11 June 2025

Warehouse REIT plc

(the "Company" or "Warehouse REIT", together with its subsidiaries, the "Group")

Full year results for the 12 months ended 31 March 2025

Strong operational performance and delivery of strategic initiatives

Neil Kirton, Chairman of Warehouse REIT commented: "Throughout the financial year the Board has focused on the continued execution of our strategic plan – the key objectives being to reduce debt and move towards dividend cover. In a day-to-day sense, our occupational markets have continued to be resilient, and well-located, quality space has continued to be in short supply. We have driven rental growth through our active asset management, and our portfolio continues to provide attractive opportunities to capture reversion over time.

"Despite the Company's strong operational performance and the Board's continued conviction that we are invested in a very attractive asset class, given our size, the low liquidity of our shares, and with other, risk-free asset classes offering attractive returns, we have traded at a significant discount to net asset value for some time. It is in that context that the Board has evaluated an offer for the Company."

Portfolio valuation uplift driven by outperformance of strategically located multi-let assets

- Like-for-like portfolio valuation up 3.8% to £805.4 million (31 March 2024: £810.2 million)
    - Multi-let assets, which now comprise 80.3% of the portfolio, up 7.1%
    - Equivalent yield of 6.4% (31 March 2024: 6.5%)
    - Development land down 14.7%, weighted towards the first half
    - Like-for-like growth in estimated rental values of 6.8%, driven by strong leasing activity
- EPRA NTA per share up 2.9% to 128.0p (31 March 2024: 124.4p) delivering a total accounting return of 8.0% (FY24: 6.7%)

Resilient demand for well-located multi-let space, with leasing activity 24.4% ahead of previous rents and £3.7 million of new contracted rent added

- 105 lease events over 1.9 million sq ft, securing £14.1 million of contracted rent, comprising:
    - £2.0 million from 38 new lettings, 31.7% ahead of previous contracted rent;
    - £4.9 million from 42 renewals, 28.5% ahead of previous contracted rent; and
    - £7.2 million from 25 rent reviews, 20.1% ahead of previous contracted rent; 31.5% excluding contracted uplifts
- Highly reversionary portfolio with £6.1 million or 14.3% of potential rental reversion and a further £4.6 million of potential rent on vacant space, taking the total reversionary potential to 25.2%
- Occupancy down to 93.7% (FY24: 96.4%) reflecting expected vacancy at a small number of larger units; effective occupancy, which excludes units under offer or undergoing refurbishment of 97.7%

Improved financial performance and successful execution of earnings accretive initiatives

- IFRS Profit after tax up 21.6% to £41.7 million
- Operating profit flat at £35.0 million; adjusted EPS up 8.3% at 5.2p (31 March 2024: 4.8p)
- Strategic initiatives, including £300 million debt refinancing on improved terms and amendment to Investment Management Agreement to deliver cost savings in the current financial year
- 92.9% debt hedged against interest rate volatility with no major refinancing until 2028
- LTV at 32.4% in-line with stated target, with significant headroom of £31.0 million in cash and available facilities

Further progress on disposals, recycling capital into value-accretive opportunities

- £85.7 million of sales (headline), 0.7% ahead of book value; £0.5 million loss on disposal, post costs; blended NIY on passing rent of assets sold of 6.7%
- Total sales of £193.4 million since disposal plan announced in November 2022
- £38.6 million acquisition of Ventura Retail Park, Tamworth, NIY of 7.4%; now valued at £43.5 million
- Exchanged on the acquisition of Rycote Lane, a multi-let industrial estate near Thame for £34.75 million, announced 4 June 2025

Progressing our sustainability strategy

- 68.7% of the portfolio EPC A+ to C rated (31 March 2024: 66.6%)
- EPRA sBPR Gold for the fourth year and improvement in our MSCI rating from BB to BBB

Offer for the Company

- On 4 June 2025, the Board of Warehouse REIT and Wapping Bidco Ltd, a newly-formed company indirectly owned by investment funds advised by affiliates of Blackstone Inc ("Blackstone") announced that they had reached an agreement regarding an all cash offer for the entire issued and to be issued share capital of Warehouse REIT at 109 pence per share

Financial highlights

Year ended 31 March	2025	2024
Gross property income	£48.6m	£47.1m
Operating profit before change in value of investment properties	£35.0m	£35.0m
IFRS profit/(loss) before tax	£41.7m	£34.3m
IFRS earnings per share	9.8p	8.1p
EPRA earnings per share*	5.1p	4.8p
Adjusted earnings per share	5.2p	4.8p
Dividends paid per share	6.4p	6.4p
Total accounting return	8.0%	6.7%
Total cost ratio including direct vacancy costs	28.1%	24.4%
As at	**31 March 2025**	**31 March 2024**
Portfolio valuation	£805.4m	£810.2m
IFRS net asset value	£550.1m	£535.6m
IFRS net asset value per share	129.5p	126.1p
EPRA net tangible assets ("NTA") per share	128.0p	124.4p
Loan to value ("LTV") ratio	32.4%	33.1%

*Comparative restated in-line with new EPRA earnings guidance issued Sept 2024

Investment portfolio statistics

As at	31 March 2025	31 March 2024
Contracted rent	£42.5m	£44.6m
ERV	£53.2m	£53.5m
Passing rent	£40.8m	£42.9m
WAULT to expiry	5.0 years	5.0 years
WAULT to first break	3.5 years	4.1 years
Occupancy	93.7%	96.4%

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Notes
Warehouse REIT is a UK Real Estate Investment Trust that invests in UK warehouses, focused on multi-let assets in industrial hubs across the UK.

We provide a range of warehouse accommodation in key locations, which meets the needs of a broad range of occupiers. Our focus on multi-let assets means we provide occupiers with greater flexibility so we can continue to match their requirements as their businesses evolve, encouraging them to stay with us for longer.

We invest in our business by selectively acquiring assets with potential and by delivering opportunities we have created. Through pro-active asset management we unlock the value inherent in our portfolio, helping to capture rising rents and driving an increase in capital values to deliver strong returns for our investors over the long term.
Sustainability is embedded throughout our business, helping us meet the expectations of our stakeholders today and futureproofing our business for tomorrow.

The Company is an alternative investment fund ("AIF") for the purposes of the AIFM Directive and, as such, is required to have an investment manager who is duly authorised to undertake the role of an alternative investment fund manager ("AIFM"). The AIFM and the Investment Manager is currently G10 Capital Limited (Part of the IQEQ Group).

Forward-looking statements
Certain information contained in these half-year results may constitute forward-looking information. This information relates to future events or occurrences or the Company's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that this information will prove to be correct, and such forward looking information included in this announcement should not be relied upon. Forward-looking information speaks only as of the date of this announcement.

The forward-looking information included in this announcement is expressly qualified by this cautionary statement and is made as of the date of this announcement. The Company and its Group do not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

CHAIRMAN'S STATEMENT

Throughout the financial year the Board has focused on the continued execution of our strategic plan – the key objectives being to reduce debt and move towards dividend cover. In a day-to-day sense, our occupational markets have continued to be resilient, and well-located, quality space has continued to be in short supply. We have driven rental growth through our active asset management, and our portfolio continues to provide attractive opportunities to capture reversion over time.

At a Board level we have been focussed on three major areas of significance to shareholders.

First, in my last statement to you I made reference to the financial basis on which many REIT Boards engaged asset managers and that in conjunction with Tilstone, we were reviewing our own arrangements. I was delighted that the Board and Tilstone were able to agree an amendment to the Investment Management Agreement, which we announced in February. This amendment connects the financial rewards for the Investment Advisor with market capitalisation and is a significant change which further increases alignment between our Shareholders and Tilstone. At the time of the announcement, we estimated that this represented a £1.7 million saving in the current year, which would flow straight to earnings and have a positive impact on our dividend cover. The Board felt strongly, that this combination of lower fees and increased alignment would serve to mitigate some investor reservations about external structures and make Warehouse REIT a more attractive investment proposition for both existing and potential shareholders. In addition, as I have mentioned before, your agreement with Tilstone is one of exclusivity which I believe has significant value for Warehouse REIT shareholders.

Secondly, during March we announced a refinancing of our debt arrangements. We cover this in more detail elsewhere in our Report but with annualised cost savings of £1.2 million, equating to an additional 0.3p of earnings per share, this marked another important step in the restoration of our dividend cover.

With these strategic initiatives delivered, the Company would have been on a much sounder footing as the financial year drew to a close. Inescapably however, the third area of focus, has been evaluating the series of unsolicited offers which were made for your Company since the start of the calendar year. In previous comments, I have referred to the disconnect between share prices and the valuation of assets which has manifested itself across almost all the UK real estate sector in varying, but sizable discounts, and in particular, has attached to those with development exposure. One virtue associated with this situation, is that management teams have been forced to focus on the extraction of value from existing assets but inevitably, it has also restricted expansion and growth through capital raises. Smaller real estate vehicles, many of which came to the public markets when interest rates were abnormally low and which typically offered high yields have particularly struggled to keep and attract investors as other assets, for example UK government bond yields rose substantially.

Your Board rejected a number of offers for the equity of your company because we did not believe they represented the best value for shareholders. On 4 June 2025 we recommended a cash bid from Blackstone at 109 pence per share.

Operational review

Our valuation performance again bears out our decision to focus our portfolio on multi-let industrial assets. The value of investment assets increased by 6.1% on a like-for-like basis to £736.5 million, with the total portfolio, including developments, now valued at £805.4 million. The uplift was driven by ERV growth of 6.8%, demonstrating the resilience of our occupational markets, as well as our active approach to asset management, with equivalent yields broadly flat.

Multi-let has long been our core focus and more recently its highly attractive characteristics, which include significant reversionary potential and the opportunity to capture that through a high frequency of lease events, have been recognised more widely. This has encouraged greater investment into the sector, which of course, we have been a beneficiary of. Values are firmly underpinned by the fact that rebuild costs are well above capital values; our multi-let assets for example have a reinstatement value of £125.44 per sq ft versus a capital value of £108.18 per sq ft.

While we have seen a slight reduction in occupancy, that reflects a small number of expected vacancies arising on relatively large sites. More generally however, demand for our space has proved resilient and that is despite ongoing cost pressures for small businesses. We have maintained our historic run rate, with 105 lease events in the year, generating £3.7 million of new rent. On average, deals were 24.4% above prior rent, as we continue to capture the reversion inherent in the portfolio, but there remains significant upside to come.
At the year-end, the portfolio was 14.3% reversionary, equivalent to an additional £6.1 million of rent to be captured in the coming years. There is a further £4.6 million of additional income which would be available on letting the vacant space, taking the total reversionary potential to 25.2%, again underlining the attractive nature of our portfolio.

Financial performance

Despite being a net seller over the year, net operating income was flat at £35.0 million, with the acquisition of one high-yielding asset and strong leasing activity offsetting the loss from disposals. Like-for-like contracted rental growth of 4.7% for the year is one of our strongest performances in recent years, demonstrating the strength and resilience of our platform. Notably, there have been no major delinquencies in the year.

Our focus on reducing overall debt levels and optimising our financing has delivered a reduction in financing costs and improvement in earnings, with adjusted earnings per share up 8.3% to 5.2 pence per share, representing dividend coverage of 81.3% (FY24: 75.0%).

Rebuilding dividend coverage remains the key focus for the Board and as discussed above, initiatives were put in place this year which would have added an additional 0.7 pence per share to earnings; 0.4 pence attributable to the amendment to the Investment Management Agreement and 0.3 pence attributable to the refinancing.

The uplift in our valuation supported an increase in our EPRA NTA of 2.9% to 128.0p (31 March 2024: 124.4p), resulting in a 8.0% total accounting return for the period, ahead of last year (FY24: 6.7%).

Capital allocation and balance sheet
As a Board, we recognise that efficient capital allocation plays a critical role in rebuilding dividend coverage. Our disposal plan has focused on selling lower yielding or non-core assets, helping to reduce our more expensive debt to support earnings. This year, we completed £85.7 million of disposals, ahead of book value on a headline basis. Sales have included Barlborough Links in Chesterfield, a single-let asset, with an index-linked lease and therefore non-core, which sold for £46.0 million. Importantly, we have sold no flagship assets. This activity brings total sales since the Group announced its disposal plan in November 2022, to £193.4 million.

We made one acquisition in the year, Ventura Retail Park, near Birmingham, a high conviction location for us. It was acquired for £38.6 million in June 2024 on a very attractive yield of 7.4% and is now valued at £43.5 million.

Following this activity, net debt stood at £260.6 million at the year end, with a loan to value ratio of 32.4%. A sale or part sale of Radway would have further reduced our debt to a level below £250 million, which is the total covered by our existing hedging arrangements but ongoing negotiations were effectively paused by the offer from Blackstone.

At year-end therefore, 92.9% of our debt was hedged. The refinancing which completed in the final month of the year was at a margin of 1.75%, a 45 basis point saving on the previous margin, lowering our average cost of debt as at 31 March 2025 to 3.6% from 4.2% a year ago, positioning us well for the year ahead.

ESG
The Group has made great progress on sustainability since its inception. We manage our capital carefully, so our programme of refurbishment is selective, but improving the environmental credentials of our space is thoroughly embedded in our approach. At year-end, 68.7% of our space was rated EPC A+ to C (31 March 2024: 66.6%) and this is despite sales of some of our higher-rated assets.
We were again awarded Gold for compliance with both the EPRA Best Practice Reporting and the EPRA Sustainability Best Practice Recommendations and the Board was particularly pleased that the Company's MSCI Rating improved to a BBB from a BB, reflecting good progress made.

Conclusion
When Warehouse REIT plc listed its shares on AIM towards the end of 2017 the macro-economic environment was indeed very different. In recent years, we and many of our peers, have experienced a prolonged divergence between a strong operational performance and a much weaker capital markets environment. The cost of capital has risen, and our sector has struggled to compete for fresh equity from investors. The Board remains strongly of the conviction that we are invested in a very attractive asset class, but given our size, the low liquidity of our shares, and with other, risk-free asset classes offering attractive returns, we have traded at a significant discount to net asset value for some time.

As you would expect, your Board reviewed many strategic options including internalising, mergers, a wind down and a sale of the Company. While the offer from Blackstone was unsolicited, the Board has of course given it full and due consideration and in view of the points set out above, considers that it represents the most attractive option to shareholders at this time.

I would like once again to thank Tilstone for all their endeavours and hard work on behalf of the shareholders and my fellow Board members for their continuing commitment, particularly in recent weeks. In addition the advisory group that assist the Board on a day to day basis have been outstanding.

Neil Kirton
Chairman
10 June 2025

KEY PERFORMANCE INDICATORS

We use the following key performance indicators ("KPIs") to monitor our performance and strategic progress.

Occupancy

93.7%

Description
Total open market rental value of the units leased divided by total open market rental value, excluding development property and land, and equivalent to one minus the EPRA vacancy rate.
Why is this important?
Shows our ability to retain occupiers at renewal and to let vacant space, which in turn underpins our income and dividend payments.
How we performed
Occupancy across the investment portfolio reduced to 93.7%, with notable vacancies in Leicester, Speke, Warrington, and Witney where we have refurbishment programmes ongoing to capture latent reversion.

Like-for-like rental income growth

4.7%

Description
The increase in contracted rent of units owned throughout the period, expressed as a percentage of the contracted rent at the start of the period, excluding development property, land and units undergoing refurbishment.
Why is this important?
Shows our ability to identify and acquire attractive properties and grow average rents over time.
How we performed
We delivered further good rental growth, as we continued to capture the reversionary potential in the portfolio through active asset management.

Rental increases agreed versus valuer's erv

(1.1)%

Description
The difference between the rent achieved on new lettings and renewals and the ERV assessed by the external valuer, expressed as a percentage above the ERV at the start of the period.
Why is this important?
Shows our ability to achieve rental growth ahead of ERV through asset management and the attractiveness of our assets to potential occupiers.
How we performed
We let space overall (1.1%) below ERV. Excluding capped rent reviews, leasing was overall 4.2% ahead of ERV.

Like-for-like valuation increase
3.8%

Description
The change in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, and net of capital expenditure.
Why is this important?
Shows our ability to acquire the right quality of assets at attractive valuations, add value through asset management and drive increased capital values by capturing rental growth.
How we performed
The combination of our high quality portfolio, improving occupier sentiment and a resilient occupational market has driven a 3.8% increase in the like-for-like valuation (6.1% excluding developments).

