cash), repayment of a £200 million term loan in October 2025 and in due course we are positioned for repayment of the £275 million of exchangeable bonds due in March 2026. In the meantime, the remaining proceeds are held on deposit until deployed.

## Financial review *continued*

In October 2025, the Covent Garden partnership entered into a new five-year £300 million (£225 million at Group share) unsecured revolving credit facility which is undrawn.

The maturity of the Group's £150 million unsecured revolving credit facility was extended from December 2027 to December 2030 and the £300 million unsecured revolving credit facility from December 2028 to December 2029. The margins on these loans were reduced to better reflect market conditions and further strengthen the Group's position. The facilities are currently undrawn.

The weighted average cash cost of drawn debt is 3.6 per cent (Dec 2024: 4.0 per cent) which reduces to an effective cash cost of 3.4 per cent (Dec 2024: 3.7 per cent) taking into account interest income on cash deposits and the benefit of interest rate hedging. As maturing debt is repaid or refinanced (including the £275 million of exchangeable bonds, which have a cash coupon of 2 per cent), based on current market interest rates, it is currently anticipated that the weighted average cost of debt will increase.

All of the Group's drawn debt is at fixed rates or currently has interest rate protection in place. £300 million of hedging (comprising £150 million at Group and £150 million in the Covent Garden partnership) has been entered into during the year and is in place until the end of 2026 which provides for a cap of 3.0 per cent on SONIA exposure.

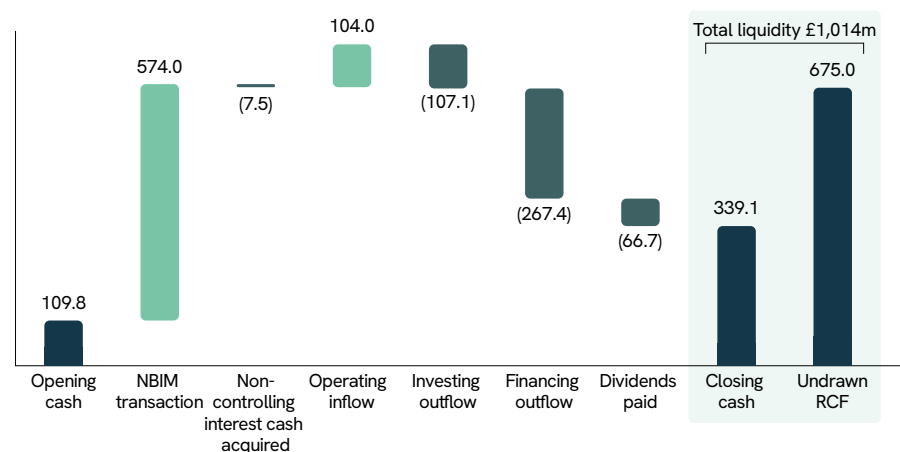
Financing opportunities will continue to be reviewed over the coming year, taking advantage of the Group's attractive credit profile.

## Cash flows

| Movement in cash flow – Group share                            | 2025<br>£m   |
|----------------------------------------------------------------|--------------|
| Cash, excluding tenant deposits, as at 31 December 2024        | 109.8        |
| Non-controlling interest's share of cash acquired              | (7.5)        |
| Operating inflow                                               | 104.0        |
| Investing outflow                                              | (107.1)      |
| Financing inflow                                               | 306.6        |
| Dividends paid                                                 | (66.7)       |
| <b>Cash, excluding tenant deposits, as at 31 December 2025</b> | <b>339.1</b> |

The overall balance of cash increased by £229.3 million to £339.1 million as at 31 December 2025. This is due largely to:

- Operating cash inflows of £104.0 million reflecting growing gross profit and continuing high levels of cash collection, partly offset by administrative and finance costs. The inflow is further reduced for the payment of non-underlying administrative costs, non-underlying transaction costs for property acquisitions and disposals and costs related to the sale of Covent Garden partnership.



- Investing cash outflows of £107.1 million, including £9.4 million of gross proceeds from the sale of three properties offset by £31.5 million capital expenditure and £85.1 million for property acquisitions (including acquisition costs).
- The £267.4 million financing outflow reflects the net movement in facilities drawn and repaid in the year. In addition, £574 million of gross proceeds were received on completion of the long-term Covent Garden partnership.
- Total dividends paid in the year excludes £4.7 million paid to a Group entity which holds 128.4 million shares in relation to the exchangeable bonds. Following the dividend threshold test, as set out in the exchangeable bonds conditions, substantially all of the dividend was subsequently retained by the Group.

## Going concern

Further information on the going concern assessment is set out in note 1 to the financial statements, 'Principal accounting policies', on page 163 to 164.

The Group has a strong balance sheet with EPRA loan-to-value of 16.8 per cent, Group interest cover of 4.0 times, and access to cash of £339.1 million and undrawn facilities of £675.0 million as at 31 December 2025. There remains sufficient liquidity and debt covenant headroom even in a "severe but plausible" downside scenario.

There continues to be a reasonable expectation that the Group will have adequate resources to meet both ongoing and future commitments for at least 12 months from the date of signing these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the 2025 Annual Report.

**Situl Jobanputra**  
Chief Financial Officer

24 February 2026

# Risk management

## Risk management

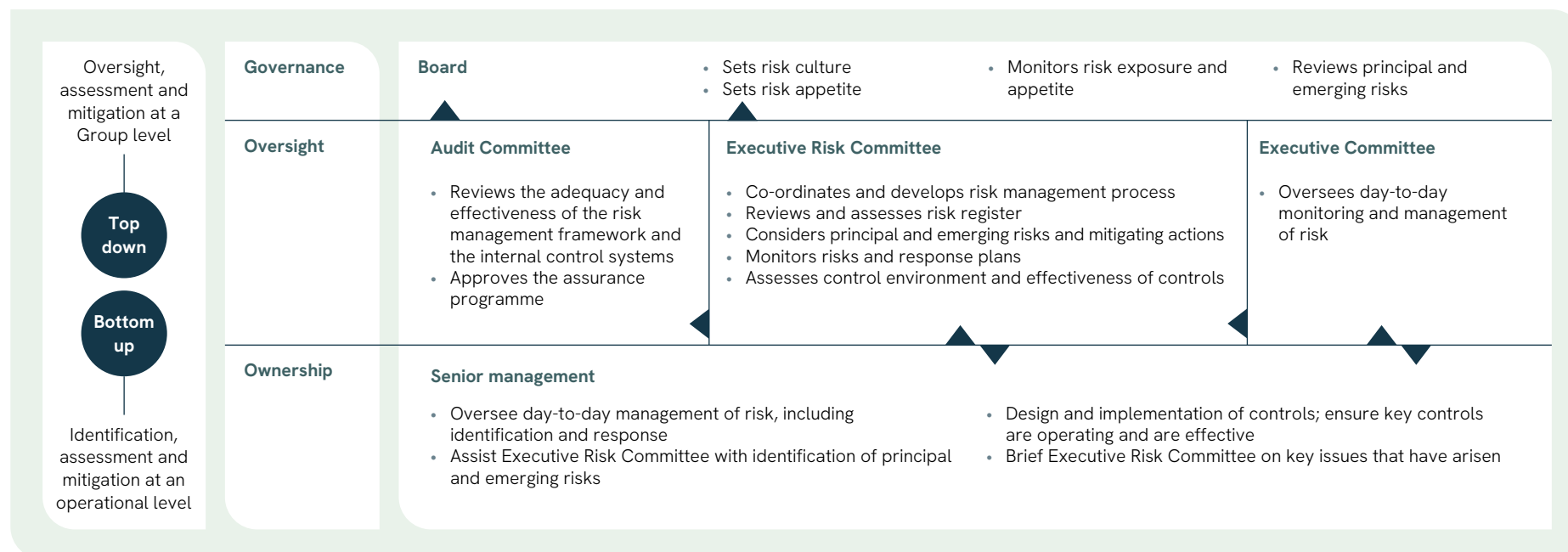
The Board has overall responsibility for Group risk management. It determines its risk appetite and reviews principal risks and uncertainties regularly, together with the actions taken to mitigate them. The Board has delegated responsibility for the review of the adequacy and effectiveness of the Group's internal controls framework to the Audit Committee.

Risk is a standing agenda item at management meetings. This gives rise to a more risk-aware culture and consistency in decision-making across the organisation in line with the corporate strategy and risk appetite. All corporate decision-making takes risk into account, in a measured way, while continuing to drive an entrepreneurial culture. The Executive Committee and senior management team are responsible for the day-to-day commercial and operational activity across the Group and are, therefore, responsible for the management of business risk.

