

Schroder Real Estate Investment Trust Limited

Annual Report & Consolidated Financial Statements

For the year ended 31 March 2026



Schroders
capital

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Overview

The Company is well positioned with an attractive income profile and low cost long-term debt.

Seeking to improve the sustainability performance of buildings to generate higher income and capital growth.

1

Portfolio focused on higher growth sectors with a reversionary yield of 8.3% (MSCI Benchmark: 6.2%).

2

7.8%¹ dividend yield, and commitment to delivering progressive dividend policy.

3

Robust balance sheet provides dividend protection: 3.4% current average interest cost of which 86% is fixed rate or capped with 7.4 years average maturity.

4

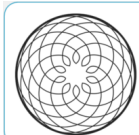
Share price at a 24% discount to NAV offers an attractive entry point given earnings growth potential and evolving shareholder register.²

5

Progressing thematic sustainability strategy – manufacture green premium, address carbon, drive earnings growth.



Annual
**UK Property
Investment
Awards 2024**



**Kepler
ALTERNATIVE
INCOME 2026**



G R E S B
REAL ESTATE
★★★★☆ 2025



Notes

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. References to these assets are for illustrative purposes only and are not a recommendation to buy and/or sell. Source: Schroders. Company data as at 31 March 2026. MSCI Benchmark is MSCI UK Balanced Portfolios Quarterly Property Index.

1 Based on a share price of 46.2p as at close on 9 July 2026 and an annualised dividend of 3.588 pps.

2 Based on a share price of 46.2p as at close on 9 July 2026 and NAV of 60.9 pps as at 31 March 2026.

Performance summary

Net asset value £m

31 March 2026	297.9
31 March 2025	301.4

Net asset value total return %

31 March 2026	4.8
31 March 2025	11.0

Value of property assets and joint venture assets¹ £m

31 March 2026	474.6
31 March 2025	480.0

Underlying portfolio total return %

31 March 2026	5.4
31 March 2025	9.1

Estimated open market rental value³ £m

31 March 2026	39.3
31 March 2025	40.3

EPRA earnings £m

31 March 2026	16.5
31 March 2025	17.0

Dividend cover

31 March 2026	94%
31 March 2025	100%

		31 March 2026	31 March 2025
Property performance			
Value of Property Assets and Joint Venture Assets ¹	£m	474.6	480.0
Annualised rental income ²	£m	31.2	28.9
Estimated open market rental value ³	£m	39.3	40.3
Underlying portfolio total return	%	5.4	9.1
MSCI Benchmark total return ⁴	%	5.7	6.2
Underlying portfolio income return	%	5.5	5.6
MSCI Benchmark income return	%	4.8	4.8
Financial summary			
Net Asset Value ('NAV')	£m	297.9	301.4
NAV per Ordinary Share	p	60.9	61.6
EPRA Net Tangible Assets ⁵	£m	297.8	301.3
EPRA Net Reinstatement Value ⁵	£m	330.1	333.9
EPRA Net Disposal Value ⁵	£m	316.6	319.9
IFRS profit for the year	£m	14.1	31.1
EPRA earnings ⁵	£m	16.5	17.0
Dividend cover ⁶	%	94	100
Capital values			
Share price	p	47.5	49.9
Share price discount to NAV	%	(22.0)	(19.0)
NAV total return ⁷	%	4.8	11.0
Earnings and dividends			
EPRA earnings ⁵ (pps)		3.4	3.5
Dividends paid (pps)		3.6	3.5
Annualised dividend yield on the 31 March share price	%	7.6	7.2
Bank borrowings			
On-balance sheet borrowings ⁸	£m	186.1	181.1
Loan to Value ratio ('LTV'), net of all cash ⁹	%	36.8	36.9
Ongoing charges			
Ongoing charges (including fund only expenses) ¹⁰	%	1.31	1.25

1 Reconciles to the valuation reports from CBRE for both the direct portfolio and the two Joint Ventures. Does not include any IFRS adjustments for lease incentives, nor the fair value of the leasehold adjustment for The Galaxy, Luton.

2 Represents the annualised rental income of the portfolio as at 31 March 2026, including the share of rents from joint venture assets.

3 Represents the ERV of the portfolio as estimated by the valuers, including the share of rents for the joint venture assets.

4 Source: MSCI Quarterly Version of Balanced Monthly Index Funds including the share of rents for the joint venture assets on a like-for-like basis as at 31 March 2026.

5 This is an Alternative Performance Measure (APM). EPRA calculations are included in the EPRA Performance measures section on pages 97 to 99.

6 This is an APM with further details on page 100.

7 This is an APM with further details on page 100.

8 On-balance sheet borrowings reflect the loan facilities with Canada Life and RBSI without the deduction of unamortised finance costs of £0.2m.

9 This is an APM. Details are included in the APM section on page 100.

10 This is an APM and calculated in accordance with the AIC methodology. Details are included in the APM section on page 100.

Strategic report

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Chair's statement

Dear Shareholder,

I am pleased to announce our audited financial results for the year ended 31 March 2026, my last as Non-Executive Chair of Schroder Real Estate Investment Trust Limited (the 'Company' or 'SREIT').

Today's results follow a period of volatility and uncertainty for UK real estate and investment markets more generally, but we remain well positioned given our clear strategy, a focus on higher growth sectors (which is underpinning the portfolio's above average reversionary yield), a lean cost base and peer group leading debt terms.

Highlights from our audited year end results are set out below:

- Net asset value ('NAV') of £297.9 million or 60.9 pence per share ('pps'), reflecting a NAV total return of 4.8% for the year
- Dividends paid totalling £17.6 million or 3.6 pps, a 4% increase on the prior year
- Sector-leading debt profile underpinning earnings resilience, with a long duration of 10 years and a low average interest cost of 3.4%
- Continued close management of expenses, with ongoing charges of 1.31%
- Asset management activity materially reduced the vacancy rate to 9.8% which, combined with a high portfolio reversionary yield of 8.3%, provides significant earnings growth potential
- Favourable allocation to the higher growth sectors of multi-let industrial and retail warehousing, with a near-term pipeline of income enhancing asset management activity
- Long term track record of outperformance against the MSCI Benchmark, with 2.3% annual relative outperformance on a rolling three-year basis
- For the second consecutive year, in November we were awarded 'Highest 10-year risk adjusted relative return' by MSCI for all UK and European funds
- Delivering on strategy to improve portfolio sustainability performance, recognised by an improved, peer group topping GRESB score

At the start of 2026, the UK real estate market was expected to benefit from modest but resilient economic growth, continued healthy levels of occupational demand, and constrained new development. Inflation had continued to ease, raising expectations that the Bank of England would continue a gradual monetary easing cycle, supporting asset values.

The Middle East conflict introduced uncertainty to this outlook, with a sharp rise in energy prices and second order effects meaning inflation is expected to remain elevated over 2026 and 2027, squeezing occupiers and consumers. This is compounded by domestic political instability and concern that increased Government deficit spending will lead to a persistently higher-for-longer interest rate environment, with the 10-year Gilt



Alastair Hughes
Chair

currently around 5%.

As a result, the momentum seen in 2025 real estate transaction volumes has paused, accompanied by weaker REIT share price ratings. The market uncertainty is impacting capital values through increased yields, with the MSCI Monthly Index (a good proxy for the Company's Benchmark) showing a small decline over 2026 to date, contrasting with a 1.3% increase over calendar 2025. More positively, continued rental growth has, so far, largely offset the negative yield impact, particularly in the more structurally supported sectors, demonstrating the sector's attractive inflation hedging characteristics.

Whilst market uncertainty will inevitably result in some occupiers delaying decisions, this is against the backdrop of constrained supply. This dynamic could intensify further, with the energy shock increasing the price and decreasing the availability of construction materials, leading to further cost push inflation and higher rents to justify new development. Supply is also impacted by stretched planning departments and political uncertainty relating to factors such as increased taxation and leasehold reform, most recently with the banning of upward only rent reviews.

Although the market backdrop has therefore clearly changed since the interim results last November, the successful implementation of our strategy over recent years means we are well placed to navigate a more uncertain period for the reasons set out below.

In an elevated interest rate environment, we benefit from owning a higher yielding portfolio, with an initial yield of 6.1% compared with the MSCI Benchmark average of 5.1%. Based on the independent valuer assumptions, we also benefit from a reversionary yield of 8.3% compared with the MSCI Benchmark of 6.2%, with the potential for this to be enhanced through capital investment and asset management.

Complementing a higher yielding portfolio, our long-term, fixed rate debt remains a compelling differentiator amongst

our REIT peer group, with 70% of total debt drawn fixed at an average of 2.5% for an average of 10 years. Combined with our tactical revolving credit facility ('RCF'), the average interest rate for our total drawn debt at the year-end was 3.4%, with an average duration of 7.4 years. The high portfolio yield and low borrowing cost ensures that the portfolio will continue to deliver an attractive spread over borrowing costs over the medium to long term, contrasting with peers where nearer term refinancing events could erode earnings.

Portfolio outperformance over recent years has been driven by both favourable sector weightings and active management. Over half our portfolio by value comprises eight multi-let industrial estates occupied by more than 180 tenants, where we continue to deliver strong income growth through new development and phased refurbishments, attracting high quality tenants such as Siemens and BYD. Over the last three years, we have invested £11.4 million in refurbishments and redevelopments across the industrial portfolio, which has contributed to like-for-like portfolio rental growth over that period of 3.5% per annum (MSCI Benchmark 3.4%) and a like-for-like income return over the financial year of 5.5% (MSCI Benchmark 5.1%).

Almost 20% of the portfolio comprises sustainably rented and well-located retail warehouse and convenience retail assets in densely populated urban areas, which are sectors with improving occupier and investor sentiment. Recent asset management initiatives have secured new tenants such as Lidl, Tesco, and The Gym Group on long leases with inflation-linked rent reviews, maintaining the overall portfolio lease term to earliest break at 5.3 years. Alongside extracting healthy income growth from larger, multi-let retail assets, the Company will continue to sell smaller retail and other non-core assets where business plans have been completed.

Alongside smaller asset sales, performance during the year was negatively impacted by our office exposure, which comprises a regional portfolio (14% by portfolio value), and a 50% interest in a Central London asset on Store Street in Bloomsbury (8% by value). At Store Street, we are progressing a 'planning gain' strategy in a dynamic sub-market benefiting from infrastructure improvements, new developments at materially higher rents, and diverse occupier demand including AI and life science companies.

The biggest performance detractor over the year was the Company's 25% interest in City Tower in Manchester, valued at £23.3 million at the year end, or 4.9% of portfolio value. 50% of City Tower comprises office use, with the remainder including hotel, retail, and car park uses. The Manager has a clear strategy to address the office void through refurbishment whilst also minimising void costs, with the objective of selling the asset within 24 months, with further details included in the Manager's Report.

It is encouraging that long-term relative outperformance of the underlying portfolio is, in many cases, being driven by

refurbishment and redevelopment initiatives which improve asset sustainability performance, enabling us to capture a 'green premium' and deliver on our net zero carbon commitments. This activity, outlined in more detail in the Manager's Report, also delivered an improvement in our portfolio GRESB score, with the Company top in its peer group.

As noted above, our strategy is focussed on driving sustainable earnings growth, with a 4% dividend increase over the most recent financial year, and a 38% increase in the quarterly dividend since completing the Canada Life debt refinancing in 2019. The growth in earnings has also been supported by close control of expenses, with an ongoing charges ratio of 1.31% comparing favourably with peers, partly driven by the Manager fee reduction effective 1 October 2025, which includes 50% linked to market capitalisation for alignment.

In parallel with implementing the strategy, the Board and Manager have pursued opportunities for growth, but with a high bar so that any corporate acquisition must deliver material and near-term earnings and dividend accretion for shareholders. We are also clear that corporate activity must align with our sector preferences, be applicable to our integrated sustainability approach, and, critically, maintain our balance sheet resilience. These overarching principles have been clearly articulated to shareholders over recent years and have received good support.

As I noted in my introduction, following nine years on the Board, including four as Chair, in line with best practice I will retire at the Annual General Meeting ('AGM') in September 2026. Following a comprehensive succession planning process led by my fellow Independent Non-Executive Directors, Alexandra Innes and Sanjay Patel, together with an external search firm, I am delighted to announce that Priscilla Davies, current Senior Independent Director of the Company, will become Chair with effect from 22 September 2026 after the AGM. Priscilla has extensive financial services experience across a range of sectors including asset management and alternative investments covering real estate, private equity, infrastructure, and renewables. As Senior Independent Director, Priscilla has provided me with strong support, particularly as we have evolved the strategy and explored growth opportunities. Priscilla will therefore provide important continuity as we progress our strategy.

We are also today announcing the appointment of Richard Dakin as a Non-Executive Director, effective 10 July 2026. Richard is the former Europe Head, Investment Banking and Debt and Structured Finance, at the global real estate services firm, CBRE Group, retiring in 2024. Previously, Richard enjoyed a 32-year career at Lloyds Banking Group where he was Managing Director and Head of Corporate Real Estate Business Support. Richard is an experienced non-executive director, previously spending over nine years on the board of Derwent London plc, and is currently a non-executive director at Berkeley Group Holdings plc. We are delighted to welcome such a highly respected real estate industry figure to the Board. Following

the AGM on 22 September 2026, Alexandra will become Senior Independent Director and Richard will become chair of the Management Engagement Committee. Priscilla will also succeed me as chair of the Nomination Committee.

In parallel, Schroders continue to progress succession planning for Nick Montgomery, given his wider responsibilities as Global Head of Real Estate. Nick will lead the Company for as long as is required to ensure a smooth transition. Identifying a new, market facing, fund manager to replace Nick, with the experience and track record of successfully managing comparable strategies is a strategic priority for the Board and the Manager. Following an orderly succession process, Nick will retain oversight of the Company, including in his role as chair of Schroders' direct real estate Investment Committee. Nick remains well supported by Bradley Biggins as co-Fund Manager, alongside a deep bench of investment, asset management, operations, and other specialist functions.

In February 2026 it was also announced that Schroders had agreed the terms of a recommended all-cash offer by Nuveen, which in April was strongly approved by Schroders shareholders. The transaction, which is scheduled to complete later this year following regulatory approvals, creates one of the world's largest global active asset managers, with nearly \$2.5 trillion of assets under management ('AUM'). From a real estate perspective, the combined UK and Continental European AUM will exceed \$50 billion, and the Schroders team are positive about the opportunities arising from greater scale.

Despite current market uncertainty, the significant efforts by

the Board and Manager over recent years mean the Company is well positioned, with attractive earnings growth prospects underpinned by a sector leading balance sheet.

In addition, there is also significant potential value embedded in the Company's portfolio, which the Schroders team will extract through active asset management, a disciplined approach to capital expenditure deployment, and a protracted market recovery.

From a personal perspective, I expect to retire from the board at a time of great opportunity for the Company, and I thank our Shareholders for their continued support.

Alastair Hughes
Chair

9 July 2026

Investment Manager's report

“Income is important to our shareholders, and we are pleased to have increased dividends paid by 4% compared to the prior year. Active asset management has driven portfolio void to the lowest level since 2022 which should support future earnings.”

Financial results

The Company's NAV as at 31 March 2026 was £297.9 million or 60.9 pence per share ('pps'), compared with £301.4 million, or 61.6 pps, as at 31 March 2025. This reflected a decrease over the financial year of 0.7 pps or 1.1%. Dividends totalling £17.6 million were paid during the year, which resulted in a NAV total return of 4.8%. A detailed analysis of the NAV movement is set out in the table below:

NAV movement

	£m	PPS
NAV as at 31 March 2025 ¹	301.4	61.6
Unrealised net increase in the valuations of the direct real estate portfolio and joint ventures ²	9.1	1.9
Capital expenditure ³	(9.1)	(1.9)
Realised gain on disposal, net of disposal costs	(1.4)	(0.3)
EPRA earnings ⁴	16.5	3.4
Dividends paid	(17.6)	(3.6)
Interest rate derivatives	0.0	0.0
Others	(1.0)	(0.2)
NAV as at 31 March 2026⁵	297.9	60.9

1 The calculation of pence per share is based on shares in issue as at 31 March 2025 of 489,110,576.

2 Prior to all capital expenditure, and movement in IFRS 16 lease incentives.

3 Comprises capital expenditure of £9.0 million on the directly held portfolio and £0.1 million invested across the two joint ventures.

4 EPRA earnings as per the reconciliation on page 97.

5 The calculation of pence per share is based on shares in issue as at 31 March 2026 of 489,110,576.



Nick Montgomery
Fund Manager

Net asset value per share (pence)

31 March 2026

60.9

31 March 2025

61.6

EPRA earnings per share (pence)

31 March 2026

3.4

31 March 2025

3.5

Dividends paid per share (pence)

31 March 2026

3.6

31 March 2025

3.5

Following a period of sustained capital growth, the underlying portfolio fell in value by -0.1% during the financial year. This was largely due to City Tower in Manchester, which represented 4.9% of portfolio value at the year end. The industrial and retail warehouse elements of the portfolio, representing 66.0% of value, continued to perform strongly, generating capital value growth during the year of 3.0% and 1.3% respectively.

In line with the strategy, £9.1 million of capital expenditure was invested in asset management and redevelopment projects to enhance the sustainability profile of assets. This should drive capital growth and future rental increases over the medium to longer term.

Six smaller assets were sold during the year for an aggregate consideration of £13.7 million, with £0.3 million of disposal costs, and compared to an opening book value of £14.8 million. Four assets were sold above opening book value, with two sold below.

EPRA earnings for the financial year totalled £16.5 million, or 3.4 pps, a decrease of £0.5 million or 3% on the prior financial year. Whilst active asset management led to a 7% increase in rent and other income, the costs associated with void space increased, which combined with a £0.8 million charge for bad debts, led to the reduction in EPRA earnings. Most of the bad debt relates to prior period rent or the time taken by liquidators to disclaim a lease, with rent collection during the financial year remaining strong at 98%.

To enhance alignment with shareholders, with effect from 1 October 2025 the Manager's fee was amended so that 50% is linked to market capitalisation, with the balance linked to NAV. Based on the current fee of 0.9% and today's share price of 46.2 pps, this results in an annualised cost saving of £0.3 million or 12%.

Letting success during the year improved the void rate to 9.8% as a percentage of the independent valuer's estimated rental value, and including the impact of unconditionally exchanged lease agreements. This is the lowest level since 2022, which should support future earnings growth.

There was a 4% increase in dividends paid in the financial year to £17.6 million.

Our strategy

Structural factors driving our strategic ambition

The built environment is responsible for 34% of energy-related CO2 emissions according to the United Nations Environment Programme (2025), and owners therefore have a responsibility to take a lead on tackling contributions to climate change. As most of today's stock will likely still be required and in use in 2050, it is only by transforming less sustainable buildings into modern, fit for purpose assets that the sector will reach Net Zero Carbon, and asset obsolescence resulting from enhanced regulations can be mitigated.

This strategic imperative, the Company's active approach, and Schroders' specialist resources relating to sustainability and positive impact investing more generally, create the opportunity to formally place sustainability at the centre of the Company's investment proposition. This should enable the Company to proactively respond to the UK's Net Zero Carbon objectives and enhance long term total returns by focusing on decarbonisation strategies that adapt existing buildings to achieve the 'Green Premium', which generally has two components:

- Evolving regulations and obligations mean tenants are demanding buildings that benefit from sustainability attributes including being more energy efficient, having enhanced natural resource management, promoting the health and well-being of occupants, offering access to high-quality green space and community facilities, as well as being capable of withstanding extreme weather events. As we are witnessing across the Company's portfolio, commercial occupiers will pay a higher rent for these more sustainable buildings because it helps them to meet their own sustainability targets, attract and retain staff, and cut their energy bills.
- Investors are prepared to pay higher prices for buildings that demonstrate these sustainability attributes because they tend to let more quickly at higher rents, suffer lower vacancy rates, require less capital expenditure in the long term and are at lower risk of obsolescence due to more stringent future environmental regulation.

Approach to capitalise on this opportunity

Effective 1 April 2024, the Company's investment policy includes specific sustainability key performance indicators (KPIs) linked to the proportion of the portfolio where relevant activity is ongoing, including asset level improvement targets based on Schroders' proprietary ESG Scorecard-based approach, as well as progress delivering the Company's 'pathway to net zero' commitments.

Strategy in action

The Company has successfully executed asset management initiatives focused on improving the sustainability performance of assets to generate higher income and capital growth over the long term. Specific examples are set out in the case studies on pages 17 to 31.

There is a significant near-term pipeline of opportunities to implement the strategy, as we continue to capture the high portfolio reversion.



Bradley Biggins
Fund Manager

Progress delivering the investment strategy

The strategy is complemented by the following imperatives, and progress made during the year and since year end, is set out below:

1

Apply a research-led approach to determine attractive sectors and locations in which to invest in commercial real estate

Increased allocation to higher growth sectors, with industrial, predominately multi-let estates, and retail warehousing now comprising 66.0% by value (2025: 63.4%), driven by most of the capital expenditure during the year being allocated to these sectors.

2

Increase exposure to larger, higher value, assets with strong fundamentals and inherent opportunities for active management and development

Almost all capital expenditure during the year was invested in our top 15 assets which now represent 83.9% of total portfolio value (2025: 81.1%). An acquisition of an adjoining ownership to one of our multi-let industrial estates was also completed post year end.

3

Sell smaller, secondary assets with higher sustainability performance risk

During the year, six smaller, secondary assets were sold where we had completed the business plan or identified higher sustainability performance risk.

4

Drive income and value growth through active management and operational excellence

Lettings during the year improved the void rate to 9.8%, calculated as a percentage of the independent valuer's estimated rental value ('ERV'), the lowest level since 2022, which should support future earnings growth. Our active approach meant the Company was awarded 'Highest 10-year risk adjusted relative return' by MSCI for all UK and European funds for the second consecutive year.

5

Apply our integrated sustainability and ESG approach at all stages of the investment process and asset life cycle, targeting improvement in the sustainability performance of assets to manufacture the green premium for shareholders

The 2025 Global Real Estate Sustainability Benchmark ('GRESB') score improved to 80 out of 100, placing the Company first amongst a GRESB defined peer group comprising six diversified REITs (2024: second of seven).

16 assets now have an ESG scorecard completed by an external consultant along with a sustainability audit or net zero carbon audit (a further asset has an internally completed ESG scorecard). These scores provide a baseline against which the relevant sustainability KPI in the investment policy can be measured and will inform future works to improve sustainability performance with the aim of increasing the score for each asset.

Five assets achieved an improved score as at the year-end relative to the baseline scores at 1 April 2025.

6

Control costs

Continued close management of expenses, with an ongoing charges ratio of 1.31% comparing favourably with peers. Manager fee amended such that 50% is now based on market capitalisation to provide further alignment with shareholders and cost savings. This was effective for the second half of the financial year, with shareholders to benefit from the change for the whole of the next financial year.

7

Maintain a strong balance sheet with a long-term strategic target loan to value, net of cash, within the range of 25% to 35%

The Company has a peer group leading debt profile, with an average interest rate for drawn debt of 3.4% and an average term of 7.4 years. There is a clear strategy to reduce the net LTV back to within the strategic range from 36.8% at the year end.

Portfolio performance

“We are delighted to have won two awards in the most recent MSCI UK and European Property Investment Awards, the second consecutive year of doing so. The awards recognise top performing funds over the longer term.”

The portfolio has delivered positive, top quartile, and above benchmark total returns over three, five and 10 years, recognised in November 2025 by SREIT winning the ‘Highest 10-year risk adjusted relative return’ award for all UK funds, and ‘European long-term risk-adjusted relative return’ award for all European funds.

Following this period of sustained outperformance, during the financial year the underlying portfolio delivered a total return of 5.4%, slightly underperforming the MSCI Benchmark at 5.7%. Whilst the industrial and retail warehouse elements of the portfolio performed strongly, generating above benchmark total returns during the year of 8.5% and 6.4% respectively, office assets including City Tower in Manchester weighed on overall relative performance.

Portfolio performance has continued to be supported by an above benchmark income return, which was 5.5% for the portfolio compared to 4.8% for the benchmark.

The table below shows performance to 31 March 2026.

SREIT total return

Period to 31 March 2026	One year (%)	Three years (% p.a.)	Five years (% p.a.)
Retail	4.9	7.7	6.6
Office	-0.2	-1.0	-0.4
Industrial	8.5	8.8	10.3
Other	0.6	1.5	1.8
All sectors	5.4	5.9	6.2

MSCI Benchmark total return

Period to 31 March 2026	One year (%)	Three years (% p.a.)	Five years (% p.a.)
Retail	7.5	5.4	4.5
Office	4.1	-1.8	-2.4
Industrial	6.4	6.6	6.0
Other	4.6	2.8	2.3
All sectors	5.7	3.4	2.8

Relative

Period to 31 March 2026	One year (%)	Three years (% p.a.)	5 years (% p.a.)
Retail	-2.4	2.2	2.0
Office	-4.1	0.8	2.0
Industrial	1.9	2.1	4.0
Other	-3.8	-1.2	-0.5
All sectors	-0.3	2.3	3.3

Real estate portfolio

As at 31 March 2026, the portfolio comprised 32 properties valued at £474.6 million. This includes the share of joint venture properties the University of Law in Bloomsbury, London (50% interest) and City Tower in Manchester (25% interest). The portfolio generated rental income of £31.2 million per annum, reflecting a net initial yield of 6.1%. This compared with 5.1% for the MSCI Benchmark.

The independent valuer's ERV of the portfolio is £39.3 million per annum. This is £8.1 million above the rental income currently generated by the portfolio and reflects a reversionary income yield of 8.3%, which compares favourably with the Benchmark at 6.2%. Leasing activity through the year has been in line with the ERV, which gives us confidence in our ability to capture future income growth.

Asset management activity means there is good visibility of near-term reversionary income. The Company benefits from £1.6 million of fixed annualised rental increases over the 12 months post year-end. In addition, at the year end the Company had exchanged agreements for lease for new lettings totalling £0.9 million per annum of new rent, summarised in the table below.

The portfolio weighted average lease length, calculated to the earlier of lease expiry or break, is 5.3 years, reflecting no

change from the start of the financial year. This is broadly in line with investment company peers but lower than the Benchmark of 11.4 years which has long lease portfolios included. Where possible, longer leases are sought as part of asset management activity, particularly where material capital expenditure is being invested. For example, the agreements for lease in the table below, generating contracted income of £0.9 million, have an average lease length to earliest break of 16 years. Often these longer leases also include fixed or inflation linked rent reviews.

Approximately 13% of the portfolio by contracted rent was inflation linked at the year end, typically structured as five yearly reviews to either the Retail Price Index ('RPI') or the Consumer Prices Index ('CPI'). In some cases, these inflation-linked leases can also be reviewed to open market value, if higher, or include fixed guaranteed increases. A further 16% of rent benefits from fixed uplifts without an inflation link. As noted above, the proportion of the portfolio with inflation-linked leases will increase with ongoing asset management activity.

The table below summarises the portfolio information as at 31 March 2026. The property values and weightings represent the year end valuations as determined by the independent valuer as at 31 March 2026.

Exchanged agreements for lease

Asset	Tenant	Rent (p.a.)	Lease terms	Comments
Leeds, Millshaw Park Industrial Estate	Slazenger Padel Clubs (guaranteed by Sportsdirect.com)	£465,363	15 years, no breaks	Completes imminently on receipt of planning
Salisbury, Churchill Way West	The Gym Group	£155,000	15 years, no breaks. Five yearly reviews to CPI (1-3%)	Completion is subject to landlord works, scheduled for September
Headingley Central	Tesco plc	£115,000	15 years, no breaks. Five yearly reviews to CPI (1-3%)	Completion is subject to landlord works, scheduled for August
Headingley Central	Iduna EVCI Asset Co 1 Limited (backed by Octopus Energy)	£73,200	20 years, no breaks. Five yearly reviews to CPI (2-5%)	Awaiting planning for sub-station with completion expected in 2026
Bedford, St. John's Retail Park	Iduna EVCI Asset Co 1 Limited (backed by Octopus Energy)	£73,200	20 years, no breaks. Five yearly reviews to CPI (2-5%)	Completion is subject to tenant works, scheduled for September
Total		£881,763	Weighted 16 years	

Portfolio information

Portfolio metric	SREIT 31 March 2026 (MSCI Benchmark 31 March 2026)	SREIT 31 March 2025 (MSCI Benchmark 31 March 2025)
Portfolio value (£m)	474.6	480.0
Number of properties	32	38
Number of tenants	299	312
Average lot size (£m)	14.8	12.6
Net initial yield (%)	6.1 (5.1)	5.6 ¹ (5.1)
Reversionary yield (%)	8.3 (6.2)	8.4 (6.2)
Annual rent (£m)	31.2	28.9 ¹
Estimated rental value (£m)	39.3	40.3
Annual rent with inflation linked uplifts (%)	13	12
Annual rent with fixed uplifts (%)	16	8
WAULT (years to earliest of break or expiry)	5.3 (11.4)	5.3 (11.5)
Void rate (%)	9.8 (8.4)	12.3 (8.7)

Top 15 properties by value



Milton Keynes, Stacey Bushes Industrial Estate

Sector	Value ¹	Portfolio value
Industrial	£55.1m	11.6%



Leeds, Millshaw Park Industrial Estate

Sector	Value ¹	Portfolio value
Industrial	£52.0m	11.0%



Cheadle, Manchester, Stanley Green Trading Estate

Sector	Value ¹	Portfolio value
Industrial	£45.0m	9.5%



London, Store Street, The University of Law Campus (50% share)

Sector	Value ¹	Portfolio value
Office/university	£37.8m	8.0%



Bedford, St. John's Retail Park

Sector	Value ¹	Portfolio value
Retail warehouse	£33.9m	7.1%



Chippenham, Langley Park Industrial Estate

Sector	Value ¹	Portfolio value
Industrial	£25.6m	5.4%



Norwich, Union Park Industrial Estate

Sector	Value ¹	Portfolio value
Industrial	£25.2m	5.3%



Manchester, City Tower (25% share)

Sector	Value ¹	Portfolio value
Office/hotel/retail	£23.3m	4.9%



Leeds, Headingley Central

Sector	Value ¹	Portfolio value
Hotel/retail	£22.3m	4.7%



Telford, Horton Park Industrial Estate

Sector	Value ¹	Portfolio value
Industrial	£15.0m	3.2%



Manchester, Marshall Building

Sector	Value ¹	Portfolio value
Office/retail	£13.6m	2.9%



Birkenhead, Valley Business Park

Sector	Value ¹	Portfolio value
Industrial	£13.5m	2.8%



Salisbury, Churchill Way West

Sector	Value ¹	Portfolio value
Retail warehouse	£13.1m	2.8%



Edinburgh, The Tun

Sector	Value ¹	Portfolio value
Office	£12.1m	2.5%



Milton Keynes, Watling Street

Sector	Value ¹	Portfolio value
Retail warehouse	£10.8m	2.3%

¹ As per third party valuation reports unadjusted for IFRS lease incentive amounts. Percentages do not add to 83.9% due to rounding.

Sector weighting by value as at 31 March 2026

	SREIT	MSCI Benchmark
South East	11.6%	20.0%
Rest of UK	41.1%	12.6%
Industrial	52.7%	32.6%
City	-	3.6%
Mid-town and West End	8.0%	7.4%
Rest of South East	3.1%	5.0%
Rest of UK	11.3%	6.0%
Offices	22.3%	22.0%
Retail warehouse	13.3%	10.0%
South East	-	7.2%
Rest of UK	6.0%	2.7%
Standard retail	6.0%	9.9%
<i>Standard retail by ancillary/single use</i>		
- Retail ancillary to main use	4.2%	-
- Retail single use	1.8%	-
Other	5.6%	20.1%
Shopping centres	-	2.1%
Unattributed indirects	-	3.4%

Regional weighting by value as at 31 March 2026

	SREIT	MSCI Benchmark
Central London	8.0%	17.2%
South East excluding Central London	17.0%	36.3%
Rest of South	12.0%	6.6%
Midlands and Wales	21.2%	22.6%
North	39.3%	13.1%
Scotland	2.5%	4.0%
Northern Ireland	-	0.2%

Tenants

Rental income is diverse and comprised 299 tenants as at 31 March 2026, including the tenants of properties held by joint ventures.

The largest and top 15 tenants represent 8.24% and 36.63% of the portfolio respectively, calculated as a percentage of annual rent, and there are three tenants that represent more than 3% of annual rent.

Top 15 tenants by annual rent as at 31 March 2026

	Annual rent (£ million)	% of total annual rent ¹
The University of Law Limited	2.57	8.24
Siemens	1.44	4.62
Buckinghamshire New University	1.30	4.17
Express Bi Folding Doors Limited	0.90	2.88
Venus Hotels Limited	0.65	2.08
Public Sector Income	0.60	1.92
Matalan Retail Ltd	0.57	1.83
Premier Inn Hotels Ltd	0.47	1.51
IXYS UK Westcode Ltd	0.47	1.51
Lidl Great Britain Limited	0.43	1.38
SLR Consulting Ltd	0.43	1.38
Jaguar Land Rover	0.41	1.31
Wickes Building Supplies Limited	0.40	1.28
The Gym Limited	0.40	1.28
Hazlewoods Management Services Limited	0.39	1.25
Total as at 31 March 2026	11.43	36.63

Rent collection

The diversification and granularity of the underlying rental income, and a high level of occupier engagement, has supported rent collection rates with 98.0% of the contracted rents collected for the year ended 31 March 2026. The breakdown between sectors is 99.3% of office rent collected, 95.8% of other rent collected, 98.3% of retail and leisure rent collected and 97.5% of industrial rent collected.

Rent receivable totalled £2.7 million, net of VAT, at the year end, of which £0.9 million is provided against as a bad debt. This reflects further progress collecting historical arrears during the financial year and compares to £2.4 million and £330,000 respectively as at 31 March 2025.

¹ Column does not sum due to rounding.

Active asset management

Set out below are examples of active asset management initiatives that should support continued outperformance of the underlying portfolio from both a financial and sustainability perspective.

Operational highlights since 1 April 2025

71

New lettings, renewals and rent reviews

596,000 sq ft

Across 596,000 sq ft

£6.3m

Totalling £6.3 million in annualised rental income

New lettings

31

Across 31 units

£3.0m

Totalling £3.0 million of rent

Lease renewals

25

25 lease renewals

£1.9m

Totalling £1.9 million of rent

24%

£366,000 or 24% ahead of the previous passing level

4%

£65,000 or 4% ahead of 31 March 2025 ERV

Rent reviews

15

15 rent reviews

£1.4m

Totalling £1.4 million of rent

23%

£267,000 or 23% ahead of the previous passing level

Stanley Green Trading Estate



Stanley Green Trading Estate

Location	Cheadle, Manchester
Purpose	Industrial
Valuation (£m)	45.0
Square footage	226,899

Asset overview and performance

Stanley Green Trading Estate in Cheadle, Manchester was acquired in December 2020 for £17.3 million. At acquisition the asset comprised 150,000 sq ft of trade counter, self-storage and warehouse accommodation across 14 units on a nine-acre site, together with an adjoining 3.4-acre development site. SREIT subsequently developed an 11-unit, warehouse scheme on the site at a cost of £9.0 million. The asset now comprises 226,899 sq ft of trade counter, self-storage and warehouse accommodation across 25 units and is fully let.

As at 31 March 2026 the valuation was £45.0 million, reflecting a net initial yield of 4.5% and a reversionary yield of 6.3%. The asset has been a strong performer since acquisition in 2020, generating a total return of 14.6% per annum to 31 March 2026 compared to the MSCI All Industrial over the same period of 7.9% per annum.