Total accounting return
8.0%

Description
The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period.
Why is this important?
Demonstrates the Group's success at creating value for shareholders.
How we performed
We delivered a total accounting return of 8.0% in the year, which was below our target as ongoing economic uncertainty continues to weigh on the sector, but performance was significantly ahead of last year reflecting the uplift in valuation.

Total cost ratio
28.1%

Description
The total cost ratio is the sum of property expenses and administration expenses (excluding one-off costs) as a percentage of gross rental income. (See table 6 on pages 138 to 139 for detail).
Why is this important?
Shows our ability to effectively control our cost base, which in turn supports dividend payments to shareholders.
How we performed
The total cost ratio increased in the year due to a rise in non-recoverable holding costs of vacant properties. Excluding these costs, the total cost ratio was down 40 basis points to 22.8%.

Epra NTA per share
128.0p

Description
The EPRA net asset value measure assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. This is expressed on a per share basis. (See table 3 on page 137 for detail).
Why is this important?
Shows our ability to acquire well and to increase capital values through active asset management.
How we performed
The increase in capital values relative to the market contributed to a 3.6 pence increase in EPRA NTA per share to 128.0 pence per share.

Loan to value ratio
32.4%

Description
Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments. (See table 10 on page 140 for detail)
Why is this important?
Shows our ability to balance the additional portfolio diversification and returns that come from using debt, with the need to manage risk through prudent financing.
How we performed
The decrease in the LTV reflects both proceeds from asset disposals which have reduced our level of debt as well as an increase in portfolio value.

INVESTMENT ADVISOR'S REPORT

Good progress with our priorities

In June 2023, the Board set four strategic priorities for the business. These were to:

- capture the reversionary potential in the portfolio;
- recycle capital, enabling us to pay down the Group's floating rate debt, strengthen the balance sheet and support earnings;
- progress the disposal of our Radway Green development scheme; and
- increase dividend cover, by driving earnings through these actions.

The Group has consistently performed well against the first two of these priorities and during the year, made material progress against the third which would have supported dividend coverage. However, the Blackstone Proposal received in the final month of the year effectively paused ongoing negotiations for a sale of this asset.

Priority	FY25 progress
Capture reversion	£3.7 million of new rent added, with £2.8 million of reversion captured Future reversion of £6.1 million, providing a potential uplift of 14.3%, rising to 25.2% including vacant space
Continued capital recycling	£85.7 million headline sales, 0.7% ahead of book value £38.6 million asset acquired on a 7.4% net initial yield ("NIY")
Progress Radway Green	Progressing reserved matters consent on Phase 2 and delivering power to the whole site Negotiations for a sale of Phase 1 continued through the second half but paused in March 2025
Pathway to dividend cover	81.3% covered for FY25 (FY24:75%) Amendment to the Investment Management Agreement expected to deliver 0.4p per share cost savings in the current financial year Refinancing expected to deliver 0.3p per share on an annualised basis, based on year-end debt position

PORTFOLIO REVIEW CAPITAL ACTIVITY

	£ million	% NIY
Disposals	85.7	6.7
Acquisitions	38.6	7.4

The Group keeps the portfolio under constant review, to identify mature or non-core assets that are candidates for disposal. Sales have focused on single-let assets, or assets where the Group has substantially completed its asset management initiatives leaving little further upside. In addition, disposal targets include those that generate a yield below the Group's cost of debt and are therefore earnings-enhancing on sale.

Disposals

During the period, the Group sold ten assets for £85.7 million (headline), 0.7% ahead of book value. After taking into account disposal-related costs, the Group crystallised a small loss on disposal of £0.5 million. Sales reflected a blended net initial yield on passing rent of 6.7%.

The assets sold in the period were:

- Barlborough Links, Chesterfield for £46.0 million;
- Ikon Trading Estate, Hartlebury for £7.3 million;
- Parkway Industrial Estate, Plymouth for £6.3 million;
- Swift Valley Industrial Estate, Rugby for £6.1 million;
- Celtic Business Park, Newport for £5.2 million;
- Pikelaw Place, Skelmersdale for £4.1 million;
- Halebank Industrial Estate, Widnes for £4.1 million.
- Falcon Business Park, Burton-on-Trent for £2.7 million;
- Festival Drive, Ebbw Value for £2.2 million; and
- Crown Street, Carlisle for £1.8 million.

This activity brings total asset sales since the Group announced its disposal plan in November 2022 to £193.4 million, demonstrating our ability to match assets that are non-core for Warehouse REIT with pockets of demand across the market.

In addition, as announced in its HY24 results in November 2023, the Group has been progressing a sale of Radway Green, its development opportunity near Crewe. This is a highly attractive scheme in a premier location just 1.5 miles from Junction 16 of the M6. It has the potential to deliver at least 1.8 million sq ft of space, across two phases of 0.8 million sq ft and 1.0 million sq ft.

Following a thorough process, in November 2024, the Group announced that terms had been agreed and solicitors instructed on the sale of Phase 1 of this asset. A period of due diligence followed with negotiations still underway at the time of the Blackstone offer for the Company. However, the Blackstone Proposal received in the final month of the year effectively paused a sale of this asset.

Simultaneously, the Investment Advisor has focused on delivering reserved matters consent on Phase 2, which represents the majority of the scheme's value and on securing 8 MW of power on top of the existing 2 MW for the wider site.

Acquisitions
On 25 June 2024, the Group acquired Phase 2 of Ventura Retail Park ("Ventura"), a 13-unit scheme in Tamworth, close to Birmingham, for £38.6 million, representing a net initial yield of 7.4%.

Built in two phases, Ventura is one of the top 20 shopping parks in the UK by sq ft. Phase 2 covers 120,000 sq ft and is fully let to a high-quality occupier line-up including Boots, Sports Direct and H&M. Contracted rent across the scheme was £3.1 million and the WAULT was 5.6 years as at year-end.

VALUATION
At the year-end, the investment portfolio comprised 602 units across 6.9 million sq ft of space (31 March 2024: 642 units across 7.8 million sq ft). The table below analyses the portfolio as at 31 March 2025:

	Value (£m)	LFL movement (%)	ERV growth (%)	NIY (%)	NEY (%)	Capital value (£ per sq ft)
Multi-let more than 100k sq ft	451.5	7.4	7.4	5.2	6.2	108.36
Multi-let less than 100k sq ft	139.8	6.5	6.4	5.7	6.7	107.58
Single-let regional distribution	84.6	0.7	6.3	5.3	6.4	96.26
Single-let last-mile	60.6	4.5	4.7	6.2	6.3	118.92
Total	**736.5**	**6.1**	**6.8**	**5.4**	**6.4**	**107.45**
Development land	68.9	(14.7)				
Total portfolio	**805.4**	**3.8**				

The portfolio was independently valued by CBRE as at 31 March 2025, and prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book").

The total portfolio value was £805.4 million (31 March 2024: £810.2 million), an increase of 3.8% on a like-for-like basis. The value of the investment portfolio was up 6.1% on a like-for-like basis, driven by a strong performance from multi-let assets which were up 7.1%. ERV growth across the whole portfolio was 6.8%, but stronger on multi-let assets at 7.1%.

The EPRA NIY at 31 March 2025 was 4.9% (31 March 2024: 5.4%) and the EPRA topped-up NIY was 5.3% (31 March 2024: 5.6%). Across the investment portfolio equivalent yields are now 6.4% (31 March 2024: 6.5%).

The average capital value across the portfolio was £107.45 per sq ft, significantly above the FY24 position of £93.52 per sq ft, partly driven by the acquisition of Ventura Retail Park. The average capital value for multi-let assets was £108.18 per sq ft, which remains well below the reinstatement value for this type of asset, which is £125.44 per sq ft.

LEASING AND ASSET MANAGEMENT

	% of investment portfolio	Occupancy by ERV (%)	Contracted rent (£per sq ft)	ERV (£ per sq ft)
Multi-let more than 100k sq ft	61.3	92.1	7.03	7.94
Multi-let less than 100k sq ft	19.0	91.8	7.22	8.09
Single-let regional distribution	11.5	100.0	5.43	7.14
Single-let last-mile	8.2	100.0	8.50	9.15
Total	100.0	93.7	6.96	7.95

The Group has a diverse occupier base of 409 businesses, with 75.0% generating revenues of more than £10 million and 89.1% exceeding £1 million of revenues.

At the year-end, the contracted rent roll for the investment portfolio (excluding developments) was £42.5 million, compared to an ERV of £53.2 million. The difference reflects £6.1 million (or 14.3%) of portfolio reversion and £4.6 million of potential rent on vacant space taking total reversionary potential to 25.2%.

The structure of the Group's leases supports capturing this reversion, with less than 5% being subject to an index-linked, cap, collar or turnover-related arrangement. This flexibility is an important advantage, enabling us to capture reversion ahead of inflation.

We made good progress in FY25, with a total of 105 lease events completed, covering 1.9 million sq ft. As a result, we were able to add £3.7 million of new contracted rent, with £2.8 million of reversion captured. Deals were on average 24.4% ahead of previous passing rent and 4.2% above ERV excluding capped rent reviews (1.1% below ERV overall). £1.1 million of new contracted rent added came from the letting vacant space.

Total contracted rents for the investment property portfolio stood at £42.5 million at year-end, an increase of 4.7% on a like-for-like basis during the year.

Occupancy across the investment portfolio reduced during the period to 93.7% (31 March 2024: 96.4%). The decrease reflects vacancies at Meridian Business Park, Leicester; Gawsworth Court, Warrington; Witan Park Industrial Estate, Witney; and Maxwell Road Industrial

Estate, Peterborough, where we have a tailored refurbishment programme planned to capture the embedded reversion and interest has been encouraging.

Effective occupancy, which excludes units under offer to let or undergoing refurbishment, was 97.7% (31 March 2024: 97.6%), with 1.7% of the investment portfolio under offer to let and a further 2.4% undergoing refurbishment at that date.

The weighted average unexpired lease term for the investment portfolio was unchanged at 5.0 years (31 March 2024: 5.0 years).

New leases

The Group completed 38 new leases on 0.2 million sq ft of space during the period, which will generate annual rent of £2.0 million, 31.7% ahead of the previous contracted rent and 6.9% ahead of the 31 March 2024 ERV. The level of incentives has increased slightly ahead of the previous year-end but remains below the market convention of one month for every year on the lease.

Highlights are shown in the table below:

			Increase over	
Estate	**Lease length (years)**	**Annual rent (£)**	**Previous rent**	**ERV at 31/3/24**
Gateway Park, Birmingham	10	268,900	52.2%	21.7%
Knowsley Business Park, Knowsley	10	177,500	34.1%	0.8%
Oldbury Point, Oldbury	10	114,000	20.0%	12.3%

Lease renewals

The Group continues to retain the majority of its occupiers, with 62.9% remaining in occupation at lease expiry and increasing to 72.7% including those units re-let within the period. Renewal rates were lower than in previous years, with a number of expected vacancies arising on a small number of larger properties, as set out on page 34.

There were 42 lease renewals on 0.7 million sq ft of space during the period, generating contracted rents of £4.9 million, with an average uplift of 28.5% above the previous passing rent and 4.3% above the ERV.

Highlights are shown in the table below:

			Increase over	
Estate	**Lease length (years)**	**Annual rent (£)**	**Previous rent**	**ERV at 31/3/24**
Midpoint 18, Middlewich	10	2,430,700	28.8%	0.3%
Murcar Industrial Estate, Aberdeen	4	340,000	26.6%	13.3%
Sussex Avenue, Leeds	10	225,000	32.4%	10.7%

Rent reviews

During the year, the Group completed 25 rent reviews, on 1.0 million sq ft of space, generating contracted rents of £7.2 million per annum, 20.1% ahead of previous rent and 6.3% below 31 March 2024 ERV. Excluding four capped rent reviews, the rent reviews were settled 31.5% ahead of previous rent and 2.8% ahead of the 31 March 2024 ERV.

Highlights are shown in the table below:

		Increase over	
Estate	**Annual rent (£)**	**Previous rent**	**ERV at 31/3/24**
Daneshill Industrial Estate, Basingstone	1,220,000	31.9%	2.6%
Boulevard Industrial Park, Speke	1,035,900	27.2%	(7.8)%
Granby Industrial Estate, Milton Keynes	468,300	39.7%	35.1%

Capturing reversion

The following table demonstrates the potential for continuing to capture reversion in the years ahead. These represent good opportunities for further rental growth and reflects the position before any further ERV growth or outperformance.

Rent subject to review or lease expiry	**Contracted rent (£m)**	**ERV (£m)**
Prior to FY26	3.5	4.5
FY26	8.0	9.6
FY27	6.2	7.0
FY28	6.2	6.7
FY28+	20.0	22.1

CAPITAL EXPENDITURE

On average, the Group budgets to invest around 0.75% of its gross asset value ("GAV") in capital expenditure each year. This excludes development projects and is therefore based on GAV excluding developments. Our priorities when investing in the estate are to drive rental growth, improve EPC ratings and secure other ESG improvements. Approximately 20% of capex is typically directed to EPC-related improvements and all capex must generate a minimum return of 10% on the capital deployed. Our capital expenditure plans also take account of local demand and supply, the requirements of individual units versus the overall estate, and the Company's longer-term aspirations to hold or sell the asset.

Total capital expenditure in the year was £6.6 million (excluding development), equivalent to 0.81% of GAV. At the year-end, approximately 2.4% of the portfolio's ERV was under refurbishment (31 March 2024: 0.8%).

ESG PERFORMANCE

At the year-end, 68.7% of the portfolio was rated EPC A+ to C (31 March 2024: 66.6%). This improvement reflects progress made in the year, with 38 units, representing 223,000 sq ft of space achieving a minimum of an EPC B rating. This has offset the impact of selling assets with high EPC ratings, notably Barlborough Links, Chesterfield, a 500,000 sq ft asset, rated EPC B. In England and Wales, which are subject to MEES requirements, 74.3% of space is rated EPC A+ to C.

In line with the Group's long-term target of increasing on-site renewable energy capacity, solar PV panels have been fitted to Walton Road Industrial Estate in Stone and Witan Park Industrial Estate in Witney, together covering 51,100 sq ft. One further asset is at the viability stage, covering 188,000 sq ft and is expected to complete in FY26.

Warehouse REIT was again awarded Gold for compliance with both the EPRA Best Practice Reporting and the EPRA Sustainability Best Practice Recommendations and its MSCI Rating has improved to a BBB from a BB reflecting good progress made in the prior reporting year.

This year, the Group reported a 30.8% like-for-like reduction in its scope 1 and 2 emissions, which represents good progress albeit the comparison only comprises a small number of assets (two for scope 1 and thirteen for scope 2). Occupier electricity consumption has been reported for the second year running, with coverage of 48.0% of the investment portfolio by sq ft. The Group worked with Savills to set a carbon baseline and to assess the likely impact of energy efficient interventions to be delivered over the coming years, and based on their analysis, has set a target for reducing building-related scope 3 emissions by at least 25% by 2030; at least 80% by 2040; and to be net zero by 2050, in line with the government's target.

Working with occupiers

While the Group's outsourced property managers handle some day-to-day administrative tasks with occupiers, we ensure that we always own the occupier relationship. Our asset management team regularly visits sites, meets occupiers face to face and holds calls with them. We also run surveys to obtain insights from occupiers, so we can support them better and to inform our asset management plans. These typically cover feedback on the estate, current and future space requirements, ESG priorities and broader macro concerns. This year, we conducted a formal survey, which was made available to all occupiers. Over 90% of respondents rated our buildings between average and very good, with 49% rating them good or very good and 68% said they expected their space requirements to stay the same, with a further 26% expected to require more space. From a macro perspective, rising costs was cited as the biggest business concern over the next year by 76% of respondents. Read more on pages 46.

The Group's rent roll is also well diversified. The top 15 occupiers account for 33.6% of the contracted rents from the investment portfolio, with the top 100 generating 77.5%.

