DERWENT LONDON

Derwent London plc
Report and
Accounts 2025

See our full reporting suite including our sustainability report on the Investors page of our website.

derwentlondon.com
derwentlondon.com/responsibility

Network W1

We are London's largest office-focused Real Estate Investment Trust (REIT). We create stakeholder value through property regeneration and asset management, taking a returns-focused approach to capital allocation.

We completed work at 25 Baker Street W1 in August 2025 and practical completion at Network W1 is imminent. The offices at 25 Baker Street were fully pre-let with the scheme delivering strong returns, and all of the office space at Network is under offer. We also had a record year for asset management transactions in 2025 with leasing momentum gradually building through the year.

Disposals in 2025 totalled £216m. Since the start of 2026, we have exchanged contracts on £33m with a further c.£240m under offer.

Our rental values have grown by around 8% over the last two years and we are upgrading our 2026 guidance to 4-7%.

25 Baker St W1

Our core business strategy is to balance investment in future growth with actions that enhance returns and shareholder value over the near-term.

We are accelerating disposals, with a target of £1bn over the next three years. Proceeds will be redeployed into selective developments including Holden House W1 and 50 Baker Street W1 where rents are growing strongly, as well as considering alternative capital allocation options.

Strategic report

White Collar Factory EC1

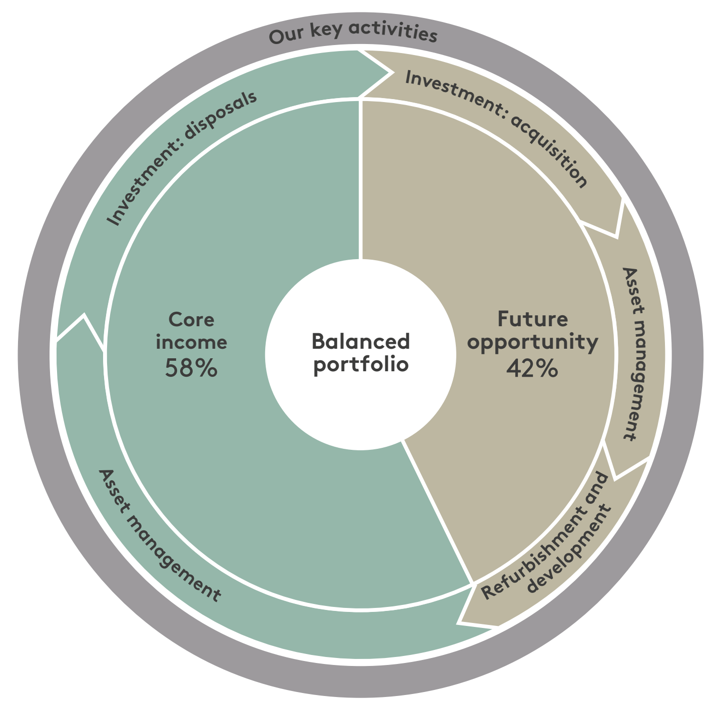
Derwent London at a glance

How we add value

Our portfolio is substantially income producing, with asset management and regeneration potential. We create long-term value through delivery of distinctive, design-led, amenity-rich offices predominantly in the West End. We are accelerating the pace of disposals to provide capital for redeployment into accretive opportunities to deliver sustainable growth in earnings and long-term returns.

See page 22

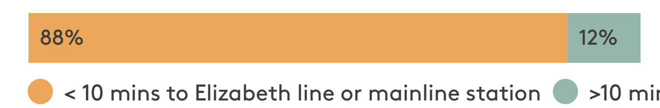
Returns-focused business model



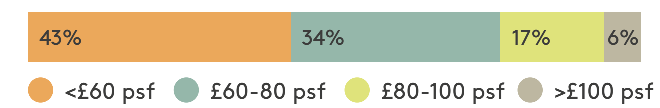
Portfolio metrics

Use class (by income)

Transport proximity (by value)



'Topped-up' rent (by floor area)



Governance framework

Risk management

Our overall risk appetite is low. Inherent and residual 'risk ratings' are used to identify risks and ensure they are aligned with the Board's tolerance.

See page 102

Performance and remuneration

Success against our objectives is measured using our KPIs and rewarded through our incentive schemes.

See page 30

Responsible approach

We conduct business with integrity and work with a supply chain who share our values and high ethical standards. Through responsible stewardship of our portfolio and active engagement with our communities, we aim to deliver positive outcomes and long-term value.

See page 66

Our portfolio

A unique 5.3m sq ft central London portfolio

Location (by value)

75% | 23% | 2%

West End · City Borders · Provincial

HQ vs Flex (by floor area)

92% | 8%

HQ · Flex (inc. third party operations)

Capital value (by value)

35% | 13% | 52%

<£1,000psf · £1,000psf-1,499psf · >£1,500psf

Occupiers (by rent)

23% | 18% | 14% | 13% | 7% | 8% | 17%

Business services · Financial · Media · Retail HQ[1] · Public sector · Retail · Other

1 Retail HQs and online leisure.

Key portfolio statistics

Valuation
£5.1bn
2024: £5.0bn

Buildings
61
2024: 62

Tenants
379
2024: 402

EPRA vacancy rate
4.1%
2024: 3.1%

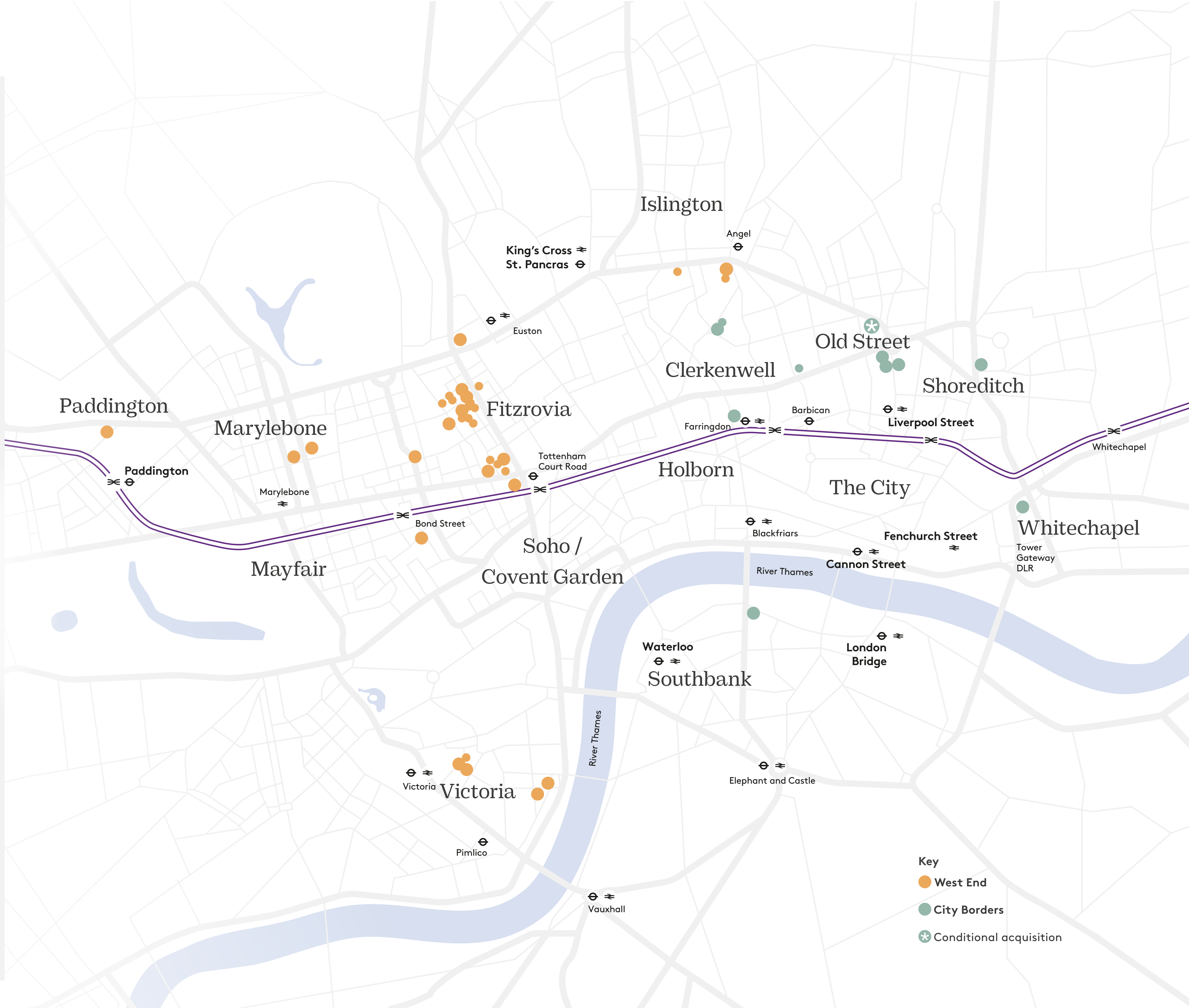
Annualised rent[1]
£210.4m
2024: £210.7m