Key activity

- A new 10-year lease completed with ABB Limited ('ABB') at a rent of £252,250 per annum or £15.50 per sq ft for the 16,274 sq ft newly completed unit. ABB are a large manufacturing business who will use the property for electrification and automation engineering. There is a rent review on the fifth anniversary to the higher of open market rental value or the Consumer Price Index ('CPI') compounded annually with a cap and collar at 4% and 2% per annum respectively. The tenant benefits from 16 months of rent free and a break option at the fifth anniversary, subject to an eight-month rent penalty.
- The original estate is undergoing a phased refurbishment to improve financial and sustainability performance. This is driving rental growth, including a new 5-year lease to Real Earth Ltd at a rent of £107,968 per annum or £14.00 per sq ft for a 7,712 sq ft unit, an increase of 8% on the previous passing rent. An outstanding rent review from 20 September 2022 has completed with Howden Joinery Properties Limited at £115,150 per annum or £11.50 per sq ft for a 10,014 sq ft unit, an increase of 28% on the previous passing rent, and a regear is in negotiation to extend the lease and increase the rent.



Strategy looking forward

This is a compelling case study for the green premium and our strategy. For example, a 4,000 sq ft unit on the existing estate with EPC 'C' was let at £14.00 per sq ft, whereas the comparable units with EPC 'A+' have been let at around £19.50 per sq ft, reflecting a 39% premium.

Following the success noted in key activity, continue to increase the rental tone of the pre-existing 150,000 sq ft estate through rent reviews and regears to more closely align with the rents achieved on the new estate by executing regears linked to refurbishments that enhance the aesthetic and sustainability credentials of the units.



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Millshaw Park Industrial Estate



Millshaw Park Industrial Estate

Location	Leeds
Purpose	Industrial
Valuation (£m)	52.0
Square footage	475,138

Asset overview and performance

Millshaw Park Industrial Estate in Leeds was acquired in July 2015 for £22.7 million. The 475,138 sq ft multi-let industrial estate comprises 30 units and is strategically located south of Leeds city centre close to the M62 and M621 motorways. It covers 28.7 acres and has significant frontage to the A6110 ring road. The estate is one of the largest industrial estates in Leeds with a range of unit sizes from 2,000 to 60,000 sq ft and a low site cover of 37%.

As at 31 March 2026, the asset was valued at £52.0 million, reflecting a net initial yield of 4.9% and a reversionary yield of 7.1%. The asset has been a strong performer since acquisition, generating a total return of 12.1% per annum to 31 March 2026 compared to the MSCI All Industrial over the same period of 9.5%.

Key activity

- Exchanged an agreement for lease on a 51,707 sq ft unit with Slazenger Padel Clubs, for a 15-year term without breaks at a rent of £465,363 per annum or £9.00 per sq ft. This is an increase of 86% compared to the previous passing rent and follows a £1.9 million refurbishment to enhance the sustainability credentials of the unit, which has achieved an increase to an EPC 'A' rating from the previous 'C'. Similar size un-refurbished units are currently let at around £6.50 per sq ft, providing rental growth potential. Sportsdirect.com Retail Limited guarantees the tenant's obligations for the first five years of the term and completion is subject to planning which is expected imminently.
- Two new lettings with Bunzl UK Limited and Sterling Event Group Limited completed on 5,500 sq ft units for five-year terms with a break on the third anniversary. The combined rent is £116,000 per annum or £10.50 per sq ft which is in line with the ERV at the year-end.
- Five-year renewal with Leeds Parcel Company Limited on a 23,687 sq ft unit at £206,000 per annum or £8.70 per sq ft, reflecting an increase of 31% on the previous rent. Six-year renewal with Leeds South & East Food Bank on a 4,518 sq ft unit at £47,440 or £10.50 per sq ft, reflecting an increase of 51% on the previous rent.
- Five rent reviews completed across 53,000 sq ft increasing rent by 26% to £449,000 per annum.



Strategy looking forward

Post year end, the Company acquired three adjoining units comprising 12,989 sq ft, for £2.0 million or £152 per sq ft. The price reflected a net initial yield of 6.4% based on a passing rent of £135,659 per annum, with a reversionary rent of £156,882 per annum. The acquisition also includes a small piece of land with the potential to build a new trade counter unit. As at 30 June 2026 the unaudited valuation of the acquired units is £2.1 million.

The wider Leeds industrial market has maintained a low vacancy rate which is currently 3.6%; this is significantly below the national average of 5.7%. This lack of supply will support continued rental growth as we execute new lettings and renewals across the estate.

Continue implementing our strategy of improving the sustainability credentials of units to achieve enhanced rents and capital values, which we have achieved successfully at Stanley Green Trading Estate and Stacey Bushes Industrial Estate.



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The University of Law



The University of Law

Location	London
Purpose	University Campus
Valuation (£m)	37.8
Square footage	85,814

Asset overview and performance

85,814 sq ft of educational space across two freehold buildings on a 0.8-acre site that are let to The University of Law on a lease expiring December 2029. The buildings are 400 metres north of the Elizabeth line Tottenham Court Road station and in an area of Central London benefiting from new developments and public realm improvements. The location attracts a diverse range of 'knowledge-based' occupational demand including media, technology, life science, consumer brands and finance. Site density is low and there is an opportunity to increase the massing, underpinning the value for future redevelopment.

As at 31 March 2026, the Company's 50% interest in the asset was valued at £37.8 million, reflecting a reversionary yield of 6.2%, and a capital value equivalent to £881 per sq ft. Since acquisition in December 2014, the asset has generated a total return of 4.6% per annum to 31 March 2026 compared to the MSCI All Other over the same period of 5.0%.

Despite the recent lease extension and improvements in the location, the asset reduced in value by 1.8% over the financial year, largely due to weaker sentiment towards offices.

Key activity

- Following a lease regear, the tenant rent free period ended on 16 October 2025 and they are now paying a rent of £2.4 million per annum (£55 per sq ft for 100%) reflecting a net initial yield of 5.8%. There are fixed uplifts in the lease, meaning rent will increase by a further 9% to £2.6 million by December 2028, reflecting a running yield of 6.4%. The lease is contracted out of the Landlord and Tenant Act 1954, providing the Company with greater flexibility and control over the property at the end of the term.
- Completed a planning pre-application with Camden Council ('Camden') to establish prospects of delivering a largely new build scheme, with notable sustainability credentials, across the site to remedy existing building constraints, increase massing, and lift restrictions on use class to allow flexibility of occupier type.
- A consultant team was appointed across multiple disciplines to prepare and present materials for the pre-applications with Camden, with four pre-applications completed over a four-month period from June to September 2025. Positive feedback received on principles of development.



Strategy looking forward

There is encouraging investment activity in the local area, with 101 New Cavendish Street acquired by Ares and 60 Great Portland Street acquired by Hillcrest during the year. In addition, Camden granted planning permission for a refurbishment of Whittington House which is on the same block as Store Street and a comprehensive refurbishment and extension of the adjacent office at 7 Ridgmount Street.

Leasing activity in the local area continues to push headline prime rents upwards and prove pre-let demand for grade A office space. For example, the 135,000 sq ft redevelopment by Derwent of the Network Building on Tottenham Court Road was pre-let in its entirety to the AI firm Data Bricks and the entirety of the 45,000 sq ft development Whiskey Sierra, also on Tottenham Court Road, was pre-let to Dr. Martens with rents achieving approximately £160 per sq ft.

Monitor local rental and investment market and consider optimal time to market the asset for sale with the support of the pre-application to maximise value.



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City Tower



City Tower

Location	Manchester
Purpose	Mixed-use
Valuation (£m)	23.3
Square footage	613,333

Asset overview and performance

City Tower comprises 613,333 sq ft of office, retail, leisure and hotel accommodation located on a three-acre island site in a core location. SREIT owns a 25% share of City Tower in a simple co-ownership structure.

As at 31 March 2026, the Company's 25% interest in the asset was valued at £23.3 million, reflecting a net initial yield of 5.9% (after deducting non-recoverable costs) and a reversionary yield of 13.2%. Over the three years to 31 March 2026, the asset delivered an income return of 6.1% per annum which compared with the MSCI All Offices over the same period of 4.0%.

As noted above, City Tower was the main drag on returns during the financial year, with the valuation falling by 18% due to increased vacancy, weak sentiment towards larger regional assets, and some (albeit still limited) transactional evidence at higher yields. Whilst impacted by weak sentiment towards offices, progress was made over the year managing risk at City Tower with a major hotel regear and retail lettings. For context, a summary of the component parts of the valuation as at 31 March 2026 is set out below:

- Office: £48m, 51% of the total asset value
- Hotel: £26m, 27%
- Retail: £17m, 18%
- Car parking: £3m, 3%

Key activity (statistics below reflect 100% share)

- The hotel lease was assigned from Jupiter Hotels Limited to Venus Hotels Limited in January 2026, with several guarantors supporting the new tenant. The assignment was supported by a committed capital expenditure programme of approximately £10 million, to be deployed by the end of 2026 across bedroom refurbishment, common areas, meeting rooms, and mechanical and engineering upgrades. The committed investment programme has since expanded materially, reflecting the operator's ambition to reposition the hotel and drive average room rates from £93 per night to approximately £125 per night, and deliver enhanced long-term income security and capital value.



Strategy looking forward

The strategic focus at City Tower is to drive net operating income through a change in occupier experience. Practical completion of the new 16th floor Horizon Lounge was achieved in December 2025, providing a high-quality transition floor offering meeting rooms, collaborative space, and hospitality-led amenity.

This has been complemented by the refresh of the 28th floor Sky Lounge, a best-in-class amenity floor, completed early in 2026. Together, these initiatives provide occupiers with on-site flexibility and a wellbeing-focused amenity which should support higher rental margins across the asset.



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Marshall Building (formerly St Ann's House)



Marshall Building (formerly St Ann's House)

Location	Manchester
Purpose	Mixed-use
Valuation (£m)	13.6
Square footage	47,924

Asset overview and performance

Marshall Building is a 47,924 sq ft mixed-use office and retail building in Manchester city centre, prominently located on St Ann's Square, near to the prime retail core. St Ann's Square features a listed church, the Royal Exchange Theatre, a mix of office occupiers and high-quality luxury retail as well as leisure operators. The building benefits from its proximity to two tram stations and is comprised of retail on the ground floor, with five office floors above. It was acquired in May 2022 for £14.7 million.

As at 31 March 2026, the asset was valued at £13.6 million, reflecting a net initial yield of 6.6% and a reversionary yield of 10.4%. Since acquisition in May 2022, the asset has generated a total return of -0.1% per annum to 31 March 2026 compared to the MSCI All Office over the same period of -4.8%.

Key activity

- An extensive refurbishment of the ground floor, basement and common areas with a focus on enhancing sustainability performance of the asset has completed. Works include an expansion of the reception having secured ground floor space from a previous tenant, a new entrance, together with a new cycle storage area, shower facilities and lounge in the basement linked to the new reception with modern furniture. The external facade has been refreshed with new glazing to the rear, and an upgrade to lighting and signage. Photovoltaic panels have been installed on the roof to enable on-site renewable energy generation. We are targeting an EPC rating of 'A'.
- Cat A refurbishment of the fifth floor (top floor) has completed, and we are targeting securing a rent of £28 per sq ft given the sustainability and amenity improvements from the broader works, reflecting a 74% uplift on the previous passing rent on the floor.
- A lease renewal completed with Verlingue Ltd on an eight year lease, at a rent of £196,830 per annum or £27.00 per sq ft for the 7,290 sq ft unit, an increase of 64% on the previous passing rent.
- Completed a new lease with David M Robinson Limited ('DMR') for the former Russell & Bromley Limited store. DMR will position the store as high quality luxury retail, selling jewellery and watches from famous Swiss brands. The rent remains at £175,000 per annum and the term is extended to 10 years without breaks from six years.



Strategy looking forward

To complement the office space and add further amenity for the occupiers, secure a high-quality café operator for the vacant ground floor retail unit.

Let the fifth floor at a rent of £142,156 per annum, or £28 per sq ft, or higher. This would be an increase of 74% on the previous passing rent and is the result of the improvement to the sustainability performance of the asset through the refurbishment described above.

We are targeting total rent at the asset of approximately £1.5 million on completion of the repositioning in four years' time; this is 49% higher than the passing level today.



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Headingley Central



Headingley Central

Location	Leeds
Purpose	Hotel/Retail
Valuation (£m)	22.3
Square footage	116,007

Asset overview and performance

Mixed-use 116,007 sq ft prominently located town centre scheme anchored by core convenience retail and leisure operators including Premier Inn Hotels, Sainsbury's and The Gym Group. Asset management resulted in a long weighted average unexpired lease term to earliest break of 10.4 years.

As at 31 March 2026, the asset was valued at £22.3 million, reflecting a net initial yield of 6.2% and a reversionary yield of 8.3%. Over the three years to 31 March 2026, the asset delivered a total return of 8.0% per annum which compared with the MSCI All Retail over the same period of 5.4%.

Key activity

- A new 10-year reversionary lease without breaks has completed on Units 11-16 to Sainsbury's Supermarkets Ltd, commencing on 15 November 2032 at a rent of £207,500 per annum or £14.14 per sq ft for the 14,674 sq ft unit. This extends the term to 17 years. There are rent reviews on commencement of the lease and at the fifth anniversary to open market rental value. The tenant will benefit from 12 months of rent free from 7 October 2025.
- A new 25-year lease (break at year 15) completed on Unit 24 to McDonalds Restaurants Limited with effect from 29 October 2025 at a rent of £75,000 per annum or £13.07 per sq ft for the 5,737 sq ft unit. On a per sq ft basis this is an increase of 26% compared to the previous passing rent.
- An agreement for lease with a 15-year term, without breaks, has exchanged on Unit 22 to Tesco Stores Limited at a rent of £115,000 per annum or £19.43 per sq ft for the 5,920 sq ft unit. This is an increase of 87% compared to the previous passing rent. There is a rent review on the fifth and tenth anniversary to CPI compounded annually with a cap and collar at 3% and 1% per annum respectively. The tenant benefits from eight months of rent free from lease completion and a capital contribution of £300,000.



Strategy looking forward

Following the success in previous years of converting office space at the scheme to a Premier Inn and space for The Gym, there is an opportunity to relet the final 12,524 sq ft of former office space for an alternative, complementary use to the overall scheme. A preapplication has been submitted for leisure use, with other options also being considered such as self-storage.

As part of our strategy to enhance the sustainability performance of our assets to drive higher income growth, an agreement for lease with a 20-year straight term has exchanged with Iduna EVCI Asset Co 1 Limited ('Be.EV'), at a rent of £73,200 per annum. Be.EV, part of the Octopus Energy Generation Group, will rent 11 electric vehicle charge points at the scheme. Be.EV will pay all planning costs and the cost of installation of the substation, cabling, charging points and other infrastructure.

Implement sustainability initiatives including installing photovoltaic panels, enhancement of green space, and water recycling to improve the sustainability performance of the asset.



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Churchill Way West



Churchill Way West

Location	Salisbury
Purpose	Retail Warehouse
Valuation (£m)	13.1
Square footage	49,940

Asset overview and performance

49,940 sq ft, three-unit, retail warehouse terrace in a prominent location on Salisbury's northern ring road. The property adjoins a Waitrose food and home store. The property was formerly let to Smyths Toys (Unit 1), Homesense (Unit 2), and Sports Direct (Unit 3), paying a combined rent of £645,000 per annum, or an average rent of £12.90 per sq ft. The leases to Smyths Toys and Homesense were run to expiry in early 2025 to facilitate an asset management initiative to enhance the sustainability credentials of the asset and bring Lidl Great Britain Limited ('Lidl') to the scheme.

To deliver the Lidl letting a £1.5 million refurbishment was implemented to reconfigure the units and enhance the sustainability credentials of the asset, Lidl were required to install photovoltaic panels to the roof, with the EPC for their unit improving to an 'A+' rating from a 'D'.

The lease to Lidl, who are paying £440,000 per annum or £19.61 per sq ft on a 25-year lease (break at year 20), completed on 27 February 2026. Lidl received four months of rent free, and the lease has five yearly rent reviews to the Consumer Prices Index including owner occupiers' housing costs ('CPIH') plus 1% compounded annually, with a cap and collar at 3% and 1% per annum respectively.

As at 31 March 2026, the asset was valued at £13.1 million, reflecting a reversionary yield of 6.8%. Over the three years to 31 March 2026, the asset has generated a total return of 13.7% per annum compared to the MSCI All Retail Warehouse over the same period of 6.8%.

Key activity

- Exchanged an agreement for lease on Unit 2 with The Gym Limited, for a 15-year term without breaks at a rent of £155,000 per annum, or £20.57 per sq ft. There will be five-yearly rent reviews to CPI compounded annually with a cap and collar at 3% and 1% per annum respectively. Completion is subject to landlord works.
- Combined with the Lidl letting this reflects an increase of 68% compared to the previous passing rent for the two units.



Strategy looking forward

Assuming the above activity proceeds as planned, the combined new rent at Churchill Way West, Salisbury will be approximately £885,000 per annum or £17.72 per sq ft, a 37% increase on the contracted rent received prior to the initiatives.

Of that £885,000 annual rent, Sportsdirect.com Retail Ltd are paying £290,000, or £14.52 per sq ft on Unit 3. The strategy will be to use the recent evidence described above at approximately £20 per sq ft, to materially increase the rent on review in 2028.



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Transactions

Disposals

The Company continues to progress disposals of smaller assets on completion of asset management or where there are concerns regarding future performance. Disposal proceeds will initially be used to repay the unhedged element of the Company's revolving credit facility which incurred an interest rate of 5.4% at the year end. This is part of the strategy to reduce the Company's net loan to value to within the long-term strategic target range of 25% to 35%.

The table below summarises the disposals made during the year. Further small disposals are being progressed on completion of asset management initiatives.

Asset	Sector	Completion date	Sale price £m	Net initial yield	Book value as at 31 March 2025 £m	Premium / (Discount)
Truro, 15/16 King Street	Retail	12/05/2025	1.3	8.0%	1.1	14%
Leicester, 12/14 East Gates	Retail	23/07/2025	1.0	10.0%	0.9	11%
Chelmsford, 67/68 High Street	Retail	07/08/2025	2.1	7.9%	2.1	(2%)
Marlow, Pacific House	Office	21/10/2025	1.7	-%	1.5	11%
Haydock, Haydock Industrial Estate	Industrial	28/11/2025	4.5	7.1%	4.3	5%
Liverpool, 88-94 Church Street	Office / Retail	27/02/2026	3.2	8.3%	4.9	(34%)
Total			13.7		14.8	(7%)

Balance sheet

86% of total drawn debt was either fixed or hedged against movements in interest rates

Average drawn debt term
Years

7.4

Average interest rate for
drawn debt %

3.4

As at 31 March 2026, the average interest rate for drawn debt was 3.4%, with an average term of 7.4 years, and 86% of total drawn debt was either fixed or hedged against movements in interest rates. The Company had cash, including cash held in joint ventures, of £11.4 million and a net loan to value ('LTV') ratio of 36.8%, which is slightly above the long-term strategic target range of 25% to 35%. Details of the loans are set out below, together with cover against covenants.

Canada Life term loan

The debt refinancing with Canada Life in 2019 provides a significant benefit in a higher interest rate environment. This long-term loan, which represented £129.6 million of the £186.1 million total borrowings at the year end, has an average loan maturity of 10.0 years, with a fixed average interest rate of 2.5%. At the year end, the incremental positive fair value benefit of this fixed rate loan was £19.0 million, which is not reflected in the Company's NAV.

Lender	Loan (£m)	Maturity	Total interest rate (%)	Asset value (£m)	Cash (£m)	LTV ratio (%) ²	LTV ratio covenant (%) ²	ICR (%) ³	ICR covenant (%) ³	Projected ICR (%) ⁴	Projected ICR covenant (%) ⁴
Facility A	64.8	15/10/2032	2.4 ¹								
Facility B	64.8	15/10/2039	2.6 ¹								
Canada Life Term Loan	129.6	Average loan maturity of 10.0 years	2.5 ¹	273.2	3.8	46.1	65	585	185	451	185

- Net LTV on the secured assets against this loan is 46.1%. On this basis the properties charged to Canada Life could fall in value by 29% prior to the 65% LTV covenant being breached;
- The interest cover ratio is 585% based on actual net rents for the quarter to 31 March 2026. A 68% fall in net income could be sustained prior to the loan covenant of 185% being breached;
- The projected interest cover ratio is 451% based on projected net rents for the year ended 31 March 2027. A 59% fall in net income could be sustained prior to the loan covenant of 185% being breached; and
- After utilising available cash and uncharged properties, the valuation and actual net rents could fall by 42% and 65% respectively prior to either the LTV or interest cover ratio covenants being breached.

RBSI revolving credit facility ('RCF')

The balance of borrowings at the year-end totalling £56.5 million comprised a revolving credit facility ('RCF') from RBSI. This facility totals £75 million and can be drawn and repaid at any time up to maturity in June 2027.

Lender	Loan/ amount drawn (£m)	Maturity	Total interest rate (%)	Asset value (£m)	LTV ratio (%) ²	LTV ratio covenant (%) ²	Projected ICR (%) ⁴	Projected ICR covenant (%) ⁴
RBSI RCF	75.0/56.5	06/06/2027	5.4	163.7	34.5	60	236	200

- The RCF benefits from an interest rate 'collar' which applies to £30.5 million of the £56.5 million now drawn. The collar runs to the end of the RCF term and allows the Company to benefit from future falls in interest rates down to a 3.25% floor, whilst at the same time protecting the Company from rate increases above 4.25%;
- Net LTV on the secured assets against this loan is 34.5%. On this basis the properties charged to RBSI could fall in value by 42% prior to the 60% LTV covenant being breached;
- The projected interest cover ratio is 236% based on projected net rents for the year ended 31 March 2027. A 15% fall in net income could be sustained prior to the loan covenant of 200% being breached; and
- After utilising available cash and uncharged properties, the valuation and actual net rents could fall by 63% and 36% respectively prior to either the LTV or projected interest cover ratio covenants being breached.

- The RCF is a 'Sustainability Linked Loan', with performance measured against KPIs, with each KPI having the potential to either reduce the margin by 1.65 basis points, increase it by 1.65 basis points or have no impact.
- For the year ended 31 March 2026 we achieved two of the KPIs and therefore a reduction in the margin of 3.3 basis points. Further details are in the sustainability report.

- 1 Fixed total interest rate for the loan term.
- 2 Loan balance less the amounts standing to the credit of the Sales Proceed Account and Remedy Account divided by the property values as at 31 March 2026.
- 3 This covenant is calculated by dividing the rental income received for the quarter preceding the Interest Payment Date (IPD), less void rates, void service charge and void insurance, by the interest paid in the same quarter.
- 4 This covenant is calculated by dividing the forecast contracted rent for the four quarters following the year end, less forecast void rates, void service charge and void insurance, by forecast interest paid.
- 5 Facility drawn as at 31 March 2026 from a total available facility of £75.0 million.
- 6 Total interest rate as at 31 March 2026 comprising applicable SONIA rate of 3.76% and the margin of 1.65% at a LTV below 60%. Should the LTV be above 60%, the margin increases to 1.95%.
- 7 LTV ratio covenant of 65% for years one to three, from post commencement on 6 June 2022, then 60% for years four and five.

Outlook

Despite uncertainty around the cost of energy and the impact on inflation, persistent construction cost inflation means we expect a continued shortage of good quality space. This should lead to sustained rental growth for new developments and existing assets that can be repositioned to capture occupational demand, particularly in the more structurally supported sectors such as multi-let industrial, retail warehousing and certain alternative sectors.

The Company is well placed to benefit in this environment due to our exposure to higher growth sectors, low-cost long-term debt, and significant potential to drive earnings growth from active management and a higher reversionary income profile compared with peers.

Nick Montgomery and Bradley Biggins
Schroders Capital

9 July 2026

Sustainability report

Good progress has been made delivering on sustainability ambitions, with key achievements during the financial year summarised below:

Annual reduction in landlord operational energy consumption and associated scope 1 and 2 greenhouse gas ('GHG') emissions on a like-for-like basis

5%

Annual reduction in landlord operational energy consumption

16%

Reduction in associated operational scope 1 and 2 GHG emissions

(CY25 vs CY24)

EPRA sBPR Awards for Sustainability Reporting¹

Gold

Achieved Gold Award for the eighth consecutive year

Increasing no. assets with on-site renewables

11

Assets with solar PV installed (FY25: 7 assets)

Improve Global Real Estate Sustainability Benchmark ('GRESB')² rating*

80

Increased score to 80 out of 100 (2024: 79)

1st

1st in GRESB defined Peer Group³ of 6 (2024: 2nd of 7)

A

Maintained 'A' rating in GRESB Public Disclosure

Maintain 100% MEES compliance and improve proportion of assets with EPC ratings B or above (floor area)

100%

MEES⁴ compliance (FY25: 100%)

100%

EPC coverage⁵ (FY25: 99%)

31%

EPCs rated B or above (FY25: 24%)

65%

EPCs rated C or above (FY25: 59%)

Notes:

All data is reported at 31 March 2026 unless otherwise stated. Where more accurate information has become available, previous period performance has been restated. *GRESB results issued October 2025 and relate to data provided for 2024 calendar year.

- The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. As with the EPRA financial BPR Awards, each year EPRA recognises companies which have issued the best-in-class annual sustainability performance report. Based on adherence to the EPRA sBPR in their public disclosure, companies are identified for Gold, Silver or Bronze Awards.
 - Global Real Estate Sustainability Benchmark (GRESB) Rating is an overall measure of how well ESG issues are integrated into the management and practices of individual assets and portfolios based on self-reported data. The rating is calculated relative to the global performance of all reporting entities. For more information, please visit <https://www.gresb.com/nlen/>. All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.
 - The Company's pre-defined GRESB peer group for the 2025 submission is Northern Europe: Diversified: Listed.
 - The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for rented property in England and Wales.
 - The remaining footprint without EPCs (0.2% by NLA) relates to space where EPCs are not mandatory. Please note that the Company remains compliant with MEES regulations.
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Strategic evolution and changes to the investment objective and policy

At the Company EGM on 15 December 2023, shareholders voted to formally include sustainability at the centre of the Company's investment proposition, with a sustainability improvement and decarbonisation strategy focused on adapting existing buildings into those that are both modern and fit for purpose, thereby taking a proactive position in response to the UK's Net Zero Carbon ('NZC') objectives whilst optimising portfolio performance to seek enhanced total returns for shareholders.

Progress against the new objective will be demonstrated annually by review of performance in pursuit of two sustainability-related KPIs defined in the investment policy and set out in the table below. In respect of the year ended 31 March 2026 this review was undertaken by the Management Engagement Committee in May 2026.

The Manager also obtained independent review of the performance of two assets by the Company's auditor, EY, via an ISRS 4400 (Revised) Agreed Upon Procedures ('AUP') engagement. The AUP engagement agreed the following:

- An ESG scorecard was performed for the asset.
- The latest date the ESG scorecard was reviewed.
- The questions in the ESG scorecard for the current score against underlying support.
- The amber and red flags for the current score against underlying support.
- The current score per question were consistent with the rating scale.
- Re-calculating the final current score assigned using the methodology per the Schroders Capital – Direct Real Estate ESG Scorecard.

The EY AUP report can be found on the Company's website.

Sustainability KPI 1

ESG Scorecard (asset level)

The Company's assets will be managed with a view to ensuring that at any given time during the Company's ownership, at least 75% of the portfolio assets by value are being managed with a realistic and achievable plan to reach a score of at least 3 (out of a possible total score of 5), as measured on the ESG scorecard.

For those 75% of the Company's assets (by value), in each case where leases permit prompt commencement of works to improve their sustainability profile, the aim will be to take the asset to an improved score of at least 3 (out of a possible total score of 5) within five years from: (i) 1 April 2024 or, if later: (ii) the date it was acquired by the Company.

Sustainability KPI 2

Net Zero Carbon commitments (portfolio level)

The Company's assets will also continue to be managed in line with the Company's existing 'pathway to net zero' commitments, which in summary include seeking to attain the following:

- Operational whole buildings emissions to be aligned to a 1.5°C global warming pathway by 2030.
- Embodied emissions for all new developments and major renovations to be net zero by 2030.
- Operational scope 1 and 2 (landlord) emissions (as defined in the Greenhouse Gas Protocol) to be net zero by 2030.
- Operational and embodied whole building (scope 1, 2 and 3 (landlord and tenant)) emissions to be net zero by 2040.

Performance against objectives from the start of the financial year

Sustainability KPI 1 - ESG Scorecard

At 31 March 2026, 83% of portfolio assets by value are being managed using the ESG Scorecard which measures sustainability performance against a holistic range of pre-defined real estate sustainability criteria. These fall within the following four pillars:

Environmental	1
Social	2
Certification and ratings	3
Tenant profile	4

Within each of these pillars, there are sub-topics against which each asset is assessed. For each of these sub-topics, the Manager assigns a rating from 1 (low – significant improvements needed) to 5 (high – best in class or best industry practice). Many of the sub-topics are assessed on a quantitative basis, with some assessed on a qualitative basis. The justification provided against each rating will also indicate the timeline for expected improvements, and the determination of a target score. Each sub-topic is weighted to enable calculation of a weighted average asset level current and target score – between 1 and 5.

To date, 16 assets have been assessed, and all present the potential for their scores to be improved beyond the minimum 3 out of 5 set in the investment objective. Improvement plans have been set in each asset business plan.

As at 31 March 2026, five assets – Millshaw Park Industrial Estate in Leeds, City Tower in Manchester, Marshall Building in Manchester, Churchill Way West in Salisbury and Clifton Park in York – all demonstrated an improved score relative to the scores at 1 April 2025. Score improvements were achieved through active asset management activities including heating system and lighting upgrades, improved EPC ratings, and the installation of on-site solar photovoltaic (PV) panels.

The Manager believes that measuring assets against its own proprietary scorecard in this manner will support consistent standardised portfolio-wide monitoring and enable it to define

ambitious yet achievable asset-specific targets, ultimately helping the Company to deliver the targeted positive change over time and demonstrate that to shareholders.

Table 1: Asset-level ESG Scorecard baseline performance, performance at 31 March 2026 and potential target score (scores out of 5) for 16 Company assets representing 83% of the property portfolio by Gross Property Value.

Asset	ESG Scorecard score baseline	ESG Scorecard score at 1 April 2025*	ESG Scorecard score at 31 March 2026	Target ESG Score card score*
Stacey Bushes Industrial Estate, Milton Keynes	2.2	2.2	2.2	4.0
Millshaw Park Industrial Estate, Leeds*	2.1	2.1	2.3	4.1
Stanley Green Trading Estate, Cheadle	2.4	3.0	3.0	4.2
The University of Law, London (50%)	2.6	2.6	2.6	4.5
St John's Retail Park, Bedford	2.7	2.7	2.7	4.2
Langley Park, Chippenham	2.8	2.8	2.8	4.2
Union Park Industrial Estate, Norwich	2.6	2.6	2.6	4.1
City Tower, Manchester (25%)	2.8	2.8	2.9	4.1
Headingley Central, Leeds	2.6	2.6	2.6	4.3
Horton Park Industrial Park, Telford	2.3	2.3	2.3	3.9
Marshall Building, Manchester**	2.2	2.5	2.5	3.2
Churchill Way West, Salisbury	2.4	2.4	2.6	3.6
The Tun, Edinburgh	2.9	2.9	2.9	4.3
The Promenade, Cheltenham	2.6	2.6	2.6	3.9
The Galaxy, Luton	2.5	2.5	2.5	4.2
Clifton Park, York	2.5	2.8	3.0	3.9
Total portfolio			83% of portfolio assessed by Gross Property Value	

* Where new information has been made available resulting in changes to previously communicated ESG Scorecard scores, the scores have been updated.

** Marshall Building score improved from 2.46 to 2.51.

*** Highlighted rows indicate where an asset score has improved through the year.

Sustainability KPI 2 – Net Zero Carbon commitments

The built environment is responsible for 34% of energy-related CO2 emissions⁶ globally, and directly accounts for 25% of emissions in the United Kingdom.⁷ In April 2022 the Intergovernmental Panel on Climate Change (IPCC) identified that global carbon emissions must peak by 2025 at the very latest to effectively limit global temperature rise to 1.5°C, in line with the Paris Agreement.⁸

The Manager recognises its responsibility to support the transition to Net Zero Carbon (NZC)⁹ and a low carbon society and believes that an active approach to understanding and managing climate risks and opportunities is fundamental to delivering resilient investment returns.

In 2019 The Manager signed the Better Building Partnership's (BBP) Climate Commitment¹⁰ confirming its net zero ambition aligned to the Paris Agreement aim to limit warming to 1.5°C.

The Manager's commitment was further underlined by the Company which in 2022 announced its 'Pathway to Net Zero Carbon' as set out against 'Sustainability KPI 2' above.

Building on the 2023 baseline assessment reported last year, in 2024 the Manager commissioned a status update using 2024 calendar year utility data and a methodology aligned with the Carbon Risk Real Estate Monitor (CRREM)¹¹ to assess performance against the Company's 2023 baseline and its 2030 and 2040 whole-building energy use and GHG emissions intensity targets for standing real estate assets and the portfolio in aggregate.

The portfolio-level 2024 calendar year status update set out in Table 2 shows change against the 2023 baseline, with an 18% reduction in energy use intensity and a 19% reduction in GHG emissions intensity.

6 United Nations Environment Programme (2025). Global Status Report for Buildings and Construction 2024/2025: Not just another brick in the wall - The solutions exist. Scaling them will build on progress and cut emissions fast. Paris. <https://wedocs.unep.org/20.500.11822/47214>

7 United Kingdom Green Building Council (2024). Climate Change Mitigation. <https://ukgbc.org/our-work/climate-change-mitigation/>

8 Intergovernmental Panel on Climate Change (IPCC): Sixth Assessment Report. <https://www.ipcc.ch/assessment-report/ar6/>

9 'Net Zero Carbon' is when the carbon emissions emitted as a result of all activities associated with the development, ownership and servicing of a building are zero or negative.

10 BBP's Climate Commitment available here: <https://www.betterbuildingspartnership.co.uk/member-climate-commitment>

11 Further information on the Carbon Risk Real Estate Monitor (CRREM) is available here: <https://www.crrem.eu/tool/>

These reported changes reflect a combination of factors, including improvements in data coverage and quality, ongoing methodological refinements, and, in certain cases, underlying improvements in asset performance.

During the year ended 31 March 2026, the Company progressed a targeted programme of decarbonisation-related capital expenditure across several assets, delivering measurable improvements in sustainability credentials:

- £1.9 million refurbishment of Unit 22 at Millshaw Park Industrial Estate in Leeds, which achieved an upgrade in EPC rating from 'C' to 'A', supported by measures such as heating system electrification and a 50 kWp roof-mounted solar photovoltaic (PV) array for clean energy generation.
- At Stanley Green Trading Estate in Cheadle, phased refurbishment works across multiple units delivered energy

and carbon improvements, demonstrated by upgrades to EPC 'A' or 'B' from lower ratings.

- At Clifton Park in York, where the refurbishment of Block C included installation of low-carbon infrastructure, delivered an improvement to an EPC 'A' rating from 'C'.
- At Churchill Way West in Salisbury, a comprehensive reconfiguration and refurbishment of Units 1 and 2 incorporated measures such as photovoltaic panels, improved building fabric and gas removal, resulting in an EPC 'A+' rating for Unit 1 and targeting at least a 'B' for Unit 2.