Top 15 occupiers at 31 March 2025	Rent £m	% of total rent	D&B score
Wincanton Holdings Limited	2.4	5.7	5A2
John Lewis PLC	2.0	4.7	5A2
DFS Trading Limited	1.5	3.4	5A2
Alliance Healthcare (Distribution) Limited	1.2	2.9	5A2
Direct Wines Limited	1.2	2.7	N2
Artifex Interior Systems Limited	1.0	2.4	5A3
Argos Limited	0.8	2.0	5A2
Evtec Aluminium Limited	0.6	1.5	N4
Swissport GB Limited	0.6	1.4	N3
A. Schulman Thermoplastic Compounds Limited	0.5	1.2	3A2
Colormatrix Europe Limited	0.5	1.2	5A2
Smyths Toys UK Limited	0.5	1.2	4A2
Magna Exteriors (Banbury) Limited	0.5	1.1	2A2
F&F Stores Limited	0.5	1.1	4A2
Selco Trade Centres Limited	0.5	1.1	5A2
Total	14.3	33.6	

This spread of occupiers across industries and business sizes means the Group is not reliant on any one occupier or industry. This increases the Group's resilience and helps to mitigate both financial and leasing risks.
Contracted rent by occupier size

FINANCIAL REVIEW

Performance

Rental income for the year was £43.4 million (FY24: £44.0 million), with the reduction reflecting the impact of asset disposals, partially offset by the Group's leasing activity, EPRA like-for-like rental growth of 4.2% and the acquisition of Ventura Retail Park in the financial year. The Group's operating costs include its running costs (primarily the management, audit, company secretarial, other professional, and Directors' fees), and property-related costs (including legal expenses, void costs and repairs). Total operating costs for the year were £16.9 million (FY24: £16.0 million), reflecting an increase in non-recoverable holding costs relating to larger vacant sites in Leicester, Swindon and Speke, as well as a back-dated rates settlement with Glasgow City Council.

The expected credit loss allowance remained low at £0.1 million (FY24: £0.2 million). This reflects the diversity and quality of the Group's occupiers and our close relationships with them.

The total cost ratio, which is the adjusted cost ratio including direct vacancy costs, was 28.1% (FY24: 24.4%), reflecting the increase in non-recoverable holding costs of vacant properties. The total cost ratio excluding these costs was down 53 basis points to 22.8%. The ongoing charges ratio, representing the costs of running the REIT as a percentage of NAV remains stable at 1.4% (FY24: 1.4%).

The Group disposed of assets totalling £85.7 million in the year, (on a headline basis) 0.7% ahead of book values, after taking into account disposal-related costs; a small loss on disposal has been recognised for the year ended 31 March 2025 of £0.5 million.

At 31 March 2025, the Group recognised a gain of £30.2 million on the revaluation of its portfolio (FY24: gain of £15.1 million). See the Valuation section above for more information.

Financing income in the year was £8.4 million (FY24: £8.5 million), including £8.0 million (FY24: £8.2 million) of interest receipts from interest rate derivatives.

Financing costs include the interest and fees on the Group's revolving credit facility ("RCF") and term loan (see Debt Financing and Hedging). Excluding the one-off £3.1 million accelerated amortisation of loan issue costs, as a result of the debt refinancing (see Debt Financing and Hedging section for more information), financing costs fell to £21.4 million. This is driven by a reduction in debt levels as well as a fall in the base rate.

The cost of debt as at 31 March 2025 has fallen to 3.6% (FY24: 4.2%). The Group also had a £6.8 million change in fair value of derivatives (FY24: £5.2 million loss).

The statutory profit before tax was £41.7 million (FY24: £34.3 million).

The Group has continued to comply with its obligations as a REIT and the profits and capital gains from its property investment business are therefore exempt from corporation tax. The corporation tax charge for the year was therefore £nil (FY24: £nil).

Earnings per share under IFRS was 9.8 pence (FY24: 8.1 pence per share). EPRA EPS was 5.1 pence (FY24 (restated): 4.8 pence). Adjusted earnings per share was 5.2 pence for the year (FY24: 4.8 pence). The table below reconciles the movement in adjusted EPS between the two years:

Adjusted earnings per share	**Pence**
For the year ended 31 March 2024	4.8
Rental income and dilapidations	0.4
Reduced non-recoverable property expenses	(0.3)
Reduced investment management fee and other administrative expenses	(0.0)
Net finance costs	0.3
For the year ended 31 March 2025	5.2

Dividends

The Company has declared the following interim dividends in respect of the year:

Quarter to	**Pence**	**Paid/to be paid**	**Amount (p)**
30 June 2024	31 August 2024	6 October 2024	1.6
30 September 2024	22 November 2024	27 December 2024	1.6
31 December 2024	19 February 2025	11 April 2025	1.6
Total			4.8

Two dividends were property income distributions and one was a non-property income distribution. The cash cost of the total dividend for the year (inlcuding the interim dividend declared for the March 2024 quarter) will be £27.2 million (FY24: £27.2 million).

Net asset value

EPRA Net Tangible Assets ("NTA") per share was 128.0 pence at 31 March 2025 (31 March 2024: 124.4 pence).

Combined with the dividend, this positive movement has generated a total accounting return of 8.0% up 130 bps from 6.7% the year prior.

The table below reconciles the movement in the EPRA NTA in FY25:

EPRA NTA per share	Pence
As at 31 March 2024	124.4
Adjusted earnings	5.2
Profit on disposals	(0.1)
Dividends	(6.4)
Valuation movement	7.1
Accelerated borrowing costs	(0.7)
Deferred consideration on interest rate caps	(1.5)
As at 31 March 2025	128.0

Debt financing and hedging

The Group refinanced its debt facilities in March 2025. The new £300.0 million facility comprises a £200.0 million term loan and a £100.0 million RCF. It replaces the Company's previous £320.0 million debt facility to June 2028. The facility is provided by the Group's existing club of four lenders: HSBC, Bank of Ireland, NatWest and Santander. The minimum interest cover is 1.5 times, compared to 2.0 times under the previous facility, and the maximum LTV has been extended from 55% to 60%. Both the term loan and the RCF attract a margin of 1.75% plus SONIA for an LTV below 40% or 2.05% if the LTV is above 40%.

The margin on this facility was 45 basis points below the previous margin, delivering a cost saving of £1.2 million for the Company on an annualised basis, equivalent to a per share saving of 0.3 pence (based on the drawn balance at the year-end). This was one of the key initiatives undertaken by the Group to improve dividend cover in the current year.

At 31 March 2025, £69.0 million was drawn against the RCF and £200.0 million against the term loan. This gave total debt of £269.0 million (31 March 2024: £284.0 million), with the Group also holding cash balances of £8.4 million (31 March 2024: £16.0 million), giving a net debt position of £260.6 million (31 March 2024: £268.0 million). The LTV ratio at 31 March 2025 was therefore 32.4% (31 March 2024: 33.1%). Interest cover for the period was 3.4 times, meaning the Group was substantially within the covenants in the debt facility. At the year-end, the Group had £250.0 million of interest rate caps in place. £50.0 million has a termination date of November 2026 and caps SONIA at 2.0%; £100.0 million has a termination date of July 2025 and £100.0 million has a termination date of July 2027, both of which cap SONIA at 1.5%. As a result, 92.9% of the Group's debt was hedged at year-end.

Amendment to Investment Management Agreement

At its HY25 results in November 2024 the Board announced that discussions were underway, directed at making some changes to the management arrangements. In February 2025, Tilstone reached an agreement with the Board on the basis of its future fee calculation. The new arrangement sees the basis of the quarterly management fee move from net asset value to the lower of net asset value and market capitalisation effective 1 April 2025. The fee thresholds and rates applied to the net asset value-based calculations are unchanged under the new arrangement, but for the linkage to market capitalisation, as shown below.

Threshold	Fee rate on lower of EPRA net asset value and market capitalisation
Up to £500 million	1.1%
Above £500 million	0.9%

As part of the transition to this new arrangement, for the first financial year only (ending 31 March 2026), the basis of the fee calculation is subject to a floor of no lower than 70% of EPRA net asset value. This arrangement was expected to deliver cost savings of £2.1 million per annum (equivalent to 0.5 pence per share) based on the share price at the time it was announced to the market on 11 February 2025, or £1.7 million under the transitional arrangement (0.4 pence per share). This is another key action the Group has undertaken to support dividend coverage in the year.

All other terms of the Investment Management Agreement were unchanged.

TILSTONE PARTNERS LIMITED

As the Investment Advisor, our team plays a crucial role in the Group's success. Our people have a range of relevant skills, including real estate investment, asset management, finance and sustainability.

While everyone who joins us has the experience and qualifications they need for their role, we are committed to supporting professional and personal development and training. We therefore run an annual appraisal process and provide both statutory and individual training, according to each person's job or personal requirements. Disclosure on training and development for the Tilstone team is provided within our EPRA Sustainability tables (see page 146).

In March 2025 we conducted our second employee survey. We had a 100% participation rate and were particularly pleased that over 90% rated their overall working environment as Very Good or Good. We set annual objectives which align to our values and every employee has at least one ESG-related objective. Diversity and inclusion are important to us, as we recognise the benefits of diverse viewpoints and life experiences. At the year-end, gender diversity was 71% male, 29% female across the Investment Advisor.

POST-PERIOD END ACTIVITY

On 4 June 2025 the Group announced that it had exchanged contracts for the acquisition of Rycote Lane, a multi-let industrial estate near Thame, in the Oxford-Cambridge Arc, for £34.75 million.

The scheme comprises 14 units, ranging in size from 3,000 sq ft to over 50,000 sq ft and is 98% occupied, generating a contracted rent of £2.1 million, equating to a net initial yield of 5.6%. It is rated BREEAM Excellent and all units are EPC A rated.

The acquisition is due to complete in September 2025.

COMPLIANCE WITH THE INVESTMENT POLICY

The investment policy is summarised below. The Group continued to comply in full with this policy throughout the year.

Investment policy	Performance
The Group will only invest in warehouse assets in the UK.	All of the Group's estates are UK-based warehouses.
No individual warehouse will represent more than 20% of the Group's last-published gross asset value ("GAV"), at the time it invests.	The largest individual warehouse represents 7.4% of GAV.
The Group will target a portfolio with no one occupier accounting for more than 20% of its gross contracted rents at the time of purchase. No more than 20% of its gross assets will be exposed to the creditworthiness of a single occupier at the time of purchase.	The largest occupier accounts for 5.7% of gross contracted rents and 4.3% of gross assets.
The Group will diversify the portfolio across the UK, with a focus on areas with strong underlying investment fundamentals.	The portfolio is well balanced across the UK, as shown in the chart on page 8.
The Group can invest no more than 10% of gross assets in other listed closed-ended investment funds.	The Group held no investments in other funds during the year.
The Group's exposure to assets under development (including pre-let assets, forward fundings or assets which have been at least partially de-risked), assessed on a cost basis, will not exceed 20% of gross assets at the time of purchase. The Group may invest directly, or through forward funding agreements or commitments, in developments (including pre-developed land), where: the structure provides us with investment risk rather than development risk; the development is at least partially pre-let, sold or de-risked in a similar way; and we intend to hold the completed development as an investment asset. The Group may, where considered appropriate, undertake an element of speculative development, provided that the exposure to these assets, assessed on a cost basis, does not exceed 10% of gross assets. Speculative developments are those which have not been at least partially leased, pre-leased or de-risked in a similar way.	The Group's exposure to developments at the year-end was 8.6% of GAV.
The Group views an LTV of between 30% and 40% as optimal over the longer term but can temporarily increase gearing up to a maximum of LTV of 50% at the time of an arrangement, to finance value-enhancing opportunities.	The LTV at 31 March 2025 was 32.4%.

INVESTMENT MANAGER

The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD") and, as such, is required to have an Investment Manager who is duly authorised to undertake that role. G10 Capital Limited ("G10") is the Company's AIFM and Investment Manager and is authorised and regulated by the Financial Conduct Authority.

INVESTMENT ADVISOR

Tilstone Partners Limited is Investment Advisor to the Company.

Simon Hope
Tilstone Partners Limited
10 June 2025

PRINCIPAL RISKS AND UNCERTAINTIES

Business

A Economic downturn

A general downturn in the UK economy could have a negative impact on the warehouse market. In particular, the exposure would be increased if there was a decline in specific markets, for example logistics.	**Risk mitigation:** The Investment Advisor maintains detailed forecasts of the property portfolio, which is subject to regular scenario testing. Metrics in key areas e.g. rent collection, credit risk ratings are monitored monthly to enable prompt identification of changes or trends. We have a diverse occupier base, and complete an annual review of our occupier mix, to help inform our leasing approach. We conduct a monthly portfolio risk review. We also stress test the working capital model and associated assumptions.
Change from previous year	We have not experienced any deterioration in rent collection performance, or any significant insolvencies. During the year we saw increased interest in the market generally, particularly after the general election. The Investment Adviser continues to closely monitor the portfolio, the external market and the economic outlook for any changes or negative trends.

B Poor returns on the portfolio

There is a risk that the returns generated by the portfolio may not be in line with our plans and forecasts. There are many factors that could drive this, including an inappropriate investment strategy set by the Board; poor delivery of the strategy; reduced capital valuations; or reduced rental incomes. This would have an impact on the financial performance of the REIT, and returns for our investors.	**Risk mitigation:** The investment strategy is set by the Board, and performance against key targets and KPIs is reviewed and reported to the Board on an ongoing basis. Significant decisions, relating to assets or occupiers follow established protocols, ensuring there is proper assessment, at the right levels.
Change from previous year	No change

Business

C Poor performance of key third-party service provider

The Group outsources its activities and is reliant on the performance of third-party service providers. Poor performance of a significant advisor, including the Investment Manager, Investment Advisor, Fund Administrator, or one of the Property Managers, could have a significant impact on the performance of the Group.	**Risk mitigation:** There are contracts in place between the Group and all third-party advisors, setting out responsibilities. The Group has a clear scheme of delegation, approved by the Board. Significant decisions are the responsibility of the Board. The Board receives regular formal quarterly reports, which include key performance targets and KPIs. The Management Engagement Committee carries out an annual service review of key service providers, which is reported to the Board.
Change from previous year	No change

Compliance

D REIT status lost

Loss of our REIT status, through failing to meet regulatory requirements or listing rules would have a significant impact on our reputation and the financial returns for our investors.	**Risk mitigation:** The Board has approved a clear governance framework which incorporates the Matters Reserved for the Board and delegated authorities, which are further supported by the clear, contracted allocation of responsibilities to our third-party service providers. The Investment Advisor reviews the position against REIT legislation with Waystone quarterly. Dividend cover and cash is continuously monitored and forecast forward, and the position reported to the Audit and Risk Committee, and Board.
Change from previous year	No change

Compliance

E Breach of loan covenants or our borrowing policy

Climate

F Climate-related risk

Our loan funding is subject to conditions, and breach of those could result in restrictions to funding and activities going forwards. In addition, the Board approved and communicated our borrowing policy, and breach of agreed limits may risk financial and reputation damage.	**Risk mitigation:** Our financial position is closely monitored, with the Investment Advisor monitoring loan-to-value percentages and interest cover ratios against the loan covenant and borrowing policy on an ongoing basis. In addition, forward forecasts are prepared and reviewed both to assess the business's position, and to ensure that any acquisition decisions include consideration of the cash and funding impact. The Board receives a formal update each quarter, and there is a quarterly compliance letter prepared for the bank.
Change from previous year	No change

Climate change may have an impact across the business, including both physical risks - e.g. extreme weather events impacting on properties - and transitional risks – such as properties not meeting occupier requirements relating to energy efficiency, or the increasing costs of compliance as requirements around energy efficient solutions and building standards increase.	**Risk mitigation:** The Sustainability Committee approves and monitors progress on our sustainability strategy. Our Investment Advisor and Property Managers are working with occupiers to understand their energy usage and how we can support them to meet their sustainability objectives and net zero plans. We are also working with external specialists to refine our ambitions and targets, and enhance our climate-related governance and reporting. Capital development and refurbishment works include consideration of energy-efficient solutions, emissions management, and options to reduce waste and resource usage, and we are building these into our standard refurbishment procedures.
Change from previous year	We have continued to build our processes and standards relating to climate risk mitigation and improving sustainability. Our disposal programme typically targets smaller lot sizes which is steadily improving the overall quality of our portfolio.