The Executive Risk Committee, comprising the Chief Executive, Chief Financial Officer, Director of Asset Management, Heads of Asset Management and Property

Management, General Counsel, Group Financial Controller, Director of Transformation and Technology, Head of Sustainability and Head of Health and Safety, is the executive level management forum for the review and discussion of risks, controls and mitigation measures. The corporate and business division risks are reviewed on a regular basis by the Executive Risk Committee, so that trends and emerging risks can be identified and reported to the Board.

Senior management from each part of the business identify and manage the risks for their area or function on a day-to-day basis and maintain a risk register. The severity of each risk is assessed through a combination of each risk's likelihood of an adverse outcome and its impact. In assessing impact, consideration is given to financial, reputational and regulatory factors, and risk mitigation plans are established. A full risk review is undertaken annually in which the risk registers are aggregated and reviewed by the Executive Risk Committee. The Directors confirm that they have completed a robust assessment of the principal and emerging risks faced by the business, assisted by the work performed by the Executive Risk Committee.



## Risk management *continued*

### Risk appetite statement

The Group risk appetite statement is designed to set the right tone at the top for the Group and support decision-making at a strategic level by the Board and the Executive Committee. This statement provides guiding principles to support decision-making at both Board and senior management levels. The Group's risk appetite statement is reviewed and updated by the Board at appropriate intervals and, in any event, on an annual basis. The Group's risk appetite statement has been communicated to senior management who are responsible for incorporating the identified principles in decision-making. The Group's risk appetite statement is as follows:

"We invest to create thriving destinations in London's West End where people enjoy visiting, working and living. We use our expertise in property investment and our commitment to a strong balance sheet to take commercial risks in a measured way, so that we are able to deliver sustainable growth and long-term returns for our shareholders.

We are risk averse in relation to the impact of our business on the environment and on the health and safety of our people and the public, and it is a key priority for us that our business operates in compliance with laws, regulations and our contractual commitments."

Investing in one location presents an inherent geographic concentration risk and there are certain external factors which the Group cannot control. However, in executing the Group's strategy, we seek to minimise exposure to operational, reputation and compliance risks, recognising that our appetite to risk varies across different elements of the strategy. Recognising that risk appetite is not an "absolute", the Group may move higher or lower on the risk curve, as circumstances dictate.

### Assessing risk

Risks are considered in terms of the likelihood of occurrence and their potential impact on the business. In assessing impact, a number of criteria are considered, including the effect on our strategic objectives, operational or financial matters, our reputation, sustainability, stakeholder relationships, health and safety and regulatory issues. Risks are assessed on both gross (assuming no controls are in place) and residual (after mitigation) bases.

To the extent that significant risks, failings or controls weaknesses arise, appropriate action is taken to rectify the issue and implement controls to mitigate further occurrences. Such occurrences are reported to the Board. The Group's processes and procedures to identify, assess and manage its principal risks and uncertainties were in place throughout the year and remained in place up to the date of approval of the 2025 Annual Report.

### Risk appetite



## Risk management *continued*

### Internal controls

Embedded within the Group's risk management process is its internal controls framework, which is built around clearly defined governance structures and robust oversight processes. The Board and its Committees operate under a clear remit, with established terms of reference and a schedule of matters reserved for their review.

The Executive Committee is closely involved in the day-to-day management of the business, holding regular meetings with senior management, while delegated authority limits govern commitments and payments. Management undertakes daily monitoring of risks and controls, supported by a formal assessment of strategic and emerging risks by the Executive Risk Committee, which reports to the Audit Committee and Board.

The Board receives regular updates on operations, IT systems and cyber security, and the Group maintains a transparent Tax Strategy, published on our website, outlining its approach to tax risk management and governance. In addition, a Whistleblowing Policy and confidential hotline enable employees and third parties to raise concerns, with these arrangements reviewed annually by the Audit Committee.

Specific controls over financial reporting and the consolidation process include an appropriately staffed management structure with clear accountability, alongside a comprehensive reporting, budgeting and review system. The Chief Financial Officer and Group Financial Controller provide regular updates to the Board and Audit Committee, covering forecasts, performance against budget and financial covenants. The effectiveness of financial, operational and compliance controls is subject to formal review by management and external advisers, with findings reported to the Audit Committee. Furthermore, BDO LLP, appointed as the Group's internal auditor, conducts regular audits of controls procedures and reports its findings directly to the Audit Committee.

### Risk outlook and emerging risk

Looking ahead to 2026, there is a high degree of interconnectedness between macroeconomic conditions and the global geopolitical climate which could affect the Group's risk profile. While inflationary pressures and interest rates may show signs of improvement, shifts in trade policy, regional conflicts, regulatory changes, inflation and capital market volatility could continue to influence investor sentiment, financing costs, occupational demand, travel patterns, consumer behaviour and real estate valuations.

Climate change, environmental regulation and sustainability expectations continue to represent an area of focus and potential risk. Failure to comply with evolving regulatory requirements or meet stakeholder expectations could result in financial, operational or reputational impacts. In addition, physical climate risks and the cost of adapting assets to meet environmental standards may increase over time, requiring ongoing investment and active management. The regulatory landscape also continues to evolve and bring additional challenges and costs of compliance.

The Group actively monitors emerging risks to identify and assess issues that could affect the delivery of its strategic objectives. These risks arise from evolving circumstances or trends which may develop rapidly and could have a significant impact on the Group's financial strength, competitive position or reputation, either over the next three years or in the longer term. At this stage, the likelihood and potential impact of such risks are often uncertain, and appropriate mitigating actions may not yet be fully developed.

The Group undertakes regular horizon-scanning to identify potential risks and emerging trends that may become significant in the future. The most relevant risks and opportunities identified through this process are assessed to determine their relevance and whether any additional actions are required. Prioritised emerging risks are then reviewed and validated by senior management to better understand their potential impact and to develop appropriate strategies to manage them. A non-exhaustive list of emerging risks is outlined overleaf.

Risk management *continued***Emerging risks with a one to three-year time horizon include:**

- UK fiscal and monetary policy and political uncertainty, alongside evolving geopolitical risks, impacting confidence, investment and occupier demand;
- Landlord, tenant and wider regulatory reform, including implementation of the Renters' Rights Act from 2026;
- Implementation of the Building Safety Act and evolving UK property valuation standards and practices;
- Planning and environmental policy changes affecting development feasibility, cost and timelines;
- Changes to residential rent controls; and
- Technology disruption (particularly the impact of AI) and associated cyber, fraud and business-model impacts across customer and operations.

**Emerging risks with a longer-term horizon include:**

- Shifts in social dynamics and demographics, including changes in how space is used, patterns of urbanisation, consumer spending and travel patterns;
- Evolving consumer preferences and behaviours;
- Long-term impacts of climate change;
- Influence of technological developments, including in areas such as digital currencies on consumer behaviour and payment practices; and
- Changes to property-related tax and regulatory changes.

**Principal risks and uncertainties**

The Group's principal risks and uncertainties, which are set out on the following pages, are reflective of where the Board has invested time during the year. These principal risks are not exhaustive. The Group monitors a number of additional risks and adjusts those considered 'principal' as the risk profile of the business changes.

The risks inherent in the compilation of financial information, are disclosed in note 1 to the financial statements, 'Principal accounting policies' within 'Critical accounting judgements and key sources of estimation and uncertainty', on page 164.

| 2025 principal risks                                                                                                                                                                                                                                                                     | Change in the year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Economic and political                                                                                                                                                                                                                                                                   | —                  |
| Portfolio                                                                                                                                                                                                                                                                                | —                  |
| Operational resilience                                                                                                                                                                                                                                                                   | —                  |
| Leasing and asset management                                                                                                                                                                                                                                                             | —                  |
| People                                                                                                                                                                                                                                                                                   | —                  |
| Climate change                                                                                                                                                                                                                                                                           | —                  |
| Compliance with law and regulations                                                                                                                                                                                                                                                      | —                  |
| Key  Increase  Stable  Decrease |                    |

Risk management *continued*Principal risks and uncertainties *continued*

## Economic and political



- Decline in real estate valuations driven by macroeconomic conditions, interest rates and investor sentiment
- Changes to government policy, legislation and regulation impacting the property sector
- Weak or volatile business and consumer confidence
- Inflationary pressures on operating costs, including energy and the cost of living
- Increased material costs, supply chain disruptions and labour shortages affecting customers
- Reduced availability and/or increased cost of debt or equity funding; financial market volatility and/or disruption
- Uncertainty over the level and trajectory of interest rates
- Persistent discount of the Group's share price relative to EPRA NTA