The Manager is committed to regularly monitoring and disclosing performance against the NZC targets and a 2025 calendar year NZC status assessment will be presented as part of the 30 June 2026 NAV announcement.

Table 2: Summary of the Company's baseline and NZC targets, alongside 2024 calendar year energy use and GHG intensity status

	Baseline (2023)	2024 calendar year status	% change between 2023 and 2024 calendar years	2030 Target (% Change required to reach 2030 target (from 2024))	2040 Target (% Change required to reach 2040 target (from 2024))
Energy Use Intensity (kWh/m ²)	161.0	131.6	-18%	78.4 (-40%)	55.3 (-58%)
GHG Intensity** (kgCO ₂ e/m ²)	29.4	23.8	-19%	13.1 (-45%)	1.1 (-96%)

Source: Verco, October 2025

Whole building operational energy and greenhouse gas intensity analysis and targets have been prepared with an independent third-party consultant using actual 2023–2024 calendar year utility data. Calculations may use benchmarks or estimates when asset-level data quality is insufficient. The methodology applied was established for Schroders Capital to enable extrapolation and target setting at the whole-building level. Despite efforts to ensure accuracy, results are indicative and subject to assumptions and limitations.

Baseline, current, and target intensities reflect ownership-adjusted, whole-building performance for full-year occupancy. Interim NZC targets rely on 2023 baseline assessments and may change with improved data, portfolio shifts, or updates to CRREM methodologies. GHG intensity includes fugitive refrigerant emissions and carbon emissions from energy use (both landlord and tenant areas). For 2024, EV charging, outdoor consumption, and process loads are excluded as per CRREM guidelines.

Our approach to sustainability

The Board and Manager believe that focusing on sustainability, and Environmental, Social and Governance (ESG) considerations more generally, throughout the real estate life cycle, will deliver enhanced long-term returns for shareholders as well as have a positive impact on the environment and the communities where the Company is invested. A key part of our sustainable investment strategy is delivering operational excellence for occupiers as well as demonstrating continued improvements in sustainability performance.

The Manager's real estate investment strategy, which aims to proactively take action to improve social and environment outcomes, focuses on the pillars of 'People, Planet and Place' which are referenced to three core UN Sustainable Development Goals (SDGs): (8) Decent Work and Economic Growth; (13) Climate Action and (11) Sustainable Cities and Communities.

Active management of sustainability performance is a key component of responsible asset and building management. Reducing consumption, improving operational efficiency, and delivering higher quality, more sustainable spaces, will benefit tenants' occupational costs and may support tenant retention and attraction, in addition to mitigating environmental impacts

and helping to future-proof the portfolio against future legislation.



Further information on the Manager's Sustainable Investment approach, and sustainable investment policy



<https://mybrand.schroders.com/m/727267dc02a87fed/original/schroder-real-estate-sustainability-policy-2024.pdf>

This report presents our approach to managing ESG considerations and performance against our sustainability objectives.

Case studies highlighting ESG in practice are used throughout and detailed sustainability performance data is presented in the EPRA aligned 'Sustainability Performance Measures (unaudited)' from page 102.

Protecting our Planet (Environmental)

Performance against objectives from the start of the financial year

Goal	FY26 outcome
Progress towards the Company's Net Zero Carbon (NZC) commitments including NZC by 2040	<ul style="list-style-type: none"> — The portfolio-level 2024 calendar year status update shows change against the 2023 baseline, with an 18% reduction in energy use intensity and a 19% reduction in GHG emissions intensity — A 2025 calendar year status update will be undertaken following receipt of tenant utility data as part of the Company GRESB submission
Annual reduction in landlord energy consumption and associated scope 1 and 2 greenhouse gas (GHG) emissions on a like-for-like basis	<ul style="list-style-type: none"> — Energy = 5% reduction — GHG emissions = 16% reduction — Reductions supported by continued heating and cooling system electrification (e.g. Marshall Building, Manchester), alongside continued decarbonisation of the UK National Grid and the resultant reduction in the UK Government GHG conversion factor for electricity — (Calendar Year 25 vs. Calendar Year 24)
Increase use of on-site renewable energy and source 100% of landlord electricity through renewable tariffs by 2025	<ul style="list-style-type: none"> — Roof mounted solar photovoltaic (PV) panels installed on four assets increasing the number of assets with solar PV to 11 (FY25: 7) — 99% of the Company's landlord procured electricity was on a renewable tariff as at 31 December 2025 (Calendar Year 2024: 98%)
Annual reduction in landlord like-for-like water consumption	<ul style="list-style-type: none"> — 8% reduction — Reductions influenced by occupancy levels and the resolution of identified faults driving overconsumption in the previous year — (Calendar Year 25 vs. Calendar Year 24)
Send zero landlord waste to landfill and prioritise waste recycling	<ul style="list-style-type: none"> — Zero waste directly to landfill — 54% of waste was recycled and 46% was incinerated with energy recovery — (12 months to 31 December 2025)
Maintain 100% MEEES compliance and improve proportion of assets with EPC ratings B or above (floor area)	<ul style="list-style-type: none"> — EPC coverage = 100% (FY25: 99%) — EPCs above B rating = 31% (FY25: 24%) — EPCs above C rating = 65% (FY25: 59%)
Assess physical climate risk profiles for all assets and develop resilience strategies where material risks identified	Physical climate risk profiles maintained for all assets using third-party Climate X physical climate risk platform.
Improve biodiversity opportunities across the portfolio	Opportunities continue to be explored through the Manager's operational Impact and Sustainability Action Plans and as part of development projects, where appropriate. Reporting period activity has included installation of an apiary at City Tower.

Note: All data is reported at 31 March 2026 unless otherwise stated. Where more accurate information has become available, previous period performance has been restated.

The Board and Manager consider the relationship between real estate investments and the environment to be important. By addressing risks related to the transition to a low-carbon economy such as compliance with current and future legislation, meeting market demands, and by embracing practices, such as energy-efficient building design, renewable energy integration, and climate resilience measures, we believe there is an opportunity to enhance property value, attract tenants, and reduce operational expenses.

In addition to the initiatives outlined above which support the Company's NZC commitments, the Company is also included in the Manager's physical climate risk and resilience programme, acknowledging that understanding the exposure and resilience of the portfolio's real estate assets to physical climate risks, both now and in the future, is essential to protect property values, income, and ensure the safety of our building occupants. Physical climate risk screening for the Company, using the Climate X Spectra platform, was updated in Q2 2025 to incorporate the latest available climate risk scenario data. The analysis remains focused on the highest emissions climate scenario from the IPCC (i.e. RCP8.5) up to the year 2100 (at intervals of 5 years to 2050 and 10 years to 2100). These insights

will be supported by vulnerability and sensitivity assessments in 2026, prioritising risks between 2025-2050, with the aim of identifying where to prioritise investment in appropriate adaptation solutions, where considered necessary, to ensure we continue to deliver resilient buildings and protect future income for our investors.

The Board and Manager also recognise the importance of ensuring investment activity is conducted in a way which supports nature. The UK is one of the most nature-depleted countries in the world, with three quarters of the UK being found to present a high level of ecosystem degradation. Nature degradation could cause a 12% loss to UK GDP with potential implications on the occupational market and real estate income.¹² Responsible real estate companies can help to fight back against this nature decline by adopting investment practices which consider nature and taking real world action. During the reporting year, support for nature continued through the active management of the rooftop apiary at City Tower which includes a variety of pollinating plants, comprising flowers, fruits and herbs that bloom across different seasons, and provide a sustained food source for local wildlife.

¹² <https://hive.greenfinanceinstitute.com/gfihive/assessing-the-materiality-of-nature-related-financial-risks-for-the-uk/#:~:text=The%20UK%20is%20one%20of,related%20financial%20risks%20originate%20overseas.>

Supporting people and places (Social)

Performance against objectives from the start of the financial year

Goal	FY26 outcome
Ensure the health, safety and wellbeing of building occupiers and users	<ul style="list-style-type: none"> — 100% of managed assets where Health and safety assessments were completed (FY25: 100%). — 0 (zero) reportable health and safety incidents in the Company's managed portfolio (FY25: 0).
Improve proportion of assets where occupier engagement activities are implemented	100% of Company assets. (FY25: 100%).
Improve proportion of assets where community engagement activities are implemented	23% of Company assets (FY25: 23%).
Improve availability of low carbon transport (active transport facilities; EV charging etc.) facilities	<ul style="list-style-type: none"> — Active transport infrastructure in place for 24 assets (FY25: 23 assets). — Support provision of electric vehicle charging for 18 assets (FY25: 18 assets).

Note: All data is reported at 31 March 2026 unless otherwise stated. Where more accurate information has become available, previous period performance has been restated.

Recognition of the social impacts of real estate investments has notably increased in the past decade, with stakeholders expecting that built assets positively contribute to society. The Manager recognises that the design and management of real estate play a crucial role in physical and mental well-being, influencing factors such as employment opportunities, access to services, and social connections.¹³

Understanding and responding to the needs of building occupiers and local communities where possible aids us in creating vibrant and inclusive places which ultimately helps deliver more resilient investments in the long run.

Over the course of the reporting year, the Company continued to strengthen engagement with occupiers and local communities across the portfolio, recognising the importance of behavioural change in delivering sustainability outcomes. Initiatives included the distribution of sustainability-focused occupier newsletters and the use of dedicated engagement platforms, such as “Locale”, implemented at assets including City Tower, Manchester.

In addition, assets across the portfolio were utilised to support community and social value initiatives, including foodbank collections, Christmas gift donations for disadvantaged families, and book collections. At an asset level, occupier engagement programmes incorporated a range of wellbeing and educational activities. The apiary at City Tower continues to produce local honey, which is harvested by occupiers and sold, with all proceeds donated to Mustard Tree, a charity focused on alleviating poverty and preventing homelessness.

¹³ <https://centreforlondon.org/reader/act-local/introduction/#the-case-for-neighbourhoods>

Responsible Business (Governance)

Performance against objectives from the start of the financial year

Goal	FY26 outcome
Improve Global Real Estate Sustainability Benchmark ('GRESB') rating*	<ul style="list-style-type: none"> — Maintained 3-star status. — Increased score to 80 out of 100 (2024: 79) — 1st in pre-defined Peer Group of 6 (2024: 2nd of 7) — Maintained 'A' rating in GRESB Public Disclosure
Increase coverage of sustainability audits across portfolio	<ul style="list-style-type: none"> — ESG Scorecards completed for 83% of the portfolio by Gross Property Value. — 16 asset level ESG Scorecards completed (15 third-party audits; 1 internally completed) (FY25: 16 ESG Scorecards).
Improve coverage and quality of sustainability certifications (e.g. BREEAM) across portfolio	<ul style="list-style-type: none"> — 2x new WiredScore certifications and 8x new ModeScore certifications — 15 assets with sustainability certifications (FY2025: 9 assets with sustainability certifications).
Maintain EPRA Gold Award for Sustainability Reporting	Gold Award for the eighth year running.
Sustainability Linked Loan tied to RCF agreed with RBS	2 out of 3 KPIs achieved. Please refer to the section below.

Note: All data is reported at 31 March 2026 unless otherwise stated. Where more accurate information has become available, previous period performance has been restated. *GRESB results issued October 2025 and relate to data provided for 2024 calendar year.

The Manager operates an Environmental Management System (EMS) certified to ISO 14001 for the asset management of direct real estate investments in the UK and across Europe, including direct real estate assets held by the Company. This provides the framework for how sustainability principles are managed throughout its investment process. The Manager has developed a suite of proprietary tools to support the delivery at both asset

and portfolio level including an ESG Scorecard for consistent assessment of asset sustainability performance, Impact and Sustainability Action Plans for continually improving standing investments, a Sustainable Development and Refurbishment Brief for projects, and Property Manager Sustainability Requirements for use in contractual Property Manager Agreements.

Sustainability linked loan performance

Underlying its commitment to the sustainability performance of the Company, the Manager and Board have established a sustainability linked Loan ('SLL') tied to its revolving credit facility ('RCF'). The SLL includes three key performance indicators ('KPIs') which will be used to assess the Company's performance and determine the margin rate applied to the loan. Each KPI has

the potential to either reduce the margin by 1.65 basis points, increase it by 1.65 basis points or have no impact.

For the year ended 31 March 2026 we achieved two of the KPIs and therefore a reduction in the margin of 3.3 basis points. Further details are in the table below.

KPI	Previous period performance*	Current period performance	KPI target achieved
1. 5% reduction in like-for-like energy consumption across landlord procured energy supplies within the portfolio.	6,377,904 kWh (Calendar Year 2024)	6,072,408 kWh (Calendar Year 2025)	Yes (-5% reduction)
2. All new developments or major renovations of the Properties carried out during the term of the Facility achieve a minimum EPC 'B' rating, or a minimum BREEAM rating of 'Very Good'.	No new developments or major renovations during the FY25 reporting year	Comprehensive refurbishment of Unit 1 at Churchill Way West, Salisbury, improving the EPC from a 'D' to an 'A+'	Yes
3. 4-star or above GRESB rating.	3-star GRESB rating	3-star GRESB rating	No (static)

Note: All data is reported at 31 March 2026 unless otherwise stated.*Where more accurate information has become available, previous period performance has been restated.

Task Force on Climate-Related Financial Disclosures

In compliance with the requirements set out in chapter 2 of the Environmental, Social and Governance sourcebook ('ESG Sourcebook') of the Financial Conduct Authority ('FCA') Handbook, the Manager publishes a mandatory product-level disclosure consistent with the Task Force on Climate-Related Financial Disclosures ('TCFD'). This is in addition to the Schroders Real Estate Investment Management Limited (SREIM) entity-level TCFD disclosure and the Schroders Plc Climate report 2024. These reports provide details on the approach to the consideration of climate-related risks and opportunities across Governance, Strategy, Risk management and Targets across Schroders Group and Schroders Capital real estate. The relevant climate related financial disclosures are published at: <https://www.schroders.com/en-gb/uk/institutional/funds-and-strategies/tcf-entity-and-product-reports/>



Further details of Schroders' industry involvement

www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/industry-involvement/



Further details of compliance with UN PRI

www.schroders.com/en-gb/uk/institutional/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/the-un-principles-for-responsible-investment/

Industry engagement

Schroders supports, and collaborates with, several industry groups, organisations and initiatives including the United Nations Global Compact, United Nations Principles of Responsible Investment (UN PRI) and Net Zero Asset Managers Initiative (of which it is a founding member). Further details of Schroders' industry involvement is available here: www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/industry-involvement/, and compliance with UN PRI is available here: www.schroders.com/en-gb/uk/institutional/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/the-un-principles-for-responsible-investment/.

The Manager is an active member of real estate industry bodies including the European Public Real Estate Association (EPRA), Investors in Non-Listed Real Estate Vehicles (INREV), Association of Real Estate Funds (AREF) British Council for Offices (BCO), British Property Federation (BPF) and the Urban Land Institute (ULI). The Manager also regularly participates in the Better Buildings Partnership's (BBP) programme of initiatives and working groups including net zero, climate resilience, investor engagement, and European investment working group, as well as the Institutional Investors' Group on Climate Change Real Estate Net Zero working groups, and The World Business Council for Sustainable Development workshops.

The Manager is a member of the Global Real Estate Sustainability Benchmark (GRESB) of which the Company has participated in the annual real estate survey for the past ten years.

Slavery and Human Trafficking Statement

The Company is not required to produce a statement on slavery and human trafficking pursuant to the Modern Slavery Act 2015 as it does not satisfy all the relevant triggers under that Act that required such a statement.

The Manager is part of Schroders plc whose statement on Slavery and Human Trafficking has been published in accordance with the Modern Slavery Act 2015. Schroders' latest Modern Slavery Statement can be found here: <https://mybrand.schroders.com/m/24e94f0b1010267b/original/Schroders-Modern-Slavery-Statement-2024.pdf>



Further details of Schroders' Slavery and Human Trafficking Statement

www.schroders.com/en/sustainability/corporate-responsibility/slavery-and-human-trafficking-statement/

Business model

Company's business

Schroder Real Estate Investment Trust Limited is a real estate investment company with a listing on the Official List of the FCA and whose shares are traded on the London Stock Exchange (ticker: SREI).

The Company is a Real Estate Investment Trust ('REIT') and benefits from the various tax advantages offered by the UK REIT regime. The Company continues to be declared as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 2020 and the Authorised Closed-Ended Investment Schemes Rules and Guidance, 2021, as amended from time to time.

The Board

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate strategy, gearing, corporate governance and risk management.

The Company has no Executive Directors or employees.

Operations

The Board has delegated investment management and accounting services to the Investment Manager with the aim of delivering the Company's investment objective and strategy. Details of the Investment Manager's investment approach, along with other factors that have affected performance during the year, are set out in the Investment Manager's Report.

Performance

The Board uses principal financial Key Performance Indicators ('KPIs') to monitor and assess the performance of the Company. These are the NAV total return, the performance of the Company's underlying property portfolio relative to its MSCI Benchmark Index and the share price. Performance against these KPIs can be found on page 4 under 'Performance Summary'.

Investment objective

The investment objective of the Company is to provide shareholders with an attractive level of income and the potential for income and capital growth from owning and actively managing a diversified portfolio of UK commercial real estate, while achieving meaningful and measurable improvements in the sustainability profile of the majority of the portfolio's assets (considered against a range of objective environmental, social and governance metrics).

Investment policy

The investment policy of the Company is to own a diversified portfolio of UK commercial real estate assets which are underpinned by good fundamental characteristics, and whose sustainability profiles can be improved while they are owned by the Company. The Company may invest across the full range of commercial real estate sectors.

Diversification and asset allocation

In order to spread investment risk, the Company will seek to invest in a portfolio that is diversified by location, sector, asset size, tenant exposure and lease expiry, and will focus on assets where making sustainability improvements will enhance total return.

The value of any individual asset at the date of its acquisition may not exceed 15% of gross assets and the proportion of rental income deriving from a single tenant may not exceed 10%.

More specifically in relation to sustainability-related activity:

- The Company will focus on sustainability improvement in the selection and active management of real estate assets. Real estate assets will be selected and actively managed with a view to achieving a meaningful improvement in their sustainability profile, as measured against the Investment Manager's scorecard of environmental, social, and governance ('ESG') metrics.
- Across the portfolio, the Company will focus on opportunities to improve the sustainability performance of buildings which may include improving their fabric, phasing out fossil fuel-based heating systems, improving operational energy efficiency, and installing means of on-site renewable energy generation such as photovoltaic panels.
- In addition to these energy and carbon efficiency-related opportunities, wider ESG considerations will also be taken into account when looking for ways to achieve meaningful improvement in the sustainability profile of real estate assets, and when demonstrating that such improvement is being achieved, including exposure to physical climate risks, access to green space and community facilities, building certifications, and tenant profile.
- The ESG scorecard used by the Company will therefore use objective metrics to capture the performance of assets (and the improvements in performance during ownership by the Company) in respect of a broad range of ESG factors.

Sustainability KPIs

- The Company's assets will be managed with a view to ensuring that at any given time during the Company's ownership, at least 75% of the portfolio assets by value are being managed with a realistic and achievable plan to reach a score of at least 3 (out of a possible total score of 5), as measured on the ESG scorecard.
- For those 75% of the Company's assets (by value), in each case where leases permit prompt commencement of works to improve their sustainability profile, the aim will be to take the asset to an improved score of at least 3 (out of a possible total score of 5) within five years from: (i) 1 April 2024, or, if later: (ii) the date it was acquired by the Company.
- Further, the Company's assets will also continue to be managed in line with the Company's existing 'pathway to net zero' commitments, which in summary include seeking to attain the following:
 - Operational whole buildings emissions to be aligned to a 1.5°C global warming pathway by 2030.
 - Embodied emissions for all new developments and major renovations to be net zero by 2030.
 - Operational scope 1 and 2 (landlord) emissions (as defined in the Greenhouse Gas Protocol) to be net zero by 2030.
 - Operational and embodied whole building (scope 1, 2, and 3 (landlord and tenant)) emissions to be net zero by 2040.

Borrowings

The Company's Articles limit borrowings to 65% of the Group's gross assets, calculated as at the time of borrowing.

The Board has established a gearing guideline for the Investment Manager, which seeks to limit Group on-balance-sheet debt, net of cash, of between 25% and 35% of Group portfolio value while recognising that this gearing may be exceeded in the short term from time to time. For these purposes, "Group" refers to the Company along with its subsidiaries at any given time. The term "Group portfolio value" signifies the fair market value of the Group's property portfolio as appraised by the Company's independent Valuer. It's important to note that this valuation excludes the worth of other on-balance-sheet assets owned by the Group.

The Board actively monitors this guideline and possesses the authority to instruct the Investment Manager to adjust the management of the Group's assets. The objective here is to ensure that borrowings are maintained within a defined acceptable range. However, this directive takes into consideration the best interests of the shareholders. As a result, immediate action to correct deviations from this guideline may not be mandatory if such actions could negatively impact shareholder interests.

Hedging

It is the Board's policy to minimise interest rate risk, to the extent commercially appropriate, either by ensuring that borrowings are on a fixed-rate basis, or through the use of interest rate swaps/ derivatives used solely for hedging purposes.

Investment restrictions

As the Company is a closed-ended investment fund for the purposes of the UK Listing Rules, the Group will adhere to the UK Listing Rules applicable to closed-ended investment funds. The Company and, where relevant, its subsidiaries will observe the following restrictions applicable to closed-ended investment funds in compliance with the current UK Listing Rules:

- Neither the Company nor any subsidiary will conduct a trading activity which is significant in the context of the Group as a whole.
- The Group will not invest in other listed investment companies.
- Where amendments are made to the UK Listing Rules, the restrictions applying to the Company will be amended so as to reflect the new UK Listing Rules.

In addition, the Board will ensure compliance with the UK REIT regime requirements.

Investment strategy

The Company's strategy is focused on delivering sustainable dividend growth by improving the quality of its underlying portfolio through a disciplined, research-led approach to transactions and active asset management, focused on delivering sustainability improvements and operational excellence. This activity is complemented by maintaining a robust balance sheet and efficient management of costs.

The Company aims to own a diversified portfolio of properties delivering an above average income return and benefitting from structural changes driving income and capital growth such as urbanisation, innovation in technology and changing demographics. These properties may benefit from favourable supply and demand characteristics and by improving their environmental performance, the Company can capture the rental and valuation premium that buildings with genuine green credentials can command, sometimes called the 'Green Premium'.

Our stakeholders

Section 172 statement

Although the Company is registered in Guernsey, in accordance with the guidance set out in the UK Corporate Governance Code (the "UK Code") and the AIC Code of Corporate Governance (the "AIC Code") a Section 172 statement is required. Section 172 of the UK Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company. The Directors give careful consideration to the factors set out above in discharging their duties under section 172.

The Board is focused on ensuring that the Company delivers on its strategic objectives, while taking into account the impact on its stakeholders as a whole. It is our firm belief that prioritising positive stakeholder relationships is central to delivering long-term, sustainable returns. The Board is focused on ensuring that it understands its stakeholders' needs.

Shareholders

The Board is committed to maintaining high standards of corporate governance in order to protect shareholder interests. The Investment Manager undertakes an active investor relations schedule in London and the regions throughout the year, which includes one-on-one and group meetings with shareholders as well as regular presentations to the sell-side analyst community. Shareholder feedback is encouraged either through the Corporate Broker or directly to the Investment Manager or Board. During the year, the Board of Directors engaged with a number of major shareholders, and took their views into account as part of decision-making. Prior to and during the process for the proposed offer for Picton Property Income Limited ("Picton") by LondonMetric Property Plc ("LMP") and the Company, the Board of Directors engaged with a number of major shareholders, and took their views into account as part of decision-making.

Occupiers

The Company has a diverse range of tenants occupying space across the portfolio. This includes a wide range of businesses who operate out of our office or industrial space and the retailers and shoppers who work at or visit our retail and leisure properties. Active and constant engagement with these groups, either directly through site visits or through property managers or agents, is required to gather intelligence as to what is important to them. Understanding changing needs, both at an individual company level, as well as on a sectoral

and broader economic level, is a key tenet informing both our individual asset management investment decisions as well as the longer-term strategic direction of the Company.

Communities

Our assets are located across the UK in a range of urban environments. The buildings and their occupiers are part of the fabric of local communities. The Company works hard to ensure that it is engaging with local communities, councils and individuals and that our asset strategies are sensitive to the unique heritage of each location.

Environment

The built environment is responsible for 34% of energy-related CO2 emissions, which places great responsibility on those companies that are direct or indirect contributors, to act in a way which would seek to reduce carbon emissions. The Board is sensitive to the Company's role and is committed to continually improving and protecting the environment by using resources such as energy, water and materials in a sustainable manner for the prevention of greenhouse gas emissions and climate change mitigation. ESG considerations are integrated into the Company's investment processes and each individual asset benefits from specific ESG-related objectives. The Board reviews its approach to managing ESG considerations and believes that this is integral in delivering better long-term returns for our investors and for safeguarding the future of the environment that we live and work in.

Service providers

As an externally-managed REIT, the Board is reliant on a range of service providers who have a direct working or contractual relationship or share a mutual interest with the Company. This includes, but is not limited to, Schroders as Investment Manager and Company Secretary, Property Managers, the Administrator, Depositary, Auditor, Tax advisors, Solicitors, Valuers, and Lenders. The Board has delegated to the Management Engagement Committee to regularly review these relationships.

Lenders

Borrowing allows the Company's shareholders to increase exposure to assets consistent with the strategy and generate enhanced returns at a low cost. These lenders have a financial interest in the success of the Company.

Decision-making

The Board makes decisions on, among other things, the principal matters set out under the paragraph headed 'The Board' on page 43.

Principal risks and uncertainties

The Board is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has carried out a robust assessment of the principal risks and emerging risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. A framework of internal controls has been designed and established to monitor and manage those risks. This internal control framework provides a system to enable the Directors to mitigate these risks as far as possible, which assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives.

Emerging risks are monitored as part of this assessment. The Board notes that whilst it has a robust framework of internal controls in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

The Board notes that the post-mitigation likelihood for economic and property market risks has increased due to heightened political uncertainty since the last review.

A summary of the principal risks and uncertainties faced by the Company, and actions taken by the Board to manage and mitigate these risks and uncertainties, are set out below:

Access to capital

Key risks

A persistently high discount in share price relative to NAV resulting in an inability to raise new equity capital and grow, preventing the company from achieving economies of scale. This could lead to activist pressure and the Company becoming a target for opportunists.

Mitigation of risk

- The Investment Manager and broker monitor and review market sentiment. Announcements are released to the market with key and timely information.
- The Company actively reaches out to retail investors and the co-managers regularly engage with shareholders through events such as Investor Meet Company webinars. Since 2023, the share of ownership by adviser and retail platforms has grown from 23% to 38%.
- The Investment Manager undertakes an active investor relations schedule in London and the regions throughout the year, which includes one-on-one and group meetings with shareholders as well as regular presentations to the sell-side analyst community.
- The Board regularly engages with major shareholders and takes their view into account in decision-making. The recent offer for Picton is evidence of this.
- The Board regularly reviews the Company's investment objective and strategy and considers alternative courses of action to reduce the share price discount, such as a return of capital to investors.

- The Investment Manager works with the Company's broker, Schroders distribution and external distribution support to promote the Company.

Economic and property market

Key risks

The NAV and share price performance of the Company could be affected by economic and property market risk. In the wider economy this could include inflation, stagflation or deflation, economic recessions, movements in interest rates, political/policy changes, the wars in Ukraine and the Middle East, or other economic or external geopolitical shocks such as a wider conflagration or pandemic. The performance of the underlying property portfolio could also be affected by structural or cyclical factors impacting particular sectors or regions of the property market. These factors may affect the Company's NAV, share price, capital expenditure and operating costs.

Mitigation of risk

The Board considers economic conditions and the uncertainty around (geo)political events when making investment decisions. The Board mitigates property market risk through the review of the Group's strategy on a regular basis and discussions are held to ensure the strategy is still appropriate or if it needs updating. The Board and Investment Manager reviews the progress of implementing the strategy on a regular basis and provides the market with clear communications.

Investment strategy

Key risks

An inappropriate investment strategy, or failure to implement the strategy, could lead to underperformance in the property portfolio compared to the property market generally by incorrect sector or geographic weightings or a loss of income through tenant failure, both of which could lead to a fall in the value of the underlying portfolio.

Mitigation of risk

The Board seeks to mitigate these risks by:

- Diversification of its property portfolio through its investment restrictions and guidelines which are monitored and reported on by the Investment Manager.
- Receiving from the Investment Manager timely and accurate management information including performance data, attribution analysis, property-level business plans and financial projections.
- Monitoring the implementation and results of the investment process with the Investment Manager with a separate meeting devoted to strategy each year.
- Determining a borrowing policy and the Investment Manager operates within borrowing restrictions and guidelines.

Sustainability

Key risks

Sustainability considerations are not fully considered or understood in the acquisition and asset-planning processes leading to future issues (negative effect on price, valuation or ability to sell assets, future costs to remediate to meet the requirements of initiatives such as Net Zero Carbon/Climate Risk/BREEAM/EPC profile/GRESB).

Mitigation of risk

The Manager's Investment Committee has a continued focus on sustainability to help ensure appropriate consideration is given before approving fund strategy and asset business plans on an annual basis, transactions and major capital expenditure.

Impact and sustainability action plans identify asset improvement requirements in the context of the investment strategy.

The Board regularly reviews the objectives and progress of the sustainability programme on at least an annual basis. EY, the Company's auditor, independently reviewed the performance of two assets via an ISRS 4400 (Revised) 'Agreed Upon Procedures' (AUP) engagement with a final report issued in May 2026. The full report can be found on the Company's website.

The Investment Manager to the Company works alongside third-party Property Managers, and commercial real estate ESG data intelligence platform providers, Deepki, to provide, collate and report key sustainability data which is then reported to the Board and investors. Furthermore, the Board is provided with an assurance letter on an annual basis from S&P Global with regard to the sustainability content in this annual report.

Valuation/liquidity

Key risks

Property valuations are inherently subjective and uncertain. This uncertainty is heightened by market uncertainty due to the wars in Ukraine and the Middle East, leading to high inflation and the market expecting higher interest rates.

Subjectivity in the valuation process could give rise to significant bias or errors in the valuation of the Company's investment property portfolio.

Mitigation of risk

An external reputable valuer provides an independent quarterly valuation of all the property assets, including those held in joint ventures, which are reviewed at the quarterly Board meetings.

The valuation process is reviewed by the Audit Committee every year and members of the Audit Committee directly meet with the valuers on at least an annual basis.

The Company's external valuer is provided with copies of all transactions and lease events by the Company's lawyers, and quarterly updates by Asset Managers, to ensure that information used to value the portfolio is complete, accurate and up-to-date.

The Company follows RICS best practice regarding valuer rotation.

Gearing/leverage

Key risks

The Company utilises credit facilities. These arrangements increase the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance, and also results in interest rate risk from higher interest rate costs and potential compliance with loan covenants.

Mitigation of risk

Gearing and compliance with covenants is monitored at each Board meeting against restrictions set internally and by lenders and is regularly announced to the market.

Service provider

Key risks

The Company has no employees and has delegated certain functions to a number of service providers. Failure of controls and poor performance of any service provider could lead to disruption, reputational damage, or loss.

Mismatch between the Company's service needs and the external service providers may expose the Company to a range of operational failures.

Mitigation of risk

Service providers are subject to regular reviews by both the Investment Manager and the Management Engagement Committee against clearly documented contractual arrangements detailing service expectations, including confirmation of business continuity and cyber security arrangements.

Detailed reviews of service providers' terms of engagement as well as performance at Management Engagement Committee meetings.

Use of large international organisations as the Company's depositary, auditor, broker, tax advisor etc.

Regulatory compliance

Key risks

The Company has to comply with a wide range of legislation and regulations, covering planning, health and safety, Company law, accounting, reporting, tax and UK Listing Rules.

Mitigation of risk

The Investment Manager has robust processes in place to ensure that accurate accounting records are maintained and that evidence to support the financial statements is available to the Board and the auditors. The Investment Manager operates established property accounting systems and has procedures in place to ensure that the quarterly NAV and gross asset value are calculated accurately. The property accounting function is outsourced to a reputable external service provider by the Investment Manager and the Investment Manager exercises robust oversight over the performance of this function.

The Board has appointed the Investment Manager as AIFM in accordance with the Alternative Investment Fund Managers Directive ('AIFMD').

The quarterly and annual NAV has numerous levels of reviews including by the Board. Additional support is provided by the fund accountants to ensure financial data is complete and accurate.

An internal controls review is performed by Ernst & Young ("EY or the "Auditor") in accordance with ISAE 3402 annually to provide assurance on Schroders' service organisations' control procedures and an external audit is completed to provide an opinion on the financial statements which have been reviewed by the Board of Directors.

The Company Secretary monitors legal and other regulatory requirements to ensure that adequate procedures and reminders are in place to meet the Company's legal requirements and obligations. The Investment Manager undertakes full legal due diligence with advisers when transacting and managing the Company's assets. All contracts entered into by the Company are reviewed by the Company's legal and other advisers.

Processes are in place to ensure that the Company complies with the conditions applicable to property investment companies set out in the UK Listing Rules.

The Board is satisfied that the Investment Manager and local Administrator have adequate procedures in place to ensure continued compliance with the regulatory requirements of the FCA, the Guernsey Financial Services Commission and the UK REIT regulations to maintain the Company's REIT status for tax purposes.

Risk assessment and internal controls

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

No significant control failings or weaknesses were identified from the Audit Committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company.

A full analysis of the financial risks facing the Company and its subsidiaries is set out in note 18 on pages 90 to 93.

Viability statement

The Board is required to give a statement on the Company's viability which considers the Company's current position and principal risks and uncertainties together with an assessment of future prospects.

The Board conducted this review over a five-year time horizon commencing from the date of this report which is selected to match the period over which the Board monitors and reviews its financial performance and forecasting. The Investment Manager prepares five-year total return forecasts for the commercial real estate market. The Investment Manager uses these forecasts as part of analysing acquisition opportunities as well as for its annual asset level business planning process.

The Board receives an overview of the asset level business plans which the Investment Manager uses to assess the performance of the underlying portfolio and therefore make investment decisions such as disposals and investing capital expenditure.

As at 31 March 2026, the Company's principal borrowings with Canada Life are for a weighted duration of 10.0 years and the average unexpired lease term, assuming all tenants vacate at the earliest opportunity, is 5.3 years. The Company's revolving credit facility with RBSI expires in June 2027.

The Board's assessment of viability considers the principal risks and uncertainties faced by the Company, as detailed in the Strategic report on pages 46 to 48, which could negatively impact its ability to deliver the investment objective, strategy, liquidity and solvency. This includes consideration of scenario stress testing and a cash flow model prepared by the Investment Manager that analyses the sustainability of the Company's cash flows, dividend cover, compliance with bank covenants, general liquidity requirements and potential legal and regulatory changes for a five-year period.

These metrics are subject to a sensitivity analysis which involves flexing a number of the main assumptions including macroeconomic scenarios, delivery of specific asset management initiatives, rental growth and void/reletting assumptions. The Board also reviews assumptions regarding capital recycling and the Company's ability to refinance or extend financing facilities.

Steps which are taken to mitigate these risks as set out in the Strategic report on pages 46 to 48 are also taken into account. Based on the assessment, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Going concern

The Directors have examined significant areas of possible financial risk including liquidity (with a view to both cash held and undrawn debt facilities); the rates of both rent and service charge collections from tenants; have considered potential falls in property valuations; have reviewed cash flow forecasts; have analysed forward-looking compliance with third-party debt covenants and in particular the Loan to Value covenant and interest cover ratios; and have considered the Group's ongoing tax compliance with the REIT regime.