Operational

G Significant bad debt

A substantial increase in our bad debt, or the level of arrears and slow payment, could have a direct impact on cash flow and profitability. This may also have an impact on average lease lengths, and void levels and costs.	**Risk mitigation:** Our diverse portfolio of assets and wide range of occupiers is a key driver of our performance and risk profile in relation to bad debts. We have 409 individual occupiers across our portfolio of 60 estates, and our top ten occupiers (by contracted rent) combined generate less than 30% of our rent roll. Our occupier portfolio risk is monitored to ensure that commitments to/reliance on different sectors and business types is understood. At an operational level, we have robust processes in place to ensure that we accurately record, invoice and collect amounts due. Working with the property managers, our credit control processes identify any potential arrears problems to enable action to be taken at an early stage. There is a rigorous due diligence process prior to the acceptance of occupiers, with rent guarantees or

H Inappropriate acquisitions

Inappropriate acquisitions could increase risk in relation to portfolio returns, as properties may be harder to let, may not generate appropriate revenues, or may require additional costs to support.	**Risk mitigation:** We have a comprehensive acquisition protocol which is linked to the Matters Reserved for the Board and the delegated authority matrix. The protocol sets out detailed due diligence steps, (including environmental due diligence) which must be completed and fully evidenced as part of the decision-making process. Acquisition decisions are approved by the Investment Advisor Investment Committee and the Investment Manager Investment Committee, and any higher risk acquisition decisions (by value or complexity) are escalated to the Board. The REIT's Investment Manager (G10) is also required to approve acquisition decisions.

	rent deposits taken where appropriate. We also have ongoing automated credit risk monitoring on the occupier portfolio.
Change from previous year	No change

Change from previous year	No change

Financial

I Unable to raise funding

There are three areas of potential risk: • Inability to attract additional equity investment • Difficulty in securing new loan funding for the business, at an affordable rate • Our ability to raise funds through the disposal of assets could be impacted by an economic downturn	**Risk mitigation:** Market conditions remain challenging and in particular impact our ability to raise equity. We have completed a number of disposals during the year. The Investment Advisor maintains close contact with agents to ensure that disposal proceeds and the timing of sales are optimised. The monitoring of financial covenants also enables efficient disposal planning. Regular investor communications ensure we receive timely feedback on our strategy and performance, informing decision-making on our strategy.
Change from previous year	No change

J Interest rate

Changes in interest rates could directly impact on our cost of capital, and indirectly may impact on market stability	**Risk mitigation:** Changes in interest rates are not in our control, and our focus is therefore on mitigation of the potential impact. Interest rate caps are in place, and we have three years remaining on current lending arrangements. We have the opportunity to review these in 2025, which may enable us to take advantage of the better outlook, as rates are reducing. The Investment Advisor maintains detailed records of the property portfolio, and financial scenario testing is undertaken to assess the potential impact of changes in financing costs.
Change from previous year	No change

GOING CONCERN AND VIABILITY STATEMENT

Going concern

The Board monitors the Group's ability to continue as a going concern. Specifically, at quarterly Board meetings, the Board reviews summaries of the Group's liquidity position and compliance with loan covenants, as well as forecast financial performance and cash flows. Throughout the year, the Board met, in conjunction with the Investment Advisor, Tilstone, to review the uncertainties created by geopolitical tensions and inflation and interest rates, and specifically their potential impact on rent collection, cash resources, loan facility headroom, covenant compliance, acquisitions and disposals of investment properties; discretionary and committed capital expenditure and dividend distributions.

The Group ended the year with £8.4 million of unrestricted cash and £31.0 million of headroom readily available under its facilities. Disposals are an important part of our approach to portfolio optimisation and we continually review the portfolio to identify opportunities to increase efficiency and dispose of any assets that are considered ex-growth or non-core, recycling that capital into accretive acquisitions or to reduce debt. The Group made disposals totalling £85.7 million during the year.

The Group is operating significantly within its covenants and a sensitivity analysis has been performed to identify the decrease in valuations and rental income that would result in a breach of the LTV, market value covenants or interest cover covenants. Valuations would need to fall by c. 34% or rents by c. 43%, when compared with 31 March 2025, before these covenants would be breached, which, based on available market data, is considered unlikely.

Furthermore, current debt and associated covenants are summarised in note 17, with no covenant breaches during the period.

Post 31 March 2025, the Group received credit approval to extend the revolving credit facility by £20.0 million, bringing the total facility to £320.0 million.

In addition, the Group has exchanged contracts to complete on a property in Thame for a headline acquisition price of £34.8 million.

The Group has considered the impact of both the extension of the current facility and the proposed acquisition and note that the Group would still have sufficient headroom to remain a going concern.

Furthermore, disposals are an important part of our approach to portfolio optimisation and we continually review the portfolio to identify opportunities to increase efficiency and dispose of any assets that are considered non-core or where the Group has fully executed its asset management strategy.

Tilstone has prepared projections for the Group covering the going concern period to 30 June 2026, which have been reviewed by the Directors. As part of the going concern assessment, and taking the above into consideration, the Directors reviewed a number of scenarios that included extreme downside sensitivities in relation to rental cash collection, making no discretionary capital expenditure, adverse refinancing conditions and minimum dividend distributions under the REIT rules.

Accordingly, based on this information, and in light of mitigating actions available and the recent refinancing, the Directors would have a reasonable expectation that the Group and the Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements.

However; the Directors acknowledge that as a formal bid for the Group is currently ongoing, and at the date of signing, the outcome and timing of this process remain uncertain.

Due to the possible change in ownership, decisions on the future direction of the Group could be taken by new directors, who are not appointed at the approval date of the financial statements, that affect whether the forecasts used in the current directors' going concern assessment will be achieved.

As such, there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Directors acknowledge this uncertainty and confirm that, notwithstanding this, it is appropriate to prepare the financial statements on a going concern basis

The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern.

Assessment of viability

In accordance with the AIC Code of Corporate Governance, the Directors have assessed the Group's prospects over a period greater than the 12 months considered by the going concern provision.

The Directors have conducted their assessment over a three-year period to June 2028, allowing a reasonable level of accuracy given typical lease terms and the cyclical nature of the UK property market.

The principal risks detailed on pages 59 to 68 summarise the matters that could prevent the Group from delivering its strategy. The Board seeks to ensure that risks are kept to a minimum at all times and, where appropriate, the potential impact of such risks is modelled within its viability assessment.

The nature of the Group's business as the owner of a diverse portfolio of UK warehouses, principally located close to urban centres or major highways and let to a wide variety of occupiers, reduces the impact of adverse changes in the general economic environment or market conditions, particularly as the properties are typically flexible spaces, adaptable to changes in occupational demands.

The Directors' assessment takes into account forecast cash flows, debt maturity and renewal prospects, forecast covenant compliance, dividend cover and REIT compliance. The model is then stress tested for severe but plausible scenarios, individually and in aggregate, along with consideration of potential mitigating factors. The key sensitivities applied to the model are a downturn in economic outlook and restricted availability of finance, specifically:

i. increased occupier churn and occupier defaults;

ii. increased void periods following break or expiry;

iii. decreased rental income;

iv. decrease in property valuation; and

v. increased interest rates.

The sensitivity analysis identifies the decrease in valuations and rental income that would result in a breach of the LTV, market value covenants or interest cover covenants as set out in the Going Concern section above. Taking into account mitigating actions, the results of the sensitivity analysis and stress testing demonstrated that the Group would have sufficient liquidity to meet its ongoing liabilities as they fall due, maintain compliance with banking covenants and maintain compliance with the REIT regime over the period of the assessment.

Furthermore, the Board, in conjunction with the Audit and Risk Committee, carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten its business model, strategy, future performance, solvency or liquidity over the three-year period. The risk review process provided the Board with assurance that the mitigations and management systems are operating as intended. The Board believes that the Group is well positioned to manage its principal risks and uncertainties successfully, taking into account the current economic and political environment.

The Board’s expectation is further supported by regular briefings provided by Tilstone. These briefings consider market conditions, opportunities, changes in the regulatory landscape and the current economic and political risks and uncertainties. Additionally, the shortage of supply nationally, is seen as mitigation. These risks, and other potential risks that may arise, continue to be closely monitored by the Board.

The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern.

Viability statement

The period over which the Directors consider it is feasible and appropriate to report on the Group’s viability is a three-year period to June 2028. This period has been selected because it is the period that is used for the Group’s medium-term business plans. Underpinning this plan is an assessment of each individual unit’s performance, driving the overall letting assumptions and corresponding forecast cash flows.

Having made an assessment of each individual unit’s performance, the forecast cash flows, covenant compliance and the impact of sensitivities in combination, the Directors confirm that, taking account of the Group’s current position, there exists a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern due to the unpredictability of the bid and the outcomes planned in assessing the medium-term viability cannot be assured. Notwithstanding this, the Directors have a reasonable expectation that the Group would be able to continue in operation and meet its liabilities as they fall due over the three year period of assessment.

Neil Kirton

Chairman

10 June 2025

STATEMENT OF DIRECTORS’ RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with UK adopted international accounting standards and applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements of the Group in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Additionally, the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group and Company for that year.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s financial position and financial performance;
- state whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (‘FRS101’) subject to any material departures disclosed and explained in the Company financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a directors’ report, a strategic report and directors’ remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website, including ensuring the Annual Report and Financial Statements are made available. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. As such, the Directors’ responsibility also extends to the ongoing integrity of the financial statements contained therein. Financial statements are published on the Company’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements and visitors to the website need to be aware that legislation in the UK covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

- The Directors confirm that, pursuant to their responsibilities under DTR4, to the best of their knowledge: the financial statements, prepared in accordance with UK adopted international accounting standards and in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company (and Group as a whole); and
- this Annual Report includes a fair review of the development and performance of the business and the position of the Company (and Group as a whole), together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit and Risk Committee, the Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

On behalf of the Board

Neil Kirton
Chairman

10 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

All items in the statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no other comprehensive income and therefore the profit for the year after tax is also the total comprehensive income.

The accompanying notes form an integral part of these financial statements.

Continuing operations	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Gross property income	3	**48,631**	47,173
Service charge income	3	**3,280**	3,853
Service charge expenses	4	**(3,596)**	(4,068)
Net property income		**48,315**	46,958
Property operating expenses	4	**(5,453)**	(4,330)
Gross profit		**42,862**	42,628
Administration expenses	4	**(7,830)**	(7,605)
Operating profit before gains on investment properties		**35,032**	35,023
Fair value gains on investment properties	13	**30,155**	15,082
Realised (losses)/gains on disposal of investment properties	13	**(493)**	5,521
Operating profit		**64,694**	55,626
Finance income	7	**8,350**	8,460
Finance expenses	8	**(24,509)**	(24,566)
Changes in fair value of interest rate derivatives		**(6,826)**	(5,214)
Profit before tax		**41,709**	34,306
Taxation	9	**–**	–
Total comprehensive income for the period		**41,709**	34,306
Earnings per share (basic and diluted) (pence)	12	**9.8**	8.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

These financial statements were approved by the Board of Directors of Warehouse REIT plc on 10 June 2025 and signed on its behalf by:

Neil Kirton

Company number: 10880317

The accompanying notes form an integral part of these financial statements.

	Notes	31 March 2025 £'000	31 March 2024 £'000
Assets			
Non-current assets			
Investment property	13	**819,223**	695,345
Trade and other receivables	16	**6,000**	-
Interest rate derivatives	18	**3,476**	5,485
		828,699	700,830
Current assets			
Investment property held for sale	14	**–**	129,060
Interest rate derivatives	18	**2,835**	1,756
Cash and cash equivalents	15	**8,389**	15,968
Trade and other receivables	16	**10,303**	11,519
		21,527	158,303
Total assets		**850,226**	859,133
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	17	**(268,257)**	(280,413)
Head lease liability	19	**(13,989)**	(14,235)
		(282,246)	(294,648)
Current liabilities			
Other payables and accrued expenses	20	**(10,226)**	(20,658)
Deferred income	20	**(6,674)**	(7,251)
Head lease liability	19	**(974)**	(987)
		(17,874)	(28,896)
Total liabilities		**(300,120)**	(323,544)
Net assets		**550,106**	535,589
Equity			
Share capital	21	**4,249**	4,249
Share premium	22	**275,648**	275,648
Retained earnings	23	**270,209**	255,692
Total equity		**550,106**	535,589
Number of shares in issue (thousands)		**424,862**	424,862
Net asset value per share (basic and diluted) (pence)	24	**129.5**	126.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

Further details of retained earnings are presented in note 23.

The accompanying notes form an integral part of these financial statements.

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 31 March 2023		4,249	275,648	248,578	528,475
Total comprehensive income		–	–	34,306	34,306
Dividends paid	11	–	–	(27,192)	(27,192)
Balance at 31 March 2024		**4,249**	**275,648**	**255,692**	**535,589**
Total comprehensive income		**–**	**–**	**41,709**	**41,709**
Dividends paid	11	**–**	**–**	**(27,192)**	**(27,192)**
Balance at 31 March 2025		**4,249**	**275,648**	**270,209**	**550,106**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

The accompanying notes form an integral part of these financial statements.

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Cash flows from operating activities			
Operating profit		**64,694**	55,626
Adjustments to reconcile profit for the period to net cash flows:			
Gains from change in fair value of investment properties	13	**(30,155)**	(15,082)
Realised loss/(gain) on disposal of investment properties	13	**493**	(5,521)
Head lease movement in asset value		**408**	(61)
Operating cash flows before movements in working capital		**35,440**	34,962
Decrease/(increase) in other receivables and prepayments		**1,460**	(2,464)
Decrease in other payables and accrued expenses		**(988)**	(1,723)
Net cash flow generated from operating activities		**35,912**	30,775
Cash flows from investing activities			
Acquisition of investment properties		**(52,310)**	(5,888)
Capital expenditure		**(6,328)**	(5,197)
Development expenditure		**(994)**	(6,974)
Purchase of interest rate caps	18	**(5,895)**	(5,069)
Interest received		**8,554**	7,740
Disposal of investment properties		**78,967**	51,733
Net cash flow generated from investing activities		**21,994**	36,345
Cash flows from financing activities			
Bank loans drawn down		**56,000**	323,000
Bank loans repaid		**(71,000)**	(345,000)
Loan interest and other finance expenses paid		**(21,225)**	(21,321)
Other finance expenses paid		**(233)**	(367)
Non-recurrent loan fees		**(801)**	(4,251)
Head lease payments		**(1,034)**	(1,074)
Dividends paid in the period	11	**(27,192)**	(27,192)
Net cash flow used in financing activities		**(65,485)**	(76,205)
Net decrease in cash and cash equivalents		**(7,579)**	(9,085)
Cash and cash equivalents at start of the period		**15,968**	25,053
Cash and cash equivalents at end of the period	15	**8,389**	15,968

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. General information

Warehouse REIT plc is a closed-ended Real Estate Investment Trust ("REIT") with an indefinite life incorporated in England and Wales on 24 July 2017. The Company began trading on 20 September 2017. The registered office of the Company is located at 19th Floor, 51 Lime Street, London EC3M 7DQ. The Company's shares are admitted to trading on the Main Market, a market operated by the London Stock Exchange.

The Group's consolidated financial statements for the year ended 31 March 2025 comprise the results of the Company and its subsidiaries (together constituting the "Group") and were approved by the Board and authorised for issue on 10 June 2025. The nature of the Group's operations and its principal activities are set out in the strategic report available on the Group's website.

2. Basis of preparation

These financial statements are prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for the revaluation of investment properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The audited financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

The financial information for the year ended 31 March 2025 and the year ended 31 March 2025 does not constitute the company's statutory accounts for those years.

Statutory accounts for the year ended 31 March 2024 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 March 2025 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors' reports on the accounts for 31 March 2024 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The auditors' reports on the accounts for 31 March 2025 were unqualified, did not contain a statement under 498(2) or 498(3) of the Companies Act 2006 and highlighted that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern.

We draw attention to note 2 to the financial statements which indicates that a formal bid for the Group is ongoing and, at the date of the financial statements, the outcome and timing of the process remains uncertain. Due to the possible change in ownership, decisions on the future direction of the Group could be taken by new directors, who are not appointed at the approval date of the financial statements, that affect whether the forecasts used in the current directors' going concern assessment will be achieved. As stated in note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern. The auditor's opinion is not modified in respect of this matter.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern. They carefully considered areas of potential financial risk and reviewed cash flow forecasts, evaluating a number of scenarios, which included extreme downside sensitivities in relation to rental cash collection, making no acquisitions or discretionary capital expenditure and minimum dividend distributions under the REIT rules.

Accordingly, based on this information, and in light of mitigating actions available, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements (see the going concern section).

The Directors note that as the formal bid for the Group is currently ongoing, and at the date of this Financial Statements, the outcome and timing of this process remain uncertain. Due to the possible change in ownership, decisions on the future direction of the Group could be taken by new directors, who are not appointed at the approval date of the financial statements, that affect whether the forecasts used in the current directors' going concern assessment will be achieved.