'Topped-up' WAULT – to break
7.0 years
2024: 6.8 years

EPRA 'topped-up' initial yield
5.1%
2024: 5.2%

True equivalent yield
5.71%
2024: 5.73%

1 Net effective rent - see page 292 for definition.



Our year in review

Momentum built through 2025, with a record £58.9m of asset management activity driven by rent reviews, leasing 10% above ERV and disposals totalling £216.1m.

Our total accounting return improved, helped by ERV growth of 4.0%, stable yields and development surpluses. As expected, mid-year refinancing lifted our average interest rate to c.4.1%, impacting EPRA earnings in the second half.

Good progress was made on developments with a new headlease agreed at 50 Baker Street W1 and commencement of Holden House W1, which is opposite an Elizabeth line station.

Operational highlights

£11.3m
Lettings 9.9% above December 2024 ERV

£58.9m
Asset management transactions 6.4% rental uplift

4.1%
EPRA vacancy rate (2024: 3.1%)

£216.1m
Disposals completed in 2025 (including trading sales)

Financial highlights

5.0%
Total accounting return[R] (2024: 3.2%)

3,225p
EPRA NTA per share[1,2] (2024: 3,149p)

£406.3m
Gross property & other income (2024: £276.9m)

£190.0m
Net rental income (2024: £189.6m)

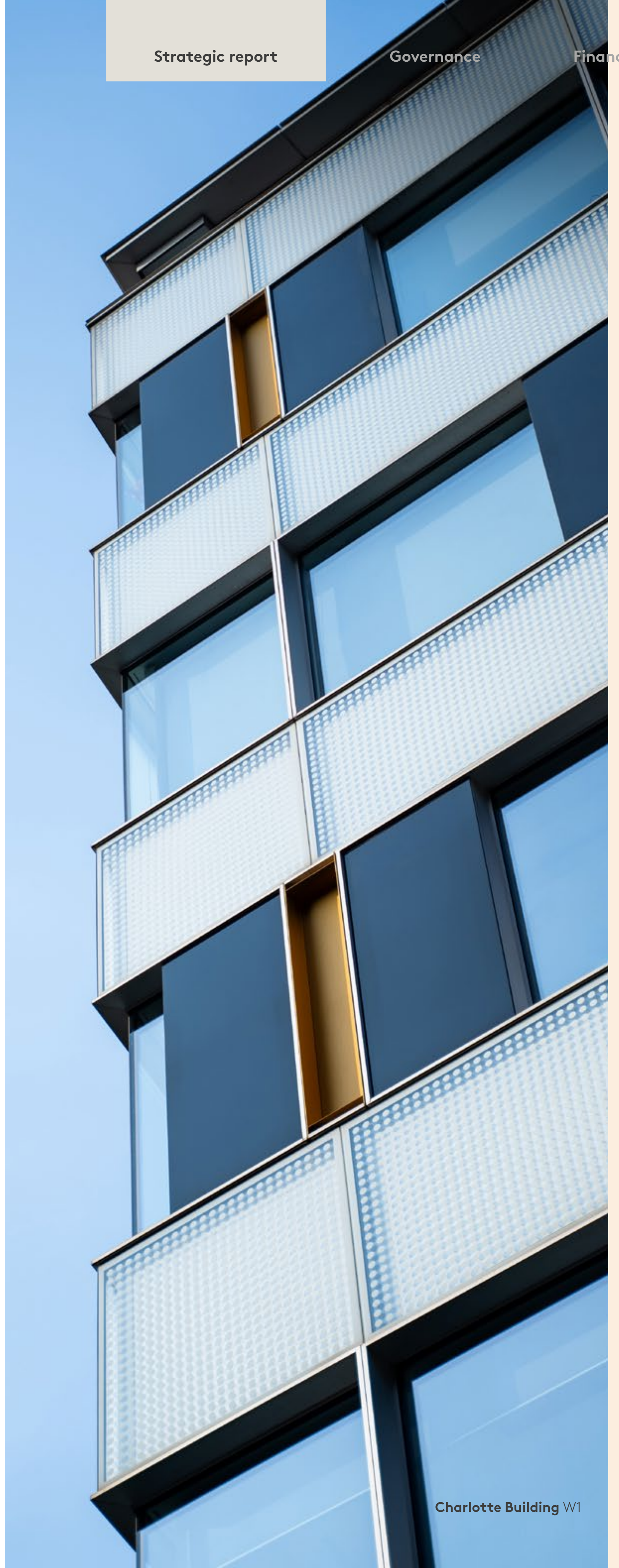
98.4p
EPRA earnings per share[1,2] (2024: 106.5p)

81.5p
Dividend per share (2024: 80.5p)

29.4%
EPRA loan-to-value ratio[1,3] (2024: 29.9%)

9.0x
Net debt/EBITDA ratio[3] (2024: 9.3x)

1 EPRA performance measure – see page 290 for definitions.
2 See note 37 on page 264 in the financial statements for reconciliation to IFRS figures.
3 See note 39 on page 270 in the financial statements for calculation.
R Links to remuneration – see pages 30 to 34.



Charlotte Building W1

Portfolio highlights

1.7%
Underlying capital growth (2024: 0.2%)

5.5%
Total property return[R] (2024: 4.1%)

5.71%
True equivalent yield (2024: 5.73%)

4.0%
ERV growth (2024: 4.3%)

Other highlights

125kWh/sqm
Energy intensity[R] (2024: 137 kWh/sqm)

10,434tCO$_2$e
Operational carbon footprint (2024: 12,357 tCO$_2$e)

86.5%
Overall employee satisfaction

£504k
Community fund & sponsorship donations committed

Chairman's statement

Delivering value and future growth

We are targeting an acceleration in disposals now the investment market is improving to ensure the alignment of our portfolio to evolving market trends and to provide capital for accretive reinvestment.

Mark Breuer Chairman

The Board is pleased to confirm a 0.5p per share increase in the final dividend to 56.0p.

25 Savile Row W1

The Group's focus is on delivering sustainable long-term returns for shareholders through active portfolio management and development of high quality, design-led offices in the most connected and vibrant parts of London.

Development is a core part of our business model which has contributed to consistent outperformance of our benchmark, the MSCI Central London Office Index. At a time when the sector's cost of capital is elevated, however, we recognise the importance of balancing investment in future growth with actions that enhance returns and shareholder value over the near-term. While maintaining an appropriate level of leverage, disposal proceeds will be selectively reinvested into a combination of development projects, acquisitions where the strategic and financial rationale is clear, and share buybacks.