Overall, after utilising available cash, excluding the cash undrawn against the RBSI facility and uncharged properties and units in Joint Ventures, and based on the reporting period to 31 March 2026, property valuations would have to fall by 29% before the relevant Canada Life Loan to Value covenants were breached, and actual net rental income would need to fall by 68% before the interest cover covenants were breached. The Directors are of the opinion that neither of the aforementioned loan covenants are likely to be breached.

Furthermore, the properties charged to RBSI could fall in value by 42%, prior to the 60% LTV covenant being breached, and based on projected net rents for the quarter to March 2026, a 15% fall in net income could be sustained prior to the RBSI projected interest loan cover covenant of 200% being breached.

These stress testing scenarios of 29%/42% declines in property valuations and 68%/15% declines in net income are deemed to be extremely unlikely.

Should these scenarios occur, management have various actions available which include, but are not limited to, adding additional assets or excess cash into the security pool and selling assets to reduce LTV.

As at the financial year end, the undrawn capacity of the £75.0 million RBSI facility was £18.5 million. This facility is an efficient and flexible source of funding due to its ability to be repaid and redrawn as often as required and matures in June 2027. Management are progressing discussions with lenders to explore refinancing opportunities.

Regarding the Canada Life loan of £129.6 million, fifty per cent matures in 2032 and fifty per cent matures in 2039 respectively.

The Board and Investment Manager also continue to closely monitor ongoing changing macroeconomic and geopolitical environments on the Group.

The Board and Investment Manager have considered the impact of sustainability risk as a principal risk as set out on page 47. In line with IFRS, investment properties are valued at fair value based on open market valuations as described in Note 10. The assessment of the open market valuation includes consideration of environmental matters and the condition of each property. The investment properties continue to be monitored by the Investment Manager and key considerations include EPC ratings and their impact on the properties' forecast compliance with minimum energy efficiency standard regulation. Having assessed the impact of climate change on the Group, the Directors concluded that it is not expected to have a significant impact on the Group's going concern or viability assessment as described on page 49.

The Directors have not identified any matters which would cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the date the Annual report and consolidated financial statements are approved and have satisfied themselves that the Group has adequate resources to continue in operational existence for this period.

After due consideration, the Board believes that it is appropriate to adopt the going concern basis in preparing the financial statements.

Impact of the proposed acquisition of Picton Property Income Limited

On 12 May 2026, SREIT announced an indicative all-share offer under Rule 2.4 of the City Code on Takeovers and Mergers for Picton Property Income Limited, to be undertaken alongside LMP. Under the proposed transaction, SREIT would acquire approximately 54% of Picton's portfolio, funded through the issue of new SREIT shares. The transaction remains indicative and non-binding as at the date of approval of these financial statements, and is subject to a number of pre-conditions, including the publication of a firm offer announcement under Rule 2.7 of the City Code, confirmatory due diligence, lender consents, and Board approvals. Accordingly, there is no certainty at this stage that the transaction will proceed to completion.

Notwithstanding this, the Board has also reviewed forecasts of liquidity, cash flow and covenant compliance for the combined group, assuming completion of the transaction and the assumption of Picton's existing debt facilities. Under both a base case and a severe-but-plausible downside scenario, the combined group would maintain positive cash balances, retain significant undrawn committed facility headroom, and remain comfortably within covenant thresholds throughout the going concern period.

Based on their analysis on a combined group basis, the Directors are satisfied that there is a reasonable expectation that the Group would continue to be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the consolidated financial statements assuming completion of the transaction. The going concern conclusion is not reliant on the transaction completing, as the standalone SREIT analysis set out above also supports the going concern basis.

By order of the Board

Alastair Hughes
Chair

9 July 2026

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Board of Directors



Alastair Hughes	Priscilla Davies	Alexandra Innes	Sanjay Patel
<p>Status: Independent Non-Executive Chair and chair of the Nomination Committee</p>	<p>Status: Senior Independent Director and Chair-elect</p>	<p>Status: Chair of the Management Engagement Committee and interim chair of the Nomination Committee</p>	<p>Status: Chair of the Audit Committee</p>
<p>Alastair has over 30 years of experience in real estate markets and currently holds directorships with British Land PLC, Tritax Big Box, and Quad Real Property Group. Alastair was previously the Managing Director of Jones Lang LaSalle (JLL) in the UK before becoming the CEO for Europe, Middle East and Africa, and then latterly becoming the CEO for Asia Pacific. Alastair is a Chartered Surveyor and sat on the Global Executive Board of JLL.</p> <p>Having served as a Director for nine years, Alastair will not seek re-election at the forthcoming AGM, in accordance with the AIC Code.</p>	<p>Priscilla has over 25 years of financial services experience across a range of sectors including asset management and alternative investments covering real estate, private equity, infrastructure, and renewables.</p> <p>Priscilla is currently a non-executive director and chair of Audit and Risk Committee at Cubico Sustainable Investments, and non-executive director at Bank of New York Mellon (International) Limited. Priscilla previously held various senior positions at Janus Henderson, most latterly as Managing Director of the Private Equity business and was a non-executive director at Embark Group Limited and its regulated subsidiaries and non-executive director and chair at UBS Asset Management UK Ltd. Priscilla is also a Chartered Accountant and a member of the Chartered Accountants Australia and New Zealand.</p>	<p>Alexandra's executive career spanned investment banking, global capital markets, and investment management, most latterly as Managing Director, Barclays plc, and prior to that as Director of Global Capital Markets at Bank of America Merrill Lynch.</p> <p>Alexandra is a non-executive committee member at the Bank of England, a non-executive director at WIM Wealth Management Ltd and CT Healthcare Trust plc, and Senior Independent Director at STS Global Income and Growth Trust plc and Facilities by ADF plc.</p> <p>Alexandra's prior board roles include Knight Frank LLP, Dowlais Group plc, and the All England Lawn Tennis Club (Championships).</p> <p>Alexandra is a member of the Property Board and Finance Committee at the University of Cambridge, as well as the Global Advisory Board at Cambridge Institute for Sustainability Leadership.</p> <p>Alexandra holds an M.A. Hons Economics from Cambridge University, is a Chartered Member of the CISI (MCSI), and a Fellow of Chapter Zero.</p>	<p>Sanjay is a Chartered Accountant and was Chief Financial Officer and a Board member of Cadogan Group Limited, a large private real estate investment company, until December 2024. Prior to this role, Sanjay served as Group Finance Director on the Board of Strutt & Parker LLP. Sanjay is also a director of Sir Richard Sutton Limited where he is Chair of the Audit Committee, and a member of the Finance Committee at the University of Cambridge.</p>
<p>Date of appointment: 26 April 2017</p>	<p>Date of appointment: 7 June 2022</p>	<p>Date of appointment: 16 November 2022</p>	<p>Date of appointment: 1 January 2024</p>
<p>Current remuneration per annum*: £62,000 per annum</p>	<p>Current remuneration per annum*: £45,000 per annum</p>	<p>Current remuneration per annum*: £45,000 per annum</p>	<p>Current remuneration per annum*: £48,000 per annum</p>
<p>Material interests in any contract which is significant to the Company's business: -</p>	<p>Material interests in any contract which is significant to the Company's business: -</p>	<p>Material interests in any contract which is significant to the Company's business: -</p>	<p>Material interests in any contract which is significant to the Company's business: -</p>
<p>Key skills and contributions to the Board: Alastair has extensive experience in real estate management, strategic leadership, and governance from his previous senior executive roles. His experience as a chartered surveyor assists with scrutiny of asset purchases and oversight of the Company's independent valuer.</p>	<p>Key skills and contributions to the Board: Priscilla brings extensive experience as a senior executive working for asset management businesses. She also has relevant and recent financial experience.</p>	<p>Key skills and contributions to the Board: Alexandra brings knowledge of the economy, finance, capital markets, and investors to the board, alongside expertise in alternative investments and sustainability.</p>	<p>Key skills and contributions to the Board: Sanjay brings substantial experience in finance, accounting, and real estate, which enabled him to oversee and scrutinise the Manager's fund accounting function and the performance of the Company's Auditor. Sanjay also has recent and relevant financial expertise to serve as chair of the Audit Committee.</p>

*As at the date of the report, please see the Directors' remuneration report for further details.

No Director has any entitlement to pensions and the Company has not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance related. There were no payments to Directors for loss of office.

No Director has a service contract with the Company. However, each of the Directors has a letter of appointment with the Company. The Directors' letters of appointment, which set out the terms of their appointments, are available for inspection at the Company's registered office address during normal business hours and will be available for inspection at the AGM.

Report of the Directors

The Directors of the Company and its subsidiaries, together the 'Group', present the annual report and audited consolidated financial statements of the Group for the year ended 31 March 2026 (the 'Annual Report and Consolidated Financial Statements').

Results and dividends

The results for the year under review are set out in the attached financial statements.

During the year the Company has declared and or paid the following interim dividends to its shareholders in accordance with the solvency test (contained in the Companies Law):

Dividend for quarter ended	Date Paid	Rate
31 March 2025	30 June 2025	0.897 pence per share
30 June 2025	29 August 2025	0.897 pence per share
30 September 2025	19 December 2025	0.897 pence per share
31 December 2025	27 March 2026	0.897 pence per share

The Company declared a dividend for the year ended 31 March 2026 of 0.897 pence per share which was paid on 26 June 2026. The dividend of 0.897 pps was wholly designated as an interim property income distribution ('PID').

All dividends paid during the year were allocated and paid as full PIDs.

Share capital

As at 31 March 2026 the Company had 565,664,749 (2025: 565,664,749) ordinary shares in issue of which 76,554,173 ordinary shares were held in treasury (2025: 76,554,173) (representing 13.5% of the Company's total issued share capital). The total number of voting rights of the Company was 489,110,576 at the year end (2026: 489,110,576) and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they were required to notify their interest in, or a change in their interest of, the Company, under the Disclosure Guidance and Transparency Rules as at the year end.

Key services providers

The Board has adopted an outsourced business model and has appointed the following key service providers:

Investment Manager

Schroder Real Estate Investment Management Limited is the Investment Manager of the Company. The Board reviews the Investment Manager's performance at its quarterly

Board meetings. In addition, the Board conducted its annual strategic review with the Investment Manager in February 2026 to consider the Company's investment strategy in more depth. Subsequently, the Directors formally discussed the performance and ongoing suitability of the Investment Manager at an annual meeting of the Management Engagement Committee.

On the basis of this review, the Board remains satisfied that the Investment Manager has the appropriate capabilities required to support the Company and believes that the continuing appointment of the Investment Manager under the terms of the Investment Management Agreement, the details of which are set out below, is in the interest of shareholders.

The Investment Manager received a management fee payable monthly in arrears.

Up to and including 30 September 2025, the management fee was calculated by reference to the Company's NAV at the following annual rates: 0.9% of the Company's NAV up to (but not including) £500 million; 0.8% on the Company's NAV between £500 million up to (and including) £1 billion; and 0.7% on the Company's NAV over £1 billion.

With effect from 1 October 2025, the management fee is payable monthly in arrears in pounds sterling and is calculated by reference to the Company's Quarterly NAV and Market Capitalisation as the aggregate of:

- 0.9% per annum in respect of the first £500 million (Tier 1), being the sum of (i) one twelfth of 0.9% of 50% of the Tier 1 Quarterly NAV and (ii) one twelfth of 0.9% of 50% of the lower of (a) the Tier 1 Quarterly NAV and (b) the Tier 1 Market Capitalisation;
- where the Quarterly NAV is greater than £500 million, 0.8% per annum in respect of the amount between £500 million and £1 billion (Tier 2), being the sum of (i) one twelfth of 0.8% of 50% of the Tier 2 Quarterly NAV and (ii) one twelfth of 0.8% of 50% of the lower of (a) the Tier 2 Quarterly NAV and (b) the Tier 2 Market Capitalisation; and
- where the Quarterly NAV is greater than £1 billion, 0.7% per annum in respect of the amount over £1 billion (Tier 3), being the sum of (i) one twelfth of 0.7% of 50% of the Tier 3 Quarterly NAV and (ii) one twelfth of 0.7% of 50% of the lower of (a) the Tier 3 Quarterly NAV and (b) the Tier 3 Market Capitalisation.

Whilst there is no performance fee, there is a potential increase or decrease in the management fees payable to the Investment Manager of five basis points of NAV per annum, dependent on both (i) delivery of the sustainability KPI targets in the revised investment policy to the Board's satisfaction and (ii) delivery of an income return ahead of the MSCI Benchmark.

The Company has appointed the Investment Manager as its AIFM under the AIFM Directive. There is no additional fee paid to the Investment Manager for this service.

In February 2026, it was announced that Schroders had agreed the terms of a recommended all-cash offer by Nuveen, which in April was strongly approved by Schroders shareholders. The transaction is scheduled to complete later in the year following regulatory approvals.

Administration

Schroder Investment Management Limited, an affiliate of the AIFM, is Company Secretary to the Company. Langham Hall (Guernsey) Limited was appointed as the Company Secretary to the Group's subsidiaries, and as Designated Manager. Langham Hall UK Depository LLP is the Company's Depository.

Anti-bribery policy

The Company continues to be committed to carrying out its business fairly, honestly and openly. Appropriate policies are considered to be in place to ensure compliance with the UK Bribery Act 2010.

Directors

The Directors of the Company, together with their beneficial interests in the Company's ordinary share capital as at the date of this report, are given below:

Director	Number of ordinary shares	Percentage (%)
Alastair Hughes	190,579	Less than 0.1
Sanjay Patel	142,657	Less than 0.1
Priscilla Davies	Nil	Nil
Alexandra Innes	Nil	Nil

Substantial shareholdings

The Company has received notifications in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R of the below interests in 5% or more of the voting rights attaching to the Company's issued share capital as at 31 March 2026. The Company is reliant on investors to comply with these regulations, and certain investors may be exempted from providing these. As such, this should not be relied on as an exhaustive list of shareholders holding above 5% of the Company's voting rights.

Notifier	Number of ordinary shares	Percentage (%)
LondonMetric Property plc	54,041,418	11.1
Schroders plc	48,887,423	10.0
Premier Fund Managers Limited	41,680,575	8.0
Embark Investment Services (UK)	34,207,624	7.0

Independent Auditor

Resolutions to reappoint the Auditor and to give the Directors authority to determine the Auditor's remuneration for the coming year, will be put to shareholders at the AGM of the Company. The Audit Committee's evaluation of the Auditor is described in the Audit Committee Report on page 58.

Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Status for taxation

The Director of the Revenue Service in Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and the income of the Company may be distributed or accumulated without deduction of Guernsey Income Tax. Exemption under the above-mentioned Ordinance entails the payment by the Company of an annual fee of £1,600.

The Group continues to pay no corporation or income tax because it has tax exempt status in the UK as a UK REIT. The Group has been a UK REIT since 2015 and the Group's property income and gains are exempt from UK corporate taxes provided a number of conditions in relation to the Group's activities are met including, but not limited to, distributing at least 90% of the Group's UK tax exempt profit as property income distributions ('PIDs'). As far as the directors are aware, the Group remains in full compliance with the REIT requirements.

Shareholders who are in any doubt concerning the taxation implications of a REIT should consult their own tax advisors.

Key information document

A Key Information Document ('KID') for the Company is published on at least an annual basis, in accordance with the Packaged Retail and Insurance-Based Investment Products Regulation ('PRIIPs'), and made available on the Company's website. The calculation of figures and performance scenarios contained in the KID are prescribed by PRIIPs and have neither been set nor endorsed by the Board. In fact, the Board is of the opinion that PRIIPs has been inconsistently applied by market participants and hence creates confusion amongst investors.

AIFMD remuneration disclosures for Schroder Real Estate Investment Management Limited for the year to 31 December 2025

Quantitative remuneration disclosures to be made in this Annual Report in accordance with FCA Handbook rule FUND 3.3.5 are published on the following website: <https://www.schroders.com/en/global/individual/corporate-transparency/disclosures/>

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance. Insofar as the Directors believe it to be appropriate and relevant to the Company, it is their intention that the Company should comply with best practice standards for the business carried on by the Company.

The Guernsey Financial Services Commission ('GFSC') states in the Finance Sector Code of Corporate Governance (the 'Code') that companies which report against the UK Corporate Governance Code ('UK Code') or the Association of Investment Companies Code of Corporate Governance ('AIC Code') are deemed to meet the Code, and need take no further action.

The Board has considered the principles and recommendations of the AIC Code, with the exception of Provision 34, which is applicable for accounting periods beginning on or after 1 January 2026. The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance. A copy of the AIC Code can be found at www.theaic.co.uk.

It is the Board's intention to continue to comply with the AIC Code and we will continue to report the Company's compliance with the principles and recommendations of the AIC Code, which has been endorsed by the Financial Reporting Council ('FRC').

Statement of compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration;
- Internal audit function; and
- the Chair's membership of the Audit Committee.

The Board considers that these provisions are not relevant to the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no Executive Directors, employees or internal operations. The provision in relation to the internal audit function is referred to in the Audit Committee report.

In line with common practice for investment companies, and considering the composition of the Audit Committee in terms of its combination of skills, experience, and knowledge, it is considered appropriate for the Chair to be a member of the Audit Committee.

Role of the Board

The Board has determined that its role is to consider and determine the following principal matters which it considers are of strategic importance to the Company:

- The overall objectives of the Company, as described under the paragraph above headed 'Investment Policy and Strategy' and the strategy for fulfilling those objectives within an appropriate risk framework, in light of market conditions prevailing from time to time;
- The capital structure of the Company, including consideration of an appropriate policy for the use of borrowings both for the Company and in any joint ventures in which the Company may invest from time to time;
- The appointment of the Investment Manager, Administrator and other appropriately skilled service providers and to monitor their effectiveness through regular reports and meetings; and
- The key elements of the Company's performance including NAV growth and the payment of dividends.

Board decisions

The Board makes decisions on, among other things, the principal matters set out under the paragraph above headed 'Role of the Board'. Issues associated with implementing the Company's strategy are generally considered by the Board to be non-strategic in nature and are delegated either to the Investment Manager or the Administrator, unless the Board considers there will be implementation matters significant enough to be of strategic importance to the Company and should be reserved to the Board. Generally these are defined as:

- Large property decisions affecting 10% or more of the Company's assets;
- Large property decisions affecting 5% or more of the Company's rental income; and
- Decisions affecting the Company's financial borrowings.

Board evaluation

Within the financial year ended 31 March 2026, the Board carried out an internal evaluation of the Board and its Chair, which involved questionnaires being completed by Non-Executive Directors. It was concluded that the Board performs well across all areas and has the relevant skills, knowledge, and experience as a whole.

Non-executive Directors, rotation of Directors and Directors' tenure

The UK Code recommends that Directors should be appointed for a specified period. The Board has resolved in this instance that Directors' appointments need not comply with this requirement as all Directors are non-executive and their respective appointments can be terminated at any time without penalty. The Board has approved a policy that all Directors will stand for re-election annually and it is the intention that no Director will serve for more than nine years. Accordingly, following nine years of service on the Board, Alastair Hughes will not seek re-election at the forthcoming AGM.

The appointment and replacement of Directors is governed by the Company's Articles, the Companies Law, related legislations and the UK Listing Rules. The Articles may only be amended by a special resolution of the shareholders. When a vacancy arises the Board selects the best candidate taking into account the skills and experience required, while taking into consideration board diversity as part of a good corporate governance culture.

Board composition and diversity

The Board currently consists of four Non-Executive Directors. The biography of each of these Directors is set out on page 52 of the report. The Board considers each of the Directors to be independent. As at 31 March 2026, 50% of the individuals on the Board of Directors were women, at least one individual on the Board of Directors was from a minority ethnic background, and at least one of the senior positions on the Board of Directors was held by a woman. The Company has therefore met all of the relevant targets in relation to Board diversity as set out in the UK Listing Rules.

The Company believes in the benefits of diversity and places importance on broad diversity of the Board as part of its succession planning. The Company's diversity and inclusion policy, outlined below, was applied throughout the Company's recruitment process.

The below tables set out the gender and ethnic diversity composition of the Board as at 31 March 2026 and at the date of this report.

	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board
White British or other White (including minority-white groups)	3	75%	2
Mixed/Multiple Ethnic Groups	-	-	-
Asian/Asian British	1	25%	0
Black/African/Caribbean/Black British	-	-	-
Other ethnic group, including Arab	-	-	-
Not specified/prefer not to say	-	-	-

	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board
Men	2	50	1
Women	2	50	1
Not specified/prefer not to say	-	-	-

Given that the Company is a REIT with no executive Board members, the columns and references regarding executive management have not been included. The approach to collecting this data was consistent for the purposes of reporting under the UK Listing Rules, and was consistent across all individuals in relation to whom data is being reported, whereby all Directors confirmed that the above disclosures were correct.

The Board has adopted a diversity and inclusion policy, which applies to both the Board and its committees. Appointments and succession plans will always be based on merit and objective criteria and, within this context, the Board seeks to promote diversity (including of gender, social, ethnic, professional and educational backgrounds, sexual orientation, cognitive and personal strengths), inclusion and equal opportunity. The Board will encourage any independent recruitment agencies it engages to find a range of candidates that meet the objective criteria agreed for each appointment.

Candidates for Board vacancies are selected based on their skills and experience, which are matched against the balance of skills and experience of the overall Board taking into account the criteria for the role being offered.

The independence of each Director is considered on a continuing basis. The Board has determined that all the Directors are independent of the Investment Manager. The Board is satisfied that it is of sufficient size with an appropriate balance of skills and experience, independence and knowledge of both the Company and the wider investment company sector, to enable it to discharge its respective duties and responsibilities effectively and that no individual or group of individuals is, or has been, in a position to dominate decision-making. Accordingly the Board approves the nomination for each of the Directors standing for re-election at the forthcoming AGM. The Board also considers the diversity and inclusion policies of its key service providers.

Board committees

The Board has delegated certain of its responsibilities to its Audit, Nomination, and Management Engagement committees. Each of these committees has formal terms of reference established by the Board which are available on the Company's website. The Board believes that its committees have an appropriate composition and blend of backgrounds, skills and experience to discharge their duties effectively. Details of the work of these committees are available in their respective reports. As all the Directors are non-executive, the Board has resolved that it is not necessary to have a Remuneration Committee.

Attendance records for the four quarterly Board meetings and committee meetings during the year under review are set out in the table below.

Director	Board	Audit Committee	Management Engagement Committee	Nomination Committee
Alastair Hughes	4/4	3/3	1/1	1/1
Priscilla Davies	4/4	3/3	1/1	1/1
Alexandra Innes	4/4	3/3	1/1	1/1
Sanjay Patel	4/4	3/3	1/1	1/1

In addition to pre-scheduled meetings, during the year, the Board had held eight additional Board meetings related to the proposed acquisition of Picton. Following the year end, the Board has held 13 additional meetings related to the proposed acquisition of Picton. The Nomination Committee has held two additional meetings to consider succession planning for the Board.

Information flows

All Directors receive, in a timely manner, relevant management, regulatory and financial information and are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and internal controls. The Board receives and considers reports regularly from the Investment Manager and other key advisors and ad hoc reports and information are supplied to the Board as required.

Data protection and security

The Board has reviewed its systems and controls in light of the implementation of the General Data Protection Regulation (EU Regulation 2016/679) and the Data Protection (Bailiwick of Guernsey) Law, 2017 (the 'GDPR') in 2018 to ensure that the Company is compliant with the requirements of the GDPR. As part of that process the Board took steps to update its contracts and policies accordingly and is comfortable that it meets its obligations as a controller of personal data. The Board also requires its Investment Manager to have a robust information security and data protection environment in place. This is reviewed with the Investment Manager at the annual Manager's visit day. All Board communication of a confidential nature is managed via a secure application. The Company's privacy notice is available on its webpages.

Board meetings and attendance

The Board meets at least four times each year. Additional meetings are also arranged as required and regular contact between Directors, the Investment Manager and the Administrator is maintained throughout the year. Representatives of the Investment Manager and Company Secretary attend each Board meeting and other advisors also attend when requested to do so by the Board.

Directors' and officers' liability insurance

During the year, the Company has maintained insurance cover for its Directors under a liability insurance policy.

Relations with shareholders

The Board believes that the maintenance of good relations with both institutional and retail shareholders is important for the long-term prospects of the Company. The Board receives feedback on the views of shareholders from its corporate broker, the Investment Manager and from the Chair. Through this process the Board seeks to monitor the views of shareholders and to ensure an effective communication programme.

The Board believes that the AGM, due to be held at 3.00 pm on 22 September 2026, provides an appropriate forum for investors to communicate with the Board and encourages investors to attend. The Notice of the next AGM can be found on page 127 of this document.

Disclosures required under UK Listing Rule 6.6.4

UK Listing Rule 6.6.4 requires the Company to include certain information in a single identifiable section of this annual report or a cross-reference table indicating where the information required in UKLR 6.6.1 is set out. The Board confirms that there are no disclosures to be made in this regard.

Audit Committee report

Composition

The Audit Committee is chaired by Sanjay Patel, with Priscilla Davies, Alastair Hughes, and Alexandra Innes as members. The Board considers that Sanjay Patel's professional experience makes him suitably qualified to chair the Audit Committee, and his continuing professional commitments provide him with recent relevant financial experience. The Audit Committee's terms of reference are available on the Company's webpages.

Responsibilities

The Audit Committee ensures that the Company maintains the highest standards of integrity in financial reporting and internal control. This includes responsibility for reviewing the half-year and annual financial statements ahead of their submissions to the Board. In addition, the Audit Committee is specifically charged under its terms of reference to advise the Board, inter alia, on the terms and scope of the appointment of the Auditor, including their remuneration, independence, objectivity and reviewing with the Auditor the results and effectiveness of the audit.

Work of the Audit Committee

The Audit Committee meets no less than twice a year. Meetings are also attended by the Investment Manager and the Auditor as appropriate. During the year under review, the Audit Committee met on three occasions to consider:

- The contents of the interim and annual financial statements and to consider whether, taken as a whole, they were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- The effectiveness of the Company's framework of internal control;
- The management representation letter to the Auditor;
- The external Auditor's terms of engagement, audit plan, and audit findings report;
- The independence, effectiveness and objectivity of the external Auditor;
- The independence of the Company's Valuers; and
- The risk assessment of the Company.

To review the reported KPIs used to measure the performance of the Investment Manager on its execution of the brown to green strategy, EY were again engaged to independently reperform the performance of two assets via an ISRS 4400 (Revised) 'Agreed Upon Procedures' (AUP) engagement with a final report issued in May 2026. The full report can be found on the Company's website.

As noted in the Corporate Governance report, an evaluation of the committees was conducted by the Directors in March 2026, which concluded that the Audit Committee continued to function effectively and to discharge the matters for which it is responsible under its terms of reference.

Recommendations made to, and approved by, the Board:

- That the report and accounts be approved;

- That the annual report and the half year report be prepared on a going concern basis in accordance with the explanations set out in the going concern and viability statements; and
- That resolutions in relation to the re-appointment of the Auditor be proposed at the AGM.

Internal controls

The UK Corporate Governance Code, and the AIC Code, require the Board to conduct, at least annually, a review of the effectiveness of the Company's system of internal controls, and to report to shareholders accordingly. The Company's framework of internal controls is substantially reliant on the internal controls of both the Investment Manager and the key service providers to the Company. All aspects of the wider internal controls' framework are reviewed at least annually.

To support this review the Committee met with key stakeholders, including the in-house Risk and Information Security teams of the Investment Manager, as well as the outsourced accounting provider CBRE and the Depositary, and reviewed externally prepared controls' reports of key service providers to the Company including those of the Investment Manager, Depositary, Guernsey Administrator, Property Manager, and the Valuer. The financial procedures of both the Investment Manager, and the third-party accountancy and administrative service provider, were also reviewed.

The Audit Committee, on behalf of the Board, also regularly reviews a detailed 'Risk Matrix' identifying significant strategic, investment-related, operational, and service provider-related risks.

Based on these detailed reviews, the Committee noted that the Company's risk management and internal control framework, and its material controls had operated effectively as at the balance sheet date. No significant issues were identified from the internal controls' review.

Although the Board believes that it has a robust framework of internal controls in place, this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, and not eliminate, risk.

Significant matters considered by the Audit Committee in relation to the financial statements

Market volatility

Matter	Action
The performance of the Company could be affected by economic and property market risk. In the wider economy this could include inflation, stagflation or deflation, economic recessions, movements in interest rates, the wars in Ukraine and the Middle East, or other external shocks. The performance of the underlying property portfolio could also be affected by structural or cyclical factors impacting particular sectors or regions of the property market.	As disclosed in the Going Concern and Viability Statements on pages 49 to 50, the Audit Committee has considered various stress tests and sensitivities to the normal cash flow forecasts, and is confident that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of its assessment. The Audit Committee considers that the Company will be viable and is a going concern over relevant periods.

Property valuation

Matter	Action
<p>Property valuation is central to the business and is a significant area of judgement which is inherently subjective, although the valuations are performed by an independent firm of Valuers, CBRE.</p> <p>Errors in valuation could have a material impact on the Company's net asset value.</p>	<p>The Audit Committee reviewed the outcomes of the valuation process throughout the year and discussed the detail of each quarterly valuation with the Investment Manager at the Board meetings.</p> <p>The Audit Committee met with CBRE to discuss the process, assumptions, independence and communication with the Investment Manager. The Committee was satisfied that the firm had taken a considered approach.</p>

Proposed acquisition of Picton

Matter	Action
<p>Consideration of the proposed acquisition of Picton by LMP and the Company on the Company's going concern assessment.</p>	<p>As disclosed in the Going Concern and Viability Statements on pages 49 to 50, the Audit Committee has reviewed forecasts of liquidity, cash flow and covenant compliance for the combined group, assuming completion of the transaction and the assumption of Picton's existing debt facilities. Under both a base case and a severe-but-plausible downside scenario, the combined group would maintain positive cash balances, retain significant undrawn committed facility headroom, and remain comfortably within covenant thresholds throughout the going concern period.</p>

Internal audit

The Audit Committee considered the need for an internal audit function and concluded that this function is not required, as the Company has no direct employees, and it outsources all day-to-day management and administrative functions. The Investment Manager has its own internal auditors. In the absence of an internal audit function, assurance was achieved by a review by the Committee of the Investment Manager's group ISAE 3402/AAF 01/06 Internal Controls Report. This report covered the activities of the Investment Manager, Schroder Real Estate Investment Management Limited. Additionally, the Audit Committee reviewed the internal controls of key service providers at a meeting held in February 2026, which included the Investment Manager, the Depositary, and CBRE Global Investment Administration (UK) Limited, to whom the Investment Manager outsourced responsibility for the Company's accounting records and production of management accounts and financial statements.

External Auditor's remuneration, independence and effectiveness

Annually, the Audit Committee considers the remuneration and independence of the external Auditor. The Audit Committee recommends the remuneration of the external Auditor to the Board and keeps under review the ratio of audit to non-audit fees to ensure that the independence and objectivity of the external Auditor are safeguarded.

Effectiveness of the independent audit process

The Audit Committee evaluated the effectiveness of EY prior to making a recommendation on its reappointment at the forthcoming AGM. As part of the evaluation, the Audit Committee considered feedback from the Investment Manager on the audit process and year end report from the Auditor, which details the Auditor's compliance with regulatory requirements, on safeguards that have been established and their own internal quality control procedures. The Audit Committee had discussions with the audit partner on audit planning, accounting policies and audit findings, and met the audit partner both with and without representatives of the Investment Manager present. The chair of the Audit Committee also had informal discussions with the audit partner during the course of the year. The Audit Committee is satisfied with the effectiveness of the Auditor.

Non-audit services

In order to help safeguard the independence and objectivity of the Auditor, the Audit Committee maintains a policy on the engagement of the external Auditor to provide non-audit services. The Audit Committee's policy for the use of the external Auditor for non-audit services recognises that there are certain circumstances where, due to EY's expertise and knowledge of the Company, it will often be in the best position to perform non-audit services. Under the policy, the use of the external Auditor for non-audit services is subject to pre-clearance by the Audit Committee. Clearance will not be granted if it is believed it would impair the external Auditor's independence or where provision of such services by the Company's Auditor is prohibited. Prior to undertaking any non-audit service, EY also completes its own independence confirmation processes which are approved by the audit partner.

£20,000 for a non-audit service was paid to EY in relation to the Agreed Upon Procedures ('AUP') exercise for the year ended 31 March 2026.

Sanjay Patel Chair of the Audit Committee

9 July 2026

Management Engagement Committee report

The Management Engagement Committee is chaired by Alexandra Innes with Priscilla Davies, Alastair Hughes, and Sanjay Patel as members. The Management Engagement Committee's terms of reference are available on the Company's webpages.

The Management Engagement Committee is responsible for:

- 1 The monitoring and oversight of the Investment Manager's performance and fees, and confirming the Investment Manager's ongoing suitability; and
- 2 Reviewing and assessing the Company's other service providers, including reviewing their fees.

Recommendations made to, and approved by, the Board:

- That the ongoing appointment of the Investment Manager on the terms of the Investment Management Agreement was in the best interests of shareholders as a whole;
- That the Investment Manager should be awarded the additional management fee for meeting sustainability KPIs alongside delivery of an income return ahead of the MSCI benchmark; and
- That the Company's service providers' performance remained satisfactory.

Oversight of the Investment Manager

Approach

The Management Engagement Committee:

- Reviews the Investment Manager's performance (including in relation to sustainability KPIs) and suitability;
- Considers the reporting it has received from the Investment Manager throughout the year, and the reporting from the Investment Manager to shareholders;
- Assesses management fees on an absolute and relative basis, receiving input from the Company's corporate broker, including peer group and industry figures, as well as the structure of the fees;
- Reviews the appropriateness of the Investment Manager's contract, including terms such as notice period; and
- Assesses whether the Company receives appropriate administrative, accounting, company secretarial and marketing support from the Investment Manager.

Application during the year

The Management Engagement Committee undertook a detailed review of the Investment Manager's performance and agreed that it has the appropriate capabilities required to allow the Company to meet its investment objective.

We were pleased to announce the manager fee change effective 1 October 2025, linking 50% of the fee to market capitalisation, and 50% to the Company's NAV. This resulted in a fee reduction and serves to align the fee with shareholder returns.

The ongoing charges ratio of 1.31% compares favourably with peers and has been supported by the close control of expenses.

We recommended that the Investment Manager should be awarded the additional management fee of five basis points per annum for meeting sustainability KPIs alongside delivery of an income return ahead of the MSCI benchmark. In turn, we are pleased to report a basis point reduction in the sustainability linked loan interest paid, as the manager met two of the three relevant sustainability metrics.

Application during the year (continued)

The Management Engagement Committee also reviewed the terms of the Investment Management Agreement and recommended that the ongoing appointment of the Investment Manager on the terms of the Investment Management Agreement was in the best interests of shareholders as a whole.

In February 2026 it was announced that Schroders had agreed the terms of a recommended all-cash offer by Nuveen, which has subsequently been approved by Schroders shareholders. This transaction, which is scheduled to complete later in the year following regulatory approvals, creates one of the world's largest global active asset managers, with nearly \$2.5 trillion of assets under management. The combined UK and continental European real estate assets under management will exceed \$50 billion. We are positive about the opportunities this greater scale will bring.

Oversight of other service providers

Approach

The Management Engagement Committee reviews the performance and competitiveness of the Company's service providers on at least an annual basis including the Property Managers, the Depositary, the Administrator, the Tax Advisor, the Corporate Broker, the Valuers, the Solicitors, and the Registrar.