As such, there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Directors acknowledge this uncertainty and confirm that, notwithstanding this, it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern.

2.1 Changes to accounting standards and interpretations

New standards and interpretations effective in the current period

Other standards, interpretations and amendments effective in the current financial year have not had a material impact on the consolidated Group financial statements.

The Group has not applied any standards, interpretations or amendments that have been issued but are not yet effective.

New and revised accounting standards not yet effective

There are a number of new standards and amendments to existing standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2025 or later. The Group is not adopting these standards early. There are no accounting standards expected to have a material impact on the Group. The impact of the following is under assessment:

- Amendments to the Measurement of Financial Instruments Classification and Measurement of Financial {Amendments to IFRS 9 Financial Instruments) effective 1 January 2026; and
- IFRS 18 'Primary financial statements', which will become effective in the consolidated Group financial statements for the financial year ending 31 March 2028, subject to UK endorsement.

2.2 Material accounting judgements and estimates

The preparation of these financial statements in accordance with IFRS requires the Directors of the Group to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

2.3 Restatement of financial statements

In September 2024, the European Public Real Estate Association's guidelines for the calculation of EPRA earnings were updated to include the interest from financial derivatives, effective from 1 October 2024 onwards. The Group has early adopted the guidance to bring the calculation of EPRA earnings in-line with the treatment of interest in the calculation of adjusted earnings. The comparative has been restated to reflect the change in guidance.

Judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations detailed below, that have had a significant effect on the amounts recognised in the financial statements.

2. Basis of preparation continued

Estimates

In the process of applying the Group's accounting policies, the Investment Advisor has made the following estimates, which have the most significant risk of material change to the carrying value of assets recognised in the consolidated financial statements:

Valuation of property

The valuations of the Group's investment property are at fair value as determined by the external independent valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards January 2025 (incorporating the International Valuation Standards) and in accordance with IFRS 13. The key estimates made by the valuer are the ERV and equivalent yields of each investment property and land values per acre for development properties. The valuers have the buildings location, building specification and various other climate-related considerations and have factored this into the valuation. See notes 13 and 25 for further details.

2.4 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are stated in the notes to the financial statements.

a) Basis of consolidation

The Company does not meet the definition of an investment entity and therefore does not qualify for the consolidation exemption under IFRS 10. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2025.

b) Functional and presentation currency

The overall objective of the Group is to generate returns in Pound Sterling and the Group's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency.

c) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment in, and provision of, UK urban warehouses.

3. Property income

	Year ended31 March 2025 £'000	**Year ended 31 March 2024 £'000**
Rental income	**43,402**	44,025
Surrender premiums received	**380**	–
Insurance recharged	**1,432**	1,496
Dilapidation income	**3,417**	1,652
Gross property income	**48,631**	47,173
Service charge income	**3,280**	3,853
Total property income	**51,911**	51,026

No occupier accounts for more than 10% of rental income.

Accounting policy

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross property income in the Group statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Rental income is invoiced in advance and for all rental income that relates to a future period, this is deferred and appears within current liabilities in the Group statement of financial position.

For leases that contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight-line basis over the lease term. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, once the rental uplifts are agreed.

Occupier lease incentives are recognised as an adjustment of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the occupier has the option to continue the lease where, at the inception of the lease, the Directors are reasonably certain that the occupier will exercise that option.

Insurance income is recognised in the accounting period in which the services are rendered.

Amounts received from occupiers to terminate leases or to compensate for dilapidations are recognised in the Group statement of comprehensive income when the right to receive them arises, typically at the cessation of the lease.
Service charge income is recognised when the related recoverable expenses are incurred. The Group acts as the principal in service charge transactions as it directly controls the delivery of the services at the point at which they are provided to the occupier.

4. Property operating and administration expenses

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Service charge expenses	**3,596**	4,068
Premises expenses	**3,762**	2,625
Insurance	**1,551**	1,509
Loss allowance on trade receivables	**140**	196
Property operating expenses	**5,453**	4,330
Investment Advisor fees	**5,821**	5,725
Directors' remuneration (including social security costs)	**178**	179
Head lease asset depreciation	**164**	165
Other administration expenses	**1,667**	1,536
Administration expenses	**7,830**	7,605
Total	**16,879**	16,003

Details of how the Investment Advisor fees are calculated are disclosed in note [29].

Accounting policy

All property operating expenses and administration expenses are charged to the consolidated statement of comprehensive income and are accounted for on an accruals basis.
Property expenses are costs incurred by the Group that are not directly recoverable from an occupier, as well as professional fees relating to the letting of our estates.

5. Directors' remuneration

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Neil Kirton	**48**	48
Lynette Lackey	**38**	38
Martin Meech	**–**	17
Aimée Pitman	**38**	38
Dominic O'Rourke	**38**	21
Employer's national insurance contributions	**16**	17
Total	**178**	179

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' remuneration report. The Group had no employees in either period. All payments made are short-term employee benefits.

6. Auditor's remuneration

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Audit fee	**238**	214
Total	**238**	214

The Group reviews the scope and nature of all proposed non-audit services before engagement, to ensure that the independence and objectivity of the Auditor are safeguarded. Audit fees are comprised of the following items:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Group year-end Annual Report and Financial Statements	**199**	190
2024 audit fee over-run	**14**	–
Subsidiary accounts	**25**	24
Total	**238**	214

The Audit Committee receives assurance from the Auditor that its independence is not compromised. The Group's Auditor for the year ended 31 March 2025 was BDO LLP.

7. Finance income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Interest from cash and short-term deposits	**231**	267
Interest from deferred consideration (note 16)	**86**	–
Interest from derivatives	**8,033**	8,193
Total	**8,350**	8,460

Accounting policy

Interest income is recognised on an effective interest rate basis and shown within the Group statement of comprehensive income as finance income. See note 18 for details on the accounting policy for interest rate derivatives.

8. Finance expenses

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loan interest	**20,644**	21,791
Head lease interest	**1,050**	1,054
Accelerated loan arrangement fees	**3,119**	1,688
Loan arrangement fees amortised	**666**	883
Recurrent loan fees	**227**	362
Bank charges	**4**	6
	25,710	25,784
Less: amounts capitalised on the development of properties	**(1,201)**	(1,218)
Total	**24,509**	24,566

During the year ended 31 March 2025 finance expenses include accelerated amortisation of £3.2 million (31 March 2024: £1.6 million) given the refinancing of the facility that took place in March 2025 (31 March 2024: July 2023). Refer to note 17 for details.

The interest capitalisation rates for the year ended 31 March 2025 ranged from 3.6% to 4.4% (31 March 2024: 4.3% to 4.7%).

Accounting policy

Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings. Any finance costs that are separately identifiable and directly attributable to an asset that takes a period of time to complete are capitalised as part of the cost of the asset. Ongoing services fees relating to the maintenance of the facility are expensed in the period in which they occur. Fair value movements on derivatives are recorded in finance expenses or in finance income depending on the fair value movement during the year. See note 19 for the accounting policy on head lease interest expensed.

9. Taxation

Corporation tax has arisen as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Corporation tax on residual income	**–**	–
Total	**–**	–

Reconciliation of tax charge to profit before tax:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Profit before tax	**41,709**	34,306
Corporation tax at 25.0% (2024: 25.0%)	**10,427**	8,577
Change in value of investment properties	**(7,539)**	(3,771)
Realised loss/ (profit) on disposal of investment properties	**123**	(1,380)
Tax-exempt property rental business	**(3,011)**	(3,426)
Total	**–**	–

Accounting policy

As a REIT, the Group is exempt from corporation tax on the profits and gains from its property rental business, provided it continues to meet certain conditions as per the REIT regulations.

Non-qualifying profits and gains of the Group continue to be subject to corporation tax. Therefore, current tax is the expected tax payable on the non-qualifying taxable income for the period, if applicable, using tax rates enacted or substantively enacted at the balance sheet date.

10. Operating leases

Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have a remaining term of up to 14 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2025 are as follows:

	31 March 2025 £'000	**31 March 2024 £'000**
Within one year	**42,739**	40,436
Between one and two years	**36,649**	33,894
Between two and three years	**28,000**	27,053
Between three and four years	**22,091**	22,170
Between four and five years	**15,892**	18,597
Between five and ten years	**18,346**	35,956
More than ten years	**7,700**	7,925
Total	**171,417**	186,031

11. Dividends

For the year ended 31 March 2025	**Pence per share**	**£'000**
Third interim dividend for year ended 31 March 2024 paid on 2 April 2024	**1.60**	**6,798**
Fourth interim dividend for year ended 31 March 2024 paid on 26 July 2024	**1.60**	**6,798**
First interim dividend for year ended 31 March 2025 paid on 4 October 2024	**1.60**	**6,798**
Second interim dividend for year ended 31 March 2025 paid on 27 December 2024	**1.60**	**6,798**
Total dividends paid during the year	**6.4**	**27,192**
Paid as:		
Property income distributions	**4.8**	**20,394**
Non-property income distributions	**1.6**	**6,798**
Total	**6.4**	**27,192**

For the year ended 31 March 2024	**Pence per share**	**£'000**
Third interim dividend for year ended 31 March 2023 paid on 3 April 2023	1.60	6,798
Fourth interim dividend for year ended 31 March 2023 paid on 7 July 2023	1.60	6,798
First interim dividend for year ended 31 March 2024 paid on 6 October 2023	1.60	6,798
Second interim dividend for year ended 31 March 2024 paid on 29 December 2023	1.60	6,798
Total dividends paid during the year	6.4	27,192
Paid as:		
Property income distributions	6.4	27,192
Non-property income distributions	–	–
Total	6.4	27,192

As a REIT, the Group is required to pay property income distributions ("PIDs") equal to at least 90% of the property rental business profits of the Group.

A third interim property income dividend for the year ended 31 March 2025 of 1.60 pence per share was declared on 19 February 2025 and paid on 11 April 2025.

Accounting policy

Dividends due to the Group's shareholders are recognised when they become payable.

12. Earnings per share

Basic EPS is calculated by dividing profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares during the period. As there are no dilutive instruments in issue, basic and diluted EPS are identical.

The European Public Real Estate Association ("EPRA") publishes guidelines for calculating adjusted earnings on a comparable basis. EPRA EPS is a measure of EPS designed by EPRA to enable entities to present underlying earnings from core operating activities, which excludes fair value movements on investment properties.

In September 2024, the European Public Real Estate Association's guidelines for the calculation of EPRA earnings were updated to include the interest from financial derivatives, effective from 1 October 2024 onwards, the comparative has been restated to reflect the change in guidance in-line with the calculation of adjusted earnings. This change in guidance has resulted in an increase in EPRA earnings of £8.2 million or 1.9 pence per share.

The Group has also included additional earnings measures called 'Adjusted Earnings' and 'Adjusted EPS' and includes premiums received during the period in compensation for rental income foregone for surrendering a lease early. The Board deems this a more relevant indicator of core earnings as it reflects our ability to generate earnings from our portfolio.

	Year ended 31 March 2025 £'000	**Year ended 31 March 2024 (Restated) £'000**

IFRS earnings/(losses)	**41,709**	34,306
EPRA earnings adjustments:		
Loss/(gain) on disposal of investment properties	**493**	(5,521)
Fair value gains on investment properties	**(30,155)**	(15,082)
Surrender premiums	**(380)**	–
Changes in fair value of interest rate derivatives	**6,826**	5,214
Losses associated with early close out of debt (see note 17)	**3,119**	1,688
EPRA earnings	**21,612**	20,605
Group-specific earnings adjustments:		
Surrender premiums	**380**	–
Adjusted earnings	**21,992**	20,605

	Year ended 31 March 2025 Pence	Year ended 31 March 2024 (Restated) Pence
Basic IFRS EPS	**9.8**	8.1
Diluted IFRS EPS	**9.8**	8.1
EPRA EPS	**5.1**	4.8
Adjusted EPS	**5.2**	4.8

	Year ended 31 March 2025 Number of shares	Year ended 31 March 2024 Number of shares
Weighted average number of shares in issue (thousands)	**424,862**	424,862

13. UK investment property

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 April 2024	675,497	5,663	681,160
Acquisition of properties	40,771	152	40,923
Capital expenditure	6,565	2,195	8,760
Movement in rent incentives	457	1	458
Disposal of properties	(28,886)	–	(28,886)
Assets transferred from 'held for sale'	–	72,830	72,830
Fair value gains/(losses) on revaluation of investment property	42,116	(11,961)	30,155
Total portfolio valuation per valuer's report	736,520	68,880	805,400
Adjustment for head lease obligations	13,823	–	13,823
Carrying value at 31 March 2025	**750,343**	**68,880**	**819,223**

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 April 2023	752,485	75,660	828,145
Acquisition of properties	–	–	–
Capital expenditure	3,327	8,191	11,518
Movement in rent incentives	1,065	(3)	1,062
Disposal of properties	(42,462)	(3,125)	(45,587)
Fair value gains/(losses) on revaluation of investment property	17,312	(2,230)	15,082
Total portfolio valuation per valuer's report	731,727	78,493	810,220
Assets transferred to 'held for sale'	(56,230)	(72,830)	(129,060)
Adjustment for head lease obligations	14,185	–	14,185
Carrying value at 31 March 2024	689,682	5,663	695,345

All completed investment properties are charged as collateral on the Group's borrowings. See note 17 for details.

Included within the carrying value of investment properties as at 31 March 2025 is £8.4 million (31 March 2024: £8.9 million, recalculated) in respect of rent incentives as a result of the IFRS treatment of leases with rent-free periods, which require recognition on a straight-line basis over the lease term. The difference between this and cash receipts change the carrying value of the property on which revaluations are measured.

During the period the Group capitalised £1.2 million (31 March 2024: £1.2 million) of interest paid in development properties. Please see note 8 for details on the capitalisation rate used.

Realised (gain)/loss on disposal of investment properties

	31 March 2025 £'000	31 March 2024 £'000
Net proceeds from disposals of investment property during the year (including investment properties held for sale-note 14)	**78,623**	51,733
Deferred consideration due (see note 16)	**6,000**	
Carrying value of disposals	**(85,116)**	(46,212)
Realised (loss)/gain on disposal of investment properties	**(493)**	5,521

Accounting policy

Development property and land is where the whole or a material part of an estate is identified as having potential for development. Assets are classified as such until development is completed and they have the potential to be fully income-generating. Development property and land is measured at fair value if the fair value is considered to be reliably determinable. Where the fair value cannot be determined reliably but where it is expected that the fair value of the property will be reliably determined when construction is completed, the property is measured at cost less any impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier. In addition, it is the Group's policy to capitalise finance costs relating to the development of the assets with planning permission, where development work is underway see note 8 for details.

Subsequent to initial recognition, investment property is stated at fair value (see note 25). Gains or losses arising from changes in the fair values are included in the profit and loss in the period in which they arise under IAS 40 Investment Property.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Movements in rent incentives are presented within the total portfolio valuation.

Where an investment property is held under a leasehold interest, the headlease is initially recognised as an asset at cost plus the present value of minimum ground rent payments and is subsequently measured at fair value. The corresponding rental liability to the head leaseholder is included in the balance sheet as a finance lease obligation (see note 19).

14. Investment properties held for sale

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Carrying value at 31 March 2023	625	–	625
Disposal of properties	(625)	–	(625)
Assets transferred in	56,230	72,830	129,060
Carrying value at 31 March 2024	56,230	72,830	129,060
Disposal of properties	(56,230)	–	(56,230)
Assets transferred out	–	(72,830)	(72,830)
Carrying value at 31 March 2025	**–**	**–**	**–**

During the year ended 31 March 2025, the Group decided to pause the proposed sale of Radway Green, Crewe from the market following the Blackstone bid; accordingly, this asset was transferred back to UK Investment Properties to reflect this change. As at 31 March 2025, no properties are held for sale.

Accounting policy

An asset will be classified as held for sale in line with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' if its carrying value is expected to be recovered through a sale transaction rather than continuing use. An asset will be classified in this way only when a sale is highly probable, management are committed to selling the asset at the year-end date, the asset is available for immediate sale in its current condition and the asset is expected to be disposed of within 12 months after the date of the consolidated statement of financial position.