Succession planning has been, and remains, an important focus throughout the year. Shortly after year-end, Chief Executive Paul Williams announced his decision to retire. He will remain in his role until his successor is in place. Paul has made a substantial contribution to the business over the last 38 years, and there will be time to celebrate his many successes. A comprehensive recruitment process is underway.

Executive Director Nigel George had previously announced his decision to retire. Nigel steps down from the Board on 31 March 2026 and will continue as an employee for between 12 and 24 months, supporting a number of key projects. On behalf of the Board, I would like to thank Nigel for his dedication and contribution to Derwent London over many years.

Together with Damian Wisniewski, Chief Financial Officer, Emily Prideaux, Executive Director, and the senior management team, the Board is confident in the depth of experience and is fully focused on delivering the Group's strategy.

The Board is pleased to confirm a 0.5p per share increase in the final dividend to 56.0p, taking the full year dividend to 81.5p, a 1.2% uplift. This is consistent with our dividend policy and represents the 18th consecutive year of growth. Dividend cover remains healthy at c.1.2 times based on EPRA earnings. The final dividend will be paid on 29 May 2026 to shareholders on the register at 24 April 2026.

The London office market continued to strengthen in 2025, and momentum has accelerated into 2026. The business is well-positioned to benefit from this improvement. We have strong conviction in the medium-term outlook for earnings growth and total accounting return.

Mark Breuer
Chairman

Chief Executive's statement

Paul Williams Chief Executive

The London office sector faces a significant shortage of supply, particularly for well-located, good quality buildings and demand remains strong.

Improving business momentum and positive outlook

Rents for these buildings have continued to grow and yields have stabilised. In addition, investment liquidity has been improving, particularly for larger lot sizes, supported by increasingly favourable credit conditions.

Portfolio activity – positive momentum

Our capital values increased by 1.7% overall in 2025, led by the West End, and developments again made a significant contribution. We also continued to capture the growing reversion with new leases signed nearly 10% ahead of ERV.

New leases of £11.3m completed in 2025, with open-market lettings agreed 9.9% ahead of December 2024 ERV. This includes £2.7m of Flex lettings, where demand remains strong. Operational momentum has stepped up into 2026. We have completed £1.5m of new leases and are under offer on £14.4m of rent, which includes all of the offices at Network W1. In addition, we are in negotiations on a further £4.4m across the portfolio.

Asset management activity on £58.9m of income is almost 30% higher than the previous peak in 2019. This included accretive major rent reviews at Brunel

90 Whitfield Street W1

Building W2 and 80 Charlotte Street W1, reflecting strong rental growth, which we expect to continue, since the buildings completed. We also completed several successful lease regears with longstanding occupiers such as Adobe at White Collar Factory EC1 and Burberry at Horseferry House SW1. These transactions are evidence of the continued strong demand for our buildings and the quality of our occupier relationships.

We secured vacant possession at several properties ahead of project commencement, including Holden House W1, Middlesex House W1 and Greencoat & Gordon House SW1. Excluding these, our EPRA vacancy rate increased to 4.1% but remains low.

Overall disposal proceeds increased in 2025 to £216.1m. This included the sales of 4 & 10 Pentonville Road N1 and Francis House SW1 for a combined £80.1m, as well as £135.9m from trading disposals at 25 Baker Street W1.

With liquidity in the investment market improving, we are increasing the pace of disposals with a target of £1bn over the next three years. In 2026, we have exchanged contracts for the sale of 80-85 Tottenham Court Road W1 for £32.6m and are under offer on a further c.£240m.

Property valuations and financial performance – ERV upgrade

Development valuations were up 7.6% at 25 Baker Street W1, Network W1 and Holden House W1, while the standing portfolio delivered an uplift of 0.8%. ERV growth in the year of 4.0% was in line with our guidance. Our 2026 outlook is increased to 4% to 7%, from 3% to 6% in 2025.

The portfolio equivalent yield was stable at 5.71% (2024: 5.73%) but, excluding 25 Baker Street, it increased by 5bp. After allowing for additional future capex into the portfolio, underlying capital values rose by an overall 1.7% in 2025.

Our total property return of 5.5% outperformed the MSCI Central London Office Quarterly Index by 69bp. EPRA NTA was up 2.4% to 3,225p per share resulting in a total accounting return (TAR) of 5.0%. This is an increase from 3.2% in 2024, following the inflection in values in mid-year.

Earnings form a key component of our TAR. Positive rental performance and cost efficiencies were offset by increased interest costs, following the refinancing at higher rates in the middle of the year and slightly higher average net debt levels. As a result, and in line with guidance, EPRA earnings reduced to 98.4p per share from 106.5p in 2024. Adjusted earnings, which include trading profits of £4.2m associated with 25 Baker Street, were 102.1p per share.

Chief Executive's statement continued

Our approach to capital allocation

Our business model is underpinned by capital recycling. Property disposals are currently our primary source of incremental funding and with liquidity improving, we are targeting an acceleration in sales over the next three years. Properties will be considered for sale where we believe the capital can be deployed more accretively, or where our asset management plans are largely complete. In addition, we will also look to crystallise development profits.

As the cost of capital increased across the sector during 2025, we have reviewed our approach to capital allocation. Out of the £1bn of target disposals, we have earmarked c.£500m for future development capex and, after taking account of the acquisition of Old Street Quarter EC1 for £239m in late-2027, this leaves a surplus of c.£250m for redeployment into other opportunities. These include acquisitions where the rationale is compelling and potential share buybacks which are an important tool to enhance both NAV and earnings per share over the short-term.

Development has been and remains an important driver of value creation and earnings accretion, having made a positive contribution to total accounting return every year since 2010. By investing in locations with strong fundamentals, we are significantly outperforming our appraisals, and our recent projects are good examples of this. However, we have always taken a disciplined approach and there have been several examples of projects we have chosen to sell rather than deliver ourselves.

Project pipeline

In 2025, property yields were stable and ERV growth outperformed build cost inflation. We started demolition works at Holden House W1 (133,500 sq ft redevelopment) last year where future capex is £135m. Greencoat & Gordon House SW1 (107,800 sq ft comprehensive refurbishment) and 50 Baker Street W1 (236,000 sq ft redevelopment) are proposed to commence later this year. Our appraisals show attractive yields on completion and minimum 10% ungeared IRRs, with rental growth expected to increase these further given the strength of the respective sub-markets.

Old Street Quarter EC1 represents a significant long-term regeneration opportunity. During the year we formed a strategic partnership with Related Argent to progress a best-in-class mixed-use, living-led project. The masterplan will be structured to provide flexibility through to delivery, including potential joint ventures, forward funding and plot sales. We are working towards a planning application later this year.

Strong London market

London maintains its status as Europe's business capital, and we are optimistic about the office market outlook, which is underpinned by strong fundamentals. We are entering a period of very low new supply while demand remains robust, sector diverse and increasingly focused on best-in-class space. This imbalance supports rental growth and continued improvement in investment activity.

One of London's key economic strengths is its diverse office demand and ability to attract both blue-chip corporates and high growth innovators, supported by leading levels of venture capital investment, including a top three global position for AI venture capital and Europe's largest concentration of generative AI businesses. While we recognise the ongoing debate around AI, we believe London's depth of talent, culture of innovation and global connectivity will allow the city to harness AI as a net positive for long term occupational demand and economic growth.

Confident outlook and guidance

Our underlying valuation ERV has grown by around 8% over the last two years and our guidance for 2026 is up from 2025 to 4% to 7%.

Rental growth is expected to continue to exceed cost inflation, supported by income from recently completed projects. We anticipate a near-term reduction in EPRA earnings, followed by growth in H2 2026 and into 2027.

Looking ahead, we forecast 25% to 30% growth in EPRA earnings by 2030 from 2025 levels. This will be driven by project completions, capture of rental reversion and cost efficiencies as well as disciplined capital allocation.

Assuming investment yields remain stable, we anticipate delivering a total accounting return of 7% to 10% per annum over the coming years.