## Impact on strategy

- Lower rental income due to customer demand, affordability pressures or tenant failures
- Increased vacancy levels, incentives or longer letting periods resulting in lower rental income
- Downward pressure on capital values and portfolio valuations
- Higher finance costs due to increased interest expense on new or refinanced debt
- Higher operating costs due to inflation in property operating costs, energy, insurance and service contracts
- Reduced financial and operational flexibility due to constraints on capital investment, development activity or asset repositioning

## Mitigation

- Maintain appropriate liquidity to meet operational and financial commitments
- Target longer and staggered debt maturities, and diversified sources of funding
- Undertake early refinancing of upcoming debt maturities where appropriate
- Covenant headroom monitored and stress tested
- Fixed rate financing and derivative contracts to provide interest rate protection
- Counterparty credit monitoring, early intervention, diversification by concept, price point and covenant quality
- Monitoring proposals and emerging policy and legislation, with industry lobbying where appropriate
- Engagement with key stakeholders and local authorities
- Monitoring of key indicators including interest rate and yield movements, capital market liquidity, valuation trends, customer demand and occupancy levels, and the Group's EPRA NTA discount

## Context and actions taken:

The Group's focus on prime West End assets has historically provided resilience through economic cycles, supported by strong underlying demand, low vacancy levels and sustained footfall.

The Group has had a long-term focus on maintaining a strong balance sheet, with sufficient liquidity and debt covenant headroom, to ensure it is able to withstand market volatility and take advantage of opportunities. As at 31 December 2025, the Group had access to cash of £339 million and undrawn facilities of £675 million providing substantial headroom against foreseeable commitments. Funding, debt and treasury metrics are monitored on a continual basis with a focus on preserving liquidity and capital, maintaining leverage and managing refinancing risks.

Extensive forecasting, stress testing and scenario modelling has been undertaken, including sensitivities to interest rates, valuation movements, rental income and cost inflation, to help inform decision-making and capital allocation.

A downside scenario has been analysed in connection with the going concern assessment, details of which are set out in note 1 to the financial statements, 'Principal accounting policies' within 'Going concern', on page 163. The financial statements have been prepared on a going concern basis.

The Group remains in close dialogue with local authorities and key stakeholders to understand policy developments and future plans, and to position the estate constructively in response to potential legislative, planning and regulatory changes.

See Chief Executive's statement on page 8 for further information →

Key Increase Stable Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

Risk management *continued*Principal risks and uncertainties *continued*

## Portfolio



- Inability of the Group to adopt the appropriate portfolio strategy to respond effectively to changing market conditions and shifts in consumer behaviour and customer requirements
- Portfolio concentration
- Misalignment with joint venture and other partners
- Volatility in the investment and capital markets, including changes in investor sentiment and fluctuations in property yields and values

## Impact on strategy

- Inability to deliver the Group's business plan or need for structural change to the business plan impacting returns or capital values
- Reduced flexibility to respond to adverse market conditions

## Mitigation

- Focus on prime assets, locations and uses where, in normal conditions, there is a structural imbalance between availability of space and demand
- Concentration of assets where scale and control can be leveraged to influence place-making outcomes
- Establish asset clusters to provide the opportunity to drive long-term growth and returns
- Regular strategic analysis with focus on creating mixed-use destinations and residential districts with distinct and sustainable attributes
- Market monitoring and valuation through regular assessment of investment market condition and bi-annual external valuations to monitor portfolio performance and value
- Regular communication and agreed business plan with joint venture partners
- Reconfigure and repurpose space to respond to, and anticipate, evolving customer demand and consumer behaviour

## Context and actions taken:

The Group focuses on prime assets in the West End of London, predominantly within the retail and F&B (food & beverage) sectors.

While this portfolio concentration presents inherent risk, the Group considers this focus to be a strategic strength, providing a high degree of influence over defined areas and the ability to curate customer mix, uses and the public realm in order to drive long-term value.

The Group actively promotes and manages its areas to sustain high levels of footfall and to maintain locations that remain relevant, attractive and commercially vibrant.

During 2025, sustained customer demand resulted in low vacancy levels across the portfolio and consistently strong footfall performance.

Further to the introduction of NBIM as an investor in Covent Garden, the Group has retained 75 per cent ownership and management control over the Covent Garden estate but does not have sole control over all strategic, operational and financial decisions relating to these assets. Contractual agreements for management of the estate are in place with regular communication between parties throughout the year and performance tracked against the agreed business plan.

Through regular dialogue with current and potential customers, combined with ongoing assessment of market conditions, the Group is able to better understand market demand and consumer preferences and reconfigure and adapt space as appropriate to support leasing performance and long-term returns.

See Our Portfolio on page 16 for further information →

Key ▲ Increase — Stable ▼ Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

Risk management *continued*Principal risks and uncertainties *continued*

## Operational resilience

 1 2 4

- Misconduct or poor operational or sustainability standards
- Poor performance, failure or misconduct by third-party advisers, contractors or service providers including during period of transition
- Catastrophic or disruptive event such as a terrorist attack, natural disaster, health pandemic or cyber security incident or cyber crime

## Impact on strategy

- Reduced rental income as a result of business disruption, reduced footfall or tenant impacts
- Higher operating costs, including remediation, security, insurance or recovery costs
- Reduced capital values and investment attractiveness
- Reduced financial and operational flexibility
- Business disruption or damage to property assets
- Reputational damage to the Group and/or diminished attractiveness of London as a destination

## Mitigation

- Supplier procurement policy in place, with regular monitoring of third-party advisers and contractors
- Engagement with key stakeholders and local authorities
- Comprehensive insurance cover, including building reinstatement, loss of rent and terrorist insurance
- Detailed business continuity and crisis communication plans in place
- On-site physical security measures and cyber security systems in place to protect data and IT infrastructure
- Health and safety policies and procedures
- Close liaison with police, National Counter Terrorism Security Office and local authorities

## Context and actions taken:

While geographic concentration presents inherent risk, the Group's ownership of prime West End real estate is also a significant strength, providing an element of control and enabling active curation of areas to maintain locations that are popular, safe and resilient. Given the high-profile nature of the Group's assets, the risk of an external event is inevitably heightened. The Group therefore places significant emphasis on maintaining appropriate insurance cover and implementing effective security, operational and health and safety frameworks. Business continuity plans for both employees and service providers have been reviewed, including the introduction of external resources if required, alongside associated HR policies, technology and communication arrangements. IT security systems that support data security and disaster recovery are in place.

Cyber security risk, including both widespread threats such as state-sponsored attacks and those targeted directly at the Group's systems and data, remains a key area of focus. The Group is supported by external advisers, including specialist consultants, to ensure appropriate controls and security protocols are maintained, and employees receive regular cyber security and phishing awareness training.

Operational resilience, cyber security and business continuity arrangements are reviewed regularly by management, with key risks and mitigation measures reported to the Board.

See Our strategy and business model on page 12 and 13 for further information →

Key  Increase  Stable  Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

Risk management *continued*Principal risks and uncertainties *continued*

## Leasing and asset management



- Inability to achieve target rents or to attract and retain desired customer mix and high occupancy due to changing market conditions, shifts in consumer behaviour and spending patterns and increased competition from alternative locations/formats
- Unfavourable planning/licensing policy, legislation or action impacting on the ability to secure approvals or consents

## Impact on strategy

- Decline in customer demand for the Group's properties
- Reduced income and increased vacancy
- Reduced return on investment and development property
- Reduced ability to deliver targeted rental growth and long-term valuation creation

## Mitigation

- Maintain a high-quality and diversified customer mix aligned to each location
- Strategic focus on creating mixed-use destinations with distinctive and sustainable attributes
- Early engagement with local and national authorities
- Pre-application and consultation with key stakeholders and landowners
- Regular assessment of market conditions, leasing performance and development strategy
- Active asset management to respond to changing customer and consumer demands
- Business strategy based on delivering sustainable, long-term returns

## Context and actions taken:

The Group takes measured risks by using its expertise in place-making and creative and active asset management to deliver long-term value through rental growth and attracting new customers. During 2025, leasing activity remained strong, with high occupancy levels reflecting the strength of demand for prime central London real estate.

Many of the Group's customers operate within the retail and F&B sectors and are exposed to a range of external pressures, including the availability and cost of credit, cost-of-living impacts on consumer spending, business and consumer confidence, inflation, energy costs and supply chain disruption, labour availability and other operational cost pressures.