The Management Engagement Committee receives feedback from the Audit Committee on its review of the Auditor.

Application during the year

The annual review of service providers was satisfactory. The Management Engagement Committee noted that the Audit Committee had undertaken a detailed evaluation of the Investment Manager, Depositary, and Guernsey Administrator's internal controls.

Alexandra Innes

Chair of the Management Engagement Committee

9 July 2026

Nomination Committee report

The Nomination Committee is chaired by Alastair Hughes, with Priscilla Davies, Alexandra Innes, and Sanjay Patel as members. The Nomination Committee's terms of reference are available on the Company's webpages.

Alexandra Innes acted as the Committee's interim chair during the Board's succession planning process for Alastair Hughes, in accordance with provisions within the UK Code and the AIC Code, where the Chair should refrain from chairing the Nomination Committee when it is dealing with the appointment of the Board Chair's successor.

The Nomination Committee is responsible for:

- 1 The recruitment, selection and induction of Directors;
- 2 Their assessment during their tenure; and
- 3 The Board's succession planning.

Recommendations made to, and approved by, the Board:

- That all Directors continue to demonstrate commitment to their roles, provide a valuable contribution to the deliberations of the Board, and remain free from conflicts with the Company and its Directors, so should all be recommended for re-election by shareholders at the AGM, with the exception of Mr Hughes, who will not be seeking re-election at the AGM following a nine-year tenure.

Approach

Selection and induction

- The Nomination Committee prepares a job specification for each role, outlining knowledge, professional skills, personal qualities, and experience requirements, and an independent recruitment firm is appointed. For the Chair and the chairs of committees, the Committee considers current Board members too.
- Potential candidates assessed against the Company's diversity policy.
- The Nomination Committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board.

Board evaluation

- The Nomination Committee assesses each Director annually. The evaluation focuses on whether each Director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the year, taking into account time commitment, independence, conflicts and training needs.
- Following the evaluation, the Nomination Committee provides a recommendation to shareholders with respect to the annual re-election of Directors at the AGM.
- All Directors retire at the AGM and their re-election is subject to shareholder approval.

Succession

- The Board's succession policy is that Directors' tenure will be for no longer than nine years, except in exceptional circumstances, and that each director will be subject to annual re-election at the AGM.
- The Nomination Committee reviews the Board's current and future needs at least annually. Should any need be identified the Nomination Committee will initiate the selection process.
- The Nomination Committee will oversee the handover process for retiring Directors.
- The Nomination Committee reviews the induction and training of new Directors.

Application

Selection and induction

- No new appointments were made during the year.

Board evaluation

- The annual Board evaluation was undertaken in March 2026.
- The Nomination Committee reviewed each Director's time commitment and independence by reviewing a complete list of appointments, including pro bono not-for-profit roles, to ensure that each Director remained free from conflict and had sufficient time available to discharge each of their duties effectively. All Directors were considered to be independent in character and judgement.
- The Nomination Committee considered each Director's contributions, and noted that in addition to extensive experience as professionals and Non-Executive Directors, each Director had valuable skills and experience, as detailed in their biographies on page 52.
- Based on its assessment, the Nomination Committee provided individual recommendations for each Director's re-election, apart from Alastair Hughes who is not seeking re-election at the forthcoming AGM.

Succession

- During the year, the Nomination Committee considered the need for orderly succession planning and a suitable plan was agreed.

Following year end, we are pleased to announce the appointment of Priscilla Davies as Chair-elect, to succeed Alastair Hughes when he steps down as Chair at the forthcoming AGM. This follows a comprehensive external search process undertaken by Sanjay Patel and myself as representatives of the Nomination Committee, in conjunction with Russell Reynolds as our appointed search firm. Priscilla brings prior experience as chair, alongside extensive governance and financial services experience. As Priscilla is currently Senior Independent Director, this appointment also brings important continuity to the Board and shareholders. We will thank Alastair in due course for his excellent leadership as Chair over the last nine years.

We are also pleased to report the appointment of Richard Dakin as a Non-Executive Director, effective 10 July 2026. Richard brings extensive real estate knowledge to the Board, with former roles including Europe Head, Investment Banking and Debt and Structured Finance at CBRE Group and Head of Corporate Real Estate Business Support at Lloyds Banking Group. An experienced non-executive director at listed real estate companies, including Berkeley Group Holdings plc and previously Derwent London plc, we are confident Richard will provide a valuable contribution to the Board.

Following the AGM on 22 September 2026, I will succeed Priscilla as Senior Independent Director and Richard will succeed me as chair of the Management Engagement Committee. Priscilla will also become chair of the Nomination Committee, succeeding Alastair.

With these new appointments, the Board has the appropriate skillsets and experience to deliver on our strategic priorities and next stages of growth. We continue to meet all aspects of the Diversity Listing Rules.

I would like to thank the Nomination Committee, and Russell Reynolds, for their support with these appointments.

Alexandra Innes
Interim chair of the Nomination Committee

9 July 2026

Directors' remuneration report

Introduction

The below remuneration report is subject to an annual advisory vote. An ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM.

At the AGM held on 16 September 2025, 99.40% of the votes cast (including votes cast at the Chair's discretion) in respect of approval of the remuneration report for the year ended 31 March 2025 were in favour, while 0.60% were against, and 544,889 votes were withheld.

The below remuneration policy is in force and is subject to an advisory vote every three years. At the AGM held on 16 September 2024, the remuneration policy was approved by shareholders, with 99.80% of votes for, 0.20% of votes against, and 129,427 votes withheld.

The Board believes, in line with the UK Listing Rules, that section 5 of the UK Code relating to remuneration does not apply to the Company, except as outlined above, as the Company has no executive Directors.

Directors' remuneration policy

The Company's Articles currently limit the aggregate fees payable to the Board of Directors to a total of £250,000 per annum. Subject to this overall limit, it is the Board's policy to determine the level of Directors' fees having regard to the fees payable to non-executive Directors in the industry generally, the impact of inflation, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and time committed to the Company's affairs. Generally, the Board seeks to increase fees in line with the rate of inflation, with the level of Directors' remuneration reviewed annually to ensure competitiveness within the peer group and attractiveness to potential candidates for Director appointments.

For the financial year ended 31 March 2026, Directors received a base fee of £38,300 per annum, and the Chair received £60,000 per annum, irrespective of additional roles. The chair of the Audit Committee was entitled to an additional fee of £8,200. The Nomination Committee chair was entitled to an additional fee of £5,000. The chair of the Management Engagement Committee and the Senior Independent Director are each entitled to receive an additional fee of £5,700 respectively.

No Director past or present has any entitlement to pensions and the Company has not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance related.

The Board did not seek the views of shareholders in setting this remuneration policy. Any comments on the policy received from shareholders would be considered on a case-by-case basis.

Directors' fees are reviewed periodically and take into account research from third parties on the fee levels of Directors of peer group companies, as well as industry norms and factors affecting the time commitment expected of the Directors. New Directors are subject to the provisions set out in this remuneration policy.

No Director has a service contract with the Company. However, each of the Directors has a letter of appointment with the Company. The Directors' letters of appointment, which set out the terms of their appointment, are available for inspection at the Company's registered office address during normal business hours and will be available for inspection at the AGM.

All Directors are appointed for an initial term covering the period from the date of their appointment until the first AGM thereafter, at which they are required to stand for re-election in accordance with the Articles. When recommending whether an individual Director should seek re-election, the Board will take into account the provisions of the UK Code and the AIC Code, including the merits of refreshing the Board and its Committees.

The Board has approved a policy that all Directors will stand for re-election annually.

Directors' remuneration report

This Report sets out how the Directors' remuneration policy was implemented during the year ended 31 March 2026.

Fees paid to Directors

The following amounts were paid by the Company for services as non-executive Directors:

Director	31 March 2026 (£)	31 March 2025 (£)
Alastair Hughes (Chair)	60,000	58,500
Priscilla Davies ¹	44,000	42,500
Alexandra Innes ²	47,350	42,500
Sanjay Patel ³	46,500	41,125
Stephen Bligh (retired on 30 June 2024) ⁴	-	10,625
Total	197,850	195,250

1 Senior Independent Director

2 Chair of the Management Engagement Committee, and included a one-off payment of £3,350 as interim chair of the Nomination Committee from 30 July 2025 to 31 March 2026

3 Chair of the Audit Committee

4 Director and chair of the Audit Committee until 30 June 2024

The Board carried out a review of Directors' annual fees following the year end, considering the fees payable to non-executive directors in the industry and the peer group, the rate of inflation, and the commitment required of Directors of the Company to adequately discharge their roles and responsibilities.

This review supported an increase of fees payable to each Director of 3% rounded to the nearest £1,000.

During the year, a Chair succession planning process was required, and since 30 July 2025, Alexandra Innes served as interim chair of the Nomination Committee. In recognition of this additional workload and time commitment, the Board approved a one-off payment of £3,350 to Alexandra Innes for the year ended 31 March 2026, based on the additional fee payable to the chair of the Nomination Committee, on a pro-rata basis.

Following this review, and effective from 1 April 2026, Directors receive a base fee of £39,000, with the Chair receiving £62,000. The Management Engagement Committee chair receives an additional fee of £6,000 (an increase from £5,700), with the chair of the Audit Committee receiving an additional fee of £9,000 (an increase from £8,200). The Senior Independent Director receives an additional fee of £6,000 (an increase from £5,700). The fees payable to Directors effective from 1 April 2026 are set out below:

Director	From 1 April 2026 (£)	Year ended 31 March 2026 (£)
Alastair Hughes (Chair) ¹	62,000	60,000
Priscilla Davies ²	45,000	44,000
Alexandra Innes ³	45,000	47,350
Sanjay Patel ⁴	48,000	46,500
Total	200,000	197,850

1 This per annum fee will be paid on a pro-rata basis until the Chair's retirement at the AGM on 22 September 2026.

2 Senior Independent Director

3 Chair of the Management Engagement Committee, and included a one-off payment of £3,350 as interim chair of the Nomination Committee from 30 July 2025 to 31 March 2026 for the year ended 31 March 2026

4 Chair of the Audit Committee

Performance

The performance of the Company is described under 'Performance Summary' on page 4 of this document.

Alastair Hughes Chair

9 July 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Consolidated Financial Statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare the Annual Report and Consolidated Financial Statements for each financial year. Under the Companies Law the Directors have elected to prepare the Annual Report and Consolidated Financial Statements in accordance with International Financial Reporting Standards and applicable law.

The Annual Report and Consolidated Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for the relevant period.

In preparing the Annual Report and Consolidated Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Company's ability to continue as a going concern, disclosing as applicable matters relating to going concern; and
- Use the going concern basis of preparation unless they intend to either liquidate the Company or cease operations or have no realistic alternative to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Annual Report and Consolidated Financial Statements comply with the Companies Law. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud, error and non-compliance with law and regulations.

As part of the preparation of the Annual Report and Consolidated Financial Statements, the Directors have received reports and information from the Company's Administrator and Investment Manager. The Directors have considered, reviewed and commented upon the Annual Report and Consolidated Financial Statements throughout the drafting process in order to satisfy themselves in respect of the content.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website and for the preparation and dissemination of the Annual Report and Consolidated Financial Statements.

Legislation in Guernsey governing the preparation and dissemination of the Consolidated Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report

We confirm to the best of our knowledge:

- The Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the undertakings included in the consolidation taken as a whole and comply with the Companies Law; and
- The Strategic Report on pages 5 to 50 and Governance Report on pages 51 to 64 include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties it faces. The Directors consider that the Annual Report and Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Alastair Hughes
Chair

9 July 2026

Independent Auditor's report to the members of Schroder Real Estate Investment Trust Limited

Opinion

We have audited the consolidated financial statements (the 'Financial Statements') of Schroder Real Estate Investment Trust Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 24, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Director's approach to assessing going concern, including meeting with the Investment Manager to understand the process they followed in preparing the going concern assessment;

- Obtaining the Group's going concern assessment and supporting cash flow forecasts and covenant compliance calculations. The Investment Manager prepared assessments for the Group on a standalone basis ('standalone group') and also the combined group to take account of the proposed acquisition of Picton Property Income Limited (Picton) ('combined group');
- Considering events beyond the period of assessment and whether such events should be considered by the Investment Manager in their going concern assessment, in the event that such events may impact the conclusions reached;
- Discussing the going concern assessment with the Audit Committee and Investment Manager to determine whether, in their opinion, there is any material uncertainty regarding the Group's ability to pay liabilities and commitments as they fall due and challenge this through our audit procedures in relation to the assessments;
- For the standalone group we considered the appropriateness of the assumptions used in the base case and severe but plausible downside scenario cash flow forecasts and forecast covenant compliance calculations. We challenged the sensitivities and assumptions made, including the Group's ability to continue to comply with financial covenants and the reasonableness of assumptions on refinancing in the period. We involved EY specialists to support our evaluation of the reasonableness of the Director's assumption that the RBSI facility would be refinanced in June 2027;
- For the combined group, we obtained an understanding of the terms of the proposed acquisition of Picton Property Income Limited and the pre-conditions to be satisfied. We performed additional procedures to understand Picton's financial position, its financing arrangements (including the requirements for lender consents prior to change of control) and its forecast contribution to the proposed combined group over the going concern period;
- Challenging the stress testing performed and corroborating the key assumptions in the forecasts, and ensuring this was consistent with our audit work in these areas;
- Testing the arithmetic accuracy of the assessments and recalculating the Group's forecast covenant compliance calculations; and
- Assessing the going concern disclosures in the financial statements and evaluating whether these provided an explanation of the Directors' assessment that was consistent with the audit evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> – Risk of incorrect valuation of directly and indirectly held investment property portfolios – Risk of revenue recognition, including the timing of revenue recognition, the treatment of rents and lease incentives
Materiality	– Overall group materiality of £2.97m which represents 1% of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Group. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team which includes our real estate valuation specialists.

Changes from the prior year

There have been no significant changes in scope from the prior year audit.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact the Group. The Group has explained the most significant future impacts from climate change on their operations on page 47 in the principal risks and uncertainties. They have also explained their climate commitments on page 36. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements

or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in notes 1 and 10 how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on the adequacy of the disclosures in the Financial Statements and the conclusion that there was no further impact of climate change to be taken into account as the investment properties are valued at fair value based on open market valuations as described in Note 10.

The open market valuation assessment includes consideration of environmental matters and the condition of each property with detail on the fair value of properties provided within the notes to the financial statements. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: risk of incorrect valuation of directly and indirectly held investment property portfolio. Details of the impact, our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of incorrect valuation of directly and indirectly held investment property portfolios (Fraud risk)</p> <p>Refer to the Material accounting policies (page 77); and Note 10 of the Consolidated Financial Statements (page 85 to 87).</p> <p>The Group's investment property portfolio consists of UK properties held directly and through joint ventures, with a combined carrying value of £466.3m (2025: £470.5m).</p> <p>The Group's accounting policy is for the fair value of the investment properties to be determined by independent real estate valuation experts using recognised valuation techniques. The fair values are based on recent real estate transactions with similar characteristics and locations to those of the Group's assets. The Group's accounting policy is for the valuation of investment properties to be reduced by the total of the unamortised lease incentive balances.</p> <p>There is a risk of incorrect valuation of the property portfolio which could result in the Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income to be materially misstated.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> — obtained an understanding of the process and controls surrounding property valuation by performing our walkthrough procedures and evaluating the implementation and design effectiveness of controls; — assessed the independence and competence of the Group's independent valuers as required by auditing standards; — read the valuation reports provided by the Group's independent valuers to agree the appropriateness and suitability of the reported values and the changes in value from the previous accounting period; — performed enquiries of the Group's independent valuers to obtain an understanding of their valuation process and the methods and assumptions used in their analysis, including discussing the level of market activity to support the valuation and the extent to which their valuation has considered the impact of climate change; — performed a site visit and tour of Store Street, London to understand the condition of the asset, occupancy and future plans for the property; — engaged our EY property valuation specialists to perform a review of a sample of property valuations (74% of the total value, 14 properties; 2025: 79% of the total value, 16 properties) to assess whether the reported value falls within a range of reasonable outcomes, which included: <ul style="list-style-type: none"> – validating the assumptions used by the independent valuers and assessment of the valuation methodologies adopted; – challenging the key inputs and assumptions relating to equivalent yield and rental rates with reference to published market data and comparable transaction evidence through market activity; and – assessing the appropriateness of market related inputs and reasonableness of valuation methods, by comparing against our own market data and understanding of the property market. — performed analytical review procedures across the portfolio of investments, focusing on correlations with market data and any significant movements; — On a sample basis, agreed key inputs to the valuation, such as passing rent and length of lease and planned levels of capital expenditure to supporting documentation such as lease agreements and contracts; — verified that the fair values derived by the Group's independent valuers for the entire portfolio are correctly included in the consolidated financial statements; and — assessed the adequacy of the additional disclosures of estimates and valuation assumptions disclosed in the notes in accordance with IFRS 13 – Fair Value Measurement. 	<p>Based on the work performed, we had no matters to report to the Audit Committee.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of revenue recognition, including the timing of revenue recognition, the treatment of rents and lease incentives</p> <p><i>Refer to the Audit Committee Report (page 58) and Material accounting policies (page 80)</i></p> <p>Revenue is earned in the form of rental income from the investment properties and is recognised on an accrual basis. During the year, the Group recognised £28.1m of rental income (2025: £27.2m), rent receivable of £4.1m (2025: £4.7m) and Lease Incentive of £9.0m (2025: 8.9m)</p> <p>There is a risk of overstatement of revenue in order to meet current or future targets or market expectations. The risk is focussed on revenue being overstated through fictitious leases, manipulation of journal entries through top-side adjustments and incorrect cut-off.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> — obtained an understanding of the process and controls for each revenue stream by performing our walkthrough procedures and evaluated the implementation and design effectiveness of controls; — performed substantive analytical review procedures over rental revenue for each property. We formed an expectation of the rental income for each property, and compared this expectation to the actual revenue recognised during the year; — agreed a sample of rental rates to tenancy agreements and recalculate rental revenue earned by the property for the year; — recalculated a sample of lease incentives based on the terms within the lease agreement to assess the appropriateness of the amount recorded; including, on a sample basis, verifying lease modifications through agreement of the updated terms to amended and restated lease agreements and performing an independent assessment as to whether they have been appropriately treated in accordance with IFRS 16 — Leases (‘IFRS 16’); — reviewed the report prepared by Schroder Real Estate Investment Management Limited (the ‘Asset Manager’) assessing the recoverability of the overdue rent and receivables and challenging the judgments involved including expected credit loss on the rent receivable balance as a whole. For a sample of tenants, we inspected the cash receipt subsequent to the year-end date; and — tested a sample of rental revenue journals to identify unauthorised or inappropriate journals to address the risk of management override. We enquired as to the nature of each transaction sampled and review corroborating evidence to conclude on whether the journals are reasonable and in line with our expectations. We selected journals by applying criteria and thresholds based on our professional judgment. 	<p>Based on the work performed, we have no matters to report to the Audit and Risk Committee.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £2.97 million (2025: £3.01 million), which is 1% (2025: 1%) of equity. We believe that equity provides us with a materiality aligned to the key measurement of the Group's performance.

During the course of our audit, we reassessed initial materiality and adjusted our audit procedures accordingly.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2025: 75%) of our planning materiality, namely £2.23m (2025: £2.26m). We have set performance materiality at this percentage due to this being a recurring audit with a low incidence of historical errors.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.15m (2025: £0.15m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 2 to 64 and pages 96 to 128 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the Group's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 49 to 50;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 49 to 50;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 49 to 50;

- Directors' statement on fair, balanced and understandable set out on page 64;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 46;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 58; and
- The section describing the work of the audit committee set out on pages 58 to 59.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 64, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are The Companies (Guernsey) Law, 2008, the UK Corporate Governance Code, The 2019 AIC Code of Corporate Governance, REIT requirements set out in part 12 of the Corporation Tax Act (CTA) 2010 ('REIT rules') and the Listing Rules of the UK Listing Authority;
- We understood how the Group is complying with those frameworks by making enquiries of the Investment Manager, the Administrator and the Board regarding:
 - their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
 - the Group's methods of enforcing and monitoring non-compliance with such policies
 - the Investment Manager's process for identifying and responding to fraud risks, including programs and controls the Group has established to address risks identified by the Group, or that otherwise prevent, deter and detect fraud; and
 - how the Group monitors those programs and controls.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by:
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - obtaining the Group's assessment of fraud risks including an understanding of the nature, extent and frequency of such assessment documented in the Group's Risk Matrix;
 - making inquiries with those charged with governance, the Investment Manager, the Company Secretary and Administrator as to how they exercise oversight of identifying and responding to fraud risks and the controls established to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud;
 - making inquiries of the Investment Manager and the Board regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence; and
 - making inquiries of the Investment Manager, the Company Secretary, Administrator and the Board regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Group.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
 - Through discussion, gaining an understanding of how the Board, the Company Secretary, Administrator and the Investment Manager identify instances of non-compliance by the Group with relevant laws and regulations;
 - Inspecting the relevant policies, processes and procedures to further our understanding;
 - Reviewing Board minutes and internal compliance reporting;
 - Inspecting management's specialist's assessment of the Group's compliance with the REIT rules. We have tested through recalculating and corroborating, to supporting information, the Group's compliance with each of the REIT rules, including the proportion of dividend distributed in the form of property income distributions;
 - Inspecting correspondence with regulators; and
 - Obtaining relevant written representations from the Board.
- We obtained data from the general ledger and performed journal entry testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the company on 5 November 2019 to audit the financial statements for the year ending 31 March 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 7 years, covering the years ending 31 March 2020 to 31 March 2026.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Saunders

for and on behalf of Ernst & Young LLP

Guernsey, Channel Islands

10 July 2026

Financial statements

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Consolidated statement of comprehensive income

for the year ended 31 March 2026

	Notes	31/03/2026 £000	31/03/2025 £000
Rental income		28,071	27,192
Other income	3	1,558	484
Property operating expenses	4	(4,323)	(2,657)
Net rental and related income		25,306	25,019
(Loss)/profit on the disposal of investment property	10	(1,763)	469
Net unrealised valuation gain on investment property	10	5,888	16,232
Net change in fair value of financial instrument at fair value	20	18	(153)
Expenses			
Investment management fee	2	(2,530)	(2,458)
Valuers' and other professional fees		(2,161)	(2,215)
Administrators' fees	2	(70)	(68)
Auditor's remuneration	5	(238)	(209)
Directors' fees	6	(198)	(186)
Other expenses	6	(176)	(229)
Total expenses		(5,371)	(5,365)
Operating profit		24,078	36,202
Finance income		196	355
Finance costs		(6,670)	(6,589)
Net finance costs		(6,474)	(6,234)
Share of profit (excluding valuation movement) in joint ventures	11	3,035	3,579
Share of valuation loss in joint ventures	11	(6,586)	(2,489)
Share of (loss)/profit in joint ventures		(3,551)	1,090
Profit before taxation		14,053	31,058
Taxation	7	-	-
Profit and total comprehensive income for the year attributable to the equity holders of the parent		14,053	31,058
Basic and diluted earnings per share	8	2.9p	6.3p

All items in the above statement are derived from continuing operations. The accompanying notes 1 to 24 form an integral part of the financial statements.

Consolidated statement of financial position

as at 31 March 2026

	Notes	31/03/2026 £000	31/03/2025 £000
Investment property	10	405,850	404,798
Investment in joint ventures	11	60,429	65,722
Interest rate derivative contracts	20	84	66
Non-current assets		466,363	470,586
Trade and other receivables	12	20,546	21,463
Cash and cash equivalents	13	10,979	3,720
Current assets		31,525	25,183
Investment property held for sale	10	-	1,100
Total assets		497,888	496,869
Issued capital and share premium (excluding treasury reserves)	14	219,090	219,090
Treasury reserves	14	(37,101)	(37,101)
Revenue reserves	14	115,892	119,388
Equity		297,881	301,377
Interest-bearing loans and borrowings	15	185,857	180,611
Lease liability	10	1,350	1,508
Non-current liabilities		187,207	182,119
Trade and other payables	16	12,800	13,373
Current liabilities		12,800	13,373
Total liabilities		200,007	195,492
Total equity and liabilities		497,888	496,869
Net asset value per ordinary share	17	60.9p	61.6p

The financial statements on pages 73 to 95 were approved at a meeting of the Board of Directors held on 9 July 2026 and signed on its behalf by:

Alastair Hughes
Chair and Director

Sanjay Patel
Director

The accompanying notes 1 to 24 form an integral part of the financial statements.

Guernsey Company Reg No: CMP41959

Consolidated statement of changes in equity

for the year ended 31 March 2026

	Notes	Issued capital and share premium £000	Treasury reserve £000	Revenue reserve £000	Total £000
Balance as at 31 March 2024		219,090	(37,101)	105,361	287,350
Profit for the year		-	-	31,058	31,058
Dividends paid	9	-	-	(17,031)	(17,031)
Balance as at 31 March 2025		219,090	(37,101)	119,388	301,377
Profit for the year		-	-	14,053	14,053
Dividends paid	9	-	-	(17,549)	(17,549)
Balance as at 31 March 2026		219,090	(37,101)	115,892	297,881

The accompanying notes 1 to 24 form an integral part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2026

	Notes	31/03/2026 £000	31/03/2025 £000
Operating activities			
Profit for the year		14,053	31,058
Adjustments for:			
Loss/(profit) on the disposal of investment property	10	1,763	(469)
Net valuation gain on investment property	10	(5,888)	(16,232)
Net change in fair value of financial instrument at fair value	20	(18)	153
Share of loss/(gain) on joint ventures		3,551	(1,090)
Net finance cost		6,474	6,234
Operating cash generated before changes in working capital		19,935	19,654
Decrease/(increase) in trade and other receivables		1,507	(1,138)
(Decrease)/increase in trade and other payables		(532)	63
Cash generated from operations		20,910	18,579
Investing activities			
Proceeds from the sale of investment property		13,454	1,439
Additions to investment property	10	(8,991)	(6,089)
Additions to joint ventures	11	(1,293)	(845)
Net income distributed from joint ventures		1,990	3,569
Cash flows generated/(used) in investing activities		5,160	(1,926)
Financing activities			
Additions to debt	15	5,000	4,500
Net finance costs paid		(6,262)	(6,407)
Dividends paid	9	(17,549)	(17,031)
Cash flows used in financing activities		(18,811)	(18,938)
Net increase/(decrease) in cash and cash equivalents for the year		7,259	(2,285)
Opening cash and cash equivalents		3,720	6,005
Closing cash and cash equivalents	13	10,979	3,720

The accompanying notes 1 to 24 form an integral part of the financial statements.

Notes to the financial statements

1 Material accounting policy information

Schroder Real Estate Investment Trust Limited (the 'Company') is a closed-ended investment company registered in Guernsey. The consolidated financial statements of the Company for the year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the 'Group').

New standard and interpretations

Except as noted below, the Company is satisfied that there are no standards that are published, and not yet effective, that will have a material effect on the accounts.

IFRS 18 Presentation and Disclosure in Financial Statements

The new standard IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027 but earlier application is permitted. This new standard replaces IAS 1 Presentation of Financial Statements and amends IAS 7 Statement of Cash Flows. IFRS 18 introduces three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. IFRS 18 will require disclosure of explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the financial statements or in the notes. The Company will apply IFRS 18 for annual reporting periods beginning on 1 April 2027.

The Company is still assessing the impact of IFRS 18, which has been issued but is not yet effective. While the presentation of the Statement of Comprehensive Income will change on implementation, the valuation and measurement of balances will not be impacted. The Company will continue to assess the impact of IFRS 18 as additional guidance is released prior to implementation.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (the 'IASB'), and interpretations issued by the International Financial Reporting Interpretations Committee.

The financial statements give a true and fair view and are in compliance with The Companies (Guernsey) Law, 2008, applicable legal and regulatory requirements and the Listing Rules of the UK Listing Authority.

Basis of preparation

The financial statements are presented in pound sterling, which is the Company's functional currency, rounded to the nearest thousand. They are prepared on the historical cost basis except that investment properties and derivative financial instruments are stated at their fair value.

The accounting policies have been consistently applied to the results, assets, liabilities and cash flows of the entities included in the consolidated financial statements and are consistent with those of the previous year.

Going concern

The Directors have examined significant areas of possible financial risk including liquidity (with a view to both cash held and undrawn debt facilities); the rates of both rent and service charge collections from tenants; have considered potential falls in property valuations; have reviewed cash flow forecasts; have analysed forward-looking compliance with third-party debt covenants and in particular the Loan to Value covenant and interest cover ratios; and have considered the Group's ongoing tax compliance with the REIT regime.

Overall, after utilising available cash, excluding the cash undrawn against the RBSI facility and uncharged properties and units in Joint Ventures, and based on the reporting period to 31 March 2026, property valuations would have to fall by 29% before the relevant Canada Life Loan to Value covenants were breached, and actual net rental income would need to fall by 68% before the interest cover covenants were breached. The Directors are of the opinion that neither of the aforementioned loan covenants are likely to be breached.

Furthermore, the properties charged to RBSI could fall in value by 42%, prior to the 60% LTV covenant being breached, and based on projected net rents for the quarter to March 2026, a 15% fall in net income could be sustained prior to the RBSI projected interest loan cover covenant of 200% being breached.

These stress testing scenarios of 29%/42% declines in property valuations and 68%/15% declines in net income are deemed to be extremely unlikely.

Should these scenarios occur, management have various actions available which include, but are not limited to, adding additional assets or excess cash into the security pool and selling assets to reduce LTV.

As at the financial year end, the undrawn capacity of the £75.0 million RBSI facility was £18.5 million. This facility is an efficient and flexible source of funding due to its ability to be repaid and redrawn as often as required and matures in June 2027. Management are progressing discussions with lenders to explore refinancing opportunities.

Regarding the Canada Life loan of £129.6 million, fifty per cent matures in 2032 and fifty per cent matures in 2039 respectively.

The Board and Investment Manager also continue to closely monitor ongoing changing macroeconomic and geopolitical environments on the Group.

1 Material accounting policy information (continued)

The Board and Investment Manager have considered the impact of sustainability risk as a principal risk as set out on page 47. In line with IFRS, investment properties are valued at fair value based on open market valuations as described in Note 10. The assessment of the open market valuation includes consideration of environmental matters and the condition of each property. The investment properties continue to be monitored by the Investment Manager and key considerations include EPC ratings and their impact on the properties' forecast compliance with minimum energy efficiency standard regulation. Having assessed the impact of climate change on the Group, the Directors concluded that it is not expected to have a significant impact on the Group's going concern or viability assessment as described on page 49.

The Directors have not identified any matters which would cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the date the Annual report and consolidated financial statements are approved and have satisfied themselves that the Group has adequate resources to continue in operational existence for this period.

After due consideration, the Board believes that it is appropriate to adopt the going concern basis in preparing the financial statements.

Impact of the proposed acquisition of Picton Property Income Limited

On 12 May 2026, SREIT announced an indicative all-share offer under Rule 2.4 of the City Code on Takeovers and Mergers for Picton Property Income Limited ("Picton"), to be undertaken alongside LondonMetric Property Plc ("LMP"). Under the proposed transaction, SREIT would acquire approximately 54% of Picton's portfolio, funded through the issue of new SREIT shares. The transaction remains indicative and non-binding as at the date of approval of these financial statements, and is subject to a number of pre-conditions, including the publication of a firm offer announcement under Rule 2.7 of the City Code, confirmatory due diligence, lender consents, and Board approvals. Accordingly, there is no certainty at this stage that the transaction will proceed to completion.

Notwithstanding this, the Board has also reviewed forecasts of liquidity, cash flow and covenant compliance for the combined group, assuming completion of the transaction and the assumption of Picton's existing debt facilities. Under both a base case and a severe-but-plausible downside scenario, the combined group would maintain positive cash balances, retain significant undrawn committed facility headroom, and remain comfortably within covenant thresholds throughout the going concern period.

Based on their analysis on a combined group basis, the Directors are satisfied that there is a reasonable expectation

that the Group would continue to be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the consolidated financial statements assuming completion of the transaction. The going concern conclusion is not reliant on the transaction completing, as the standalone SREIT analysis set out above also supports the going concern basis.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. These estimates, and associated assumptions, are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Under its lease agreements with tenants, the Company is required to provide or procure the provision of certain services (such as cleaning, maintenance of common areas and landscaping) for its investment property. The Company engages a property manager who is responsible for instructing, overseeing and invoicing these services to tenants and the Company does not exercise control over these services prior to them being provided to tenants. As such, the Company considers itself to be an agent in these arrangements and recognises the income and expense on a net basis within property operating expenses.

Further estimates made in preparing these financial statements relate to the carrying value of investment properties, including those within joint ventures, which are stated at fair value. The Group uses external professional valuers to determine the relevant amounts. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in Note 18.

Another estimate is the amount of expected credit losses as per IFRS 9 from rent demanded during the period which has not yet been collected. On initial recognition the Group calculates the expected credit loss for debtors based on the lifetime expected credit losses under the IFRS 9 simplified approach. Management considers aged debtors' analyses, the strength of tenant covenants, macroeconomic factors and any rental deposits held. Management has considered rental debtors on a quarterly basis and made provisions and write offs where it has been deemed that these amounts are potentially irrecoverable.

1 Material accounting policy information (continued)

Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries drawn up to 31 March each year. Subsidiaries are those entities controlled by the Company. Control exists where the investor has the following;

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the entity to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where properties are acquired by the Group through corporate acquisitions, but the acquisition does not meet the definition of a business combination, the acquisition has been treated as an asset acquisition.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's share of profit or loss of jointly controlled entities on an equity accounted basis. When the Group's share of losses exceeds its interest in an entity, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or is making payments on behalf of an entity.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the entity. Losses are eliminated in the same way as gains but only to the extent that there is no evidence of impairment.

Investment property

Investment property is land and buildings held to earn rental income together with the potential for capital growth.

Acquisitions and disposals are recognised on the unconditional exchange of contracts. Acquisitions are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investment property.

After initial recognition, investment properties are measured at fair value, with unrealised gains and losses recognised in the Statement of Comprehensive Income. Realised gains and losses on the disposal of properties are recognised in the Statement of Comprehensive Income in relation to their

sale price, sale costs and the carrying value brought forward from the prior financial year. Fair value is based on the market valuations of the properties as provided by a firm of independent chartered surveyors at the reporting date. Market valuations are carried out on a quarterly basis.

As disclosed in Note 19, the Group leases out all owned properties on operating leases. A property held under an operating lease is classified and accounted for as an investment property where the Group holds it to earn rentals, capital appreciation, or both. Any such property leased under an operating lease is classified as an investment property and carried at fair value.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation
- Reduced by any properties reclassified as held for sale

Leases

For any material leases for which the Group is a lessee, the leasehold interest is measured at fair value and included in investment properties with the corresponding liability being shown as a non-current liability. The fair value is calculated as the present value of the future lease payments.

Financial instruments

Derivative financial instruments

This comprises the interest rate collar which is recognised at a fair value assessed by an independent third party.

Non-derivative financial instruments

Financial assets

Non-derivative financial instruments comprise trade and other receivables and cash and cash equivalents. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment losses.

Cash and cash equivalents

Cash at bank, and short-term deposits that are held to maturity, are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash in hand and short-term deposits at banks with an initial term of no more than three months.

1 Material accounting policy information (continued)

Financial liabilities

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Loans and borrowings

Borrowings are recognised initially at fair value of the consideration received, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

Trade and other payables

Trade and other payables are stated at amortised cost.

Share capital

Ordinary shares, including treasury shares, are classified as equity.

Dividends

Dividends are recognised in the period in which they are paid. A final dividend will be paid following the period end.

Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of ongoing leases and is shown gross of any UK income tax. Surrender premiums and dilapidations are recognised in line with individual lease agreements when cash inflows are certain.

Lease incentives

When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Where a rent incentive fits the definition of a lease modification under IFRS 16, the cost of incentives is recognised over the remaining lease term starting from the effective date of the lease modification, on a straight-line basis, as a reduction of rental income.

Impairment

Financial assets

Financial assets measured at amortised cost comprise trade and other receivables that are held within a business model whose objective is to collect contractual cash flows from the leasing of investment properties and where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are initially recognised at fair value and subsequently measured at amortised cost, less any expected credit losses recognised in accordance with IFRS 9.

Non-financial assets

The carrying amounts of the Group's non-financial assets, being the investment in joint ventures, are reviewed at each reporting date to determine whether there is any indication

of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Finance costs

Finance costs comprise interest expenses on borrowings that are recognised in the Statement of Comprehensive Income. Attributable transaction costs incurred in establishing the Group's credit facilities are deducted from the fair value of borrowings on initial recognition and are amortised over the lifetime of the facilities through the Statement of Comprehensive Income. Finance costs are accounted for on an effective interest rate basis.

Expenses

All expenses are accounted for on an accruals basis and the Company does not capitalise overheads and operating expenses. The costs recharged to occupiers of the properties are presented net of the service charge income as management consider that the property agent acts as principal in this respect.

Taxation

SREIT elected to be treated as a UK real estate investment trust ('REIT'). The UK REIT rules exempt the profits of SREIT and its subsidiaries' (the 'Group') UK property rental business from corporation tax. Gains on UK properties are also exempt from tax, provided they are not held for trading or sold in the three years after completion of development. The Group is otherwise subject to corporation tax.

1 Material accounting policy information (continued) Basis of consolidation

As a REIT, SREIT is required to pay Property Income Distributions equal to at least 90% of the Group's exempted net income. To retain UK REIT status there are a number of conditions to be met in respect of the principal company of the Group, the Group's qualifying activity and its balance of business. The Group continues to meet these conditions.

Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment, and in one geographical area, the United Kingdom. There is no one tenant that represents more than 10% of group revenues. SREIM acts as advisor to the Board, who then may make management decisions following their recommendations. As such the Board of Directors are considered to be the chief operating decision maker. A set of consolidated IFRS financial information is provided to the Board on a quarterly basis.

The tiered fee structure is as follows:

Tiered fee structure

NAV	Management fee for the six months to 30 September 2025		Management fee for the six months to 31 March 2026	
	Percentage per annum of NAV	Percentage per annum of market capitalisation	Percentage per annum of NAV	Percentage per annum of market capitalisation
<£500 million	0.90%	0.00%	0.45%	0.45%
£500 million - £1 billion	0.80%	0.00%	0.40%	0.40%
£1 billion+	0.70%	0.00%	0.35%	0.35%

The fee covers all of the appointed services of the Investment Manager and there are standard provisions for the reimbursement of expenses. Additional fees can be agreed for out-of-scope services on an ad hoc basis.

With effect from the financial year ending 31 March 2025, the Company shall pay to the Investment Manager an additional management fee equal to 0.05 per cent of Net Asset Value per annum if:

- the Manager has delivered the sustainability-related key performance indicators contained within the Investment Policy, as may be amended from time to time, to the satisfaction of the Board (acting reasonably); and
- the 12-month income return from the underlying Property Portfolio, to be calculated by MSCI, is ahead of the MSCI Benchmark.

2 Material agreements

SREIM is the Investment Manager to the Company. The Investment Manager is entitled to a fee, together with reasonable expenses incurred in the performance of its duties. For the six month period to 30 September 2025 the fee was calculated at 0.9% of the NAV of the Company in line with the tiered fee structure set out in the table below. With effect from 1 October 2025, a revised fee basis was agreed and was calculated at 0.45% of the NAV of the Company, plus 0.45% of the market capitalisation of the Company.

The Investment Management Agreement can be terminated by either party on not less than twelve months written notice or on immediate notice in the event of certain breaches of its terms or the insolvency of either party.

In respect of the above additional management fee, a total of £144,000 (2025: £151,000) has been accrued for the year to 31 March 2026. The total charge to the Consolidated Statement of Comprehensive Income during the year was £2,530,000 (2025: £2,458,000). At the year end £675,000 (2025: £299,000) was outstanding.

Langham Hall (Guernsey) Limited and Langham Hall UK Depository LLP provide Administration, Designated Manager and Depository services to the Group respectively. Administration fees during the year were £127,000 (2025: £122,000).

Schroder Investment Management Limited provides company secretarial services to the Company with an annual fee equal to £50,000 (net of VAT). Company secretarial fees for the period 1 April 2025 to 31 March 2026 were £50,000 (2025: £50,000) net of VAT.

3 Other income

	Notes:	31/03/2026 £000	31/03/2025 £000
Dilapidations, surrender premiums and all other miscellaneous income		1,558	484
		1,558	484

4 Property operating expenses

	Notes:	31/03/2026 £000	31/03/2025 £000
Agents' fees		143	329
Repairs and maintenance		166	78
Advertising		89	68
Rates		623	648
Service charge, insurance and utilities on vacant units		2,450	1,434
Ground rent		90	68
Credit impairment losses, provisions and write backs		762	32
		4,323	2,657

5 Auditor's remuneration

Fees payable to Ernst and Young LLP for the audit of the Group and subsidiary annual accounts: £238,000 (2025: £209,000).

Fees payable to Ernst and Young LLP for a non-audit service: £20,000 (2025: £20,000).

6 Other expenses

	Notes:	31/03/2026 £000	31/03/2025 £000
Professional fees		93	159
Other expenses		82	70
		175	229

Directors' fees

Directors are the only officers of the Company and there are no other key personnel. The Directors' annual remuneration for services to the Group was £197,850 (2025: £186,000), as set out in the Directors' Remuneration Report on pages 62 to 63.

7 Taxation

Notes:	31/03/2026 £000	31/03/2025 £000
Tax expense in the year	-	-
Reconciliation of effective tax rate		
Profit before tax	14,053	31,058
Effect of:		
Tax using the UK corporation tax rate of 25% (2025: 25%)	3,513	7,764
Revaluation gain on investment property non-(taxable)/deductible	(1,472)	(4,058)
Revaluation (profit)/loss on financial instrument non-deductible	(5)	38
Share of capital loss of associates and joint ventures non-deductible	1,647	622
Loss/(profit) on the disposal of investment property non-taxable	441	(117)
UK REIT exemption	(4,124)	(4,249)
Current tax expense in the year	-	-

SREIT elected to be treated as a UK real estate investment trust ('REIT'). The UK REIT rules exempt the profits of SREIT and its subsidiaries' (the 'Group') UK property rental business from corporation tax. Gains on UK properties are also exempt from tax, provided they are not held for trading or sold in the three years after completion of development. The Group is otherwise subject to corporation tax.

As a REIT, SREIT is required to pay Property Income Distributions equal to at least 90% of the Group's exempted net income. To retain UK REIT status there are a number of

conditions to be met in respect of the principal company of the Group, the Group's qualifying activity and its balance of business. The Group continues to meet these conditions.

8 Basic and diluted earnings per share

The basic and diluted earnings per share for the Group are based on the profit for the year of £14,053,000 (2025: profit of £31,058,000) and the weighted average number of ordinary shares in issue during the year of 489,110,576 shares (2025: 489,110,576).

9 Dividends paid

In respect of:	Ordinary shares	Rate (pence)	31/03/2026 £000
Q/e 31 March 2025 (dividend paid 30 June 2025)	489.11 million	0.897	4,388
Q/e 30 June 2025 (dividend paid 29 August 2025)	489.11 million	0.897	4,387
Q/e 30 Sept 2025 (dividend paid 19 December 2025)	489.11 million	0.897	4,387
Q/e 31 Dec 2025 (dividend paid 27 March 2026)	489.11 million	0.897	4,387
		3.588	17,549

In respect of:	Ordinary shares	Rate (pence)	31/03/2025 £000
Q/e 31 March 2024 (dividend paid 28 June 2024)	489.11 million	0.853	4,172
Q/e 30 June 2024 (dividend paid 25 August 2024)	489.11 million	0.853	4,172
Q/e 30 Sept 2024 (dividend paid 20 December 2024)	489.11 million	0.879	4,299
Q/e 31 Dec 2024 (dividend paid 28 March 2025)	489.11 million	0.897	4,388
		3.482	17,031

A dividend for the quarter ended 31 March 2026 of 0.897 pence per share was approved and paid on the 26 June 2026.

10 Investment property

	Leasehold £000	Freehold £000	Total £000
Carrying value as at 31 March 2024	33,078	351,528	384,606
Additions	136	5,953	6,089
Reclassification of property from leasehold to freehold ¹	(8,792)	8,792	-
Reclassification to held for sale	-	(1,100)	(1,100)
Disposal of assets held at fair value	-	(1,444)	(1,444)
Gain on the sale of assets	-	469	469
Fair value leasehold movement	(54)	-	(54)
Net unrealised valuation gain on investment property	1,600	14,632	16,232
Carrying value as at 31 March 2025	25,968	378,830	404,798
Additions	1,407	7,584	8,991
Disposal of assets held at fair value	-	(11,906)	(11,906)
Loss on the sale of assets	-	(1,763)	(1,763)
Fair value leasehold movement	(158)	-	(158)
Net unrealised valuation gain on investment property	(188)	6,076	5,888
Carrying value as at 31 March 2026	27,029	378,821	405,850

The balance above includes

	Leasehold £000	Freehold £000	Total £000
Investment property	24,460	379,930	404,390
Reclassification to held for sale	-	(1,100)	(1,100)
Fair value leasehold adjustment	1,508	-	1,508
Carrying value as at 31 March 2025	25,968	378,830	404,798
Investment property	25,679	378,821	404,500
Fair value leasehold adjustment	1,350	-	1,350
Carrying value as at 31 March 2026	27,029	378,821	405,850

1 A reclassification was made in the prior year to correct for properties previously disclosed as leasehold in error.

	31/03/2026 £000	31/03/2025 £000
Fair value as estimated by the external valuer	413,535	413,310
Less: properties reclassified as held for sale	-	(1,100)
Add: lease liabilities recognised separately	1,350	1,508
Less: lease incentive balance included in trade and other receivables	(9,035)	(8,920)
Carrying value for financial reporting purposes	405,850	404,798

The fair value of investment property has been determined by CBRE, a firm of independent chartered surveyors, who are registered independent appraisers (Note 18). The valuation has been undertaken in accordance with the current RICS Valuation – Global Standards, which incorporates the International Valuation Standards, issued by the Royal Institution of Chartered Surveyors (the ‘Red Book’).

The properties have been valued on the basis of “Fair Value” in accordance with the RICS Valuation – Professional Standards VPS4(7.1) Fair Value and VPGA1 Valuations for Inclusion in Financial Statements which adopt the definition of Fair Value used by the International Accounting Standards Board.

The valuation has been undertaken using appropriate valuation methodology and the Valuer’s professional judgement. The Valuer’s opinion of Fair Value was primarily derived using recent comparable market transactions on arm’s length terms, where available, and appropriate valuation techniques (The Investment Method).

10 Investment property (continued)

The properties have been valued individually and not as part of a portfolio.

As highlighted within the Group's investment strategy on page 10, developments and refurbishments form a key element of the Group's commitment to sustainability. During the year the Group has spent £9.0 million on capital expenditure. This sum included both capital works which, in some cases, enhanced the environmental performance of the assets amongst other key strategies.

The primary focus has been on optimising earnings across the existing portfolio through an extensive asset management and targeted capital expenditure programme, targeting growth areas and sustainability improvements.

All investment properties are categorised as Level 3 fair values as they use significant unobservable inputs. There have not been any transfers between Levels during the year. Investment properties have been classed according to their real estate sector. Information on these significant unobservable inputs per class of investment property is disclosed below:

Quantitative information about fair value measurement using unobservable inputs (Level 3) as at 31 March 2026

31 March 2026		Industrial ¹	Retail (incl. retail warehouse) ¹	Office ¹	Other ¹	Total
Fair value (£'000)		250,335	87,375	57,725	18,100	413,535
Area ('000 sq ft)		2,276	394	312	198	3,180
Net passing rent per square foot per annum	Range	£2.36 – £19.53	£4.27 – £86.11	£8.47 – £32.93	£3.89 – £21.66	£2.36 – £86.11
	Weighted average	£6.30	£13.20	£15.81	£5.94	£8.06
Gross ERV per square foot per annum	Range	£2.50 – £20.08	£4.00 – £86.11	£8.47 – £35.95	£1.00 – £21.50	£1.00 – £86.11
	Weighted average	£8.04	£16.99	£23.35	£8.28	£10.67
Net initial yield ¹	Range	0.00% – 10.87%	0.00% – 28.44%	0.00% – 33.18%	0.00% – 9.68%	0.00% – 33.18%
	Weighted average	5.22%	5.50%	7.32%	6.02%	5.62%
Equivalent yield	Range	5.79% – 8.60%	6.16% – 12.17%	8.11% – 13.92%	6.17% – 10.12%	5.79% – 13.92%
	Weighted average	6.78%	7.29%	10.51%	8.69%	7.55%

Quantitative information about fair value measurement using unobservable inputs (Level 3) as at 31 March 2025

31 March 2025		Industrial ¹	Retail (incl. retail warehouse) ¹	Office ¹	Other ¹	Total
Fair value (£'000)		243,310	92,625	58,900	18,475	413,310
Area ('000 sq ft)		2,372	421	343	198	3,334
Net passing rent psf per annum	Range	£2.36 – £19.46	£4.27 – £86.11	£8.47 – £32.93	£1.05 – £21.66	£1.05 – £86.11
	Weighted average	£5.71	£13.40	£17.29	£7.91	£7.81
Gross ERV psf per annum	Range	£2.50 – £19.50	£4.00 – £86.11	£8.47 – £34.00	£2.00 – £21.50	£2.00 – £86.11
	Weighted average	£7.68	£17.60	£22.52	£8.48	£11.43
Net initial yield ¹	Range	1.91% – 8.60%	0.00% – 12.08%	0.00% – 15.25%	6.55% – 9.69%	0.00% – 15.25%
	Weighted average	5.26%	5.49%	7.95%	7.75%	5.77%
Equivalent yield	Range	5.77% – 9.39%	5.56% – 12.23%	8.16% – 12.05%	6.81% – 10.13%	5.56% – 12.23%
	Weighted average	6.61%	6.99%	10.04%	8.38%	7.33%

¹ Yields based on rents receivable after deduction of head rents but gross of non-recoverables.

10 Investment property (continued)

Sensitivity of measurement to variations in the significant unobservable inputs

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's property portfolio, together with the impact of significant movements in these inputs on the fair value measurement, are shown below:

Unobservable input	Impact on fair value measurement of significant increase in input	Impact on fair value measurement of significant decrease in input
Passing rent	Increase	Decrease
Gross ERV	Increase	Decrease
Net initial yield	Decrease	Increase
Equivalent yield	Decrease	Increase

There are interrelationships between the yields and rental values as they are partially determined by market rate conditions.

The sensitivity of the valuation to changes in the most significant inputs per class of investment property are shown below:

Estimated movement in fair value of investment properties at 31 March 2026

	Industrial £000	Retail £000	Office £000	Other £000	All sectors £000
Increase in ERV by 5%	10,653	3,019	2,601	207	16,480
Decrease in ERV by 5%	(10,631)	(2,959)	(2,584)	(207)	(16,381)
Increase in net initial yield by 0.25%	(9,792)	(3,187)	(1,699)	(632)	(15,310)
Decrease in net initial yield by 0.25%	10,587	3,439	1,854	590	16,470

Estimated movement in fair value of investment properties at 31 March 2025

	Industrial £000	Retail £000	Office £000	Other £000	All sectors £000
Increase in ERV by 5%	10,476	3,421	2,659	403	16,959
Decrease in ERV by 5%	(10,432)	(3,291)	(2,661)	(403)	(16,787)
Increase in net initial yield by 0.25%	(9,503)	(3,490)	(1,665)	(548)	(15,206)
Decrease in net initial yield by 0.25%	10,278	3,772	1,957	585	16,592

11 Investment in joint ventures

	£000
Closing balance as at 31 March 2024	67,366
Purchase of further units in City Tower Unit Trust	388
Purchase of further units in Store Unit Trust	457
Share of operating profit of joint venture	3,579
Distributions received from joint venture	(3,579)
Valuation loss on joint venture	(2,489)
Closing balance as at 31 March 2025	65,722
Purchase of further units in City Tower Unit Trust	250
Purchase of further units in Store Unit Trust	1,043
Share of operating profit of joint venture	3,035
Distributions received from joint venture	(3,035)
Valuation loss on joint venture	(6,586)
Closing balance as at 31 March 2026	60,429

11 Investment in joint ventures (continued)

Summarised joint venture financial information for the year ended 31 March 2026

	City Tower Unit Trust 31/03/2026 £000	Store Street Unit Trust 31/03/2026 £000	Total 31/03/2026 £000
Non-current assets - Investment property	93,100	75,600	168,700
Current assets	1,385	2,794	4,179
Total liabilities ¹	(2,599)	(3,480)	(6,079)
Revenues for the year	9,129	4,044	13,173
Total profit (excluding valuation movement)	4,934	3,602	8,536
Net asset value attributable to the Group	22,972	37,457	60,429
Share of profit (excluding valuation movement) in joint ventures	1,234	1,801	3,035

Summarised joint venture financial information for the year ended 31 March 2025

	City Tower Unit Trust 31/03/2025 £000	Store Street Unit Trust 31/03/2025 £000	Total 31/03/2025 £000
Non-current assets - Investment property	113,100	76,750	189,850
Current assets	660	1,065	1,725
Total liabilities ¹	(2,775)	(1,864)	(4,639)
Revenues for the year	10,425	4,233	14,658
Total profit (excluding valuation movement)	6,788	3,762	10,550
Net asset value attributable to the Group	27,746	37,976	65,722
Share of profit (excluding valuation movement) in joint ventures	1,697	1,882	3,579

¹ Liabilities are non-recourse to the Group.

The Company owns 25% of City Tower Unit Trust and 50% of Store Unit Trust. The remaining units in the City Tower and Store Unit Trusts are owned by Schroder Capital UK Real Estate Fund and Immobilien Europa Direkt.

The fair value of investment property owned by the two Joint Ventures has been determined by CBRE, who are registered independent appraisers. The two valuations were undertaken on the same basis as that described under Note 10: Investment Property.

12 Trade and other receivables

	31/03/2026 £000	31/03/2025 £000
Rent receivable	4,095	4,727
Sundry debtors and prepayments	7,416	7,816
Lease incentives ¹	9,035	8,920
	20,546	21,463

¹ refer to lease incentive policy section in Note 1.

As at 31 March 2026, total bad debt provisions of £0.9 million (2025: £0.3 million) had been recognised against rent receivable.

13 Cash and cash equivalents

As at 31 March 2026 the Group held £11.0 million (2025: £3.7 million) of cash in bank. No other deposits exist.

14 Issued capital and reserves

Share capital

The share capital of the Company is represented by an unlimited number of ordinary shares of no par value.

As at the date of this Report, the Company has 565,664,749 ordinary shares in issue (2025: 565,664,749) of which 76,554,173 Ordinary shares are held in treasury (2025: 76,554,173). The total number of voting rights of the Company was 489,110,576 (2025: 489,110,576) as at the financial year end.

Treasury share reserve

76,554,173 (2025: 76,554,173) ordinary shares, which represent 13.5% (2025: 13.5%) of the Company's total issued share capital, were held in treasury as at the financial year end.

Revenue reserve

This reserve represents an accumulated amount of the Group's prior earnings net of dividends.

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk, see Note 18.

	31/03/2026 £000	31/03/2025 £000
Non-current liabilities		
Loan facilities	186,085	181,085
Unamortised arrangement fees	(228)	(474)
	185,857	180,611

The Group has in place a £129.6 million loan facility with Canada Life. This has been in place since 16 April 2013 and has been refinanced several times, most recently in October 2019.

The loan is split into two equal tranches of £64.8 million as follows:

- Facility A matures in October 2032 and attracts an interest rate of 2.36%; and
- Facility B matures in October 2039 and attracts an interest rate of 2.62%.

As at the April 2026 Interest Payment Date, the Canada Life interest cover ratio was 585% (2025: 510%) against a covenant of 185%; the forecast interest cover ratio was 451% (2025: 484%) against a covenant of 185%; and the Loan to Value ratio was 46.1% (2025: 47.0%) against a covenant of 65%.

The Canada Life facility has a first charge of security over all the property assets in the ring-fenced security pool which at 31 March 2026 contained properties valued at £273.15 million (2025: £275.54 million). Various restraints apply during the term of the loan although the facility has been designed to provide significant operational flexibility.

The Group also has a revolving credit facility with RBSI most recently refinanced in June 2022, with a five-year term which runs to June 2027, and the maximum amount able to be drawn is £75.0m. The facility carries an interest rate of a 1.65% margin, plus three-month SONIA rate, with a 0.64% non-utilisation fee. As at 31 March 2026, a sum of £56.5m was drawn down (31 March 2025: £51.5m).

In June 2023 the Group also completed on the acquisition of an interest rate collar from RBSI, which has a floor of 3.25% and a cap of 4.25%; which will expire on 6 June 2027; and which is attributable to £30.5 million of the loan drawn sum of the RBSI revolving credit facility. Further details are disclosed in Note 20.

As at the April 2026 Interest Payment Date, the RBSI projected interest cover ratio was 236% (2025: 255%) against a covenant of 200% and the Loan to Value ratio was 34.5% (2025: 31.2%) against a covenant of 60%.

The RBSI facility has a first charge security over certain property assets which at 31 March 2026 contained properties valued at £163.66 million (2025: £165.0 million).

15 Interest-bearing loans and borrowings (continued)

A reconciliation of financing movements for the year is presented below split into cash and non-cash items:

	31/03/2026 £000
Loan balance brought forward as at 31 March 2025	180,611
Drawdown on RBSI RCF (cash)	5,000
Repayment of RBSI RCF (cash)	-
Non-cash amortisation of arrangement fees	246
Loan balance carried forward as at 31 March 2026	185,857
	31/03/2025 £000
Loan balance brought forward as at 31 March 2024	175,866
Drawdown on RBSI RCF (cash)	4,500
Repayment of RBSI RCF (cash)	-
Non-cash amortisation of arrangement fees	245
Loan balance carried forward as at 31 March 2025	180,611

Financing costs for the year ended 31 March 2026 totalling £6.67m (2025: £6.59m) is comprised of cash loan interest payments of £6.46m (2025: £6.76m), non-cash reduction in accrued loan interest of £0.04m (2025: £0.42m), and non-cash amortisation of loan arrangement fees of £0.25m (2025: £0.25m).

16 Trade and other payables

	31/03/2026 £000	31/03/2025 £000
Deferred income	5,301	5,814
Rental deposits	3,069	2,551
Interest payable	1,326	1,358
Other trade payables and accruals	3,104	3,650
	12,800	13,373

17 NAV per Ordinary Share

The number of ordinary shares in issue was 489,110,576 as at 31 March 2026 (2025: 489,110,576). The NAV per Ordinary Share is based on the net assets of £297,881,000 (2025: £301,377,000) and 489,110,576 (2025: 489,110,576) ordinary shares in issue as at the reporting date.

18 Financial instruments, properties and associated risks

Financial risk factors

The Group holds cash and liquid resources as well as having debtors and creditors that arise directly from its operations. The Group uses interest rate derivative contracts, the details of which are in Note 20, when required to limit exposure to interest rate risks, but does not have any other derivative instruments.

The main risks arising from the Group's financial instruments and properties are market price risk, credit risk, liquidity risk and interest rate risk. The Group has no exposure to foreign currency exchange risk. The Board regularly reviews and

agrees policies for managing each of these risks and these are summarised below:

Market price risk

Rental income, and the market value for properties, are generally affected by overall conditions in the economy, such as changes in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may also affect the cost of financing for real estate companies. Both rental income and property values may also be affected by other factors specific to the real estate market such as competition from other property owners; the perceptions of prospective tenants of the attractiveness, convenience and safety of properties; the inability to collect rents because of bankruptcy or the insolvency of tenants; the periodic need to renovate, repair and re-lease space and the costs thereof; and the costs of maintenance and insurance, and increased operating costs.

18 Financial instruments, properties and associated risks (continued)

Market price risk (continued)

The Group is exposed to market price risk arising from macroeconomic and geopolitical uncertainty, including ongoing international conflicts. These developments have contributed to increased volatility in financial markets and may adversely impact property valuations and capital market conditions. The Manager is closely monitoring these developments. However, the Group's primary exposure to the UK commercial property sector means it is anticipated to have low impact to key fundamentals and valuations.

The Directors monitor the market value of investment properties by having independent valuations carried out quarterly by a firm of independent chartered surveyors. Note 10 sets out the sensitivity analysis on the market price risk. Concentration risk, based on industry and geography, is set out in the tables on page 15. Included in market price risk is interest rate risk which is discussed further below.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of default by an occupational tenant, the Group will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property.

The Investment Manager reviews reports prepared by Dun & Bradstreet, or other sources, to assess the credit quality of the Group's tenants and aims to ensure there is no excessive concentration of risk and that the impact of any default by a tenant is minimised.

In respect of credit risk arising from other financial assets, which comprise cash and cash equivalents, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks, cash is maintained with major international financial institutions with high quality credit ratings. During the year, and at the reporting date, the Group maintained a relationship with branches and subsidiaries of HSBC. HSBC has a credit rating of A- (provided by Standard and Poors).

The maximum exposure to credit risk for rent receivables at the reporting date by type of sector was:

	31/03/2026 Carrying amount £000	31/03/2025 Carrying amount £000
Office	391	375
Industrial	3,234	3,193
Retail, leisure and other	1,078	925
	4,703	4,493

¹ Rental receivable of £3.6m per Note 12 excluding credit impairment losses of 0.9m and other tenant receivables of £0.1m. 2025: Rental receivable of £4.7m per Note 12 excluding credit impairment losses of £0.3m and other tenant receivables of £0.5m.

Rent receivables which are past their due date were:

	31/03/2026 Carrying amount £000	31/03/2025 Carrying amount £000
0-30 days	2,561	2,893
31-60 days	201	59
61-90 days	111	90
91 days plus	1,830	1,451
	4,703	4,493

¹ Rental receivable of £3.6m per Note 12 excluding bad debt provisions of £0.9m and other tenant receivables of £0.1m. 2025: Rental receivable of £4.7m per Note 12 excluding bad debt provisions of £0.3m and other tenant receivables of £0.5m.

Management has considered rental debtors on a quarterly basis and made provisions where it has been deemed that these amounts may be unrecoverable. As at 31 March 2026 total provisions of £0.89 million (2025: £0.33 million) were recognised and rental debtors are shown net of this provision in the Consolidated Statement of Financial Position.

On initial recognition the Group calculates the expected credit loss for debtors based on the lifetime expected credit losses under the IFRS 9 simplified approach. Management considers aged debtors' analyses, the strength of tenant covenants, macroeconomic factors and any rental deposits held.

18 Financial instruments, properties and associated risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with its financial obligations.

The Group's investments comprise UK commercial property. Property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sale price even where such sales

occur shortly after the valuation date. Investments in property are relatively illiquid. However, the Group has tried to mitigate this risk by investing in properties that it considers to be of good quality.

In certain circumstances, the terms of the Group's debt facilities entitle the lender to require early repayment and in such circumstances the Group's ability to maintain dividend levels and the net asset value could be adversely affected. The Investment Manager prepares cash flows on a rolling basis to ensure the Group can meet future liabilities as and when they fall due.

The following table indicates the maturity analysis of the financial liabilities¹

As at 31 March 2026	Carrying amount £000	Expected cash flows £000	6 months or less £000	6 months – 2 years £000	2 – 5 years £000	More than 5 years £000
Financial liabilities						
Interest-bearing loans and borrowings and interest ²	185,857	225,544	3,142	63,464	9,680	149,258
Leasehold liability	1,350	10,831	49	49	294	10,439
Trade and other payables	7,499	7,499	4,430	-	-	3,069
Total financial liabilities	194,706	243,874	7,621	63,513	9,974	162,766

As at 31 March 2025	Carrying amount £000	Expected cash flows £000	6 months or less £000	6 months – 2 years £000	2 – 5 years £000	More than 5 years £000
Financial liabilities						
Interest-bearing loans and borrowings and interest	180,611	224,024	3,198	3,198	65,143	152,485
Leasehold liability	1,508	11,369	51	51	306	10,961
Trade and other payables	7,178	7,178	4,627	-	-	2,551
Total financial liabilities	189,297	242,571	7,876	3,249	65,449	165,997

1 The maturity analysis of financial liabilities are based on undiscounted contractual cashflows.

2 Assumes that the £56.5 million RBS revolving credit facility is repaid in 2027.

Interest rate risk

Exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations and to interest earned on cash balances. As interest on the Group's long-term debt obligations is payable on a fixed-rate basis, the Group is not exposed to near-term interest rate risk in relation to its Canada Life loan facility. As at 31 March 2026 the fair value of the Group's £129.6 million loan with Canada Life was £110.9 million (2025: £111.1 million).

The RBSI revolving credit facility is a low-margin and flexible source of funding with a margin of 1.65%, plus 3-month SONIA rate and it is considered by management that the carrying value of the loan is equal to its fair value (sum of £56.5m (2025: £51.5 million) drawn as at the year end. In order to assist with mitigating interest rate risk on the RBSI facility, in June 2023 the Group acquired an interest rate collar from RBSI, which has a floor of 3.25% and a cap of 4.25%; which will expire

on 6 June 2027; and which is attributable to £30.5 million of the loan drawn sum.

A 1% increase or decrease in short-term interest rates would increase or decrease the bank interest annual income, and equity by £110,000 based on the cash balance as at 31 March 2026.

The Canada Life loan is fixed-rate, as above, and thus a 1% increase or decrease in interest rates would not impact the loan interest payable by the Fund.

The RBSI revolving credit facility had a drawn balance of £56.5 million as at the year end and an interest rate collar in place for £30.5 million of the drawn sum. A 1% increase in interest rates would thereby increase the finance costs payable by £255,000 (assuming that the loan principal drawn remained the same).

The Group is progressing discussions with lenders on refinancing opportunities for this facility given its upcoming expiry in June 2027.

Fair values

The fair values of financial assets and liabilities are not materially different from their carrying values, unless disclosed below, in the financial statements.

The fair value hierarchy levels are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Levels 1, 2 and 3 during the year (2025: nil).

The following summarises the main methods and assumptions used in estimating the fair values of financial instruments and investment property:

Investment property – level 3

Fair value is based on valuations provided by an independent firm of chartered surveyors and registered appraisers. These values were determined after having taken into consideration recent market transactions for similar properties in similar locations to the investment properties held by the Group.

The fair value hierarchy of investment property is level 3. See Note 10 for further details.

Interest-bearing loans and borrowings – level 3

Fair values are based on the present value of future cash flows discounted at a market rate of interest. Issue costs are amortised over the period of the borrowings. As at 31 March 2026, the fair value of the Group's interest bearing loans and borrowings was £186.1 million (2025: £181.1 million). The loans are measured at amortised cost in the financial statements.

Financial Instruments - Level 2

The Group's interest rate collar is recognised at its fair value via valuations provided by an independent firm, Chatham Financial. Fair values of derivatives are based on current market conditions such as the current SONIA rate compared to the terms of the derivative agreements.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The objective is to ensure that it will continue as a going concern and to maximise the return to its equity shareholders through an appropriate level of gearing. The Company's capital management process ensures it meets its financial covenants in its borrowing arrangements. Breaches in meeting the financial covenants could permit the lenders to immediately accelerate the repayment of loans and borrowings. The Company monitors as part of its quarterly board meetings that it will adhere to specific leverage, interest cover and rental cover ratios. There have been no breaches in the financial covenants of any loans and borrowings during the financial year.

The Company's debt and capital structure comprises the following

	31/03/2026 £000	31/03/2025 £000
Debt		
Fixed-rate loan facility	129,585	129,585
Floating rate loan facility ¹	56,500	51,500
	186,085	181,085
Equity		
Called-up share capital	181,989	181,989
Reserves	115,892	119,388
	297,881	301,377
Total debt and equity	483,966	482,462

There were no changes in the Group's approach to capital management during the year.

¹ This amount refers to the amount drawn. The total facility as at 31 March 2026 was £75.0 million (2025: £75.0 million)

19 Operating leases

The Group leases out its investment property under operating leases. At 31 March 2026 the future minimum lease receipts under non-cancellable leases are as follows:

	31/03/2026 £000	31/03/2025 £000
Less than one year	24,882	25,356
Between one and five years	71,856	72,621
More than five years	56,686	59,156
	153,424	157,133

The total above comprises the total contracted rent receivable as at 31 March 2026.

The Group has entered into leases on its property portfolio. The commercial property leases typically have lease terms between 5 and 15 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease and this may incur penalties for both the tenant and landlord depending on the terms of the lease contracts.

20 Interest rate derivative contracts

In June 2023 the Group completed on the acquisition of an interest rate collar from RBSI, which has a floor of 3.25% and a cap of 4.25%; which will expire on 6 June 2027; and which is attributable to £30.5 million of the drawn loan sum of the RBSI revolving credit facility. The cost to acquire this financial

instrument was £0.77 million, including fees, and as at the 31 March 2026 it had a deemed fair value of £0.08 million (2025: £0.07 million) with an unrealised gain of £0.01 million (2025: loss of £0.15 million) being recognised in the financial year.

21 List of subsidiary and joint venture undertakings

The companies listed below are those which were part of the Group as at 31 March 2026:

Undertaking	Category	Country of incorporation	Principal Activities	Ultimate ownership
SREIT No.2 Limited	Subsidiary	Guernsey	Property ownership with external finance	100%
SREIT Holding (No.2) Limited	Subsidiary	Guernsey	Holding Company	100%
SREIT Holding Company Limited	Subsidiary	Guernsey	Holding Company with external finance	100%
SREIT Property Limited	Subsidiary	Guernsey	Property ownership	100%
SREIT (Portergate) Limited	Subsidiary	Guernsey	Property ownership	100%
SREIT (Uxbridge) Limited	Subsidiary	Guernsey	Property ownership	100%
SREIT (City Tower) Limited	Subsidiary	Guernsey	Joint ownership of an underlying property unit trust	100%
SREIT (Store) Limited	Subsidiary	Guernsey	Joint ownership of an underlying property unit trust	100%
SREIT (Bedford) Limited	Subsidiary	Guernsey	Property ownership	100%
City Tower Unit Trust	Joint Venture	Jersey	Property ownership	25%
Store Unit Trust	Joint Venture	Jersey	Property ownership	50%

The registered addresses for all wholly-owned entities are the same as that of the parent company and can be found on the inside back cover.

The registered address for both Joint Venture entities is 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands.

22 Related party transactions

Material agreements and transactions with the Investment Manager are disclosed in Note 2. Transactions with regard to joint ventures are disclosed in Note 11. Transactions with the directors are shown in note 6. Transaction with depositors, administrators and Company secretary are disclosed in Note 2.

23 Capital commitments

As at 31 March 2026 the Group had capital commitments of £5.2 million (2025: £8.3 million).

24 Post balance sheet events

On 12 May 2026, SREIT announced an indicative all-share offer under Rule 2.4 of the City Code on Takeovers and Mergers for Picton Property Income Limited ("Picton"), to be undertaken alongside LondonMetric Property Plc ("LMP").