15. Cash and cash equivalents

	31 March 2025 £'000	31 March 2024 £'000
Cash	**8,389**	9,905
Cash in transit	**–**	6,063
Total	**8,389**	15,968

Cash in transit comprises £nil million (31 March 2024: £6.1 million) of cash held by the Group's Registrar to fund the shareholder dividend, less withholding tax, which was paid on 2 April 2024 as disclosed in note 11. As at 31 March 2025 there were no cash equivalents held (31 March 2024: nil).

Accounting policy

Cash and cash equivalents comprise cash at bank and short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

16. Trade and other receivables

	31 March 2025 £'000	31 March 2024

		£'000
Non-current		
Deferred consideration due	**6,000**	–
Current		
Rent and insurance receivables	**4,474**	4,425
Payments in advance of property completion	**2,526**	2,217
Interest receivable on derivatives	**1,567**	1,770
Occupier deposits	**457**	643
Prepayments	**465**	266
Other receivables	**814**	2,198
Total	**10,303**	11,519
Grand total	**16,303**	11,519

The rent and insurance receivables balance represents gross receivables of £4.9 million (31 March 2024: £4.7 million), net of a provision for doubtful debts of £0.4 million (31 March 2024: £0.3 million).

Deferred consideration due includes consideration of £6.0 million in relation to a property disposal sold during the year ended 31 March 2025. The deferred consideration is due in December 2026 and accrues interest from December 2024 at an interest rate of 5.0% per annum.

Payments in advance of property completion represent the deposits paid to vendors upon exchange of purchase contracts.

Accounting policy

Rent and other receivables are recognised at their original invoiced value and become due based on the terms of the underlying lease or at the date of invoice.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the two-year period prior to the year-end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

17. Interest-bearing loans and borrowings

	31 March 2025 £'000	31 March 2024 £'000
At the beginning of the year	**284,000**	306,000
Drawn in the year	**330,000**	323,000
Repaid in the year	**(345,000)**	(345,000)
Interest-bearing loans and borrowings	**269,000**	284,000
Unamortised fees at the beginning of the year	**(3,587)**	(1,907)
Loan arrangement fees incurred in the year	**(941)**	(4,251)
Unamortised fees written off in the year	**3,119**	1,688
Amortisation charge for the year	**666**	883
Unamortised loan arrangement fees	**(743)**	(3,587)
Loan balance less unamortised loan arrangement fees	**268,257**	280,413

On 24 March 2025, the Group entered into a new £300.0 million facility, replacing the Group's previous £320.0 million debt facility, both expiring June 2028. It comprises a £200.0 million term loan (2024: £220.0 million) and a £100.0 million RCF (2024: £100.0 million) with a club of four lenders; HSBC, Bank of Ireland, NatWest and Santander. The minimum interest cover is 1.5 times and the maximum LTV is 60%. Both the term loan and the RCF attract a margin of 1.75% plus SONIA for an LTV below 40% (previously 2.2%) or 2.1% if above (previously 2.5%). As the new financing arrangements are with the existing club members and security agency, no cash outflows occurred at the point of refinancing.

The Group has £250.0 million of interest rate caps in place; £50.0 million has a termination date of 20 November 2026, £100.0 million has a termination date of 20 July 2025 and £100.0 million has a termination date of 20 July 2027 (see note 18). The facilities are secured on all completed investment properties within the portfolio.

At 31 March 2025, £69.0 million was drawn against the RCF (31 March 2024: 64.0 million) and £200.0 million against the term loan (31 March 2024: £220.0 million). This gave total debt of £269.0 million (31 March 2024: £284.0 million); with the Group also holding cash balances of £8.4 million (31 March 2024: £16.0 million), the Group's net debt as at 31 March 2025 was £260.6 million (31 March 2024: £268.0 million). The LTV ratio at 31 March 2025 was therefore 32.4% (31 March 2024: 33.1%), with the decrease reflecting the disposal of properties in the year and the higher portfolio valuation.

As at 31 March 2025, there was £31.0 million (31 March 2024: £36.0 million) available to draw.

The debt facility includes interest cover and market value covenants (as set out above) that are measured at a Group level on a quarterly basis. The Group has complied with all covenants throughout the financial period.

Accounting policy

Loans and borrowings are initially recognised as the proceeds received net of directly attributable transaction costs. Loans and borrowings are subsequently measured at amortised cost with interest charged to the consolidated statement of comprehensive income at the effective interest rate, and shown within finance costs. Transaction costs are spread over the term of the loan.

18. Interest rate derivatives

	31 March 2025 £'000	31 March 2024 £'000
At the start of the period	**7,241**	7,387
Additional premiums accrued	**–**	3,849
Changes in fair value of interest rate derivatives	**(6,826)**	(5,214)
Movement in interest rate derivative premium payable	**5,896**	1,219
Balance at the end of the period	**6,311**	7,241
Current	**2,835**	1,756
Non-current	**3,476**	5,485
Balance at the end of the period	**6,311**	7,241

To mitigate the interest rate risk that arises as a result of entering into variable rate linked loans, the Group entered into interest rate derivatives ("caps") against movements in SONIA. The caps have a combined notional value of £250.0 million with £200.0 million at a strike rate of 1.50% and the remaining £50 million at a strike rate of 2.00%. The £100.0 million has a termination date of 20 July 2025, £50.0 million cap has a termination date of 20 November 2026 and £100.0 million has a termination date of 20 July 2027.

Total consideration payable for the interest rate caps has been deferred over eight consecutive quarters, subsequent to the issuance of the instrument. The Group has paid £5.9 million in deferred premiums during the year to 31 March 2025 (2024: £5.1 million). The remaining premium of £7.5 million is due in quarterly instalments with the final payment due in October 2025.

Accounting policy

Interest rate derivatives are initially recognised at fair value and are subsequently measured at fair value, being the estimated amount that the Group would receive or pay to terminate the agreement at the period-end date, taking into account current interest rate expectations and the current credit rating of the Group and its counterparties. Premiums payable under such arrangements are initially capitalised into the statement of financial position.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole. Changes in fair value of interest rate derivatives are recognised within finance expenses in profit or loss in the period in which they occur.

All receipts of income from the instrument are recognised as finance income in note 8 of the financial statements separate from the fair value measurement recorded.

19. Head lease obligations

The following table analyses the present value of minimum lease payments under non-cancellable head leases using an average discount rate of 6.91% for each of the following periods:

	31 March 2025 £'000	31 March 2024 £'000
Current liabilities		
Within one year	**974**	987
Non-current liabilities		
After one year but not more than two years	**911**	903
After two years but not more than five years	**2,395**	2,374
After five years but not more than ten years	**3,065**	3,035
Later than ten years	**7,618**	7,923
	13,989	14,235
Total head lease obligations	**14,963**	15,222

The maturity analysis has been expanded in the current year to provide more information. The comparatives have been amended for consistency.

	31 March 2025 £'000	31 March 2024 £'000
Head lease liability – opening balance	**15,222**	15,025
Cash flows	**(1,034)**	(1,074)
Non-cash movements		
Interest	**1,050**	1,054
Head lease accrual	**(275)**	217
Head lease obligations – closing balance	**14,963**	15,222

The following table analyses the minimum undiscounted lease payments under non-cancellable head leases for each of the following periods:

	31 March 2025 £'000	31 March 2024 £'000
Current liabilities		
Within one year	**1,037**	1,056

Non-current liabilities		
After one year but not more than five years	**4,151**	4,223
Later than five years	**84,823**	86,696
Total	**90,011**	91,975

The weighted average unexpired lease term of head leases is 91.2 years (31 March 2024: 88.2 years).

Accounting policy

At the commencement date, head lease obligations are recognised at the present value of future lease payments using the discount rate implicit in the lease, if determinable, or, if not, the property-specific incremental borrowing rate.

20. Other liabilities – other payables and accrued expenses, provisions and deferred income

	31 March 2025 £'000	**31 March 2024 £'000**
Administration expenses payable	**2,150**	1,763
Deferred consideration payable	**–**	10,300
Capital expenses payable	**1,844**	1,743
Loan interest payable	**3,580**	4,161
Property operating expenses payable	**1,141**	733
Other expenses payable	**1,511**	1,958
Total other payables and accrued expenses – current	**10,226**	20,658

Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost. No discounting is applied to deferred consideration on the grounds of materiality.

	31 March 2025 £'000	**31 March 2024 £'000**
Total deferred income	**6,674**	7,251

Deferred income is rental income received in advance during the accounting period. The income is deferred and is unwound to revenue on a straight-line basis over the period in which it is earned.

21. Share capital

Share capital is the nominal amount of the Group's ordinary shares in issue.

	31 March 2025		31 March 2024	
Ordinary shares of £0.01 each	**Number**	**£'000**	**Number**	**£'000**
Authorised, issued and fully paid:				
At the start of the period	**424,861,650**	**4,249**	424,861,650	4,249
Shares issued	**–**	**–**	–	–
Balance at the end of the period	**424,861,650**	**4,249**	424,861,650	4,249

The share capital comprises one class of ordinary shares. At general meetings of the Group, ordinary shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. There are no restrictions on the size of a shareholding or the transfer of shares, except for the UK REIT restrictions.

22. Share premium

Share premium comprises the following amounts:

	31 March 2025 £'000	**31 March 2024 £'000**
At the start of the period	**275,648**	275,648
Shares issued	**–**	–
Share premium	**275,648**	275,648

Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares net of direct issue costs.

23. Retained earnings

Retained earnings comprise the following cumulative amounts:

	31 March 2025 £'000	**31 March 2024 £'000**
Capital reduction reserve	**161,149**	161,149
Total unrealised gains on investment properties	**141,248**	111,093
Total unrealised gain on interest rate caps	**(6,994)**	(168)
Total realised profits	**125,026**	106,646
Dividends paid from revenue profits	**(150,220)**	(123,028)
Retained earnings	**270,209**	255,692

Retained earnings represent the profits of the Group less dividends paid from revenue profits to date. Unrealised gains on the revaluation of investment properties and interest rate caps contained within this reserve are not distributable until any gains crystallise on the sale of the investment property and settlement of the interest rate caps. The capital reduction reserve is a distributable reserve established upon cancellation of the share premium of the Group on 17 November 2017.

24. Net asset value per share

Basic NAV per share amounts are calculated by dividing net assets attributable to ordinary equity holders of the Group in the statement of financial position by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments in issue, basic and diluted NAV per share are identical.

	31 March 2025 £'000	31 March 2024 £'000
IFRS net assets attributable to ordinary shareholders	**550,106**	535,589
IFRS net assets for calculation of NAV	**550,106**	535,589
Adjustment to net assets:		
Fair value of interest rate derivatives (note [18])	**(6,311)**	(7,241)
EPRA NTA	**543,795**	528,348

	31 March 2025 Pence	31 March 2024 Pence
IFRS basic and diluted NAV per share (pence)	**129.5**	126.1
EPRA NTA per share (pence)	**128.0**	124.4

	31 March 2025 Number of shares	31 March 2024 Number of shares
Number of shares in issue (thousands)	**424,862**	424,862

25. Fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying value of the loans and borrowings approximate their fair value due to the contractual terms and conditions of the loan. The loans are at variable interest rates of 1.75% to 2.05% above SONIA.

Interest rate derivatives

The fair value of the interest rate cap contracts is recorded in the statement of financial position and is revalued quarterly by an independent valuations specialist, Chatham Financial.

The fair value is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year-end.

Investment properties

Six-monthly valuations of investment property are performed by CBRE, accredited independent external valuers with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued. The valuations are the ultimate responsibility of the Directors however, who appraise these every six months.

The valuation of the Group's investment property at fair value is determined by the independent external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards January 2025 (incorporating the International Valuation Standards).

Completed investment properties are valued by adopting the 'income capitalisation' method of valuation. This approach involves applying capitalisation yields to current and future rental streams, net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuer's professional judgement and market observations. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Development property and land has been valued by adopting the 'comparable method' of valuation and where appropriate supported by a 'residual development appraisal'. The comparable method involves applying a sales rate per acre to relevant sites supported by comparable land sales. Residual development appraisals have been completed where there is sufficient clarity regarding planning and an identified or indicative scheme. In a similar manner to 'income capitalisation', development inputs include the capitalisation of future rental streams with an appropriate yield to ascertain a gross development value. The costs associated with bringing a scheme to the market are then deducted, including construction costs, professional fees, finance and developer's profit, to provide a residual site value.

The following tables show an analysis of the fair values of investment properties and interest rate derivatives recognised in the statement of financial position by level of the fair value hierarchy[1]:

Assets and liabilities measured at fair value

31 March 2025

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	–	–	805,400	805,400
Interest rate derivatives	–	6,311	–	6,311
Total	–	6,311	805,400	811,711

Statement of financial position by level of the fair value hierarchy[1]:

	Assets and liabilities measured at fair value 31 March 2024			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment properties and assets held for sale	–	–	810,220	810,220
Interest rate derivatives	–	7,241	–	7,241
Total	–	7,241	810,220	817,461

1 Explanation of the fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
- Level 3 – use of a model with inputs that are not based on observable market data.

Sensitivity analysis to significant changes in unobservable inputs within the valuation of investment properties

The following table analyses:

- the fair value measurements at the end of the reporting period;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- for Level 3 fair value measurements, quantitative information about significant unobservable inputs used in the fair value measurement.

31 March 2025	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Multi-let more than 100k sq ft	**451,520**	**Income capitalisation**	**ERV**	**£3.04 – £25.66**
			Equivalent yield	**5.1% – 11.6%**
Multi-let less than 100k sq ft	**139,835**	**Income capitalisation**	**ERV**	**£6.21 – £13.58**
			Equivalent yield	**5.7% – 13.1%**
Single-let regional distribution	**84,625**	**Income capitalisation**	**ERV**	**£5.50 – £8.00**
			Equivalent yield	**6.0% – 9.8%**
Single-let last-mile	**60,540**	**Income capitalisation**	**ERV**	**£7.25 – £11.00**
			Equivalent yield	**5.5% – 7.3%**
Development land	**68,880**	**Comparable method**	**Sales rate per acre**	**£201,000 – £733,000**
	805,400			

31 March 2024	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Multi-let more than 100k sq ft	373,510	Income capitalisation	ERV	£2.62 – £10.90
			Equivalent yield	5.2% – 11.1%
Multi-let less than 100k sq ft	150,390	Income capitalisation	ERV	£5.22 – £12.53
			Equivalent yield	5.7% – 13.1%
Single-let regional distribution	129,875	Income capitalisation	ERV	£5.25 – £7.38
			Equivalent yield	5.7% – 9.7%
Single-let last-mile	78,065	Income capitalisation	ERV	£4.25 – £12.71
			Equivalent yield	5.5% – 9.5%
Development land	78,380	Comparable method	Sales rate per acre	£195,000 – £860,000
	810,220			

The weighted average equivalent yield and ERV for completed investment property is 6.3% and £9.30 per sq ft, respectively (31 March 2024: 6.4% and £7.60 per sq ft). The weighted average sales rate per acre for development property and land is £587,000 (31 March 2024: £681,000).

Significant increases/decreases in the ERV (per sq ft per annum) and rental growth per annum in isolation would result in a significantly higher/lower fair value measurement. Significant increases/decreases in the discount rate (and equivalent yield) in isolation would result in a significantly lower/higher fair value measurement.

Generally, a change in the assumption made for the ERV is accompanied by:

- a similar change in the rent growth per annum and discount rate (and exit yield)

The table below sets out a sensitivity analysis for each of the key sources of estimation uncertainty with the resulting increase/(decrease) in the fair value of completed investment property and derivatives:

As at 31 March 2025

Completed investment property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 5%	37,650	(37,650)
Change in net equivalent yields of 25 basis points	30,865	(28,441)

Development property and land	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in sales rate per acre of 5%	3,420	(3,420)

Interest rate derivatives	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in SONIA by 50 basis points	1,489	(1,489)

As at 31 March 2024

Completed investment property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 5%	36,592	(36,592)
Change in net equivalent yields of 25 basis points	27,874	(30,214)

Development property and land	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in sales rate per acre of 5%	3,892	(3,892)

Interest rate derivatives	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in SONIA by 50 basis points	2,423	(2,417)

Gains recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to £30,155,000 (31 March 2024: £15,082,000) and are presented in the consolidated statement of comprehensive income in line item 'fair value gains/(losses) on investment properties'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

The carrying amount of the Group's assets and liabilities is considered to be the same as their fair value.