The Group actively seeks opportunities to create or enhance value through the planning process, cognisant of the risks but leveraging the Group's experience and capabilities to deliver strategic objectives.

The Group has a focused leasing, asset management and marketing strategy in place, ensuring the business is well-positioned, and regularly engages with customers, suppliers and partners to ensure requirements, standards and operational resilience are maintained.

See Our Portfolio on page 16 for further information →

Key ▲ Increase ▬ Stable ▼ Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

Risk management *continued*Principal risks and uncertainties *continued*

## People



- Inability to attract, retain and develop suitable skilled and experienced employees, leadership and succession planning within the business
- Key person risk

## Impact on strategy

- Reduced ability to execute the Group's strategy and business plan
- Constrained growth and loss of strategic or commercial opportunities
- Increased pressure on corporate costs and operational effectiveness

## Mitigation

- Succession planning and identification of key roles and critical skills
- Regular performance evaluations, training and professional development
- Long-term, competitive and performance-linked incentive arrangements
- Flexible and modern working practices

## Context and actions taken:

The Group's success is driven by a dedicated team of skilled and talented individuals working collaboratively across the business. The health, safety and well-being of our people and service providers is of the utmost importance, supported by a culture and environment that allows individuals to grow, develop and perform to the best of their abilities.

There remains a risk of illness or absence across employees, management or service providers which would disrupt the day-to-day activities of the Group's business and running of the estate. Team communication and management strategies have been implemented to ensure appropriate support, supervision and collaboration where employees are working flexibly or remotely.

Recruiting and on-boarding policies have been reviewed and adapted where necessary to ensure that the business is able to continue to attract, develop and retain high-quality talent.

The Group continues to monitor employees' mental and physical well-being and the health and safety of our employees and service providers remains a top priority with regular seminars and webinars from external experts.

See Our people and culture on page 87 for further information →

Key ▲ Increase — Stable ▼ Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

Risk management *continued*Principal risks and uncertainties *continued*

## Climate change

 1 2 4

- Physical impact to the Group's assets from rising temperatures or other extreme climate-related event such as flooding
- Transitional challenge of increasing and more onerous climate-related regulation, compliance and reporting requirements
- The cost, complexity and feasibility of retrofitting, insuring or leasing heritage assets and listed buildings on a Whole-Life Carbon basis
- Failure to progress cost-effective retrofit pathways for heritage assets may reduce lettable, ERVs, and exit liquidity risk
- Inability to keep pace with customer and consumer demand for proactive action to manage and mitigate climate-related risk

## Impact on strategy

- Reduced income, capital values or business disruption resulting from physical climate events
- Increased operating costs associated with compliance, reporting and achieving target environmental metrics
- Increased capital costs of retrofitting, or inability to resolve listed building or planning challenges, leads to buildings becoming "carbon stranded"
- Reduced rental income through lower rents and longer void periods due to reduced customer demand for less sustainable buildings

## Mitigation

- Active management of climate-related risks and opportunities, supported by a dedicated sustainability team
- We have set a 2040 Net Zero Carbon target to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction targets. For more detail on the mitigation measures in place for climate risk, please refer to the Group's TCFD disclosures in the 2025 Annual Report as well as the Group's Net Zero Carbon Pathway.
- External reporting and performance monitoring through recognised indices and benchmarks, including EPRA, CDP, MSCI and GRESB
- Continued engagement with stakeholders to preserve heritage buildings, while enhancing environmental performance
- Proactive customer and consumer engagement programme and setting of appropriate climate-related targets on both development and operations

## Context and actions taken:

The Group believes in taking a responsible and forward-looking approach to environmental issues and recognises the urgent need to tackle climate change. The Group is committed to meeting our interim 2030 carbon reduction targets and our 2040 Net Zero Carbon target which aligns with the SBTi long-term carbon reduction targets. As a long-term steward of the West End, the Group recognises the importance of preserving and celebrating the area's heritage through carefully considered refurbishments and developments.

The Group has made material progress in the decarbonisation of the portfolio and recognises that it is at a critical point for action and will continue our efforts in 2026 to reduce greenhouse gas emissions in our buildings and operations. This requires more innovative and sustainable ways of working and includes supply chain partners across development and operational disciplines, customers, as well as corporate actions.

See Sustainability on page 72 for further information →

## Compliance with law and regulations

 1 2 3 4

- Breach of legislation, regulation or contractual obligations including shareholders agreement with joint venture and other partners
- Failure to anticipate, respond to or comply with changes in legal or regulatory requirements, including potential reforms to the Landlord and Tenant Act or other property-related legislation
- Health and safety incidents, including accidents or near misses, causing loss of life or very serious injury to employees, contractors, customers or visitors
- Loss of REIT status due to non-compliance with REIT requirements
- Added complexity of reporting requirements because of joint venture and other partner arrangements

## Impact on strategy

- Prosecution for non-compliance with legislation or regulation
- Litigation or fines and associated reputational damage
- Distraction of management from strategic objectives
- Adverse financial consequences, including potential loss of REIT tax benefits

## Mitigation

- Appointment of external advisers to monitor changes in law or regulation
- Employees attend external briefings to remain cognisant of legislative and regulatory changes
- Governance frameworks within joint venture agreements and partnerships with regular communication with partners
- Robust health and safety policies, procedures, training and governance frameworks across the Group
- Appointment of reputable and competent contractors
- Adequate insurance held to cover the risks inherent in property ownership, management and construction projects

## Context and actions taken:

Compliance with law and regulations, including health and safety, remains a key priority for the Board.

Protocols are in place and communicated across the various stakeholder groups to ensure awareness of, and compliance with, new legislation and requirements.

The health and safety of our people and the public is a key priority. The Group works closely with its stakeholders to mitigate health and safety risks.

The Group remains in ongoing communication with HMRC regarding its REIT status, its compliance with the requirements and HMRC's approach in the event of any potential breach of the REIT conditions.

See Corporate governance on page 91 for further information →

Key  Increase  Stable  Decrease

Strategic priorities 1 Customer at the heart of the business 2 Creative and active approach 3 Disciplined financial management 4 Sustainable and community minded

# Viability Statement

The Directors have assessed the viability of the Group over the three-year period to December 2028. The viability assessment takes into account the Group's current position and business plan projections, Group financial forecasts and the potential impact of the principal risks set out on pages 49 to 58.

Whilst the Board monitors prospects over a longer period in the execution of the Group's strategy, the primary focus within the business planning process is on the first three years, therefore the Directors have determined that this remains an appropriate period over which to provide the Viability Statement.

The Directors confirm that they have no reason to expect a material change in the Group's viability immediately following the end of the three-year assessment period.

## Assessment

In making the assessment, the Directors have taken account of the Group's resilient financial position, access to substantial liquidity, the Group's ability to raise new finance, and the low level of capital commitments together with the flexibility of future expenditure.

Our West End portfolio continues to demonstrate its enduring appeal with positive trends in footfall and sales, high occupancy and overall leasing activity levels well ahead of ERV. Occupational demand is delivering rental income and valuation growth.

While geopolitical risk remains elevated and there is macroeconomic volatility, the West End and the Group's unique portfolio of prime investments have demonstrated remarkable resilience. The Group maintains a strong balance sheet with a focus on resilience, flexibility and efficiency. There is significant headroom against debt covenants and access to significant liquidity.

As at 31 December 2025, the Group had net debt of £0.8 billion, an EPRA LTV ratio of 17 per cent and Group interest cover of 4.0 times. The Group is projected to have sufficient cash reserves and undrawn facilities to meet debt maturities during the viability period. Drawn debt is at fixed rates or currently has interest rate protection in place.

The business plan considers the Group's profits, cash flows, capital commitments, financial resources, funding requirements, debt covenants and other key financial risks. All of the Group's risks could have an impact on viability. The Group has clear plans in place to address energy performance, Net Zero Carbon and related areas; however, the longer-term impacts of sustainability and climate change are less predictable, and the current assessment indicates that these risks remain within the

parameters of "severe but plausible" scenarios over the viability period, such that no additional downside impact has been modelled for these purposes.

The Directors consider the key principal risks that could impact the viability of the Group to be:

- Portfolio;
- Political and economic;
- Operational resilience; and
- Leasing and asset management.

The Directors placed particular emphasis on those risks which could result in reduced income and valuations or a shortfall in liquidity. Sensitivity analysis was carried out which involved flexing a number of downside assumptions to consider alternative macroeconomic conditions and the impact of these principal risks both individually and in combination.