Paul Williams
Chief Executive

50 Baker Street W1

Investment case

Our approach to capital allocation

We take a disciplined, returns-focused approach to capital allocation, and are accelerating disposals. Proceeds will be redeployed into the most accretive opportunities to maximise total accounting return (TAR) over both the near and long-term. In addition, it will enhance financial flexibility and reduce leverage. This is supported by an increasingly positive market backdrop, as the London office market continues to strengthen, with rental growth benefitting from tightening supply across our sub-markets.

The recently completed major project at 25 Baker Street W1, where the offices were fully pre-let, generated a strong return for our shareholders, achieving an ungeared IRR of 11.3% at practical completion. Work at our other major scheme, Network W1, completes imminently and all of the office space is under offer. We expect rental values to continue to grow for these well-located, high quality buildings, enabling us to capture further upside. See page 19 for further information on these projects.

Future projects will be delivered into a stronger London office market as the supply shortage of new space becomes more entrenched, driving expectations of sustained rental growth. Investor confidence is further supported by favourable credit market conditions.

01

Returns-focused capital allocation

- Accelerating pace of disposals, targeting £1bn over three years
- Actively reshaping the portfolio to drive future returns
- Capital to be redeployed into accretive opportunities
- Selective regeneration and future potential value-enhancing share buybacks

See page 18

02

25-30% earnings growth by 2030

- Near-term reduction in earnings until Network income commences, with growth anticipated in 2027
- 25-30% earnings growth expected by 2030
- Operational performance enhanced by completion of pre-let developments
- Cost of debt largely stable until 2031 with overhead efficiency programme underway

See page 53

03

Positive medium-term TAR outlook

- Earnings yield of c.3%
- ERV-led capital growth of 3-5% pa
- Development surpluses of 1-2% pa
- Consider NTA and EPS accretion via share buybacks

See page 14

04

Strong London office market

- Impending supply crunch
- Low availability of right space and constrained development pipeline
- Investment market liquidity improving due to stronger rental outlook
- Leverage increasingly accretive as rates move lower

See pages 41 to 46

05

Opportunity-rich, well-located portfolio

- 75% in West End; 88% within 10 minutes of Elizabeth line or mainline station
- Flex space to increase further from 8% of portfolio
- Mid-market rental tone offering substantial upside potential
- West End pipeline in sub-markets with strong rental growth

See page 06

Oliver's Yard EC1

Investment case continued

Accelerating disposals and use of proceeds

Capital recycling is the Group's preferred source of funding
We will dispose of properties where we believe the capital can be deployed more accretively, our asset management plans are largely complete, or to crystallise development returns. We have set a target to sell £1bn of property over the next three years. Since the start of 2026, we have exchanged contracts for the sale of £33m of property and are under offer on a further c.£240m. We ensure alignment with emerging occupier trends when making our investment decisions.

We recognise the importance of balancing investment in future growth with actions that enhance earnings and shareholder value over the near-term, while maintaining an appropriate level of leverage and risk. Proceeds will be reinvested into a combination of selective regeneration projects, acquisitions and potential share buybacks.

Investment in projects
At 31 December 2025, expected future capex at the Group's recently completed and on-site projects was c.£155m. This includes Holden House W1 which is forecast to deliver an attractive return, with upside potential from rental outperformance. At Greencoat & Gordon House SW1 (capex c.£57m) and 50 Baker Street W1 (capex c.£260m), preparatory works are underway as the schemes advance towards proposed commencement in mid-2026. At the year end, total committed capex was £93m.

See target return expectations on page 47

Acquisition of Old Street Quarter
In 2021, we agreed to acquire Old Street Quarter EC1 for £239m (plus transaction costs), with completion expected in late-2027. We are looking to structure the site in a way that allows flexibility of delivery which may include joint ventures, forward funding and/or plot sales.

See page 21

Other accretive investment opportunities
After allowing for other commitments, £1bn of property disposals could provide surplus capital of up to £250m. In an environment where the cost of capital across the sector has increased, we will consider investing in share buybacks where they are more accretive to earnings and total return. Acquisitions will remain under consideration where the strategic and financial rationale is compelling.

Disposals
£1bn target over next three years
Mature / lower returning assets
Consider creation of co-investment vehicles

Disciplined redeployment

Balance sheet
- Maintain strong financial position
- Net debt/EBITDA <9.5x

Development
- Value-driven, selective approach
- Targeting 10%+ ungeared IRR

Acquisitions
- Future pipeline for next decade
- Old Street Quarter EC1

Shareholder distributions
- Dividends
- Share buybacks

Regeneration projects

We completed 25 Baker Street W1 in August 2025. The offices were fully pre-let substantially ahead of ERV and the project delivered strong returns. Practical completion at Network W1 is imminent and all of the offices are under offer, supporting our attractive return forecast.

25 Baker Street W1

- 298,000 sq ft development
- 108% area uplift
- Total capex: **£298m** plus estimated overage of £30m
- Completed: **August 2025**
- Rent: **£21.7m pa** (headline) – Offices **100% pre-let**
- Residential **73% sold for £118m** (including affordable)

Returns:

Yield on completion	IRR (ungeared)
7.5%	11.3%

- **Well-located:** This mixed-use scheme, comprising 204,000 sq ft of Grade A offices, 41 private residential apartments and 17 retail units, is situated in the heart of Marylebone and conveniently located within a 10-minute walk of Bond Street station (tube and Elizabeth line).
- **Generous amenity:** The office building features a voluminous reception, best-in-class end of journey facilities and an in-house café and lounge offering informal collaborative space.
- **High sustainability credentials:** The office uses all-electric heating and cooling with Intelligent Building technology, and is rated BREEAM Outstanding with a 4.5 Star NABERS target.
- **Value for other stakeholders:** The development also delivered 7,000 sq ft of affordable housing and the creation of a new landscaped, pedestrianised public courtyard.
- **Further value expected:** The offices were pre-let 16.5% above our appraisal ERV. Recent local lettings have shown rents continuing to grow at >5% pa, further increasing reversion still to come.

Network W1

- 141,200 sq ft development
- 101% area uplift
- Total capex: **£125m**
- Completion: **Imminent**
- Dec 2025 ERV: **£13.7m pa** (headline) – Offices **under offer**

Expected returns:

Yield on completion	IRR (ungeared)
6.5-7.0%	8-9%

- **Excellent connections:** Located in the vibrant community of Fitzrovia, this building benefits from a wide range of local amenities and excellent access to transport links.
- **Building features:** The building features a double-height reception, generous amenity provision, flexible floor plates, and both communal and private terraces.
- **Reduced environmental impact:** Designed as our lowest ever carbon building, it incorporates various circular economy measures, including the reuse of raised access flooring. Following its completion, the building aims to achieve BREEAM Outstanding, LEED Gold, EPC A, and NABERS 4.5 Star ratings.
- **Community benefits:** As part of this development, 23 affordable homes were built at nearby Tottenham Mews W1, contributing positively to the wider community.
- **Offices under offer:** Broad range of occupier interest, both for single occupancy and multi-let.

Regeneration projects continued

Development and refurbishment activity is a key component of our total return model. We take a disciplined and selective approach, investing in projects where returns are supported by a positive rental outlook.

We typically invest £150m to £200m in capital expenditure each year in a combination of major value-add projects and smaller refurbishments. We take a rigorous approach before committing to a project, benchmarking returns against other investment opportunities. We have previously disposed of several potential schemes prior to commencement based on the relative return outlook.

Our current pipeline comprises:

- Holden House W1;
- Greencoat & Gordon House SW1;
- 50 Baker Street W1;
- Plus a number of rolling refurbishments across the portfolio, the most significant being at 1-2 Stephen Street W1 and Middlesex House W1.

The timing, pace and extent of rolling refurbishments depend on when we take space back from occupiers. We reposition properties with enhanced amenity and general upgrades to grow income and future-proof asset value. Refurbishment activity also includes EPC upgrade works.