Under the proposed transaction, SREIT would acquire approximately 54% of Picton's portfolio, with LMP acquiring the remaining portfolio. The split of Picton's portfolio between SREIT and LMP has been determined by reference to Picton's debt facilities and the corporate entities that hold the assets charged to each facility.

The proposed consideration would be satisfied through the issue of new SREIT and LMP shares to Picton shareholders, with no material cash consideration payable by SREIT. As part of the transaction, SREIT would assume Picton's existing debt facilities associated with the assets it acquires.

The transaction remains indicative and non-binding as at the date of approval of these financial statements, and is subject to a number of pre-conditions, including the publication of a firm offer announcement under Rule 2.7 of the City Code, confirmatory due diligence, lender consents, court sanction of a scheme of arrangement, and Board and shareholder approvals. There is therefore no certainty at this stage that the transaction will proceed to completion, and control of any Picton assets would not pass to SREIT until completion.

Given the transaction had not completed or become unconditional under Rule 2.7 of the City Code, at the date of approval of these financial statements, an estimate of the financial effect cannot reliably be made. The accounting treatment and financial effect, if the transaction proceeds, will be determined at completion based on the facts and circumstances at that time, including the fair value of the assets and liabilities acquired and the SREIT closing share price at admission of the new shares.

No other significant events have occurred between the balance sheet date and the date of approval of these financial statements that would require adjustment to, or disclosure in, the financial statements.

Other information (unaudited)

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EPRA performance measures (unaudited)

As recommended by the European Public Real Estate Association, EPRA performance measures are disclosed in the section below.

EPRA performance measures: summary table

	31/03/2026	31/03/2025
EPRA earnings	£ 16,496,000	£17,034,000
EPRA earnings per share	3.4pps	3.5pps
EPRA Net Reinstatement Value	£330,069,000	£333,948,000
EPRA Net Reinstatement Value per share	67.5p	68.3p
EPRA Net Tangible Assets	£297,796,000	£301,311,000
EPRA Net Tangible Assets per share	60.9p	61.6p
EPRA Net Disposal Value	£316,602,000	£319,860,000
EPRA Net Disposal Value per share	64.7p	65.4p
EPRA Net Initial Yield	5.3%	5.1%
EPRA "topped-up" Net Initial Yield	6.0%	6.0%
EPRA vacancy rate	9.8%	12.4%
EPRA cost ratios – including direct vacancy costs	33.7%	28.6%
EPRA cost ratios – excluding direct vacancy costs	24.1%	22.0%
EPRA LTV	36.8%	36.9%

a EPRA earnings and earnings per share

Earnings excluding all capital components not relevant to the underlying net income performance of the Company, such as the unrealised fair value gains or losses on investment properties and any gains or losses from the sales of properties.

	31/03/2026 £000	31/03/2025 £000
Profit per IFRS income statement	14,053	31,058
Adjustments to calculate EPRA Earnings:		
Loss/(profit) on the disposal of investment property	1,763	(469)
Net unrealised valuation gain on investment property	(5,888)	(16,232)
Net change in the fair value of financial instruments	(18)	153
Share of valuation loss in associates and joint ventures	6,586	2,489
Adjustments related to non-operating and exceptional items	-	35
EPRA earnings	16,496	17,034
Weighted average number of ordinary shares	489,110,576	489,110,576
IFRS earnings per share (pence)	2.9	6.3
EPRA earnings per share (pence)	3.4	3.5

b EPRA Net Reinstatement Value

IFRS equity attributable to shareholders adjusted to represent the value required to rebuild the entity and assumes that no selling of assets takes place.

	31/03/2026 £000	31/03/2025 £000
IFRS equity attributable to shareholders	297,880	301,377
Adjustment in respect of real estate transfer taxes and costs	32,273	32,637
Adjustment in respect of the fair value of financial instruments	(84)	(66)
EPRA net reinstatement value	330,069	333,948
Shares in issue at the end of the period	489,110,576	489,110,576
EPRA NRV per share (pence per share)	67.5p	68.3p

c EPRA Net Tangible Assets per share

IFRS equity attributable to shareholders adjusted to represent the value required to rebuild the entity and assumes that no selling of assets takes place.

	31/03/2026	31/03/2025
	£000	£000
IFRS equity attributable to shareholders	297,880	301,377
Fair value of financial instruments	(84)	(66)
EPRA Net Tangible Assets	297,796	301,311
Shares in issue at the end of the year	489,110,576	489,110,576
IFRS NAV per share (pence)	60.9p	61.6p
EPRA net tangible assets per share (pence)	60.9p	61.6p

d EPRA Net Disposal Value per share

The IFRS equity attributable to shareholders adjusted to reflect the NAV under an orderly sale of business, where any deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability.

	31/03/2026	31/03/2025
	£000	£000
IFRS equity attributable to shareholders	297,880	301,377
Adjustments to calculate EPRA Net Disposal Value:		
The fair value of fixed-interest rate debt	18,722	18,483
EPRA net disposal value	316,602	319,860
Shares in issue at the end of the year	489,110,576	489,110,576
EPRA net disposal value per share (pence)	64.7p	65.4p

e EPRA Net Initial Yield

Annualised rental income based on the cash rents passing at the Balance Sheet date (but adjusted as set out below), less non-recoverable property operating expenses, divided by the gross market value of the property.

The EPRA “topped up” NIY is the EPRA NIY in respect of the expiration of rent free periods.

	31/03/2026	31/03/2025
	£000	£000
Investment property – wholly-owned	413,535	413,310
Investment property – share of joint ventures and funds	61,075	66,650
Complete property portfolio	474,610	479,960
Allowance for estimated purchasers’ costs	32,273	32,637
Gross up completed property portfolio valuation	506,883	512,597
Annualised cash passing rental income	31,266	28,845
Property outgoings	4,323	(2,657)
Annualised net rents	26,943	26,188
Notional rent expiration of rent-free periods ¹	3,533	4,321
Topped-up net annualised rent	30,476	30,509
EPRA NIY	5.3%	5.1%
EPRA “topped-up” NIY	6.0%	6.0%

1. The period over which rent free periods expire is one year for 2026 (2025: 1 year).

f EPRA cost ratios

Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

	31/03/2026 £000	31/03/2025 £000
Administrative/operating expense line per IFRS income statement	9,691	8,022
Share of Joint Venture expenses	1,270	1,145
Less: Ground rent costs	(90)	(68)
Costs (including direct vacancy costs)	10,871	9,099
Direct vacancy costs	(3,073)	(2,081)
Costs (excluding direct vacancy costs)	7,798	7,018
Gross rental income less ground rent costs – per IFRS	27,981	27,124
Add share of Joint Ventures (Gross Rental Income less ground rent costs)	4,304	4,723
Gross rental income	32,285	31,847
EPRA cost ratio (including direct vacancy costs)	33.7%	28.6%
EPRA cost ratio (excluding direct vacancy costs)	24.1%	22.0%

There were no directly attributable overhead and operating costs capitalised during the year (2024: nil). The Company does not have a policy to capitalise such expenses (as per note 1).

g EPRA vacancy rate

Estimated market rental value (ERV) of vacant space divided by the ERV of the whole portfolio.

	31/03/2026 £000	31/03/2025 £000
Estimated rental value of vacant space	3,832	4,958
Estimated rental value of the whole portfolio	39,267	40,134
EPRA vacancy rate	9.8%	12.4%

There were no significant or distorting factors in the above. Excludes ERV relating to assets held for sale at the balance sheet date.

h EPRA LTV

The gearing of the shareholder equity within the Company.

	31/03/2026 £000	31/03/2025 £000
Borrowings from Financial Institutions	186,085	181,085
Cash and cash equivalents	(10,979)	(3,720)
Cash and cash equivalents – share of joint ventures	(368)	(134)
Net debt	174,738	177,231
Investment properties at fair value – direct portfolio	413,535	413,310
Investment properties at fair value – share of joint ventures	61,075	66,650
Total property value	474,610	479,960
LTV	36.8%	36.9%

i EPRA capital expenditure

In accordance with EPRA's core recommendations, the Group's capital expenditure invested in the year can be broken down as follows:

	Group (excluding Joint Ventures) £m	Joint Ventures (proportionate share) £m	Total Group £m
Acquisitions (including transaction costs)	-	-	-
Developments and accretive works	9.0	0.1	9.1
Investment properties			
Tenant incentives	-	-	-
Other material non-allocated types of expenditure	-	-	-
Total capital expenditure	9.0	0.1	9.1

As per note 10, the Company made no new acquisitions, and thus also incurred no additional transaction costs, during the financial year.

The capital expenditure invested in the year amounted to £9.0 million on the directly held portfolio (also as per note 10).

The three largest capital expenditure investments made in the financial year were as follows: a) £2.3 million at Marshall Building, Manchester, b) £1.8 million at Millshaw, Leeds and c) £1.4m at Churchill Way, Salisbury.

The £0.1 million invested across joint ventures related solely to the Group's 25% share of underlying capital expenditure works undertaken at City Tower.

Alternative performance measures (unaudited)

The Company uses the following Alternative performance measures ('APMs') in its Annual Report and Consolidated Financial Statements. The Board believes that each of the APMs provides additional useful information to the shareholders in order to assess the Company's performance.

Dividend Cover The ratio of EPRA Earnings (page 97) to dividends paid (note 9) in the period.

Dividend Yield The dividends paid, expressed as a percentage relative to the Company's share price.

EPRA Earnings Earnings excluding all capital components not relevant to the underlying net income performance of the Company, such as the unrealised fair value gains or losses on investment properties and any gains or losses from the sales of properties. See page 97 for a reconciliation of this figure.

EPRA Net Tangible Assets The IFRS equity attributable to shareholders adjusted to reflect a Company's tangible assets and assumes that no selling of assets takes place.

EPRA Net Disposal Value The IFRS equity attributable to shareholders adjusted to reflect the NAV under an orderly sale of business, where any deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability.

EPRA Net Reinstatement Value The IFRS equity attributable to shareholders adjusted to represent the value required to rebuild the entity and assumes that no selling of assets takes place.

Gross LTV The value of the external loans unadjusted for unamortised arrangement costs (note 15) expressed as a percentage of the market value of property investments as at the Balance Sheet date. The market value of property investments includes joint venture investments and are as per external valuations and have not been adjusted for IFRS lease incentive debtors nor the fair value of the head lease at Luton.

LTV net of cash The value of the external loans unadjusted for unamortised arrangement costs (note 15) less cash held (note 13) expressed as a percentage of the market value of the property investments as at the Balance Sheet date. The market value of property investments includes joint venture investments and are as per external valuations and have not been adjusted for IFRS lease incentive debtors or the fair value of the head lease at Luton.

Ongoing charges (including Fund expenses) All operating costs expected to be regularly incurred and that are payable by the Company expressed as a percentage of the average quarterly NAVs of the Company for the financial period. No capital costs, including capital expenditure or acquisition/disposal fees, are included as costs.

Ongoing charges (including Fund and property expenses) All operating costs expected to be regularly incurred and that are payable by the Company expressed as a percentage of the average quarterly NAVs of the Company for the financial period. Any capital costs, including capital expenditure and acquisition/disposal fees, are excluded as costs, as well as interest costs and any other costs considered to be non-recurring. In the current period the material non-recurring costs include non-cash bad debt expenses of £762,000.

Share price discount/premium The share price of an Investment Trust is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the NAV per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. Shares trading above the NAV per share are said to be at a premium. The discount/premium is calculated as the variance between the share price as at the Balance Sheet date and the NAV per share (page 74) expressed as a percentage.

NAV total return The return to shareholders calculated on a per share basis by adding dividends paid (note 9) in the period on a time-weighted basis to the increase or decrease in the NAV per share (page 74).

AIFMD disclosures (unaudited)

AIFMD remuneration disclosures for Schroder Real Estate Investment Management Limited ('SREIM') for the year to 31 December 2025

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 61 to 89 of the 2025 Annual Report & Accounts (available on the Group's website – www.schroders.com/ir) which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The AIF Material Risk Takers ('AIF MRTs') of SREIM are individuals whose roles within the Schroders Group can materially affect the risk of SREIM or any AIF fund that it manages. These roles are identified in line with the requirements of the AIFM Directive and guidance issued by the European Securities and Markets Authority.

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the AIFM Directive are met for all AIF MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SREIM are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SREIM. During 2025 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of SREIM and the Remuneration Committee. The most recent review found no fundamental issues but resulted in minor recommendations relating to policy documentation.

Schroders manages its overall cost base by reference to its cost to income ratio, defined as the ratio of operating expenses to net operating income. Within this framework, compensation expense – including the pool from which any variable pay is funded – is controlled as a component of the overall cost to income ratio. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk & compliance, legal and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2025.

- The total amount of remuneration paid by SREIM to its staff is nil as SREIM has no employees. Employees of SREIM or other Schroders Group entities who serve as Directors of SREIM receive no additional fees in respect of their role on the Board of SREIM.
- The following disclosures relate to AIF MRTs of SREIM. Those AIF MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each

SREIM AIF MRT. The aggregate total remuneration paid to the 61 AIF MRTs of SREIM in respect of the financial year ended 31 December 2025 is £58.01 million, of which £39.80 million was paid to senior management, £15.00 million was paid to MRTs deemed to be taking risk on behalf of SREIM or the AIF funds that it manages and £3.21 million was paid to control function MRTs.

For additional qualitative information on remuneration policies and practices see www.schroders.com/rem-disclosures.

Leverage disclosure

In accordance with AIFMD the Company is required to make available to investors information in relation to leverage. Under AIFMD, leverage is any method by which the exposure of the Company is increased through the borrowing of cash or securities, leverage embedded in derivative positions or by another means. It is expressed as a ratio between the total exposure of the Company and its net asset value and is calculated in accordance with the "Gross method" and the "Commitment method" as described in the AIFMD. The Gross method represents the aggregate of all the Company's exposures other than cash balances held in the base currency, while the Commitment method, which is calculated on a similar basis, may also take into account cash and cash equivalents, netting and hedging arrangements, as applicable.

The Investment Manager has set the expected maximum leverage percentages for the Company and calculated the actual leverages as at 31 March 2026 as shown below: (the Company calculates and externally reports its leverage one quarter in arrears):

	Maximum limit set	Actual as at 31.03.2026
Gross leverage	195	163
Commitment leverage	220	166

There have been no changes to the maximum levels of leverage employed by the Company during the financial year nor any breaches of the maximum levels during the financial reporting period.

Sustainability performance measures (environmental) (unaudited)

The Company reports sustainability information, in accordance with the EPRA Best Practice Recommendations on Sustainability Reporting (sBPR) 2024, 4th Edition, for the 12 months 1 January 2025 – 31 December 2025, presented with comparison to 1 January 2024 – 31 December 2024. As permitted by EPRA sBPR, environmental data has been developed and presented in line with the Global Real Estate Sustainability Benchmark (GRESB).

This report has been prepared by the Investment Manager to the Company. The sustainability performance measures have been assured in accordance with AA1000 to provide a Type 2 Moderate Assurance unqualified audit of the sustainability content within the SREIT annual report for the year ended 31 March 2026. The full Assurance Statement is available on request.

Reporting Boundary

The reporting boundary covers all real estate standing investments (excluding land and cash) held by the Company. Energy consumption and associated greenhouse gas (GHG) emissions, and water consumption data is presented where the landlord retains responsibility for the payment of invoices. GHG emissions have been scoped to Location-based Scope 1 and Scope 2 emissions associated with landlord-procured energy supplies. The Company does not report Market-based Scope 1 & 2 emissions and, therefore, this has not been included in the data tables below. Waste data has been scoped to where SREIT has operational control: managed properties where SREIT is responsible for payment of invoices and/or arrangement of waste disposal contracts. Sustainability certifications are presented as proportions of floor area covered by Net Lettable Area (NLA) and Gross Internal Area (GIA) for Energy Performance Certificates (EPCs) and Green Building Certifications, respectively.

In 2024, SREIT held a total of 40 real estate standing investments for at least one day, of which 24 were within the Company's operation control reporting boundary (i.e. 'managed' assets where some internal utilities are procured directly by the landlord). One of these operational control assets was sold part-way through the reporting year. In 2025, SREIT held 39 real estate standing investments, for at least one day, of which 23 remained within the operational control reporting boundary. During the year, five assets (one asset with operational control) were sold. The breakdown of assets included, utilities scope and Like-for-like (LfL) analysis is confirmed in the below table. LfL excludes assets that were purchased or sold during the two years reported. For this report, two assets have been excluded from the LfL analysis due to sales mid-way through the reporting period, and one further asset has been excluded as over 50% of the floor area was under major renovation during the reporting period, as per GRESB definitions.

Where appropriate (for relevant assets), consumption data and asset floor area has been adjusted to reflect the Company's share of ownership. Energy and water consumption data is reported according to automatic meter readings, manual meter reads or invoice estimates. Historic consumption data have been restated where more complete and or accurate records have become available. Where required, missing consumption data has been estimated by pro-rating data from other periods using recognised techniques and is reported in the tables below.

The Company does not have any direct employees; it is served by the employees of the Investment Manager (Schroders Real Estate Investment Management Ltd.) Accordingly, the EPRA Overarching Recommendation for companies to report on the environmental impact of their own offices is not relevant/material and not presented in this report.

Asset Name	Sector	Scope					GHG Scope 1	GHG Scope 2	Included in LfL	Reason for exclusion in LfL
		Electricity	District Heating & Cooling	Fuels	Water	Waste				
Birkenhead	Industrial	Yes	No	No	No	No	Yes	Yes		
YORK, Clifton Park, Shipton Rd	Office	Yes	No	Yes	Yes	No	Yes	Yes		
MILTON KEYNES, Stacey Bushes	Industrial	Yes	No	No	Yes	No	Yes	Yes		
Langley Park, Chippenham	Industrial	Yes	No	Yes	No	No	Yes	Yes		
ILKESTON, Albion Shopping Cntr	Retail	Yes	No	No	Yes	Yes	No	Yes		
SOLD - LIVERPOOL, 88-94 Church Street	Retail	Yes	No	No	Yes	Yes	No	Yes		
SALISBURY, Churchill Way	Retail Warehouse	Yes	No	Yes	No	No	Yes	Yes	No	Over 50% of asset under major renovation during reporting period
CARDIFF, Haywood House	Office	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	
St John's Retail Park	Retail Warehouse	Yes	No	No	Yes	No	No	Yes	Yes	
NORWICH, Fifers Lane	Industrial	Yes	No	No	No	No	Yes	Yes	Yes	
Stanley Green Trading Estate	Industrial	Yes	No	No	Yes	No	No	Yes	Yes	
CHELTENHAM, The Promenade	Office	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	
SWINDON, Stirling Court	Industrial	Yes	No	Yes	Yes	No	Yes	Yes	Yes	
LUTON, The Galaxy	Leisure	Yes	No	No	Yes	Yes	No	Yes	Yes	
FAREHAM, Delme Place, Cams Est	Office	Yes	No	No	Yes	Yes	No	Yes	Yes	
Headingley Central	Mixed Use	Yes	No	No	Yes	Yes	No	Yes	Yes	
SOLD - Howard House	Office	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Sold during reporting year (2024)
The Tun, EDINBURGH	Office	Yes	No	Yes	Yes	No	Yes	Yes	Yes	
TELFORD, Hortonwood 7	Industrial	Yes	No	Yes	No	No	Yes	Yes	Yes	
NORTHAMPTON, Century & Peterbridge	Office	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	
MILTON KEYNES, Heathfield Industrial	Industrial	Yes	No	No	Yes	No	No	Yes	Yes	
SOLD - MARLOW, Pacific House	Office	Yes	No	No	Yes	No	No	Yes	No	Sold during reporting year (2025)
Manchester, Marshall Building	Office	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	
Manchester, City Tower	Office	Yes	No	No	Yes	Yes	No	Yes	Yes	

Coverage

In this report, energy (electricity and fuels), Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions, water, and waste coverage relate to the proportion of assets, by Gross Internal Area (GIA), for which landlord procured utilities have been reported in each reporting year, against the total possible GIA for landlord procured utilities. Where data coverage is less than 100%, a supporting explanation is provided within the data notes immediately below the relevant table.

Energy, Greenhouse Gas Emissions, and Water Intensities

The denominator used to calculate energy, Greenhouse Gas (GHG) emissions, and water intensities was chosen for each sector based on the floor area for which the reported consumption applies. As we report at sector level, the majority rule for a sector was taken. For all sectors, the majority of assets' consumption supplied common parts area and lettable area in the case of shared services and/or void units. Tenant data was not yet obtained at the time of writing this report and has therefore not been included in any intensity calculations which can affect the intensity indicators shown.

Intensities have therefore been calculated using the sum of energy consumption reported for Elec-Abs & Fuels-Abs, normalised using the square meters of Gross Internal Area (GIA). This is expressed as kilowatt hour per meter square per year (kWh / m² / year).

Total Electricity Consumption (Elec-Abs) and Like-for-like total electricity consumption (Elec-LfL)

Sector	EPRA Category	Electricity					% Change
		Units of Measure	Absolute		LfL		
			2024	2025	2024	2025	
Total Portfolio	Total landlord - total electricity	kWh	5,200,371	5,042,571	5,047,262	4,985,485	-1%
	Total landlord - estimated electricity	%	0.4%	0.3%	0.3%	0.2%	0%
	Proportion of electricity generated off-site and purchased by landlord	%	98.5%	99.1%	98.8%	99.2%	0%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Industrial	Total landlord - total electricity	kWh	1,516,826	1,482,288	1,516,826	1,482,288	-2%
	Total landlord - estimated electricity	%	0.3%	0.5%	0.3%	0.5%	0%
	Proportion of electricity generated off-site and purchased by landlord	%	96.7%	98.1%	96.7%	98.1%	1%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Office	Total landlord - total electricity	kWh	3,126,291	2,960,348	2,973,182	2,951,133	-1%
	Total landlord - estimated electricity	%	0.2%	0.1%	0.0%	0.1%	0%
	Proportion of electricity generated off-site and purchased by landlord	%	99.2%	99.5%	99.7%	99.9%	0%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail	Total landlord - total electricity	kWh	200,917	222,258	200,917	222,258	11%
	Total landlord - estimated electricity	%	0.0%	0.1%	0.0%	0.1%	0%
	Proportion of electricity generated off-site and purchased by landlord	%	100.0%	100.0%	100.0%	100.0%	0%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail Warehouse	Total landlord - total electricity	kWh	15,915	64,733	15,915	16,861	6%
	Total landlord - estimated electricity	%	0.0%	0.0%	0.0%	0.2%	0%
	Proportion of electricity generated off-site and purchased by landlord	%	100.0%	100.0%	100.0%	100.0%	0%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Leisure	Total landlord - total electricity	kWh	242,722	212,561	242,722	212,561	-12%
	Total landlord - estimated electricity	%	3.3%	0.0%	3.3%	0.0%	-3%
	Proportion of electricity generated off-site and purchased by landlord	%	100.0%	100.0%	100.0%	100.0%	0%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Mixed Use	Total landlord - total electricity	kWh	97,699	100,384	97,699	100,384	3%
	Total landlord - estimated electricity	%	2.0%	1.1%	2.0%	1.1%	-1%
	Proportion of electricity generated off-site and purchased by landlord	%	97.9%	94.0%	97.9%	94.0%	-4%
	Proportion of electricity generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%

- Renewable electricity (%) is calculated according to the attributes of energy supply contracts as at 31 December 2025 and only reflects renewable electricity procured under a 100% 'green tariff'(i.e. where generation is from a 100% renewable source). The renewables percentage of standard (non- 'green tariff') energy supplies are not currently known and therefore has not been included within this number.
- Energy was predominantly procured from third-party suppliers and, where relevant, self-generated using on-site renewable energy infrastructure (e.g. solar photovoltaics).
- Self-generated electricity that is exported/sold is not included in the above breakdown.

Commentary:

- There have been no significant changes in electricity consumption at the asset level, and the total portfolio variance is a result of modest increases and decreases in consumption driven by, for example, changes in occupancy, and transitioning to all electric heating and cooling systems which have led to small electricity increases alongside reductions in gas (e.g. Marshall Building, Manchester).

Total Fuel Consumption (Fuels-Abs) and Like-for-like total fuel consumption (Fuels-LfL)

		Fuel					
Sector	EPRA Category	Units of Measure	Absolute		Lfl		% Change
			2024	2025	2024	2025	
Total Portfolio	Total landlord - total fuels	kWh	1,405,477	1,093,769	1,330,642	1,086,923	-18%
	Total landlord - estimated fuels	%	0.2%	0.1%	0.0%	0.1%	0%
	Proportion of fuels generated off-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	Proportion of fuels generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Industrial	Total landlord - total fuels	kWh	413,924	329,000	413,924	329,000	-21%
	Total landlord - estimated fuels	%	0.0%	0.0%	0.0%	0.0%	0%
	Proportion of fuels generated off-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	Proportion of fuels generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Office	Total landlord - total fuels	kWh	991,553	757,923	916,718	757,923	-17%
	Total landlord - estimated fuels	%	0.3%	0.1%	0.0%	0.1%	0%
	Proportion of fuels generated off-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	Proportion of fuels generated on-site and purchased by landlord	%	0.0%	0.0%	0.0%	0.0%	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail	Total landlord - total fuels	kWh	-	-	-	-	-
	Total landlord - estimated fuels	%					
	Proportion of fuels generated off-site and purchased by landlord	%					
	Proportion of fuels generated on-site and purchased by landlord	%					
	% of applicable properties - Included	%					
Retail Warehouse	Total landlord - total fuels	kWh	-	6,846	-	-	-
	Total landlord - estimated fuels	%		0.0%			
	Proportion of fuels generated off-site and purchased by landlord	%		0.0%			
	Proportion of fuels generated on-site and purchased by landlord	%		0.0%			
	% of applicable properties - Included	%		100.0%			
Leisure	Total landlord - total fuels	kWh	-	-	-	-	-
	Total landlord - estimated fuels	%					
	Proportion of fuels generated off-site and purchased by landlord	%					
	Proportion of fuels generated on-site and purchased by landlord	%					
	% of applicable properties - Included	%					
Mixed Use	Total landlord - total fuels	kWh	-	-	-	-	-
	Total landlord - estimated fuels	%					
	Proportion of fuels generated off-site and purchased by landlord	%					
	Proportion of fuels generated on-site and purchased by landlord	%					
	% of applicable properties - Included	%					

- 100% of landlord procured fuels are sourced from Natural Gas.
- The fund does not consume energy from district heating or district cooling sources. Therefore, the EPRA indicator DH&C-Abs and DH&C-LfL is not applicable for this fund and therefore, excluded from this report.

Commentary:

- The reduction in natural gas consumption across the total portfolio has been supported by continuing to transition assets to all electric heating and cooling systems (e.g. Marshall Building, Manchester).

Total Building Energy Intensity (Energy-LfL)

		Energy Intensity						
Sector	EPRA Category	Units of Measure	Absolute		LfL		% Change	
			2024	2025	2024	2025		
Total Portfolio	Intensity	kWh / m2 / year	24.7	23.0	24.6	23.4	-5%	
Industrial	Intensity	kWh / m2 / year	12.1	11.4	12.1	11.4	-6%	
Office	Intensity	kWh / m2 / year	82.0	78.2	82.0	78.2	-5%	
Retail	Intensity	kWh / m2 / year	21.6	23.9	21.6	23.9	11%	
Retail Warehouse	Intensity	kWh / m2 / year	1.0	4.4	1.4	1.5	6%	
Leisure	Intensity	kWh / m2 / year	14.0	12.3	14.0	12.3	-12%	
Mixed Use	Intensity	kWh / m2 / year	6.8	7.0	6.8	7.0	3%	

Total direct and indirect greenhouse gas (GHG) emissions (GHG-Dir-Abs & GHG-Indir-Abs) and greenhouse gas emissions intensity from buildings (GHG-Int)

		GHG					
Sector	EPRA Category	Units of Measure	Absolute		Lfl		% Change
			2024	2025	2024	2025	
Total Portfolio	Total Direct Scope 1	tCO ₂ e	257	200	243	199	-18%
	Total Indirect Scope 2 - Location Based	tCO ₂ e	1077	893	1045	882	-16%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	5.0	4.1	5.0	4.2	-16%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Industrial	Total Direct Scope 1	tCO ₂ e	75.7	60.2	75.7	60.2	-20%
	Total Indirect Scope 2 - Location Based	tCO ₂ e	314.1	262.4	314.1	262.4	-16%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	2.4	2.0	2.4	2.0	-17%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Office	Total Direct Scope 1	tCO ₂ e	181.4	138.7	167.7	138.7	-17%
	Total Indirect Scope 2 - Location Based	tCO ₂ e	647.3	524.0	615.6	522.4	-15%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	16.3	13.1	16.5	13.9	-16%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail	Total Direct Scope 1	tCO ₂ e	-	-	-	-	-
	Total Indirect Scope 2 - Location Based	tCO ₂ e	41.6	39.3	41.6	39.3	-5%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	4.5	4.2	4.5	4.2	-5%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail Warehouse	Total Direct Scope 1	tCO ₂ e	-	1.3	-	-	-
	Total Indirect Scope 2 - Location Based	tCO ₂ e	3.3	11.5	3.3	3.0	-9%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	0.2	0.8	0.3	0.3	-9%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Leisure	Total Direct Scope 1	tCO ₂ e	-	-	-	-	-
	Total Indirect Scope 2 - Location Based	tCO ₂ e	50.3	37.6	50.3	37.6	-25%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	2.9	2.2	2.9	2.2	-25%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Mixed Use	Total Direct Scope 1	tCO ₂ e	-	-	-	-	-
	Total Indirect Scope 2 - Location Based	tCO ₂ e	20.2	17.8	20.2	17.8	-12%
	Scope 1 & 2 GHG emissions intensity	kgCO ₂ e/m ² /yr	1.4	1.2	1.4	1.2	-12%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%

Conversion factors for greenhouse gas (GHG) reporting adopted as follows:

Country	Utility	Year	GHG emissions factor per kWh (kgCO ₂ e)	Emissions factor data source
United Kingdom	Electricity	2024	0.20705	Uk government conversion factors for greenhouse gas (ghg) reporting
United Kingdom	Electricity	2025	0.177	Uk government conversion factors for greenhouse gas (ghg) reporting
United Kingdom	Gas	2024	0.1829	Uk government conversion factors for greenhouse gas (ghg) reporting
United Kingdom	Gas	2025	0.18296	Uk government conversion factors for greenhouse gas (ghg) reporting

The Fund's greenhouse gas (GHG) inventory has been developed as follows:

- Scope 1 GHG emissions relate to the use of onsite natural gas; and
- Scope 2 GHG emissions relate to the use of electricity.
- GHG emissions from electricity (Scope 2) are reported according to the 'location-based' approach. The Fund does not report on a market-based approach and therefore does not include the breakdown of this in the table below.
- GHG emissions are presented as tonnes of carbon dioxide equivalent (tCO₂e) and GHG intensity is presented as kilograms of carbon dioxide equivalent (kgCO₂e), where available greenhouse gas emissions conversion factors allow.
- For the intensity ratios, as per the method for calculating energy intensities, the denominator determined to be relevant to the business is square metres of Gross Internal Area (GIA).

Commentary:

- The reduction in Scope 1 GHG emissions across the total portfolio has been supported by continuing to transition assets to all electric heating and cooling systems (e.g. Marshall Building, Manchester).
- The reduction in Scope 2 GHG emissions have been supported by the continued decarbonisation of the UK National Grid and the resultant reduction in the UK Government GHG conversion factor for electricity.

Total Water Consumption (Water-Abs) and Like-for-like total water consumption (Water-LfL) and Building Water Intensity (Water-Int)

		Water					
Sector	EPRA Category	Units of Measure	Absolute		LfL		% Change
			2024	2025	2024	2025	
Total Portfolio	Total landlord - total water	m ³	17700	15903	17293	15898	-8%
	Total landlord - estimated water	%	1%	2%	1%	2%	1%
	Water intensity	m ³ /m ² /year	0.1	0.1	0.1	0.1	-8%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Industrial	Total landlord - total water	m ³	311.2	254.0	311.2	254.0	-18%
	Total landlord - estimated water	%	51%	100%	51%	100%	95%
	Water intensity	m ³ /m ² /year	0.0	0.0	0.0	0.0	-18%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Office	Total landlord - total water	m ³	13,095.3	12,320.9	12,688.3	12,315.8	-3%
	Total landlord - estimated water	%	0%	0%	0%	0%	-100%
	Water intensity	m ³ /m ² /year	0.3	0.2	0.3	0.3	-3%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail	Total landlord - total water	m ³	3,789.4	2,788.3	3,789.4	2,788.3	-26%
	Total landlord - estimated water	%	0%	0%	0%	0%	
	Water intensity	m ³ /m ² /year	0.4	0.3	0.4	0.3	-26%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail Warehouse	Total landlord - total water	m ³	377.0	340.3	377.0	340.3	-10%
	Total landlord - estimated water	%	0%	0%	0%	0%	
	Water intensity	m ³ /m ² /year	0.0	0.0	0.0	0.0	-10%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Leisure	Total landlord - total water	m ³	125.1	144.7	125.1	144.7	16%
	Total landlord - estimated water	%	0%	0%	0%	0%	
	Water intensity	m ³ /m ² /year	0.0	0.0	0.0	0.0	16%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Mixed Use	Total landlord - total water	m ³	1.6	55.0	1.6	55.0	3319%
	Total landlord - estimated water	%	0%	3%	0%	3%	
	Water intensity	m ³ /m ² /year	0.0	0.0	0.0	0.0	3319%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%

- All water was procured from a municipal supply. As far as Schroders are aware, no surface, ground, rainwater or wastewater from another organisation was consumed during the reporting period and therefore is not presented here.
- For the intensity ratios, as per the method for calculating energy intensities, the denominator determined to be relevant to the business is square metres of Gross Internal Area (GIA)

Commentary:

- Reductions in water consumption across the total portfolio have been primarily driven by changes in physical occupancy / footfall levels at individual assets.
- Significant reductions in water consumption were observed at Manchester, City Tower following resolution of an increase in consumption in the previous reporting year (2024).

Total weight of waste by disposal route (Waste-Abs) and Like-for-like total weight of waste by disposal route (Waste-LfL)

Sector	EPRA Category	Waste					
		Units of Measure	Absolute		Lfl		% Change
			2024	2025	2024	2025	
Total Portfolio	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	412.8	409.4	409.4	409.4	0%
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	340.8	342.7	337.4	342.7	2%
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	753.7	752.1	746.9	752.1	1%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Industrial	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	-	-	-	-	
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	-	-	-	-	
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	-	-	-	-	
	% of applicable properties - Included	%			0.0%	0.0%	0%
Office	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	83.02	96.74	79.62	96.74	21%
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	82.14	84.50	78.75	84.50	7%
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	165.17	181.24	158.37	181.24	14%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	50.58	32.19	50.58	32.19	-36%
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	28.98	22.04	28.98	22.04	-24%
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	79.56	54.22	79.56	54.22	-32%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Retail Warehouse	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	-	-	-	-	
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	-	-	-	-	
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	-	-	-	-	
	% of applicable properties - Included	%			0.0%	0.0%	0%

Other information (unaudited) — Sustainability performance measures (environmental) continued

Leisure	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	277.32	275.57	277.32	275.57	-1%
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	220.18	223.08	220.18	223.08	1%
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	497.50	498.65	497.50	498.65	0%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%
Mixed Use	Landfill - Landlord	Tonnes	-	-	-	-	
	Incineration - Landlord	Tonnes	-	-	-	-	
	Recycling - Landlord	Tonnes	1.92	4.86	1.92	4.86	153%
	Reuse - Landlord	Tonnes	-	-	-	-	
	Energy Recovery - Landlord	Tonnes	9.54	13.09	9.54	13.09	37%
	Other - Landlord	Tonnes	-	-	-	-	
	Total - Landlord	Tonnes	11.46	17.95	11.46	17.95	57%
	% of applicable properties - Included	%	100.0%	100.0%	100.0%	100.0%	0%

- Reported data relates to non-hazardous waste only, robust tonnage data on the small quantities of hazardous waste produced is not available.