## Downside scenario

The Directors have assessed the impact of a potential downside scenario which reflects an economic downturn and incorporates the following assumptions:

- A reduction in forecast net rental income of approximately 20 per cent over the three-year period;
- Elevated interest rates in excess of current market expectations during the three-year period; and
- A decline in property valuations of approximately 20 per cent compared to the 31 December 2025 valuation, assuming a decline in rental values along and/or a widening of valuation yields.

## Viability Statement *continued*

### Liquidity

As at 31 December 2025, the Group had cash reserves of £339 million and undrawn facilities of £675 million, both on a Group share basis. The Group's debt matures between March 2026 and 2037. Debt maturities during the viability assessment period are:

- £275 million exchangeable bonds are expected to be repaid using cash resources on maturity in March 2026.
- £162.5 million (£122 million Group share) of private placement loan notes maturing at the end of 2026 and £100 million (£75 million Group share) of private placement loan notes maturing between 2027 and 2028 are assumed to be refinanced at terms reflecting current market conditions.

Whilst the Board considers that financing risk is an important factor in assessing the viability of the Group, it has assumed that, even in the "severe but plausible" downside scenario, replacement financing could be put in place for debt maturities as demonstrated through the recent refinancing activity.

### Covenant compliance

The downside scenario was carried out to evaluate the potential impact of certain principal risks materialising, in particular to stress test the Group's financing covenants. Under the downside scenario, the Group is expected to remain in compliance with all financial covenants of its debt arrangements.

In addition to considering a downside scenario, reverse stress testing has also been undertaken, which indicates that the Group could withstand a decrease of 49 per cent in income and 52 per cent in valuations before breaching its debt financial covenants.

### Conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability period to December 2028.



# Task Force on Climate-related Financial Disclosures

This is Shaftesbury Capital's third TCFD disclosure and is aligned with all 11 recommendations of the Task Force on Climate-related Financial Disclosures. It summarises our climate-related risks and opportunities and meets the requirements of the UK Listing Rules, the TCFD Annex all-sector guidance, and the supplemental guidance for materials and buildings. We continue to refine our data and analysis to enhance future disclosures. All relevant information is included in this disclosure and we have not published additional disclosures as done in prior years.

Our portfolio is concentrated in London's West End and remains fully within the UK regulatory framework. There have been no year-on-year changes to our business strategy or asset base that would materially affect our assessment of climate-related risks or opportunities.

We continue to monitor relevant UK regulatory developments that may influence our assessment of transition risk. No material changes have been identified in either physical or transition risks during the reporting period.

## Governance

### Board's oversight of climate-related risks and opportunities

The Board has ultimate responsibility for climate-related risks and opportunities. It oversees the Group's Sustainability Strategy, monitors progress against 2030 carbon-reduction targets and the 2040 Net Zero ambition, and reviews sustainability performance. Climate change, major investments and delivery of the sustainability strategy are considered by the full Board, with overall accountability resting with the Chief Executive.

The Chief Executive, Chief Financial Officer and Richard Akers bring relevant climate and ESG experience, supported by the sustainability team, which advises senior management and the Board.

Climate-related risks are embedded within the Group's risk management framework and overseen by the Executive Risk Committee, which reviews risks quarterly and reports to the Board. In 2025, the Audit Committee reviewed climate-related risk reporting, including GHG and environmental disclosures and this TCFD report.

Further details on governance committees and meeting frequency are set out on page 63 →

### Management role in assessing climate-related risks and opportunities

Senior management report sustainability matters to the Board, supported by the Sustainability Committee (previously the Environment, Sustainability and Community

("ESC") Management Committee). Climate-related risks are assessed through the Group's risk management framework by the Executive Risk Committee, informed by business units and the Head of Sustainability.

Senior management actively manage climate-related risks and opportunities, including delivery of carbon-reduction initiatives and regulatory compliance. The sustainability team is embedded within the property function, and Executive Directors have ESG-related objectives under the annual bonus plan, including climate actions where relevant, as described on pages 138 to 140.

## Strategy

The Group assesses potential climate-related risks and opportunities over the following time horizons to support effective financial planning and lease management:

- **Short term:** 0-3 years
- **Medium term:** 3-10 years
- **Long term:** 10-30 years

Our assessment focuses on Shaftesbury Capital's target to achieve Net Zero by 2040. As this falls at the end of the medium term and the early part of the long term, the assessment provides a balanced view of both time horizons.

Our process to identify and assess climate risks is set out in the Risk management section on page 62 →

### Climate-related risks and opportunities the organisation has identified over the short, medium and long term

Identified risks and opportunities apply across the business. Risks are included if they are deemed to have a significant financial impact, are assessed as being 'high' or 'very high' in our transitional risk analysis, or are considered to have the potential to be material in future. These risks are set out on pages 64 to 68.

### Transition risks

Our assets are concentrated in a single UK jurisdiction, limiting overall climate risk but increasing the potential impact of any single adverse event. A desktop assessment undertaken in 2025 found no significant change in key transition risks, which include short-term regulatory changes, medium-term shifts in customer demand for sustainable assets, and challenges upgrading heritage buildings due to policy or configuration.

## Task Force on Climate-related Financial Disclosures *continued*

### Physical risks

Most assets have low exposure to physical hazards across all time horizons and emissions scenarios. However, surface water flooding and drought stress pose medium or higher risk at some locations before mitigation. River/coastal flooding and storm surges are immaterial in the short to medium term due to distance from the Thames and protection from the Thames Barrier.

Indirect physical risks include potential disruption to London's transport network, energy grid strain and construction delays, which could affect customers and operations.

### Opportunities

Opportunities mainly arise in the short and medium term through attracting and retaining customers with energy-efficient buildings, showcasing Whole-Life Carbon benefits of heritage stock and leveraging expertise in heritage building decarbonisation.

Identified risks and opportunities apply across the business. These are set out on pages 64 to 68 →

### Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

Climate-related mitigation measures are incorporated into our sustainable development requirements and are therefore embedded within our capital expenditure refurbishment programme. We remain committed to long-term, low-carbon investment in our assets, prioritising repurposing and refurbishment over demolition and new construction. This approach preserves the heritage character of our destinations, enhances energy performance and reduces embodied carbon, while limiting potential future liabilities associated with carbon offsetting.

With planned mitigation measures and suitable insurance in place, physical risks are effectively managed and residual risk is acceptable. We conclude that no change to the current investment strategy is required, either in terms of building type or location, under any scenario reviewed.

Through our refurbishment strategy, we continue to improve the energy efficiency and climate resilience of the portfolio. We will invest approximately 0.1 per cent of portfolio value per year in energy-efficiency upgrades, supporting our ability to meet Minimum Energy Efficiency Standards ("MEES") requirements and supporting the needs of customers and stakeholders.

Our Net Zero Carbon targets are clearly defined (see page 82) and integrated into our business planning through our sustainable development requirements.

### Resilience of the organisation's strategy, taking into consideration different climate-related scenarios

Considering multiple climate scenarios, including a 2°C pathway to reflect the Paris Agreement, we remain committed to long-term investment in London's West End

and to delivering energy-efficient, climate-resilient buildings. Based on identified risks, we do not expect material changes to our strategy over the medium term. Current mitigation measures are effective and the business is resilient.

Scenario analysis confirms resilience across a range of plausible outcomes. Ongoing investment, asset enhancements and integration of our Net Zero Carbon target strengthen strategic resilience. Aligning our Net Zero Carbon target with a 1.5°C trajectory reduces future target tightening, while clear 2030 and 2040 decarbonisation milestones enable informed planning and clarity for stakeholders.

Resilience approach for each risk is set out on pages 64 to 68 →

## Risk management

### Process for identifying and assessing climate-related risks

#### Physical

Climate-related physical risks were reviewed in 2024 using the 'Climate X' data projection platform Spectra. Risk ratings have been determined for relevant physical climate hazards by combining likelihood and severity scores. We have used three physical climate change scenarios representing established low, medium and high emissions pathways (Representative Concentration Pathway ("RCP") 2.6, RCP4.5 and RCP8.5) to understand the range of potential climate outcomes, aiding in comprehensive risk understanding and strategic planning. This approach addresses compliance with regulatory and stakeholder recommendations, informs investment and resource allocation and enhances resilience. We assumed that these scenarios will not be exceeded across the timelines identified. During 2025, we reviewed loss history for all assets identified as being higher risk from storm flood and determined that there had been no relevant losses recorded.

#### Transition

Our transition risk analysis, updated in 2025, employed a third-party desktop review of the market using the "Balanced Pathway" and "Fossil Fuel Pathway" from the buildings section of the UK's Seventh Carbon Budget.