Our potential future pipeline totals c.1.2m sq ft. For some properties, alternative uses may be the highest value opportunity and we are actively exploring several, mainly living-led, schemes. Where appropriate, we will consider working with specialist partners. At Old Street Quarter EC1, we are working with Related Argent to optimise the scheme and enhance flexibility of delivery. In addition, we worked with Astir at Blue Star House SW9 to secure a hotel-led planning consent in 2025.

All these projects are classified in the 'With Potential' or 'Under Development' sections of our balanced portfolio. On completion, properties move into the 'Core Income' category where we continue to capture rental growth and create value through asset management.

See page 22

On site and proposed 2026 starts

On site

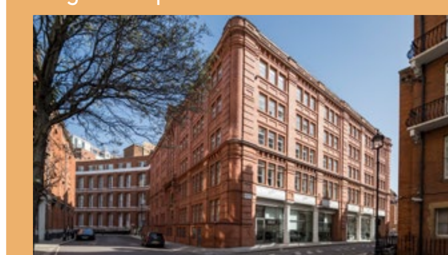
Holden House W1
Redevelopment behind façade
Target completion: **H2 2028**

133,500 sq ft
Uplift: 47%
(from 90,600 sq ft)

c.£160m
Total capex

Proposed 2026 start

Greencoat & Gordon House SW1
Comprehensive refurbishment
Target completion: **H2 2027**



107,800 sq ft

c.£57m
Total capex

50 Baker Street W1
Redevelopment
Target completion: **H2 2029**

c.236,000 sq ft
Uplift: 93%
(from 122,300 sq ft)

c.£260m
Total capex

Future pipeline opportunities

20 Farringdon Road EC1
Comprehensive refurbishment
Potential start: **2027**

167,000 sq ft
£52 psf
Passing rent
£90+psf
Scheme ERV

Blue Star House SW9
Hotel-led refurbishment
Potential start: **2027**

86,100 sq ft
Consented
Uplift: 60%
(from 53,400 sq ft)

Old Street Quarter EC1
Mixed-use campus redevelopment
Potential start: **2028+**

750,000+ sq ft
Target
Uplift: 80%+
(from 400,000 sq ft)

230 Blackfriars Road SE1
Redevelopment
Potential start: **2030+**

200,000 sq ft
Target
Uplift: 300%+
(from 60,100 sq ft)

Rolling refurbishments

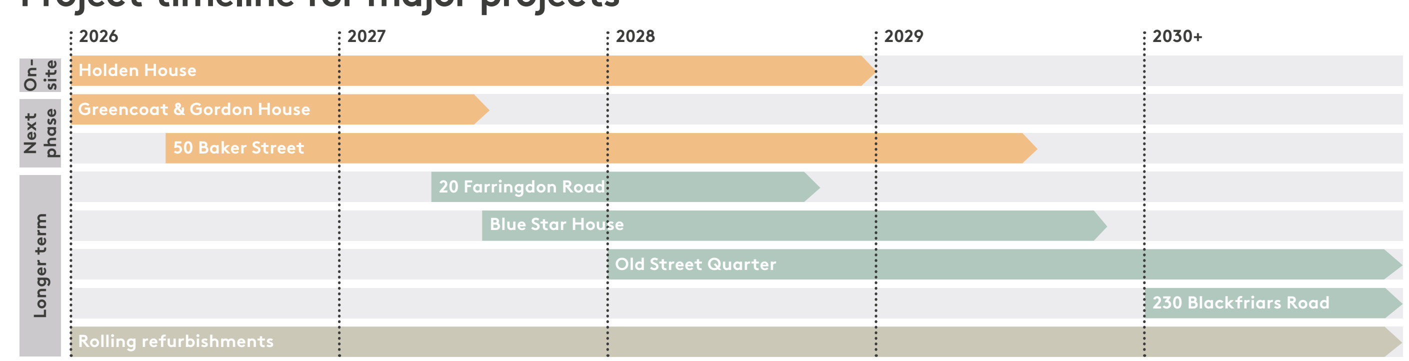
1-2 Stephen Street W1

£87+ psf
Estimated rental value
£73 psf
Previous/passing rent

Middlesex House W1

£85+ psf
Estimated rental value
£60 psf
Previous/passing rent

Project timeline for major projects



Strategic framework & business model

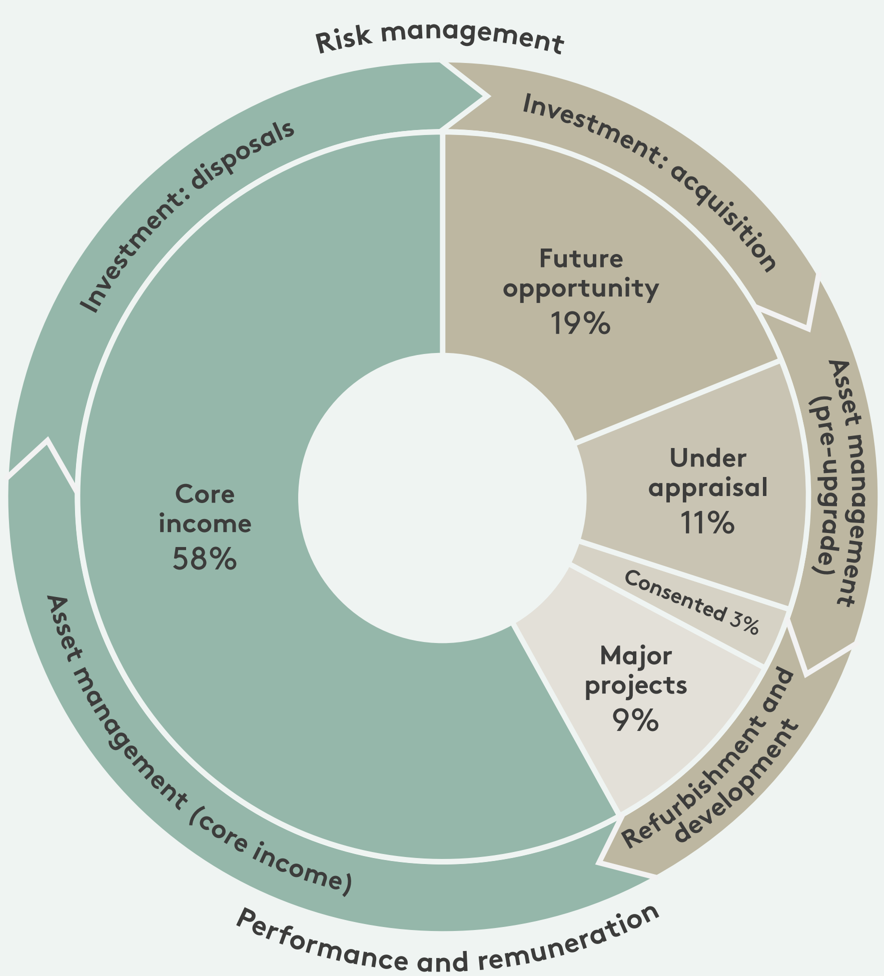
We apply our asset management and regeneration skills to the Group's 5.3m sq ft property portfolio using our people, relationships and financial resources to add value and grow income.