26. Financial risk management objectives and policies

The Group's principal financial liabilities are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition of the Group's property portfolio. The Group has trade and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to its variable rate bank loans. In order to address interest rate risk, the Group has entered into interest rate cap instruments.

The instruments have a combined notional value of £250.0 million, £200.0 million at a strike rate of 1.50% and the remaining £50.0 million at a strike rate of 2.00%. £100.0 million has a termination date of 20 July 2025, £100.0 million has a termination date of 20 July 2027 and the £50.0 million has a termination date of 20 November 2026.

As at 31 March 2025, the unhedged exposure to changes in interest rates is £19.0 million (31 March 2024: £34.0 million).

Changes in interest rates may have an impact on consolidated earnings over the longer term. The table below provides indicative sensitivity data.

		2025		2024
Effect on profit before tax:	**Increase in interest rates by 1% £'000**	**Decrease in interest rates by 1% £'000**	**Increase in interest rates by 1% £'000**	**Decrease in interest rates by 1% £'000**
Increase/(decrease)	**(190)**	**190**	(340)	340

Credit risk

Credit risk is the risk that a counterparty or occupier will cause a financial loss to the Group by failing to meet a commitment it has entered into with the Group.

All cash deposits are placed with approved counterparties, currently HSBC Bank plc. In respect of property investments, in the event of a default by an occupier, the Group will suffer a shortfall and additional costs concerning reletting of the property. The Investment Advisor monitors the occupier arrears in order to anticipate and minimise the impact of defaults by occupational occupiers.

Credit risk is not considered material due to the diverse number of occupiers in the investment property portfolio.

The following table analyses the Group’s exposure to credit risk:

	31 March 2025 £’000	31 March 2024 £’000
Cash and cash equivalents	**8,389**	9,905
Restricted cash	**–**	6,063
Trade and other receivables[1]	**13,312**	9,036
Total	**21,701**	25,004

1 Excludes prepayments and payments in advance of completion.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected. The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

Set out below is a comparison by class of the carrying amounts and fair value of the Group’s financial instruments that are carried in the financial statements:

			2025		2024
	Fair value hierarchy	Carrying value £’000	Carrying value £’000	Fair value £’000	Fair value £’000
Held at amortised cost					
Cash and cash equivalents	n/a	8,389	8,389	9,905	9,905
Restricted cash	n/a	–	–	6,063	6,063
Trade and other receivables[1]	n/a	13,312	13,312	9,036	9,036
Other payables and accrued expenses[2]	n/a	(9,789)	(9,789)	(18,985)	(18,985)
Interest-bearing loans and borrowings	n/a	(268,257)	(268,257)	(280,413)	(280,413)
Held at fair value					
Interest rate derivatives (assets)	2	6,311	6,311	7,241	7,241

1 Excludes prepayments and payments in advance of completion.

2 Excludes VAT liability and deferred income.

The table below summarises the maturity profile of the Group’s financial and lease liabilities based on contractual undiscounted payments:

Year ended 31 March 2025	Less than three months £’000	Three to 12 months £’000	One to two years £’000	Two to five years £’000	More than five years £’000	Total £’000
Interest-bearing loans and borrowings	**4,956**	**14,923**	**19,879**	**293,454**	**–**	**333,212**
Other payables and accrued expenses	**9,789**	**–**	**–**	**–**	**–**	**9,789**
Head lease obligations	**259**	**778**	**1,038**	**3,113**	**84,823**	**90,011**
Total	**15,004**	**15,701**	**20,917**	**296,567**	**84,823**	**433,012**

Year ended 31 March 2024	Less than three months £’000	Three to 12 months £’000	One to two years £’000	Two to five years £’000	More than five years £’000	Total £’000
Interest-bearing loans and borrowings	5,233	15,755	20,988	330,805	–	372,781
Other payables and accrued expenses	8,685	10,300	–	–	–	18,985
Head lease obligations	264	792	1,056	3,167	86,696	91,975
Total	14,182	26,847	22,044	333,972	86,696	483,741

27. Subsidiaries

Company	Country of incorporation and operation	Number and class of share held by the Group	Group holding
Tilstone Holdings Limited	UK	63,872 ordinary shares	100%
Tilstone Warehouse Holdco Limited	UK	94,400 ordinary shares	100%
Tilstone Industrial Warehouse Limited[1]	UK	23,600 ordinary shares	100%
Tilstone Retail Warehouse Limited[1]	UK	20,000 ordinary shares	100%
Tilstone Industrial Limited[1]	UK	20,000 ordinary shares	100%
Tilstone Retail Limited[1]	UK	200 ordinary shares	100%
Tilstone Trade Limited[1]	UK	20,004 ordinary shares	100%
Tilstone Basingstoke Limited[1]	UK	1,000 ordinary shares	100%
Tilstone Glasgow Limited[1]	UK	1 ordinary share	100%
Tilstone Radway Limited[1]	UK	100 ordinary shares	100%
Tilstone Oxford Limited[1]	UK	1,000 ordinary shares	100%
Tilstone Liverpool Limited[1]	UK	100 ordinary shares	100%

Warehouse 1234 Limited[1]	UK	100 ordinary shares	100%
Tilstone Tamworth Limited[1]	UK	100 ordinary shares	100%

1 Indirect subsidiaries.

The registered office of all subsidiaries is located at 19th Floor, 51 Lime Street, London EC3M 7DQ.

Tilstone Chesterfield Limited was sold on 18 June 2024.

28. Capital management

The Group's capital is represented by share capital, reserves and borrowings totalling £820.0 million (2024: £816.0 million).

The primary objective of the Group's capital management is to ensure that it remains within its quantitative banking covenants and maintains a strong credit rating. The Group's capital policies are as follows:

- the Group will keep sufficient cash for working capital purposes with excess cash, should there be any, deposited at the best interest rate available while maintaining flexibility to fund the Group's investment programme;
- borrowings will be managed in accordance with the loan agreements and covenants will be tested quarterly and reported to the Directors. Additionally, quarterly lender reporting will be undertaken in line with the loan agreement; and
- new borrowings are subject to Director approval. Such borrowings will support the Group's investment programme but be subject to a maximum 60% LTV. The intention is to maintain borrowings at an LTV of between 30% and 40%.

The Group is subject to banking covenants in regards to its debt facility and these include a prescribed methodology for interest cover and market value covenants that are measured at a Group level.

The Group has complied with all covenants on its borrowings up to the date of this report. All of the targets mentioned above sit comfortably within the Group's covenant levels, which include loan to value ("LTV"), interest cover ratio and loan to projected project cost ratio. The Group LTV at the year-end was 32.4% (2024: 33.1%) and there is substantial headroom within existing covenants.

29. Related-party transactions

Directors

The Directors (all Non-Executive Directors) of the Group and its subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration (including social security costs) for the period totalled £178,000 (31 March 2024: £178,000) and at 31 March 2025, a balance of £nil (31 March 2024: £nil) was outstanding. The Directors who served during the year received £1.5 million in dividend payments (31 March 2024: £1.5 million). Further information is given in note 5 and in the Directors' remuneration report on pages 95 to 97.

Investment Advisor

The Group is party to an Investment Management Agreement with the Investment Manager and the Investment Advisor, pursuant to which the Group has appointed the Investment Advisor to provide investment advisory services relating to the respective assets on a day-to-day basis in accordance with their respective investment objectives and policies, subject to the overall supervision and direction by the Investment Manager and the Board of Directors.

For its services to the Group during the year ended 31 March 2025, the Investment Advisor receives an annual fee at the rate of 1.1% of the NAV of the Group up to £500 million and at a lower rate of 0.9% thereafter.

During the year, the Group incurred £5,821,000 (31 March 2024: £5,725,000) in respect of investment management fees. As at 31 March 2025, £1,453,000 (31 March 2024: £1,429,000) was outstanding.

During the year, the Group reimbursed £11,771 (31 March 2024: £5,151) of incidental travel-related costs.

On 11 February the Board reached an agreement with the Investment Advisor on the basis of its fee calculation.

The new arrangement will see the basis of the quarterly management fee move from net asset value to the lower of net asset value and market capitalisation, effective from 1 April 2025. The current fee thresholds and rates applied to the net asset value-based calculations will be unchanged, as shown below.

Threshold	Fee rate on lower of EPRA net asset value and market capitalisation
Up to £500 million	1.1%
Above £500 million	0.9%

As part of the transition to this new fee arrangement, there will be an adjustment in the calculation of the fee for the first financial year only (ending 31 March 2026). Under this transitional arrangement, the basis of the fee calculation will be subject to a floor of no lower than 70% of EPRA net asset value. All other terms of the Investment Management Agreement remain unchanged.

30. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

31. Notes to the statement of cash flows

Reconciliation of changes in liabilities to cash flows generated from financing activities

	Interest payable £'000	Interest-bearing loans and borrowings £'000	Head lease liability £'000	Total £'000
Balance as at 1 April 2024	**4,161**	**280,413**	**15,222**	**299,796**
Changes from financing cash flows:				
Bank loans drawn down	**–**	**56,000**	**–**	**56,000**
Bank loans repaid	**–**	**(71,000)**	**–**	**(71,000)**

Loan arrangement fees paid in the year	**–**	**(801)**	**–**	**(941)**
Loan interest paid	**(21,225)**	**–**	**–**	**(21,225)**
Head lease payments	**–**	**–**	**(1,034)**	**(1,034)**
Total changes from financing cash flows	**(21,225)**	**(15,801)**	**(1,034)**	**(38,200)**
Accrued arrangement fees	**-**	**(140)**	**-**	**-**
Amortisation charge for the year	**–**	**666**	**–**	**666**
Arrangement fees written-off	**–**	**3,119**	**–**	**3,119**
Head lease interest	**–**	**–**	**1,050**	**1,050**
Interest and commitment fee	**20,644**	**–**	**–**	**20,644**
Accrued head lease expense	**–**	**–**	**(275)**	**(275)**
Balance as at 31 March 2025	**3,580**	**268,257**	**14,963**	**286,800**

	Interest payable £'000	Interest-bearing loans and borrowings £'000	Head lease liability £'000	Total £'000
Balance as at 1 April 2023	3,691	304,093	15,025	322,809
Changes from financing cash flows:				
Bank loans drawn down	–	323,000	–	323,000
Bank loans repaid	–	(345,000)	–	(345,000)
Loan arrangement fees paid in the year	–	(4,251)	–	(4,251)
Loan interest paid	(21,321)	–	–	(21,321)
Head lease payments	–	–	(1,074)	(1,074)
Total changes from financing cash flows	(21,321)	(26,251)	(1,074)	(48,646)
Amortisation charge for the year	–	883	–	883
Arrangement fees written-off	–	1,688	–	1,688
Head lease interest	–	–	1,054	1,054
Interest and commitment fee	21,791	–	–	21,791
Accrued head lease expense	–	–	217	217
Balance as at 31 March 2024	4,161	280,413	15,222	299,796

32. Capital commitments

Other than the amounts disclosed in note 20, the Group has no material capital commitments in relation to its development activity, asset management initiatives and commitments under development land, outstanding as at 31 March 2025 (31 March 2024: £nil).

33. Post-balance sheet events

On 4 June 2025 the Group announced that it has exchanged contracts for the acquisition of Rycote Lane, a multi-let industrial estate near Thame, in the Oxford-Cambridge Arc, for £34.8 million. The acquisition is due to complete in September 2025.

As announced on 4 June 2025, the Company's directors have reached an agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of the Company by Wapping Bidco Ltd, a newly formed company indirectly owned by investments funds advised by affiliates of Blackstone Inc. expected to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006 (the "Acquisition"). If the Acquisition is completed, this will result in a change in control of the Company. There are no agreements between the Company and the directors for compensation for loss of office as a result of the Acquisition or any other takeover, other than the provisions of the existing appointment letters.

UNAUDITED SUPPLEMENTARY NOTES NOT PART OF THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2025

The Group is a member of the European Public Real Estate Association ("EPRA"). EPRA has developed and defined performance measures to give transparency, comparability and relevance of financial reporting across entities that may use different accounting standards.

The Group presents adjusted earnings per share ("EPS"), dividends per share, total accounting return, total cost ratio, LTV ratio and EPRA Best Practices Recommendations, calculated in accordance with EPRA guidance, as Alternative Performance Measures ("APMs") to assist stakeholders in assessing performance alongside the Group's statutory results reported under IFRS. APMs are among the key performance indicators used by the Board to assess the Group's performance and are used by research analysts covering the Group.

EPRA Best Practices Recommendations have been disclosed to facilitate comparison with the Group's peers through consistent reporting of key real estate specific performance measures. Certain other APMs may not be directly comparable with other companies' adjusted measures and are not intended to be a substitute for, or superior to, any IFRS measures of performance.

Table 1: EPRA performance measures summary

	Notes	2025	2024 (Restated)
EPRA EPS (pence)	Table 2	**5.1**	4.8
EPRA cost ratio (including direct vacancy cost)	Table 6	**28.1%**	24.4%
EPRA cost ratio (excluding direct vacancy cost)	Table 6	**22.8%**	23.4%
EPRA NDV per share (pence)	Table 3	**129.5**	126.1

EPRA NRV per share (pence)	Table 3	**140.9**	137.3
EPRA NTA per share (pence)	Table 3	**128.0**	124.4
EPRA NIY	Table 4	**4.9%**	5.4%
EPRA 'topped-up' net initial yield	Table 4	**5.3%**	5.6%
EPRA vacancy rate	Table 5	**8.5%**	3.6%
EPRA LTV	Table 10	**30.5%**	34.2%

Table 2: EPRA income statement and earnings performance measures

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 (Restated) £'000
Total property income	3	**51,911**	51,026
Less: service charge income	3	**(3,280)**	(3,853)
Less: dilapidation income	3	**(3,417)**	(1,652)
Less: insurance recharged	3	**(1,432)**	(1,496)
Rental income (A)		**43,782**	44,025
Property operating expenses	4	**(5,453)**	(4,330)
Service charge expenses	4	**(3,596)**	(4,068)
Add back: service charge income	3	**3,280**	3,853
Add back: dilapidation income	3	**3,417**	1,652
Add back: insurance recharged	3	**1,432**	1,496
Adjusted gross profit (B)		**42,862**	42,628
Administration expenses	4	**(7,830)**	(7,605)
Adjusted operating profit before interest and tax		**35,032**	35,023
Finance income	7	**8,350**	8,460
Finance expenses	8	**(24,509)**	(24,566)
Add back: Losses associated with early close-out of debt (see note 17)		**3,119**	1,688
Adjusted profit before tax		**21,992**	20,605
Tax on adjusted profit		**–**	–
Adjusted earnings		**21,992**	20,605
Less: surrender premium received		**(380)**	–
EPRA earnings		**21,612**	20,605
Weighted average number of shares in issue (thousands)		**424,862**	424,862
EPRA EPS (pence)		**5.1**	4.8
Adjusted EPS (pence)		**5.2**	4.8
Gross to net rental income ratio (B/A)		**97.90%**	96.83%

The adjusted earnings per share reflects our ability to generate earnings from our portfolio.

Table 2: EPRA income statement and earnings performance measures continued

In September 2024, the European Public Real Estate Association's guidelines for the calculation of EPRA earnings were updated to include the interest from financial derivatives, effective from 1 October 2024 onwards; the comparative has been restated to reflect the change in guidance in line with the calculation of adjusted earnings.

The Group has also included additional earnings measures called 'Adjusted Earnings' and includes premiums received during the year in compensation for rental income foregone for surrendering a lease early.

The Board deems this a more relevant indicator of core earnings as it reflects our ability to generate earnings from our portfolio.

Table 3: EPRA balance sheet and net asset value performance measures

In line with the European Public Real Estate Association ("EPRA") published Best Practice Recommendations ("BPR") for financial disclosures by public real estate companies, the Group presents three measures of net asset value: EPRA net disposal value ("NDV"), EPRA net reinstatement value ("NRV") and EPRA net tangible assets ("NTA"). EPRA NTA is considered to be the most relevant measure for Warehouse REIT's operating activities.