**Balanced Pathway:** This is the proposed UK trajectory for achieving Net Zero by 2050. It assumes continued expansion of renewable energy, accelerated grid decarbonisation and strong policy support.

**Fossil Fuel Pathway:** This scenario assumes a shift away from Net Zero commitments, increased reliance on domestic fossil fuels, slower technological innovation and weaker economic conditions, accompanied by declining living standards.

These scenarios inform our understanding of potential policy, market and technological shifts that could affect the business. No material changes to transition-risk exposure were identified during the year.

See page 49 for further information on risk management and our principal risks →

## Task Force on Climate-related Financial Disclosures *continued*

### Managing climate-related risks and integrating into overall risk management

Climate change has been identified as a principal risk as set out on page 58. Climate-related risks are managed through the Executive Risk Committee, comprising the Executive Directors, General Counsel, Group Financial Controller, senior members of the property team, Director of Transformation and Technology, Head of Health and Safety and Head of Sustainability. This is the executive level management forum for the review and discussion of risks, controls and mitigation measures, as set out on page 49.

Physical risks are managed and mitigated through our ongoing programme to improve the energy efficiency of our buildings and our investment in increasing green space across our portfolio.

The Board has overall responsibility for the Group's risk management framework, setting risk appetite and regularly reviewing principal risks and associated mitigation actions. Climate-related risks are embedded into this framework through staff engagement and targeted training, including role-specific programmes covering EPC requirements, data collection and embodied-carbon assessments.

The Head of Sustainability sits on the Executive Risk Committee, ensuring that climate risks are considered within broader operational and financial risk discussions. The Committee meets quarterly to review significant business risks, including sustainability-related risks, and prepares a risk report for the Board.



Task Force on Climate-related Financial Disclosures *continued***List of climate-related risks and opportunities, impact on the business and our resilience to risk**

| Theme                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Risk                                                                                                                                                                                                                                                                                                                                       | Scenario                    | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Business resilience to risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chronic and acute</b><br>The portfolio broadly demonstrates a high level of resilience to climate change across RCP2.6, RCP4.5 and RCP8.5 (low, medium and high emission) scenarios and our strategic time horizons.<br>Risks are assessed without consideration of mitigation to understand the underlying risk.<br>Indirect physical impacts from damage to London infrastructure are also considered.<br><br><b>Time horizon:</b><br>Medium to long term | 1. Hotter summers increase costs for maintaining indoor building environments as frequency of peak summer temperatures increase.                                                                                                                                                                                                           | RCP2.6,<br>RCP4.5<br>RCP8.5 | Climate adaptation and mitigation measures are integrated into our standard design brief.<br><br>Applied measures to improve resilience include reducing water demand, preventing overheating through design and adding sustainable drainage to mitigate precipitation impacts where appropriate. These actions did not result in material additional capital expenditure, as planning requirements already address such risks.<br><br>We will also support customer transition to Net Zero, alongside our ongoing EPC programme and building optimisation initiatives.<br><br>We purchase suitable insurance to cover the perils identified in our physical climate risks analysis.<br><br>We continue to invest in innovation relating to climate-resilient urban buildings in a heritage setting. | Assets are not located in coastal or fluvial flood areas which limits overall exposure in all scenarios and time horizons. Our investment appraisal for individual assets considers climate risk exposure on new acquisitions.<br><br>We are confident that we are sufficiently resilient to these risks and consider risks across suitable scenarios and time horizons.<br><br>We recognise the evolving nature of climate projections and availability of data. Therefore, we will review physical climate risk exposure every two years, or sooner if required, to update and inform asset strategies as appropriate. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2. Localised flooding and costs associated with retrofitting buildings for increased resilience. Surface water flooding is considered as the greatest risk, with 55 assets out of 660 at potential high risk based on location. Climate X analysis indicated that aggregated replacement costs could be c. £3 million under all scenarios. | RCP2.6,<br>RCP4.5<br>RCP8.5 | Ongoing investment to increase green space and infrastructure across the portfolio reduces urban heat island effect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3. Increased disruption to the local energy and transport network due to extreme weather events. Our business relies on the functioning of the wider London infrastructure that may be more vulnerable to physical impacts of climate change. Increased risk when combined with possible failure of the Thames Barrier.                    | RCP2.6,<br>RCP4.5<br>RCP8.5 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4. Fresh water availability and drought stress are noted risks for London which exposes the business to risks from increased planning requirements and potential impact on construction through water-intensive materials in longer time horizons.                                                                                         | RCP4.5<br>RCP8.5            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

Task Force on Climate-related Financial Disclosures *continued*List of climate-related risks and opportunities, impact on the business and our resilience to risk *continued*

| Theme                                                                                                                                                                                                                                                                                                                              | Risk                                                                                                                                                                                                                                                                                                                                                             | Scenario                 | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Business resilience to risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Policy and legal</b><br>As the transition to a low-carbon economy continues, we anticipate accelerated and enhanced emission reporting regulations will potentially be implemented in response to meeting the UK carbon reduction targets, alongside existing requirements.<br><br><b>Time horizon:</b><br>Short to medium term | 5. Evolving regulations such as MEES and enhanced climate disclosures become increasingly difficult to implement, especially in heritage buildings where we see a potential conflict between heritage and energy efficiency. There is a potential risk of additional cost as we need to replace less carbon-efficient systems outside of their normal lifecycle. | Balanced and Fossil Fuel | <p>We have embedded an ongoing EPC improvement programme. There is a modest cost to repeating EPC assessment periodically. Research indicates that the cost of achieving MEES and Net Zero Carbon compliance is not excessive. We currently estimate costs of £30-35 million by 2030 to achieve energy efficiency improvement for expected MEES regulation and support our drive to reduce operational carbon emissions. The costs are included in our refurbishment capital expenditure, and, consequently, there is no incremental cost. EPC progress is reported twice-yearly.</p> <p>We engage with customers to support their transition towards Net Zero as part of our strategy to reduce Scope 3 emissions.</p> <p>Over the past two years we have embarked on a programme of investment to increase utility meter coverage and consider the benefits of ESG data management software.</p> <p>We recognise the role that carbon offsets will have to play over the medium term and have set out our approach in the 2025 Net Zero Carbon Pathway.</p> <p>We recognise the importance of electrification and have undertaken a gas boiler replacement exercise.</p> <p>The Group continues to allocate funds to pilots and trials of innovative technologies and solutions and, where trials are successful, such innovation is considered for adoption more widely.</p> | <p>We have detailed existing GHG reporting which goes beyond current statutory requirements, including all Scope 3, making us resilient to increased reporting. We have SBTi approval of our carbon reduction targets and report progress annually to align with best practice. We undertake a periodic review of climate regulation with a professional adviser.</p> <p>The risk from MEES compliance is trending lower as we make progress to improve EPC ratings across the portfolio. The business targets a B rating for all commercial properties within the scope of MEES by 2030 to stay ahead of regulation. EPC performance is set out on page 81 to 82.</p> <p>Our green lease ensures that customers do not undertake works which will reduce the EPC performance rating of the individual unit.</p> <p>Detailed CRREM-aligned energy audits undertaken to date demonstrate that our portfolio can be upgraded to meet future Net Zero requirements with current technology and at a relatively modest capital expenditure.</p> |
|                                                                                                                                                                                                                                                                                                                                    | 6. Energy performance in buildings continues to require improvements beyond those of MEES. If market-driven pressures demand further increases to energy efficiency ratings towards EPC A by 2040, with many listed buildings in Shaftesbury Capital's portfolio, this next step may pose a material risk to the business.                                       |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Task Force on Climate-related Financial Disclosures *continued*List of climate-related risks and opportunities, impact on the business and our resilience to risk *continued*