How we add value for shareholders

Balanced portfolio

Core income
58%

Under development/potential
42%



Vision

We craft inspiring and distinctive space where people thrive

Purpose

We design and curate long-life, low carbon, intelligent offices that contribute to London's position as a leading global city, while aiming to deliver above average long-term returns for all our stakeholders

Values

- We build long-term relationships
- We lead by design
- We act with integrity

Core activities

Investment: disposals
Provide capital for future investment opportunities

Investment: acquisition
Buy properties with modest capital values and potential to upgrade and/or add floor area; usually income producing

Asset management (pre-upgrade)
Explore the best strategy for a building whilst maintaining income; agree landlord breaks at future dates which provide flexibility over vacant possession for regeneration

Refurbishment and development
Secure planning consent; refurbish or redevelop, adding floor area where possible; seek to de-risk with pre-let(s) and fixed price construction contracts

Asset management (core income)
Continue to add value through satisfying occupier needs, minimising voids, growing income and further upgrades

Share buybacks
Used appropriately, share buybacks are an alternative source of earnings and value growth

Strategic objectives

1. To optimise returns from a balanced portfolio

2. To grow recurring cash flow

3. To attract, retain and develop talented employees

4. To design, deliver and operate our buildings responsibly

5. To maintain strong and flexible financing

See page 26

Value created 2025

Total accounting return
5.0%

NTA per share
3,225p
(+2.4%)

EPRA EPS
98.4p
(-7.6%)

Dividend
81.5p
(+1.2%)

Total property return
5.5%

Value created for other stakeholders / See page 24

Strategic framework & business model continued

Value created for other stakeholders

For further detail on our approach to stakeholder engagement, see pages 128 and 129

Occupiers

We provide high quality amenity, such as our lounges, and have a dedicated team who run a series of events which support wellbeing and encourage collaboration and community. Our Asset and Property Management teams maintain an ongoing dialogue with our occupiers and we take a collaborative approach to sustainability, supporting our tenants in meeting their environmental commitments.

>30k
number of occupiers in our buildings

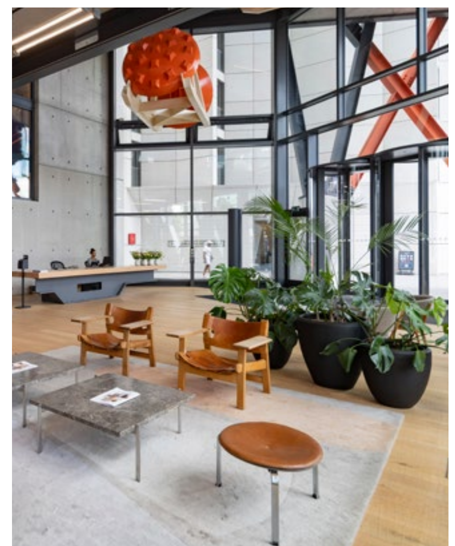
Property Review / See page 44

Employees

Employees are supported through an inclusive working environment with opportunities to develop their skills and share feedback. Anonymous annual employee surveys capture workplace experiences and measure satisfaction levels, helping to guide enhancements. Our staff receive training on a variety of topics and are kept informed through CEO-led town hall meetings and our intranet, providing clarity on business strategy and decision making.

86.5%
overall employee satisfaction

See page 78



Debt providers

We communicate in an open and transparent manner with our debt providers, providing timely access to information and regular opportunities for dialogue, to build lasting relationships. Alongside regulatory disclosures, we host meetings, presentations and property tours, providing visibility over the Group's strategy and performance. In 2025, we completed £700m of refinancing, including a bond issue and a new £450m unsecured revolving credit facility.

£250m
7-year bond issuance (June 2025) with a 5.25% coupon

Financing strategy / See page 27

Central and local government

We maintain proactive relationships with local and central government departments where we engage across a variety of levels including local planners, local action groups and HMRC. The Group seeks to positively impact policy through involvement in various bodies, such as Westminster Property Association (WPA) and New West End Company (NWEC).

Commitment to use
Low carbon concrete

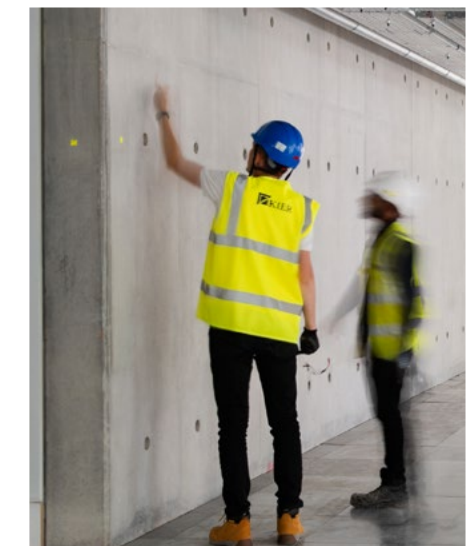
See page 72

Local communities

Our buildings are an integral part of the communities in which they sit and our engagement takes many forms. This can be both financial and non-financial. Employee volunteering, work experience opportunities and building open days support social value by developing skills and strengthening local connections.

£1.4m
donated through our Community Fund since inception

See page 76



Suppliers

We build long-term, responsible relationships with suppliers founded on fair treatment and high ethical standards. Our Supply Chain Responsibility Standard promotes safe working practices, strict Modern Slavery standards and our approach towards net zero carbon, while prompt payment and regular engagement support transparency, stability and collaboration.

>£300m
paid to suppliers in 2025

Supply Chain Responsibility Standard / See page 168

Strategic objectives

1 To optimise returns from a balanced portfolio

We seek to balance our portfolio between properties with regeneration potential, and assets already repositioned where our asset management skills can drive further income and value. We actively recycle capital by disposing of properties where most of the upside has been captured or which no longer meet our investment criteria.

The returns we generate from our current and future regeneration pipeline help us outperform our benchmark (the MSCI Central London Office Index). Value is created over several years through planning uplift, regearing of headleases and regeneration.

We typically commence development projects speculatively, but seek to de-risk by agreeing pre-lets during construction.

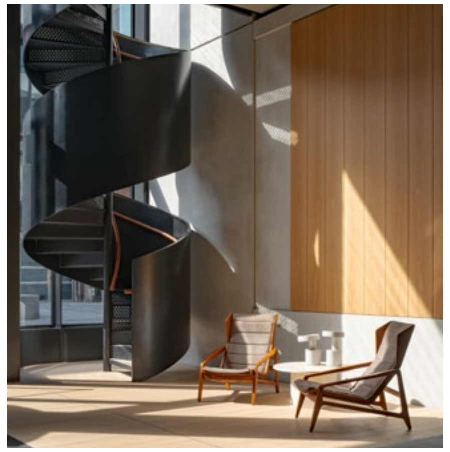
For our 'core income' properties we aim to maintain or grow income through active asset management with a focus on customer relationships.

Our disciplined, returns-focused approach to capital allocation enables us to achieve the right balance of risk and return for shareholders.

1 2 3 4 7 8 9 10

1 3 4 5 6 7 8 9 11

A B C



2 To grow recurring earnings and cash flow

Property valuations reflect both contracted and expected future cash flows with a market yield that considers risk, growth expectations, asset quality, environmental considerations and other factors.

Implementing the right strategy for a property can both add value and increase cash flow, though typically at different stages of the property cycle.

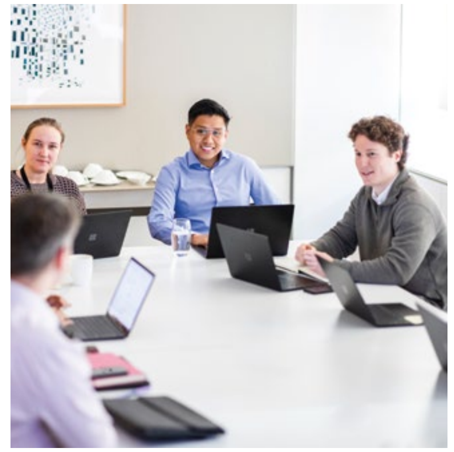
Value creation usually occurs first as expectations of rental growth emerge, with the uplift in cash flow captured later through rent reviews, lease regears and other forms of lease restructuring.

By creating the right space in well-connected locations and providing occupiers with flexibility, adaptability and amenity (including DL/Member benefits), we can generate stronger rental growth. In combination with effective cost control, this helps drive earnings growth.

1 2 3 4 7 9 10

1 3 4 5 6 7 8 9 11

A B C D



3 To attract, retain and develop talented employees

Our employees are instrumental to the successful delivery of our strategy and long-term business performance and we invest significant time and resources in their development and growth.