Commentary:

- The reduction in overall waste generation for the Retail sector has been influenced by a reduction in occupancy.
- The increase in overall waste generation for the Office and Mixed-Use sectors has been influenced by increases in occupancy.

Sustainability certification: Energy Performance Certificates (Cert-Tot)

EPC Rating	% Net Lettable Area (ownership adjusted)
A+	2.9%
A	7.3%
B	20.4%
C	34.2%
D	20.9%
E	14.1%
F	0.0%
G	0.0%
N/A	0.0%
No EPC	0.2%
Coverage	99.8%

- The UK Minimum Energy Efficiency Standards regulation (MEES) came into force for commercial buildings on 1 April 2018 and require a minimum EPC rating of 'E' for new lettings; the rules apply to all leases from 1 April 2023. The Company remains compliant with MEES regulations. In general terms, since the introduction of the EPC Regulations in 2008, EPCs are required for letting of units or buildings or the sale of buildings.
- Energy Performance Certificate (EPC) records for the Company are provided for the portfolio as at 31 March 2026 by portfolio Net Lettable Area (NLA);
- Data provided includes the whole portfolio i.e. managed and non-managed assets;
- Where appropriate (for relevant assets) asset NLA has been adjusted to reflect the Company's share of ownership;
- Where required, EPCs are known for 99.8% of the portfolio. The remaining NLA without EPCs relates to space where EPCs are not mandatory. In all cases compliance with MEES is maintained.

Sustainability certification: Green building certificates (Cert-Tot)

Rating	% Net Lettable Area (ownership adjusted)
BREEAM/ In Use Good	4.30%
BREEAM/ In Use Coverage	4.30%
BREEAM/ Refurbishment and Fit-out Very Good	0.33%
BREEAM/ Refurbishment and Fit-out Coverage	0.33%
BREEAM/ New Construction Excellent	2.63%
BREEAM/ New Construction Coverage	2.63%
WiredScore Certified	2.20%
WiredScore Platinum	4.65%
WiredScore Coverage	6.85%
ModeScore Certified	33.55%
ModeScore Silver	14.00%
ModeScore Gold	3.45%
ModeScore Coverage	51.00%
ActiveScore Certified	51.00%
ActiveScore Coverage	51.00%
Fitwel/ Multi-Tenant Base Building v2.1 3 Star	4.65%
Fitwel Coverage	4.65%
Total portfolio green building certificates coverage (excluding duplicates)	63%

- Green building certificate records for the Fund are provided as of 31 March 2026 by portfolio Net Lettable Area (NLA);
- Data provided includes managed and non-managed assets (i.e. the whole portfolio);
- Where appropriate (for relevant assets), floor area has been adjusted to reflect the Company's share of ownership.

Sustainability performance measures (social) (unaudited)

The EPRA Sustainability Best Practices Recommendations Guidelines Fourth edition (EPRA Guidelines) include Social and Governance reporting measures to be disclosed for the entity i.e. the Company. The Company is an externally managed real estate investment trust and has no direct employees. A number of these Social Performance measures relate to entity employees and therefore these measures are not relevant for reporting at the entity level. The Investment Manager to the Company, Schroder Real Estate Investment Management Limited, is part of Schroders plc which has responsibility for the employees that support the Company. The Company aims to comply with the EPRA Guidelines and therefore has included Social and Governance Performance Measure disclosures in this report. However, these are presented as appropriate for the activities and responsibilities of the Schroder Real Estate Investment Trust Limited (the 'Company'), Schroders plc or the Investment Manager, Schroder Real Estate Investment Management Limited.

Schroders plc's principles and performance measures in relation to people including diversity, gender pay gap, values, employee satisfaction survey, wellbeing and retention are presented in the Schroders (plc) Annual Report and Accounts for the 12 months to 31 December 2025 available here:

- <https://mybrand.schroders.com/m/74f3d9a5f99e1565/original/Schroders-Annual-Report-FY25-Full-report-interactive.pdf>

Employee gender diversity (Diversity-Emp)

As at 31 March 2026 the Company's Board comprised four members: 2 (50%) female; 2 (50%) male.

For further information on Schroders plc's employee gender and diversity, covering more employee categories, please refer to the Schroders (plc) Annual Report and Accounts for the 12 months to 31 December 2025.

Gender pay ratio (Diversity-Pay)

The remuneration of the Company's Board is set out on pages 62 to 63 of this Report and Accounts document.

The latest statutory UK pay gap disclosures, alongside voluntary global gender pay gap and UK ethnicity pay gap analysis for Schroders plc are available on the Schroders plc Pay Gap Reporting webpage here: <https://www.schroders.com/en/global/individual/about-us/people-and-culture/inclusion-at-schroders/pay-gaps/>

The following are reported for Schroders in relation to the Investment Management of the Company:

Training and development (Emp-Training)

Schroders requires employees to complete mandatory internal training. Schroders encourages all staff with professional qualifications to maintain the training requirements of their respective professional body.

Employee performance appraisals (Emp-Dev)

Schroders performance management process requires annual performance objective setting and annual performance reviews for all staff. The Investment Manager confirms that performance appraisals were completed for 100% of investment staff relevant to the Company in the 12 months to 31 March 2026.

The following are reported for Schroders plc:

For commentary on Schroders plc's turnover and retention rates please refer to Schroders Annual Report and Accounts 2025 (pages 23 and 24).

Employee health and safety (H&S-Emp)

Schroders plc does not include employee health and safety performance measures in its Annual Report and Accounts.

The following are reported in relation to the assets held in the Company's portfolio over the reporting period to 31 March 2026:

Asset health and safety assessments (H&S-Asset)

The table below sets out the proportion of the Company's portfolio where operational control is retained, and where health and safety impacts were assessed or reviewed for compliance or improvement:

	Portfolio by floor area (%)	
	FY25	FY26
All sectors	100%	100%

Asset health and safety compliance (H&S-Comp)

The table below sets out the number of incidents of non-compliance with regulations/and or voluntary codes identified:

	Number of incidents	
	FY25	FY26
All Sectors	0	0

Community engagement, impact assessments and development programmes (Comty-Eng)

The table below sets out the proportion of the Company's total portfolio which completed local community engagement, impact assessments and/or development programs:

	Portfolio by number assets (%)	
	FY25	FY26
Total	23%	23%

Community engagement initiatives are carried out where deemed relevant to individual assets, in collaboration with the relevant site team.

Over the course of the reporting year, the Company continued to strengthen engagement with occupiers and local communities across the portfolio, recognising the importance of behavioural change in delivering sustainability outcomes. Initiatives included the distribution of sustainability-focused occupier newsletters and the use of dedicated engagement platforms, such as "Locale", implemented at assets including City Tower, Manchester. In addition, assets across the portfolio were utilised to support community and social value initiatives, including foodbank collections, Christmas gift donations for disadvantaged families, and book collections. At an asset level, occupier engagement programmes incorporated a range of wellbeing and educational activities, particularly at City Tower where a structured engagement calendar is delivered, designed to enhance the occupier experience.

Sustainability performance measures (governance) (unaudited)

Composition of the highest governance body (Gov-Board)

The Board of the Company comprised four non-executive independent directors (0 executive board members) as at 31 March 2026 and:

- The average tenure of the four directors at 31 March 2026 is 4 years and 7 months; and
- The number of directors with competencies relating to environmental and social topics is two, Alexandra Innes and Priscilla Davies, and their experience can be seen in their biographies.

Nominating and selecting the highest governance body (Gov-Select)

The role of the Nomination Committee, chaired by Alastair Hughes, is to consider and make recommendations to the Board on its composition so as to maintain an appropriate balance of skills, experience and diversity, including gender, and to ensure a progressive refreshing of the Board. On individual appointments, the Nomination Committee leads the process and makes recommendations to the Board.

Before the appointment of a new director, the Nomination Committee prepares a description of the role and capabilities required for a particular appointment. While the Nomination Committee is dedicated to selecting the best person for the role, it aims to promote diversification, and the Board recognises the importance of diversity. The Board agrees that its members should possess a range of experience, knowledge, professional skills and personal qualities as well as the independence necessary to provide effective oversight of the affairs of the Company.

Process for managing conflicts of interest (Gov-Col)

The Company's Conflicts of Interest Policy sets out the policy and procedures of the Board and the Company Secretary for the management of conflicts of interest.

Streamlined energy and carbon reporting (unaudited)

Schroder Real Estate Investment Trust Limited (the Company) is a real estate investment company with a premium listing on the Official List of the UK Listing Authority and whose shares are traded on the Main Market of the London Stock Exchange (ticker: SREI).

The Company is a real estate investment trust (REIT) and benefits from the various tax advantages offered by the UK REIT regime. The Company continues to be declared as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and Authorised Closed-Ended Investment Schemes Rules and Guidance, 2021.

The Board and Investment Manager in recognition of the importance it places on sustainability has included a report for the Company aligned with the UK Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, (the Regulations) on its UK energy use, associated Scope 1 and 2 greenhouse gas ('GHG') emissions, an intensity metric and, where applicable, global energy use. This reporting is also referred to as Streamlined Energy and Carbon Reporting (SECR).

This Energy and Carbon Report applies for the Company's annual report for the 12 months to 31 March 2026. The statement has however been prepared for the calendar year, the 12 months to 31 December 2025, to report annual figures for emissions and energy use the available period for which such information is available. In addition, the Regulations advise providing a narrative on energy efficiency actions taken in the previous financial year.

As a real estate investment company, energy consumption and emissions result from the operation of buildings. The reporting boundary has been scoped to those held properties where the Company retained operational control: where the Company is responsible for operating the entire building, shared services (e.g. common parts lighting, heating, and air conditioning), external lighting and/or void spaces. 'Operational control' has been selected as the reporting boundary (as opposed to 'financial control' or 'equity share') as this reflects the portion of the portfolio where the Company can influence operational procedures and, ultimately, sustainability performance. This incorporates consumption in tenant areas, where the landlord procures energy for the whole building and where recharges are not made directly (i.e. based on sub-metered

kWh consumption). In 2025, within the portfolio, there were 23 properties within the operational control reporting boundary and in 2024 there were 24 such properties. All Company assets are located in the UK.

The Company is not directly responsible for any GHG emissions/energy usage at single let/FRI assets nor at multi-let assets where the tenant is responsible for procuring their own energy. These emissions form part of the wider value chain (i.e. 'Scope 3') emissions, which are not reported at present. As a real estate company with no direct employees or company owned vehicles as at 31 December 2025, there is no energy consumption or emissions associated with travel or occupation of corporate offices to report. Fugitive emissions associated with refrigerant losses from air conditioning equipment are widely understood by the industry to be less material than other sources of emissions and data is often not collected. The Company received fugitive emissions data in previous reporting years, and this confirmed that they were de minimis and consequently have not been captured in current reporting.

In addition to reporting absolute energy consumption and GHG emissions, the Company has reported separately on performance within the 'like-for-like' portfolio, as well as providing intensity ratios, where appropriate. The like-for-like portfolio includes buildings where each of the following conditions is met:

- Owned for the full 24-month period (sales / acquisitions are excluded)
- No major renovation or refurbishment has taken place
- At least 24 months data is available

For the intensity ratios, the denominator determined to be relevant to the business is square metres of net lettable area for most sectors, including Industrial Distribution Warehouses (Refrigerated and Non- Refrigerated), Leisure, Mixed-Use, Offices and Retail Warehouses. For Retail: High Street, the most relevant denominator is common parts area. The intensity ratio is expressed as:

- Energy: kilowatt hours per metre square (net lettable area or common parts area) per year, or, kWh/m²/yr.
- GHG: kilograms carbon dioxide equivalent per metre square (net lettable area or common parts area) per year, or, kgCO₂e/m²/yr.

Energy Consumption and Greenhouse Gas Emissions

The table below sets out the Company's energy consumption.

Utility	Absolute energy		Like for Like energy	
	2024	2025	2024	2025
Fuel	1,405,477	1,093,769	1,330,642	1,086,923
Electricity	5,200,371	5,042,571	5,047,262	4,985,485
District Heating/District Cooling	-	-	-	-
Total	6,605,848	6,136,340	6,377,904	6,072,408
Change in energy	-7%		-5%	

The table below sets out the Company's greenhouse gas emissions.

Scope	Absolute emissions		Like for Like emissions	
	2024	2025	2024	2025
Scope 1	257.06	200.12	243.37	198.86
Scope 2	1,076.74	892.54	1,045.04	882.43
Total	1,333.80	1,092.65	1,288.41	1,081.29
Change in emissions	-18%		-16%	

The like-for-like energy consumption and Greenhouse Gas (GHG) emissions for the 2025 calendar year for the managed assets held within the Company has reduced by 16%, when compared to the 2024 calendar year.

The table below sets out the Company's energy and greenhouse gas emissions intensities by sector on a like-for-like basis:

Sector	Absolute Energy Intensities		Absolute Emissions Intensities	
	2024	2025	2024	2025
Industrial	12.13	11.38	2.45	2.03
Office	81.17	73.29	16.33	13.06
Retail	21.56	23.85	4.46	4.22
Retail Warehouse	0.99	4.44	0.20	0.79
Leisure	14.02	12.28	2.90	2.17
Mixed Use	6.85	7.04	1.42	1.25

Methodology

- All energy consumption and GHG emissions reported occurred at the Company assets all of which are located in the UK.
- Energy consumption data is reported according to automatic meter reads, manual meter reads or invoice estimates. Historic energy and consumption data have been restated where more complete and or accurate records have become available. Where required, missing consumption data has been estimated through pro-rata extrapolation. Data has been adjusted to reflect the Company's share of asset ownership, where relevant.
- The sustainability content located on pages 35 to 42 of the SREIT annual report for the year ending 31 March 2026 has been assured in accordance with AA1000. The same data set has been used to compile this data report. The full Assurance Statement is available on request.
- The Company's GHG emissions are calculated according to the principles of the Greenhouse Gas (GHG) Protocol Corporate Standard.
 - The Company's Greenhouse Gas Emissions are reported as tonnes of carbon dioxide equivalent (tCO₂e), which includes the following emissions covered by the GHG Protocol (where relevant and available greenhouse gas emissions factors allow): carbon dioxide (CO₂), methane (CH₄), hydrofluorocarbons (HFCs), nitrous oxide (N₂O), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).
 - GHG emissions from electricity (Scope 2) are reported according to the 'location-based' approach.

- The following greenhouse gas emissions conversion factors and sources have been applied:

Country	Emissions Source	Year	GHG Emissions Factor	Emissions Factor Data Source
United Kingdom	Electricity	2024	0.20705	uk government conversion factors for greenhouse gas (ghg) reporting
	Electricity	2025	0.177	
	Gas	2024	0.1829	uk government conversion factors for greenhouse gas (ghg) reporting
	Gas	2025	0.18296	

Energy Efficiency Actions

Environmental data management system and quarterly reporting

Environmental data for the Company is collated by third-party Property Managers and sustainability consultants Deepki, supported by their proprietary commercial real estate ESG data intelligence platform, Deepki Ready. Energy, water, waste, and greenhouse gas emission data are collected and validated for all assets where the portfolio has operational control on at least a quarterly basis.

Energy target, improvement programme and net zero carbon

In 2019 the Manager signed the Better Building Partnership's ('BBP') Climate Commitment¹ which includes a net zero ambition aligned to the Paris Agreement aim to limit warming to 1.5°C. The Manager's commitment was further underlined by the Company who in 2022 announced its 'Pathway to Net Zero Carbon' committing to:

- Operational whole buildings emissions to be aligned to a 1.5°C pathway by 2030.
- Embodied emissions for all new developments and major renovations to be net zero by 2030.
- Operational Scope 1 and 2 (landlord) emissions to be net zero by 2030.
- Operational and embodied whole building (scope 1, 2 and 3 – landlord and tenant) emissions to be net zero by 2040.

The Investment Manager together with third-party property managers look to identify and deliver energy and greenhouse gas emissions reductions on a cost-effective basis. The programme involves reviewing all managed assets within the Company and identifying and implementing improvement initiatives, where viable. The process is of continual review and improvement.

During the reporting year to 31 March 2026, the Company progressed a targeted programme of decarbonisation-related capital expenditure across several assets, delivering measurable improvements in sustainability credentials.

- £1.9 million refurbishment of Unit 22 at Millshaw Park Industrial Estate, which achieved an upgrade in Energy Performance Certificate (EPC) rating from 'C' to 'A', supported by measures such as heating system electrification and a 50 kWp roof-mounted solar photovoltaic (PV) array for clean energy generation.
- At Stanley Green Trading Estate, phased refurbishment works across multiple units delivered energy and carbon improvements, demonstrated by upgrades to EPC 'A' or 'B' from lower ratings.
- At Clifton Park, where the refurbishment of Block C included installation of low-carbon infrastructure, delivered an improvement to an EPC 'A' rating from 'C'.
- At Churchill Way West, a comprehensive reconfiguration and refurbishment of Units 1 and 2 incorporated measures such as photovoltaic panels, improved building fabric and gas removal, resulting in an EPC 'A+' rating for Unit 1 and targeting at least 'B' for Unit 2.

Renewable electricity tariffs and carbon offsets

The Investment Manager has an objective to procure 100% renewable electricity for all landlord-controlled supplies for which it has responsibility, which includes the assets of the Company, by the end of 2025. As at 31 December 2025, 99% of the Company's landlord-controlled electricity was on renewable tariffs. No carbon offsets were purchased during the reporting period. The remainder of landlord electricity supplies not procured under renewable tariffs include supplies for voids where the landlord temporarily regains responsibility after a tenant vacates a unit where they were responsible for utility procurement.

¹ Better Buildings Partnership Climate Commitment available here: <https://www.betterbuildingspartnership.co.uk/member-climate-commitment>

Asset list

The table below summarises the portfolio information as at 31 March 2026, excluding post year end activity. The property values presented represent the year end valuations as determined by the independent valuers as at 31 March 2026

Property	Sector	Region	Value range (£m) ²⁸
Stacey Bushes Industrial Estate, MILTON KEYNES	Industrial	South East	50-60
Millshaw Park Industrial Estate, LEEDS	Industrial	Yorkshire & Humberside	50-60
Stanley Green Trading Estate, STOCKPORT	Industrial	North West	40-50
The University of Law, BLOOMSBURY (50% Share)	University Campus	West End	30-40
St John's Retail Park, BEDFORD	Retail Warehouse	Eastern	30-40
Langley Park Way, CHIPPENHAM	Industrial	South West	20-30
Union Park Industrial Estate, NORWICH	Industrial	Eastern	20-30
City Tower, MANCHESTER (25% Share)	Mixed Use	North West	20-30
Headingley Central, HEADINGLEY	Mixed Use	Yorkshire & Humberside	20-30
Horton Park Industrial Park, TELFORD	Industrial	West Midlands	10-20
Marshall Building, MANCHESTER	Mixed Use	North West	10-20
Valley Business Park, BIRKENHEAD	Industrial	North West	10-20
Churchill Way West, SALISBURY	Retail Warehouse	South West	10-20
The Tun, EDINBURGH	Offices	Scotland	10-20
Watling Street, BLETCHLEY	Retail Warehouse	South East	10-20
21/27 Stirling Court, SWINDON	Industrial	South West	10-20
Royscot House, CHELTENHAM	Offices	South West	0-10
106 Oxford Road, UXBRIDGE	Offices	South East	0-10
The Galaxy Centre, LUTON	Leisure	Eastern	0-10
Delme Place, FAREHAM	Offices	South East	0-10
Wickes, CHESTER	Retail Warehouse	North West	0-10
Heathcote Industrial Estate, WARWICK	Industrial	West Midlands	0-10
Haywood House, CARDIFF	Offices	Wales	0-10
The Lakes, NORTHAMPTON	Offices	East Midlands	0-10
Hall Lane, SANDBACH	Industrial	North West	0-10
Clifton Park, YORK	Offices	Yorkshire & Humberside	0-10
Imperial House, SHEFFIELD	Retail	Yorkshire & Humberside	0-10
The Albion Centre, ILKESTON	Other	East Midlands	0-10
24/25 High Street, CHELMSFORD	Retail	South East	0-10
Seton House, WARWICK	Offices	West Midlands	0-10
The Orangery, Old & New Stables, FAREHAM	Offices	South East	0-10
Moston Road, SANDBACH	Industrial	North West	0-10

28 As per third party valuation reports unadjusted for IFRS lease incentive amounts.

Report of the Depositary to the shareholders

Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US\$200 billion and we deploy our services to over 300 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (AIFMD).

Our cash monitoring activity provides oversight of all the Company held bank accounts with specific testing of bank transactions triggered by share issues, property income distributions via dividend payments, acquisitions, and third-party financing. We review whether cash transactions are appropriately authorised and timely. The objective of our asset verification process is to perform a review of the legal title of all properties held by the Company, and shareholding of special purpose vehicles beneath the Company.

We test whether on an ongoing basis the Company is being operated by the Manager in line with the Company's prospectus, and the internal control environment of the Manager. This includes a review of the Company's and its subsidiaries' decision papers and minutes.

We work with the Manager in discharging our duties, holding formal meetings with senior staff on a quarterly basis and submit quarterly reports to the Manager and the Company, which are then presented to the Board of Directors, setting out our work performed and the corresponding findings for the period.

For the financial year ended 31 March 2026, our work included the review of six investment property disposal and four interim dividends. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime

Head of Depositary

For and on behalf of:

Langham Hall UK Depositary LLP, London, UK

Langham Hall UK Depositary LLP is a limited liability partnership registered in England and Wales (with registered number OC388007).

Glossary

Alternative performance measure ('APM')	please see page 100 for full details of the key APMs used by the Company.
Annualised dividend yield	being the dividend paid during the period annualised and expressed as a percentage of the period end share price.
Articles	means the Company's articles of incorporation, as amended from time to time.
Companies Law	means The Companies (Guernsey) Law, 2008.
Company	is Schroder Real Estate Investment Trust Limited.
Directors	means the directors of the Company as at the date of this document whose names are set out on page 52 of this document and 'Director' means any one of them.
Disclosure Guidance and Transparency Rules	means the disclosure guidance and transparency rules contained within the FCA's Handbook of Rules and Guidance.
Earnings per share ('EPS')	is the profit after taxation divided by the weighted average number of shares in issue during the period. Diluted and adjusted EPS per share are derived as set out under NAV.
Estimated rental value ('ERV')	is the Group's external valuers' reasonable opinion as to the open market rent which, on the date of the valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.
EPRA	is the European Public Real Estate Association.
EPRA Net Tangible Assets	is the IFRS equity attributable to shareholders adjusted for items including deferred tax, the fair value of financial instruments and intangible assets.
EPRA Net Disposal Value	is the IFRS equity attributable to shareholders adjusted for items including goodwill as a result of deferred tax and the fair value of interest rate debt
FCA	is the UK Financial Conduct Authority.
Gearing	is the Group's net debt as a percentage of adjusted net assets.
Group	is the Company and its subsidiaries.
GFSC	is the Guernsey Financial Services Commission.
Initial yield	is the annualised net rents generated by the portfolio expressed as a percentage of the portfolio valuation.
Interest cover	is the number of times Group net interest payable is covered by Group net rental income.
Market Abuse Regulation	means regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.
MSCI	(formerly Investment Property Databank or 'IPD') is a Company that produces an independent benchmark of property returns.
Manager/Investment Manager	means Schroder Real Estate Investment Management Limited
Net asset value and NAV per share	is shareholders' funds divided by the number of shares in issue at the financial year end.
NAV total return	is calculated taking into account both capital returns and income returns in the form of dividends paid to shareholders.
Net rental income	is the rental income receivable in the period after payment of ground rents and net property outgoings.
REIT	is a Real Estate Investment Trust.
Reversionary yield	is the anticipated yield which the initial yield will rise to once the rent reaches the estimated rental value.
SONIA	Sterling Overnight Indexed Average – an overnight rate, set in arrears, and based on actual transactions in overnight indexed swaps for unsecured transactions in the Sterling market.
Weighted average unexpired lease term ('WAULT')	Weighted average unexpired lease term assuming earlier of lease break or lease expiry.
UK Listing Rules	means the listing rules made by the FCA under Part VII of the UK Financial Services and Markets Act 2000, as amended from time to time.

Resolutions at the Annual General Meeting

This section is important and requires your immediate attention.

If you are in any doubt about the contents of this section of the document or the action you should take, you are recommended to seek immediately your own personal financial advice from an appropriately qualified independent advisor authorised pursuant to the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all your shares in the Company, please send this document (including the Notice of AGM) and the accompanying documents at once to the purchaser, transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or into any other jurisdiction as to do so would constitute a violation of applicable laws and regulations in such other jurisdiction.

The Notice of the Annual General Meeting of Shareholders is set out on pages 127 to 128. The following paragraphs explain the resolutions to be put to the AGM.

Resolutions 1–8 (Ordinary Resolutions)

Resolutions 1-8 are being proposed to approve the ordinary business of the Company to: (i) consider and approve the Annual Report of the Company for the year ended 31 March 2026; (ii) consider and approve the Directors' Remuneration Report, (iii) elect or re-elect the Directors; and (iv) appoint the Auditors and authorise the Directors to determine the Auditor's remuneration.

Resolution 9 Approval of the Company's dividend policy (Ordinary Resolution)

The Company's dividend policy is to pay a sustainable level of quarterly dividends to shareholders (in arrears). It is intended that successful execution of the Company's strategy will enable a progressive dividend policy.

The Company's objective and strategy, outlined in the Chair's Statement and Investment Manager's Report, is to deliver sustainable net income growth in due course through active management of the underlying portfolio. Any future decision to increase the dividend will be determined by factors including whether it is sustainable over the long term, current and anticipated future market conditions, rental values and the potential impact of any future debt refinancing.

As the Company is a REIT, the Board must also ensure that dividends are paid in accordance with the requirements of the UK REIT regime (pursuant to part 12 of the UK Corporation Tax Act 2010) in order to maintain the Company's REIT status. Shareholders should note that the dividend policy is not a profit forecast and dividends will only be paid to the extent permitted in accordance with the Companies Law and the UK REIT regime.

The Board acknowledges that the dividend policy is fundamental to shareholders' income requirements as well as the Company's investment and financial planning. Therefore, in accordance with the principles of good corporate governance and best practice relating to the payment of interim dividends without the approval of a final dividend by a company's shareholders, a resolution to approve the Company's dividend policy will be proposed annually for approval.

Resolution 10 Authority to disapply pre-emption rights (Special Resolution)

The Directors require specific authority from shareholders before allotting new ordinary shares for cash (or selling shares out of treasury for cash) without first offering them to existing shareholders in proportion to their holdings. Resolution 10 empowers the Directors to allot new ordinary shares for cash or to sell ordinary shares held by the Company in treasury for cash, otherwise than to existing shareholders on a *pro rata* basis, up to such number of ordinary shares as is equal to 10% of the ordinary shares in issue (including treasury shares) on the date the resolution is passed. No ordinary shares will be issued without pre-emption rights for cash (or sold out of treasury for cash) at a price less than the prevailing net asset value per ordinary share at the time of issue or sale from treasury.

The Directors do not intend to allot or sell ordinary shares other than to take advantage of opportunities in the market as they arise and will only do so if they believe it to be advantageous to the Company's existing shareholders and when it would not result in any dilution of the net asset value per ordinary share (owing to the fact that no ordinary shares will be issued or sold out of treasury for a price less than the prevailing net asset value per ordinary share).

This authority will expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2027 or on the expiry of 15 months from the passing of Resolution 10.

Resolution 11 Authority to repurchase shares (Special Resolution)

The Board recognises that movements in the ordinary share price, premium or discount, are driven by numerous factors, including investment performance, gearing and market sentiment. Accordingly, it focuses its efforts principally on addressing sources of risk and return as the most effective way of producing long-term value for shareholders.

However, the Directors may consider repurchasing ordinary shares if they believe it to be in shareholders' interests as a whole and as a means of correcting any imbalance between supply and demand for the ordinary shares. The making and timing of any repurchase of ordinary shares will be at the absolute discretion of the Board, although the Board will have regard to the effects of any such repurchase on long-term shareholders in exercising its discretion. Any repurchase of ordinary shares will be subject to compliance with the Companies Law and within any guidelines established from time to time by the Board.

Annually the Company passes a resolution granting the Directors general authority to purchase in the market up to 14.99% of the number of shares in issue. The Directors intend to seek a renewal of this authority from the shareholders at the AGM. No shares were repurchased under this authority.

In the event that the Board decides to repurchase ordinary shares, purchases will only be made through the market for cash at prices not exceeding the prevailing NAV of the ordinary shares (as last calculated) where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the UK Listing Rules and the Disclosure Guidance and Transparency Rules which provide that the maximum price to be paid for each ordinary share must not be more than the higher of: (i) five per cent above the average mid-market value of the ordinary shares for the five business days before the purchase is made; and (ii) an amount equal to the higher of (a) the price of the last independent trade; and (b) the highest current independent bid for an ordinary share on the trading venues where the market purchases by the Company pursuant to the authority conferred by that resolution will be carried out. The Companies Law also provides, among other things, that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time. Any ordinary shares purchased under this authority may be cancelled or held in treasury.

This authority will expire at the conclusion of the annual general meeting of the Company to be held in 2027 unless varied, revoked or renewed prior to such date by ordinary resolution of the Company.

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company's shareholders as a whole. The Board therefore recommends unanimously to shareholders that they vote in favour of each of the resolutions, as they intend to do in respect of their own beneficial holdings.

Alastair Hughes
Chair

9 July 2026

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 1 London Wall Place, EC2Y 5AU on 22 September 2026 at 3.00 pm.

Resolution	To consider and, if thought fit, pass the following Ordinary Resolutions:
Resolution 1 (Ordinary Resolution)	To receive, consider and approve the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 March 2026.
Resolution 2 (Ordinary Resolution)	To approve the Remuneration Report for the year ended 31 March 2026.
Resolution 3 (Ordinary Resolution)	To elect Richard Dakin as a Director of the Company.
Resolution 4 (Ordinary Resolution)	To re-elect Priscilla Davies as a Director of the Company.
Resolution 5 (Ordinary Resolution)	To re-elect Alexandra Innes as a Director of the Company.
Resolution 6 (Ordinary Resolution)	To re-elect Sanjay Patel as a Director of the Company.
Resolution 7 (Ordinary Resolution)	To appoint Ernst and Young LLP as Auditor of the Company until the conclusion of the next Annual General Meeting.
Resolution 8 (Ordinary Resolution)	To authorise the Board of Directors to determine the Auditor's remuneration.
Resolution 9 (Ordinary Resolution)	To receive and approve the Company's Dividend Policy which appears on page 125 of the Annual Report.
	To consider and, if thought fit, pass the following Special Resolutions:
Resolution 10 (Special Resolution)	That the Directors of the Company be and are hereby empowered to allot ordinary shares of the Company for cash as if the pre-emption provisions contained under Article 13 of the Articles of Incorporation did not apply to any such allotments and to sell ordinary shares which are held by the Company in treasury for cash on a non- pre-emptive basis provided that this power shall be limited to the allotment and sales of ordinary shares: <ul style="list-style-type: none"> a. up to such number of ordinary shares as is equal to 10% of the ordinary shares in issue (including treasury shares) on the date on which this resolution is passed; b. at a price of not less than the net asset value per share as close as practicable to the allotment or sale; provided that such power shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2027 or on the expiry of 15 months from the passing of this Special Resolution, except that the Company may before such expiry make offers or agreements which would or might require ordinary shares to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot or sell ordinary shares in pursuance of such offers or agreements as if the power conferred hereby had not expired.
Resolution 11 (Special Resolution)	That the Company be authorised, in accordance with section 315 of The Companies (Guernsey) Law, 2008, as amended (the 'Companies Law'), to make market acquisitions (within the meaning of section 316 of the Companies Law) of ordinary shares in the capital of the Company either for retention as treasury shares, insofar as permitted by the Companies Law or cancellation, provided that: <ul style="list-style-type: none"> a. the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99% of the issued ordinary shares on the date on which this resolution is passed; b. the minimum price which may be paid for an ordinary share shall be £0.01; c. the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be an amount equal to the higher of (i) 5% above the average of the mid-market value of the ordinary shares (as derived from the regulated market on which the repurchase is carried out) for the five business days immediately preceding the date of the purchase; and (ii) the higher of (a) the price of the last independent trade; and (b) the highest current independent bid at the time of purchase, in each case on the regulated market where the purchase is carried out; d. such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2027 unless such authority is varied, revoked or renewed prior to such date of the general meeting; and e. the Company may make a contract to purchase ordinary shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration and the Company may make a purchase of ordinary shares pursuant to any such contract.

By Order of the Board

For and on behalf of

Schroder Investment Management Limited
Company Secretary

9 July 2026

Notes

- 1 To be passed, an Ordinary Resolution requires a simple majority of the votes cast by those shareholders voting in person or by proxy at the AGM (excluding any votes which are withheld) to be voted in favour of the resolution.
- 2 To be passed, a Special Resolution requires a majority of at least 75% of the votes cast by those shareholders voting in person or by proxy at the AGM (excluding any votes which are withheld) to be voted in favour of the resolution.
- 3 A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. More than one proxy may be appointed provided that each proxy is appointed to exercise the rights attached to different shares held by the member.
- 4 If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise discretion as to whether, and if so how, to vote.
- 5 A form of proxy is enclosed for use at the meeting and any adjournment thereof. The form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of such power or authority, so as to reach the Company's Registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY at least 48 hours before the time of the AGM (excluding any part of a day that is not a working day).
- 6 Completing and returning a form of proxy will not prevent a member from attending in person at the meeting and voting should he or she so wish.
- 7 To have the right to attend and vote at the meeting or any adjournment thereof (and also for the purpose of calculating how many votes a member may cast on a poll) a member must have his or her name entered on the register of members not later than at close of business of 18 September 2026.
- 8 Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at close of business of 18 September 2026. Changes to entries in the register of members of the Company after that time shall be disregarded in determining the rights of any member to attend and vote at such meeting.
- 9 If all the shares have been sold or transferred by the addressee, the Notice of Annual General Meeting and any other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Corporate information

Registered Address

2nd Floor, Dorey Court
Elizabeth Avenue
St Peter Port
Guernsey GY1 2HT

Directors (all non-executive)

Alastair Hughes (Chair)
Priscilla Davies
Alexandra Innes
Sanjay Patel

Investment Manager and Accounting Agent

Schroder Real Estate Investment Management Limited
1 London Wall Place
London EC2Y 5AU

Company Secretary

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU

Depository

Langham Hall UK Depository LLP
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5 Appold Street
Broadgate
London EC2A 2DA

Solicitors to the Company as to English Law:

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Independent Auditor

Ernst & Young LLP
PO Box 9
Royal Chambers
St. Julian's Avenue
St. Peter Port
Guernsey GY1 4AF

Property Valuer

CBRE Limited
Henrietta House
Henrietta Place
London W1G 0NB

Corporate Brokers

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Tax Advisors

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Receiving Agent and UK Transfer/Paying Agent

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Advocates to the Company as to Guernsey Law:

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Royal Chambers
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The Company's privacy notice is available on its webpages.

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