| Theme                                                                                                                                                                                                                                                                                                                                                                                                                                     | Risk                                                                                                                                                                                                                                                                                                                                           | Scenario                 | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                             | Business resilience to risk                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market and technology risk</b><br>Customers, investors and ESG benchmarks are increasingly adopting sustainability building certifications to assess portfolios. These certifications are primarily designed for new buildings, consequently, there is a risk that due to lack of suitable certification for smaller, heritage assets, our portfolio may be perceived as less attractive to customers, investors or capital providers. | 7. An inability to meet growing customer expectations for assets with greater sustainability credentials, or energy efficiency leading to a decrease in revenues due to reduced demand for products and services or access to capital due to the reclassification of 'green assets'.                                                           | Balanced                 | We identify opportunities within our operations to reduce GHG emissions, including energy efficiency within our offices.<br><br>We have published our first sustainability linked loan framework aligned with our key Net Zero Carbon targets that will enable us to access green finance.<br><br>In this context, the Group reports and engages through recognised industry indices such asGRESB, CDP, EPRA and MSCI.                                | We recognise that commercial property valuers may adjust investment property yields to reflect this risk, though the Group has not to date seen any such adjustments or financial impact.<br><br>We remain resilient to these risks through an increase in the number of assets with sustainability credentials. We have refurbishment standards and targets in place which are embedded in our internal sustainable development scoping tool. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                           | 8. Investment costs into low-carbon refurbishment of heritage buildings may be significant and are likely to increase. Cost of installing new tech plus the operational carbon and the embodied carbon associated with taking out adequate heating source ahead of its lifecycle completing.                                                   | Balanced and Fossil Fuel | Our Sustainability Strategy emphasises explaining the carbon benefit of retrofit of heritage assets and developing examples of leadership.<br><br>Our assessment of acquisitions includes consideration of Net Zero Carbon during due diligence. We are committed to providing such environmental information as is requested by purchasers when we dispose of buildings. Climate-related risk also forms part of due diligence for new acquisitions. | Improved data collection will allow us to develop more appropriate carbon reduction targets for individual assets.                                                                                                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                           | 9. Unsuccessful investment in new technology. There is a risk that Shaftesbury Capital may make significant investments into a specific technology, which becomes unviable or requires the substitution of existing products or services. Investments in electrification will be less impactful if the grid does not decarbonise as predicted. | Fossil Fuel              | The Group's valuers have regard to the individual climate-related risks and opportunities relevant to the assets in the context of RICS guidance and make adjustments where appropriate; the value impacts of sustainability where recognised reflect the valuers' understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Time horizon:</b><br>7 and 8: Short to long term<br>9: Medium to long term                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Task Force on Climate-related Financial Disclosures *continued*List of climate-related risks and opportunities, impact on the business and our resilience to risk *continued*

| Theme                                                                                                                                                                                                                                                                                      | Risk                                                                                                                                                                                                                                                                                                                                                               | Scenario | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Business resilience to risk                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Asset-specific risk</b><br>Our portfolio is located in heritage areas and includes a significant number of listed assets, including grade 1, grade 2 and grade 2*. Therefore, we expect that there will be some barriers to the adoption of low-carbon technology on individual assets. | 10. Heritage restrictions impeding application of energy efficiency measures.                                                                                                                                                                                                                                                                                      | Balanced | Estate-wide review of renewable energy generation capability to identify opportunities that free grid capacity.                                                                                                                                                                                                                                                                                                                                                                                                             | The Group notes that planners are increasingly aware of this issue, and we expect to see further agreement on appropriate interventions to reduce planning risk and incorporate new technologies.<br><br>We recognise the evolving risk relating to upgrading heritage assets and will retain our focus on the identification of suitable technologies. |
|                                                                                                                                                                                                                                                                                            | 11. Adoption of lower-carbon products and technologies is constrained by local electrical infrastructure and supply. There is a risk posed to the existing assets and those not yet completed within Shaftesbury Capital's portfolio which would require a potential roll out of refurbishments should the technologies within the developments require upgrading. |          | Due to planning policy and the nature of heritage listed buildings, the application of energy efficiency measures may require higher levels of capital expenditure to manage engagement with local planning authority, and specialist consultancy support.<br><br>The drive to electrification of buildings will likely lead to constraint on electrical supply in central London. In conjunction with our strategy to promote electrification, we are assessing the future power demand to inform investment requirements. |                                                                                                                                                                                                                                                                                                                                                         |

## Opportunities

| Theme                                                                                                                                                                                                                                               | Opportunity                                                                                                                                                                                                     | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue</b><br>Providing buildings with appropriate sustainability certifications and energy-efficient measures in place will attract and retain customers who seek to demonstrate their own sustainability credentials and reduce energy costs. | 1. Attracting and retaining customers: providing energy-efficient and sustainability-certified buildings. Upgrading the portfolio enhances performance and supports cost savings for the Company and occupiers. | Potential for reduction of void periods and improvement of investment yields as assets meet customer and investor requirements. The Group does not currently apply any forward differential in its business planning on this basis due to the inherent uncertainty but will continue to monitor this opportunity.<br><br>We have made continued progress to improve EPC ratings and building certification coverage; this information will be provided as evidence to valuers.<br><br>Continuing to improve our data collection will enable us to provide better information to our customers and demonstrate the additional value of our assets.<br><br>Our refurbishment projects of sufficient size target BREEAM Excellent or a level appropriate to the heritage nature of the building. We are ahead of our targets for improving EPC ratings in line with MEES, demonstrating the overall energy efficiency of the portfolio to investors. |
| <b>Time horizon:</b><br>Short term                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Scenario:</b><br>Balanced                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

Task Force on Climate-related Financial Disclosures *continued***Opportunities *continued***

| Theme                                                                                                                                                                                                                                                                                              | Opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Impact on strategy and financial planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market/technology</b><br>Investment into increasing the energy efficiency of assets increases their attractiveness to customers through lower emissions and reduced energy costs.<br><br><b>Time horizon:</b><br>2 and 3: Short term<br>4 to 6: Medium term<br><br><b>Scenario:</b><br>Balanced | <p>2. The increased energy efficiency and low embodied carbon of our portfolio make it more desirable to customers.</p> <p>3. Improved technologies enable an increased usage of onsite renewable energy generation. Improvement of data collection will benefit our decision-making, influencing behaviour change and identifying the effectiveness of energy efficiency interventions.</p> <p>4. Move to Net Zero Carbon buildings and abatement of existing fossil fuel infrastructure will increase the market for low-carbon real estate supported by green financing.</p> <p>5. Expansion of low-carbon heat networks may enable the adoption of low-carbon heat at a lower cost than the electrification of individual assets.</p> <p>6. Ongoing decarbonisation of the grid supports emissions reductions from our portfolio, especially in conjunction with ongoing asset electrification.</p> | <p>We conduct Whole-Life Carbon assessments for new developments, refurbishments and retrofits in excess of £0.25 million at milestone project stages. We work only with design and construction teams who can measure embodied carbon.</p> <p>We continue to implement energy efficiency measures in our properties and explore the impact of embodied carbon emissions by assessing the Whole-Life Carbon of buildings and implementing performance benchmarks on larger projects. We continue to actively explore opportunities for use of new technology and practices at scale on our portfolio.</p> <p>Continued investment in data collection to demonstrate ongoing improvements in carbon and energy intensity of our assets.</p> <p>Decarbonisation of the grid would support the transition of existing assets towards Net Zero buildings. Rapid decarbonisation scenarios reduce the associated market-based emissions with energy use in developments.</p> <p>Established our first sustainability linked loan framework to facilitate access to improve loan terms based on sustainability and carbon reduction performance.</p> |
| <b>Reputational</b><br>Through leveraging our skill set and expertise in delivering Whole-Life Carbon benefit in heritage stock and our leadership in improving the energy performance of heritage buildings.<br><br><b>Time horizon:</b><br>Medium term<br><br><b>Scenario:</b><br>Balanced       | <p>7. Demonstrating the Whole-Life Carbon benefit of our heritage stock and improving the energy performance of heritage buildings increases asset value.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Engaging with suppliers who can demonstrate ethical and environmental credentials.</p> <p>Selecting products that are certified to industry standards (e.g. FSC timber through our Timber Procurement Policy).</p> <p>Regular reviewing of our procurement-related policies to maintain alignment with industry standards.</p> <p>Expertise and skills may support the ability to buy property at a lower price as competitors may be less able to apply cost-effective intervention. The continuous process of acquiring experience and developing supply chain expertise on heritage stock may open additional opportunities.</p> <p>Whole-Life Carbon assessments are undertaken to provide more evidence on the relative benefits of retrofit of heritage assets.</p> <p>Internal and external communications including stakeholder engagement across customers, local authorities and investors.</p>                                                                                                                                                                                                                                   |

Task Force on Climate-related Financial Disclosures *continued***Metrics and targets**

The business uses a range of metrics and targets to assess climate-related risks and opportunities and measure our progress. These are set out below. A detailed breakdown of Scope 1, Scope 2 and Scope 3 GHG emissions is disclosed on page 82, and the methodology for the calculations can be found on page 217. In line with Streamlined Energy and Carbon Reporting ("SECR") requirements, energy use and an intensity metric are disclosed on page 82 to 83.