As at 31 March 2025	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	**805,400**	**805,400**	**805,400**
Net borrowings[2]	**(260,611)**	**(260,611)**	**(260,611)**
Other net liabilities	**5,317**	**5,317**	**5,317**
IFRS NAV	**550,106**	**550,106**	**550,106**
Exclude: fair value of interest rate derivatives	**–**	**(6,311)**	**(6,311)**
Include: real estate transfer tax[3]	**–**	**54,767**	**–**
NAV used in per share calculations	**550,106**	**598,562**	**543,795**
Number of shares in issue (thousands)	**424,862**	**424,862**	**424,862**
NAV per share (pence)	**129.5**	**140.9**	**128.0**

As at 31 March 2024	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	810,220	810,220	810,220
Net borrowings[2]	(268,032)	(268,032)	(268,032)
Other net liabilities	(6,599)	(6,599)	(6,599)
IFRS NAV	535,589	535,589	535,589
Exclude: fair value of interest rate derivatives	–	(7,241)	(7,241)
Include: real estate transfer tax[3]	–	55,095	–
NAV used in per share calculations	535,589	583,443	528,348
Number of shares in issue (thousands)	424,862	424,862	424,862
NAV per share (pence)	126.1	137.3	124.4

1 Professional valuation of investment property (including assets held for sale).
2 Comprising interest-bearing loans and borrowings (excluding unamortised loan arrangement fees) of £269,000,000 (31 March 2024: £284,000,000) net of cash of £8,389,000 (31 March 2024: £15,968,000).
3 EPRA NTA and EPRA NDV reflect IFRS values which are net of real estate transfer tax. Real estate transfer tax is added back when calculating EPRA NRV.

EPRA NDV details the full extent of liabilities and resulting shareholder value if Company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax.

EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA NRV highlights the value of net assets on a long-term basis and reflects what would be needed to recreate the Company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as real estate transfer taxes are included.

Table 4: EPRA net initial yield

	31 March 2025 £'000	31 March 2024 £'000
Total properties per external valuers' report	**805,400**	810,220
Less development property and land	**(68,880)**	(78,493)
Net valuation of completed investment property	**736,520**	731,727
Add estimated purchasers' costs[1]	**50,083**	49,757
Gross valuation of completed property including estimated purchasers' costs (A)	**786,603**	781,484
Gross passing rents[5] (annualised)	**40,849**	42,920
Less irrecoverable property costs[2]	**(2,122)**	(613)
Net annualised rents (B)	**38,727**	42,307
Add notional rent on expiry of rent-free periods or other lease incentives[3]	**2,968**	1,654
'Topped-up' net annualised rents (C)	**41,695**	43,961
EPRA NIY (B/A)	**4.9%**	5.4%
EPRA 'topped-up' net initial yield (C/A)	**5.3%**	5.6%

1 Purchasers' costs estimated at 6.8%.
2 Gross passing rents and irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.
3 Adjustment for unexpired lease incentives such as rent-free periods, discounted rent period and step rents. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive. Rent-frees periods expire over a weighted average period of three months' passing rents. Irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.

EPRA NIY represents annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. It is a comparable measure for portfolio valuations designed to make it easier for investors to judge for themselves how the valuation of portfolio X compares with portfolio Y.

EPRA 'topped-up' NIY incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

NIY as stated in the Investment Advisor's report calculates net initial yield on topped-up annualised rents but does not deduct non-recoverable property costs.

Table 5: EPRA vacancy rate

	31 March 2025 £'000	31 March 2024 £'000
Annualised ERV of vacant premises (D)	**4,638**	1,907
Annualised ERV for the investment portfolio (E)	**54,525**	53,488
EPRA vacancy rate (D/E)	**8.5%**	3.6%

EPRA vacancy rate represents ERV of vacant space divided by ERV of the completed investment portfolio, excluding development property and land. It is a pure measure of investment property space that is vacant, based on ERV.

Table 6: Total cost ratio/EPRA cost ratio

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000

Property operating expenses	**5,453**	4,330
Service charge expenses	**3,596**	4,068
Add back service charge income	**(3,280)**	(3,853)
Add back insurance recharged	**(1,432)**	(1,496)
Net property operating expenses	**4,337**	3,049
Administration expenses	**7,830**	7,605
Less ground rents[1]	**(164)**	(165)
Total cost including direct vacancy cost (F)	**12,003**	10,489
Direct vacancy cost	**(2,261)**	(455)
Total cost excluding direct vacancy cost (G)	**9,742**	10,034
Rental income	**43,402**	44,025
Surrender premium	**380**	–
Less ground rents paid	**(1,034)**	(1,074)
Gross rental income less ground rents (H)	**42,748**	42,951
Less direct vacancy cost	**(2,261)**	(455)
Net rental income less ground rents	**40,487**	42,496
Total cost ratio including direct vacancy cost (F/H)	**28.1%**	24.4%
Total cost ratio excluding direct vacancy cost (G/H)	**22.8%**	23.4%

1 Ground rent expenses included within administration expenses such as depreciation of head lease assets.

Table 6: Total cost ratio/EPRA cost ratio continued

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Total cost including direct vacancy cost (F)	**12,003**	10,489
EPRA total cost including direct vacancy cost (I)	**12,003**	10,489
Direct vacancy cost	**(2,261)**	(455)
EPRA total cost excluding direct vacancy cost (J)	**9,742**	10,034
EPRA cost ratio including direct vacancy cost (I/H)	**28.1%**	24.4%
EPRA cost ratio excluding direct vacancy cost (J/H)	**22.8%**	23.4%

EPRA cost ratios represent administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income less ground rents. They are a key measure to enable meaningful measurement of the changes in the Group's operating costs. It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in either the year ended 31 March 2025 or the year ended 31 March 2024.

Table 7: Lease data

As at 31 March 2025	Year 1 £'000	Year 2 £'000	Years 3-10 £'000	Year 10+ £'000	Head rents payable £'000	Total £'000
Passing rent of leases expiring in:	**6,077**	**3,688**	**29,713**	**1,517**	**(1,326)**	**39,669**
ERV of leases expiring in:	**12,278**	**4,326**	**35,916**	**2,220**	**(1,326)**	**53,414**
Passing rent subject to review in:	**11,061**	**6,096**	**23,625**	**213**	**(1,326)**	**39,669**
ERV subject to review in:	**18,292**	**6,978**	**29,151**	**319**	**(1,326)**	**53,414**

WAULT to expiry is 5.0 years and to break is 3.4 years.

As at 31 March 2024	Year 1 £'000	Year 2 £'000	Years 3-10 £'000	Year 10+ £'000	Head rents payable £'000	Total £'000
Passing rent of leases expiring in:	7,583	5,642	28,759	2,282	(1,209)	43,057
ERV of leases expiring in:	11,525	6,712	34,103	2,571	(1,209)	53,702
Passing rent subject to review in:	16,208	8,313	19,744	1	(1,209)	43,057
ERV subject to review in:	22,714	9,583	22,613	1	(1,209)	53,702

WAULT to expiry is 5.0 years and to break is 4.1 years.

Table 8: EPRA capital expenditure

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Acquisitions[1]	**40,923**	–
Development spend[2]	**2,195**	8,191
Completed investment properties:[3]		

No incremental lettable space — like–for–like portfolio	**6,565**	3,327
No incremental lettable space — other	**–**	–
Occupier incentives	**–**	–
Total capital expenditure	**49,683**	11,518
Conversion from accruals to cash basis	**9,949**	653
Total capital expenditure on a cash basis	**59,632**	12,171

1 Acquisitions include £40.9 million completed investment property and £nil development property and land (2024: £nil and £nil respectively).
2 Expenditure on development property and land.
3 Expenditure on completed investment properties.

Table 9: EPRA like-for-like rental income

	Notes	Fair value as at 31 March 2025 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	% change
EPRA like-for-like rental income[1]			**38,555**	36,995	4.2%
Other[2]			**188**	–	
Adjusted like–for–like rental income		**693,020**	**38,743**	36,995	4.7%
Development lettings		**68,880**	**109**	145	
Properties acquired		**43,500**	**2,015**	–	
Properties sold			**2,535**	6,885	
Rental income			**43,402**	44,025	
Surrender premium			**380**		
Service charge income			**3,280**	3,853	
Dilapidation income			**3,417**	1,652	
Insurance recharged			**1,432**	1,496	
Total property income	3	**805,400**	**51,911**	51,026	

1 Like-for-like portfolio valuation as at 31 March 2025: £693.0 million (31 March 2024: £595.6 million).
2 Includes rent surrender premiums, back rent and other items.

Table 10: Loan to value ("LTV") ratio and EPRA LTV

Gross debt less cash, short–term deposits and liquid investments, divided by the aggregate value of properties and investments. The Group has also opted to present the EPRA loan to value, which is defined as net debt divided by total property market value.

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Interest-bearing loans and borrowings	17	**269,000**	284,000
Cash	15	**(8,389)**	(15,968)
Net debt (A)		**260,611**	268,032
Total portfolio valuation per valuer's report (B)	13, 14	**805,400**	810,220
LTV ratio (A/B)		**32.4%**	33.1%

EPRA LTV

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Interest-bearing loans and borrowings[1]	17	**269,000**	284,000
Net payables[2]		**(8,912)**	16,646
Cash	15	**(8,389)**	(15,968)
Net borrowings (A)		**251,699**	284,678
Investment properties at fair value	13, 14	**805,400**	810,220
Interest rate derivatives	18	**6,311**	7,241
Head lease obligation	13, 19	**13,823**	14,185
Total property value (B)		**825,534**	831,646
EPRA LTV (A/B)		**30.5%**	34.2%

1 Excludes unamortised loan arrangement fees asset of £0.7 million (2024: £3.6 million) (see note 17).
2 Net payables includes trade and other receivables and other payables and accrued expenses.

Table 11: Total accounting return

The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period.

	Notes	Year ended 31 March 2025 Pence per share	Year ended 31 March 2024 Pence per share
Opening EPRA NTA (A)		**124.4**	122.6
Movement (B)		**3.6**	1.8
Closing EPRA NTA	24	**128.0**	124.4

Dividends per share (C)	11	**6.4**	6.4
Total accounting return (B+C)/A		**8.0%**	6.7%

Table 12: Ongoing charges ratio

Ongoing charges ratio represents the costs of running the REIT as a percentage of NAV as prescribed by the Association of Investment Companies.

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Administration expenses	4	**7,830**	7,605
Less: costs associated with moving to Main Market		**–**	–
Less: head lease asset depreciation		**(164)**	(165)
Annualised ongoing charges (A)		**7,666**	7,440
Opening NAV as at 1 April		**535,589**	528,475
NAV as at 30 September		**547,100**	536,848
Closing NAV as at 31 March		**551,106**	535,589
Average undiluted NAV during the period (B)		**544,597**	533,637
Ongoing charges ratio (A/B)		**1.4%**	1.4%

GLOSSARY

Adjusted earnings per share ("Adjusted EPS")
EPRA EPS adjusted to exclude one-off costs, divided by the weighted average number of shares in issue during the year, which ultimately underpins our dividend payments

Admission
The admission of Warehouse REIT plc onto the premium segment of the London Stock Exchange on 12 July 2022

AGM
Annual General Meeting

AIC
The Association of Investment Companies

AIFM
Alternative Investment Fund Manager

AIFMD
The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds
Sourcebook forming part of the FCA Handbook

AIM
A market operated by the London Stock Exchange

APM
An Alternative Performance Measure is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these APMs, the Directors considered the key objectives and expectations of typical investors

BREEAM
BREEAM (Building Research Establishment Environmental Assessment Method) is a certification which assesses the sustainability credentials of buildings against a range of social and environmental criteria

Company
Warehouse REIT plc

Contracted rent
Gross annual rental income currently receivable on a property plus rent contracted from expiry of rent-free periods and uplifts agreed at the balance sheet date less any ground rents payable under head leases

Development property and land
Whole or a material part of an estate identified as having potential for development. Such assets are classified as development property and land until development is completed and they have the potential to be fully income generating

Effective occupancy
Total open market rental value of the units leased divided by total open market rental value excluding assets under development, units undergoing refurbishment and units under offer to let

EPC
Energy Performance Certificates provide information about a property's energy use including an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for ten years.

EPRA
The European Public Real Estate Association, the industry body for European REITs

EPRA cost ratio
The sum of property expenses and administration expenses as a percentage of gross rental income less ground rents, calculated both including and excluding direct vacancy cost

EPRA earnings
IFRS profit after tax excluding movements relating to changes in fair value of investment properties, gains/losses on property disposals, changes in fair value of financial instruments and the related tax effects
EPRA earnings per share ("EPRA EPS")
A measure of EPS on EPRA earnings designed to present underlying earnings from core operating activities based on the weighted average number of shares in issue during the year
EPRA guidelines
The EPRA Best Practices Recommendations Guidelines October 2019
EPRA like-for-like rental income growth
The growth in rental income on properties owned throughout the current and previous year under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes development property and land in either year and properties acquired or disposed of in either year
EPRA NDV / EPRA NRV / EPRA NTA per share
The EPRA net asset value measures figures divided by the number of shares outstanding at the balance sheet date
EPRA net disposal value ("EPRA NDV")
The net asset value measure detailing the full extent of liabilities and resulting shareholder value if Company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax
EPRA net initial yield ("EPRA NIY")
The annualised passing rent generated by the portfolio, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land
EPRA net reinstatement value ("EPRA NRV")
The net asset value measure to highlight the value of net assets on a long-term basis and reflect what would be needed to recreate the Company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as real estate transfer taxes are included
EPRA net tangible assets ("EPRA NTA")
The net asset value measure assuming entities buy and sell assets, thereby crystallising certain levels of deferred tax liability
EPRA 'topped-up' net initial yield
The annualised passing rent generated by the portfolio, topped up for contracted uplifts, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land
EPRA vacancy rate
Total open market rental value of vacant units divided by total open market rental value of the portfolio excluding development property and land
EPS
Earnings per share
Equivalent yield
The weighted average rental income return expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land
ERV
The estimated annual open market rental value of lettable space as assessed by the external valuer
FCA
Financial Conduct Authority
GAV
Gross asset value
Group
Warehouse REIT plc and its subsidiaries
IASB
International Accounting Standards Board
IFRS
International Financial Reporting Standards
IFRS earnings per share ("EPS")
IFRS earnings after tax for the year divided by the weighted average number of shares in issue during the year
IFRS NAV per share
IFRS net asset value divided by the number of shares outstanding at the balance sheet date
Interest cover
Adjusted operating profit before gains on investment properties, interest (net of interest received) and tax, divided by the underlying net interest expense
Investment portfolio
Completed buildings and excluding development property and land
IPO
Initial public offering

Like-for-like rental income growth
The increase in contracted rent of properties owned throughout the period under review, expressed as a percentage of the contracted rent at the start of the period, excluding development property and land and units undergoing refurbishment
Like-for-like valuation increase
The increase in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, net of capital expenditure
Loan to value ratio ("LTV")
Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments
Main Market
The Premium Segment of the London Stock Exchange's Main Market
MEES
The Minimum Energy Efficiency Standards are regulations requiring a minimum energy efficiency standard to be met (or have valid exemptions registered) before properties in England and Wales can be let. Currently the minimum is an EPC E rating.
NAV
Net asset value
Net initial yield ("NIY")
Contracted rent at the balance sheet date, expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land
Net rental income
Gross annual rental income receivable after deduction of ground rents and other net property outgoings including void costs and net service charge expenses
Net reversionary yield ("NRY")
The anticipated yield to which the net initial yield will rise (or fall) once the rent reaches the ERV
Occupancy
Total open market rental value of the units leased divided by total open market rental value excluding development property and land, equivalent to one minus the EPRA vacancy rate
Ongoing charges ratio
Ongoing charges ratio represents the costs of running the REIT as a percentage of NAV as prescribed by the Association of Investment Companies
Passing rent
Gross annual rental income currently receivable on a property as at the balance sheet date less any ground rents payable under head leases
Property income distribution ("PID")
Profits distributed to shareholders that are subject to tax in the hands of the shareholders as property income. PIDs are usually paid net of withholding tax (except for certain types of tax-exempt shareholders). REITs also pay out normal dividends called non-PIDs
Reversion
Estimated rental uplift to market levels on contracted rent.
RCF
Revolving credit facility
Real Estate Investment Trust ("REIT")
A listed property company that qualifies for, and has elected into, a tax regime that is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties
RPI
Retail price index
SONIA
Sterling Overnight Index Average
Total accounting return
The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period
Total cost ratio
EPRA cost ratio excluding one-off costs calculated both including and excluding vacant property costs
Weighted average unexpired lease term ("WAULT")
Average unexpired lease term to first break or expiry weighted by gross contracted rent (excluding ground rents payable under head leases) across the portfolio, excluding development property and land