We are an inclusive and respectful employer that values diversity and champions equality. We are focused on embedding our diversity and inclusion ambitions throughout the business. This is supported by a progressive and collaborative culture built on teamwork, integrity and long-term relationships.

Our operational structure enables the effective management of complex transactions by bringing together cross-disciplinary project teams to encourage creativity and innovation.

We undertake an annual anonymous staff survey to identify where we are making a positive impact and where we can improve further.

1 2 3 4 16

6 7 8 9 10 11

B C

4 To design, deliver and operate our buildings responsibly

Delivering well-designed, adaptable, occupier-focused buildings with carefully considered amenity is integral to our business model, providing better value for our customers and stronger returns for shareholders.

Setting high standards for design and environmental responsibility builds flexibility, longevity and climate resilience into our portfolio.

To meet our target of becoming a net zero business by 2030, we must deliver buildings that are increasingly energy efficient, powered by renewable energy and with very low embodied carbon. We must also reduce the reliance on natural gas across our managed properties.

We work with our stakeholders, including local communities around our buildings, to ensure we operate responsibly and meet their expectations and standards.

1 2 3 9 11 12 13 14 15

1 6 7 8 9 10

A C D

5 To maintain strong and flexible financing

We finance our business using equity and a moderate level of debt. We value long-term relationships with our lenders, prioritising the stability and understanding this provides over pursuing the very lowest funding cost, whilst also striving to be progressive and innovative in our approach.

Our core principle is modest financial leverage with generous interest cover, balancing the higher risk associated with regeneration activity while supporting our credit rating.

We use a combination of unsecured, flexible bank facilities to meet day-to-day requirements and longer term fixed rate debt from a variety of sources. This provides flexibility to take capital allocation decisions which may affect the size of our balance sheet, such as a return of surplus capital.

We maintain considerable headroom under our facilities, enabling us to act quickly on acquisition opportunities and providing confidence to stakeholders that our development pipeline can be delivered without overstretching the balance sheet.

1 3 4 5 6 7

1 2 3 4 6 7 8 9 10 11

D

Our REIT status

Derwent London plc has been a Real Estate Investment Trust (REIT) since July 2007. The REIT regime (see page 285) provides a structure which closely mirrors the tax position of an investor holding property directly and removes tax inequalities between different real estate investors. REITs are principally property investors with tax-exempt property rental businesses, but remain subject to corporation tax on non-exempt income and gains. In addition, we are required to deduct withholding tax from certain shareholders on property income distributions and, in 2025, £11.0m was paid to HMRC.

Our 2026 priorities

- Secure letting at Network W1
- Execute property disposals of >£350m
- Progress plans for 50 Baker Street W1
- Progress Old Street Quarter EC1 planning application
- Deliver cost efficiency programme, building on savings delivered in 2025
- Achieve completion at Lochfauld solar park
- Appoint new Chief Executive

Key

- Performance measures
- Principal risks
- Emerging risks

Strategic objectives continued

Progress against 2025 priorities

Achieved | In progress | Not achieved

Objective	2025 priorities	Status	Progress
1	Complete projects at 25 Baker Street W1 and Network W1, including securing pre-lets at Network, and further residential sales and letting of the retail units at 25 Baker Street	In progress	25 Baker Street reached practical completion in August 2025, with the offices fully pre-let and three of the six retail units leased. 73% (by value) of the private residential units were pre-sold. Network completion is imminent and all of the office space is under offer
	Commence redevelopment at Holden House W1	Achieved	Demolition works of this retained-façade development commenced in early August. Main contractor engaged under a pre-construction services agreement
	Progress 50 Baker Street development	Achieved	New long-term headlease agreed with the freeholder. Multiplex selected as preferred contractor under a pre-construction services agreement. Demolition tenders returned within budget
	Continue to progress masterplans for Old Street Quarter in advance of planning application	Achieved	Strategic partnership formed with Related Argent to support delivery of a mixed-use, living-led planning consent ahead of site acquisition in late-2027
	Progress disposal opportunities	Achieved	Disposals of £216.1m completed in 2025, including 4-10 Pentonville Road NW1, Francis House SW1 and 24 of the 41 private residential units at 25 Baker Street
	Review emerging acquisition opportunities	In progress	Explored several acquisition opportunities with regeneration potential across a range of assets; disposals prioritised
2	Proactively manage upcoming reviews, expiries/breaks and vacancies to retain or increase income	Achieved	Asset management activities totalling 909,200 sq ft (17% of portfolio) completed, a record year, increasing rent by 6.9% to £58.9m. The combined retention and re-let rate was 71% and the 'topped-up' average unexpired lease length is 7.0 years (2024: 6.7 years)
	Continue to upgrade portfolio and drive rents	Achieved	Invested £28m on smaller upgrade projects, with particular focus on decarbonisation works
	Review opportunities to reduce EPRA cost ratio	In progress	Administrative costs reduced 5% to £39.1m (2024: £41.1m). EPRA cost ratio increased marginally to 27.3% (2024: 27.0%)
	Complete majority of apartment sales at 25 Baker Street	In progress	24 of the 41 private residential sales completed for £115.8m (73% by value)
3	Maintain focus on future succession planning and employee upskilling	In progress	Paul Williams, Chief Executive, to retire when successor in place; comprehensive recruitment process underway. Nigel George, Executive Director, to retire in March 2026. Employee training and development programme maintained, including executive coaching and mentoring
	Consider appropriate action identified following staff 'pulse survey'	Achieved	Long service award enhanced and employee recognition programme introduced
	Prepare and launch biennial employee survey	Achieved	Employee survey completed in October with 86% response rate; 86.5% overall employee satisfaction rating
	Analyse feedback from NES reassessment report and refocus priorities	Achieved	Conducted two focus groups on experience in workplace for those from ethnically diverse backgrounds. Provided training on new employment legislation on prevention of sexual harassment in the workplace
	Continue with health and wellbeing initiatives	Achieved	All employees offered 1-1 health checks. Hosted 'lunch and learn' sessions covering wide range of health and wellbeing topics

Objective	2025 priorities	Status	Progress
4	Maintain positive progress towards energy intensity reduction targets	Achieved	Energy consumption reduced by 6% to 48.7m kWh (2024: 51.8m kWh), equivalent to a 9% reduction in energy intensity to 125 kWh/sqm (2024: 137 kWh/sqm)
	Ensure our development pipeline continues to meet our embodied carbon targets	Achieved	2025 embodied carbon intensity target achieved at 25 Baker Street (594 kgCO^2e/sqm) and on target at Network (c.530 kgCO^2e/sqm)
	Progress Lochfauld Solar Park including commencement of solar panel installation	Achieved	Installation of solar panels complete with cabling and other infrastructure works progressing; on track for energisation mid-2026
	Progress concrete decarbonisation and circular economy initiatives	Achieved	Low carbon concrete mixes selected for prototyping by AC-DG (see page 72) facilitated by member funding. Good progress on circular economy with reuse and retention across both major and smaller projects
	Review and expand material Scope 3 inventory elements	Not achieved	The decision was taken not to pursue further upstream supply chain carbon emissions mapping at this stage
	Launch of three-year funding option under our Community Fund	Achieved	£450,000 committed for community funds covering 2025-2027, with three-year funding model in place
5	Repay convertible bonds due June 2025	Achieved	£175m convertible bonds repaid on maturity in June 2025
	Refinance main £450m bank facility	Achieved	Signed new four-year £450m RCF to July 2029 plus two one-year extension options
	Consider refinancing options for LMS bonds 2026	Achieved	New £250m 5.25% bond due in 2032 issued in June 2025
	Maintain substantial headroom on financial covenants	Achieved	Interest cover remains strong at 3.1 times; property income could fall by 53% before breaching the interest cover covenant. High level of cash and undrawn facilities maintained (£627m at December 2025) and EPRA LTV remains low at 29.4%
	Continue to maintain close relations with existing lenders	Achieved	Maintained regular dialogue with all our lenders throughout the year and hosted a number of property tours

See Our 2026 priorities on page 27

Strategic objectives

1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cash flow
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5. To maintain strong and flexible financing

Key performance indicators

We use a balance of financial and non-financial key performance indicators (KPIs) to measure our performance and assess the effectiveness of our strategy. They are also used to monitor the impact of the principal risks that have been identified and a number are used to determine remuneration.