| Metrics and targets                                                                                                                                       | Reporting period | Related risks or opportunities                | 2025 progress update                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------|------------------------------------------------------------------------------|
| Reducing Scope 1 & 2 carbon by 60% by 2030 from a 2019 baseline year                                                                                      | Cumulative       | Risk 6, 7, 10<br>Opportunity 1, 2, 3, 4, 6, 7 | 53.9% Scope 1 and 2 reduction on baseline year                               |
| Reducing Scope 3 carbon by 50% by 2030 from a 2019 baseline year                                                                                          | Cumulative       | Risk 6, 7, 10<br>Opportunity 1, 2, 3, 4, 6, 7 | 54.1% Scope 3 reduction on baseline year                                     |
| 8% annual reduction in Scope 1 & 2 emissions,                                                                                                             | Annual           | Risk 6, 7, 10<br>Opportunity 1, 2, 3, 4, 6, 7 | 29.9% year-on-year reduction                                                 |
| 5.25% annual reduction in Scope 3 downstream leased assets                                                                                                | Annual           | Risk 6, 7, 10<br>Opportunity 1, 2, 3, 4, 6, 7 | 6.2% reduction in downstream leased assets emissions                         |
| Electricity purchased by the Company (Scope 2) via renewable energy sources<br>Target 100%                                                                | Annual           | Risk 7<br>Opportunity 1                       | 91% renewable electricity consumption                                        |
| Building Certification – BREEAM and SKA rating (number of assessments and total area assessed in m <sup>2</sup> ); for relevant refurbishment schemes     | Cumulative       | Risk 1, 6, 7, 10<br>Opportunity 1, 2, 7       | To be updated in 2025 EPRA Sustainability Data Report                        |
| EPC performance for MEES (% breakdown on EPC ratings by ERV); refurbishments to achieve minimum Grade B EPC (commercial) and Grade C (residential) rating | Cumulative       | Risk 5, 6, 7, 10<br>Opportunity 1, 2          | 94.4% of the portfolio by ERV is EPC A-C, an increase of 6.8% from last year |
| We disclose to CDP (Carbon Disclosure Project)<br>Target B                                                                                                | Annual           | Risk 5, 7<br>Opportunity 1                    | Score B                                                                      |
| EPRA sBPR reporting quality<br>Target Gold                                                                                                                | Annual           | Risk 5, 7<br>Opportunity 1                    | Gold (2025)                                                                  |

# Non-financial and sustainability information statement

As Shaftesbury Capital has fewer than 500 employees, it is not required to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. However, the table below and on the adjacent page contains references to non-financial information intended to help our stakeholders understand the impact of our policies and activities. You can find some of these policies on our website at <https://www.shaftesburycapital.com>.

| Topics                              | Key policies and standards <sup>1,2</sup>                                                                                                                                                                                                                                                                                                                                                                                                             | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employees</b>                    | <ul style="list-style-type: none"> <li>• Our strategy and business model</li> <li>• People Policy</li> <li>• Anti-harassment and Bullying Policy</li> <li>• Directors' Remuneration Policy</li> <li>• Health and Safety Policy</li> <li>• Business Code of Practice</li> <li>• Board Diversity and Inclusion Policy</li> <li>• Equal Opportunities and Diversity Policy</li> <li>• Neurodiversity Policy</li> <li>• Trans Inclusion Policy</li> </ul> | <p>For more on people and culture: see pages 87 and 88 →</p> <p>For more on diversity: see pages 114 and 115 →</p> <p>For more on remuneration: see pages 123 to 147 →</p> <p>For more on gender diversity: see page 115 →</p> <p>People section of our website:<br/><a href="https://www.shaftesburycapital.com/en/responsibility/people.html">https://www.shaftesburycapital.com/en/responsibility/people.html</a> →</p> <p>How we behave section of our website:<br/><a href="https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html">https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html</a> →</p> |
| <b>Social and community matters</b> | <ul style="list-style-type: none"> <li>• Sustainability Strategy</li> <li>• Sustainability Policy</li> <li>• Community Impact Report</li> </ul>                                                                                                                                                                                                                                                                                                       | <p>For more on stakeholder engagement: see pages 37 to 41 →</p> <p>For more on our Sustainability Strategy: see pages 73 to 74 and pages 78 to 80 →</p> <p>For more on our community: see pages 85 to 86 →</p> <p>Responsibility section of our website:<br/><a href="https://www.shaftesburycapital.com/en/responsibility.html">https://www.shaftesburycapital.com/en/responsibility.html</a> →</p> <p>Community section of our website:<br/><a href="https://www.shaftesburycapital.com/en/responsibility/community.html">https://www.shaftesburycapital.com/en/responsibility/community.html</a> →</p>                                                                 |
| <b>Respect for human rights</b>     | <ul style="list-style-type: none"> <li>• Sustainability Policy</li> <li>• Modern Slavery and Human Trafficking Statement</li> <li>• Business Code of Practice</li> </ul>                                                                                                                                                                                                                                                                              | <p>For more on modern slavery: see pages 84, 103 and 107 →</p> <p>For more on how we behave: see page 107 →</p> <p>Modern Slavery and Human Trafficking Statement on our website:<br/><a href="https://www.shaftesburycapital.com/en/index.html">https://www.shaftesburycapital.com/en/index.html</a> →</p> <p>Responsibility section of our website:<br/><a href="https://www.shaftesburycapital.com/en/responsibility.html">https://www.shaftesburycapital.com/en/responsibility.html</a> →</p>                                                                                                                                                                         |

1. Policies and further information can be found on the website at <https://www.shaftesburycapital.com>.

2. Certain policies and internal guidelines are not published externally.

Non-financial and sustainability information statement *continued*

| Topics                                          | Key policies and standards <sup>1,2</sup>                                                                                                                                                                                                                                                                                                                                                                                                             | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental matters</b>                    | <ul style="list-style-type: none"> <li>• Sustainability Policy</li> <li>• Sustainability Strategy</li> <li>• Net Zero Carbon Pathway</li> <li>• Procurement and Supplier Management Policy</li> <li>• Supplier Code of Conduct</li> <li>• EPRA Sustainability Data Report</li> <li>• Sustainability Supplier Requirements</li> <li>• Sustainability linked loan framework</li> </ul>                                                                  | <p>For more on sustainability and environmental matters: see pages 72 to 84 →</p> <p>For more on greenhouse gas emissions: see pages 81 to 83 and pages 217 to 218 →</p> <p>Responsibility section of our website:<br/> <a href="https://www.shaftesburycapital.com/en/responsibility.html">https://www.shaftesburycapital.com/en/responsibility.html</a> →</p>                                                                                                                                                                                                                                                       |
| <b>Climate-related financial disclosures</b>    | <ul style="list-style-type: none"> <li>• Task Force on Climate-related Financial Disclosures</li> </ul>                                                                                                                                                                                                                                                                                                                                               | <p>For more on action on climate change: see pages 61 to 69 and 81 to 83 →</p> <p>Responsibility section of our website:<br/> <a href="https://www.shaftesburycapital.com/en/responsibility.html">https://www.shaftesburycapital.com/en/responsibility.html</a> →</p>                                                                                                                                                                                                                                                                                                                                                 |
| <b>Anti-bribery and anti-corruption</b>         | <ul style="list-style-type: none"> <li>• Financial Crime Policy</li> <li>• Whistleblowing Policy</li> <li>• Tax Strategy</li> <li>• Business Code of Practice</li> <li>• Conflicts of Interest Policy</li> <li>• Expenses Policy</li> <li>• Anti-money Laundering Policy</li> <li>• Gifts and Hospitality Policy</li> <li>• Procurement and Supplier Management Policy</li> <li>• Supplier Code of Conduct</li> <li>• Share Dealing Policy</li> </ul> | <p>For more on how we behave: see page 107 →</p> <p>For more on conflicts of interests: see page 107 →</p> <p>For our Audit Committee report: see pages 117 to 122 →</p> <p>How we behave section of our website:<br/> <a href="https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html">https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html</a> →</p> <p>Modern Slavery and Human Trafficking Statement on our website:<br/> <a href="https://www.shaftesburycapital.com/en/index.html">https://www.shaftesburycapital.com/en/index.html</a> →</p> |
| <b>Business model</b>                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>For more on our strategy: see page 12 →</p> <p>For more on our business model: see page 13 →</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Non-financial key performance indicators</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>For more on non-financial key performance indicators: see pages 14 to 15 →</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Principal risks and uncertainties</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>For more on our principal risks and uncertainties: see pages 52 to 58 →</p> <p>For our Viability Statement: see pages 59 and 60 →</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

1. Policies and further information can be found on the website at <https://www.shaftesburycapital.com>.

2. Certain policies and internal guidelines are not published externally.