Strategic objectives

1 To optimise returns and create value from a balanced portfolio

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5 To maintain strong and flexible financing

Audited A **Assured** A **Remuneration** R

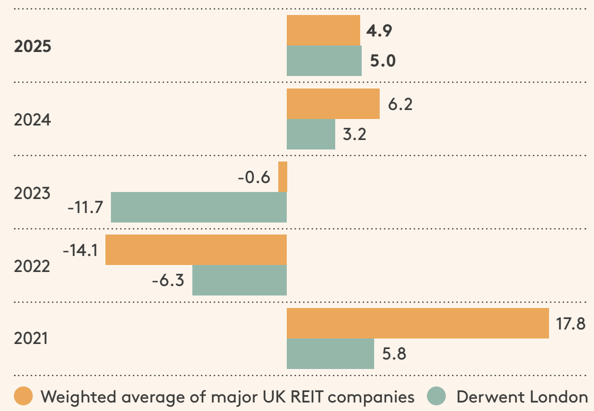
Financial

1. Total accounting return (TAR)

TAR is used to assess the value we have delivered for investors and our goal is to outperform the average of major UK real estate companies (our 'benchmark').

Our performance

The Group's TAR in 2025 was 5.0% compared to the benchmark of c.4.9% based on current estimates. Our average annual return over the past five years is -0.8%, a 3.6% pa underperformance against the benchmark of 2.8%, mainly due to the office sector performing less well than other property sectors.



Strategic objectives

1 2 3 4 5 A R

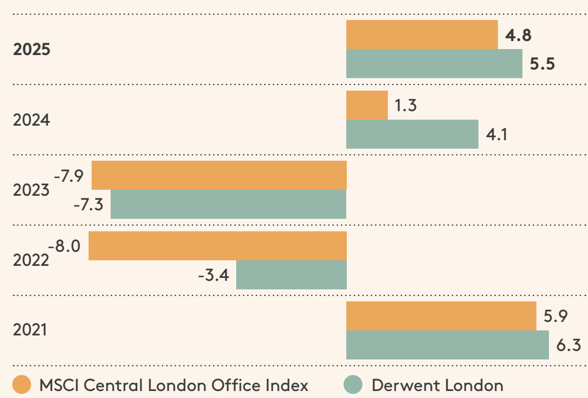
2. Total property return (TPR)

TPR is used to assess progress against our property-focused strategic objectives. Our aim is to exceed the MSCI Central London Office Index on an annual basis and the MSCI UK All Property Index on a three-year rolling basis.

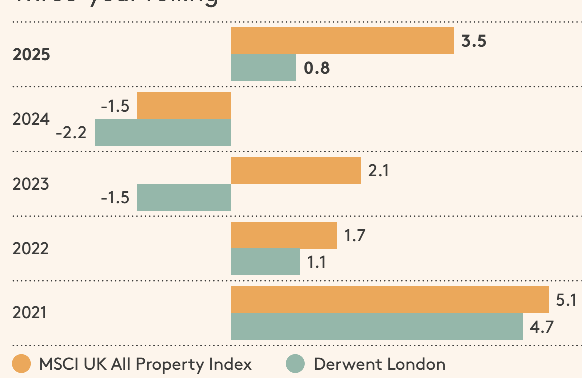
Our performance

Good progress on delivery and de-risking of on-site projects resulted in a 0.7% outperformance of the MSCI Central London Office Index during 2025. The Group's three-year rolling average TPR is 0.8% pa, a 2.7% underperformance against the MSCI UK All Property Index. This was mainly due to the strength of other sectors in previous years.

Annual



Three-year rolling



Strategic objectives

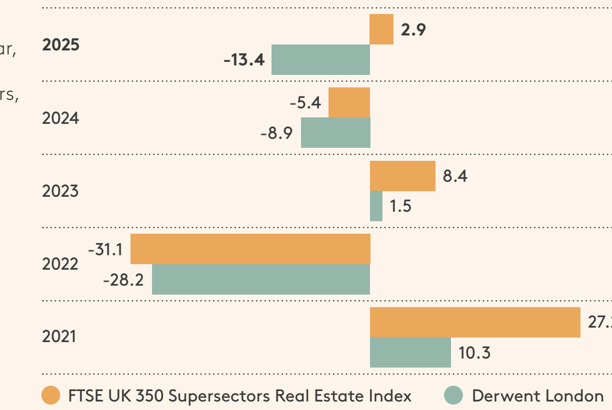
1 2 3 4 R

3. Total shareholder return (TSR)

TSR is used to measure the Group's success in providing above average long-term returns to its shareholders. We compare our performance against the FTSE 350 Real Estate Supersector Index, measured in accordance with industry best practice.

Our performance

The fall in the share price during the year, in comparison to those of our peers mainly invested in other property sectors, meant that the Group underperformed its benchmark index in 2025.



Strategic objectives

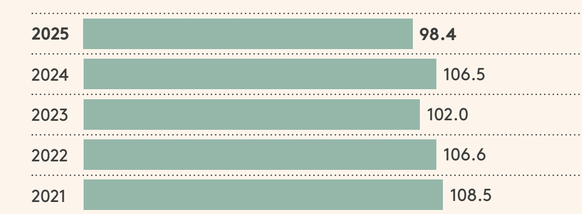
1 2 3 4 5 R

4. EPRA earning per share (EPS)

EPRA EPS is the principal measure used to assess the Group's operating performance and a key determinant of the annual dividend. A reconciliation to the IFRS profit can be found in note 37 on page 265.

Our performance

EPRA EPS decreased 7.6% to 98.4p per share in 2025. This was mainly due to higher finance costs incurred in the year.



Strategic objectives

1 2 3 5 A

5. Gearing and available resources

The Group uses EPRA LTV and NAV gearing to monitor its capital position. The levels of cash and undrawn facilities, and uncharged properties remain under regular review to ensure sufficient flexibility to take advantage of acquisition and development opportunities.

Our performance

After net divestment in our portfolio of £37.2m in 2025, cash and undrawn facilities at year end increased to £627m. EPRA LTV and gearing ratios have reduced in the year and remain at comfortable levels.

	2025	2024
EPRA LTV	**29.4%**	29.9%
NAV gearing	**40.1%**	41.9%
Cash and undrawn facilities	**£627m**	£487m
Uncharged properties	**£4,754m**	£4,665m

Strategic objectives

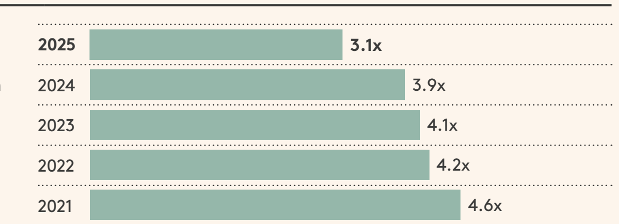
5 A

6. Interest cover ratio (ICR)

We aim for interest payable to be covered by net rental income at least two times. The basis of calculation, which is detailed in note 39 on page 270, is in line with the covenant which forms part of our unsecured bank debt.

Our performance

Net property income increased in the year but higher finance costs resulted in ICR decreasing in 2025. We retain substantial headroom to the main ICR covenant of 1.45 times; rental income would need to fall by 53% before it was breached.



Strategic objectives

5 A

Key performance indicators continued

Strategic objectives

1. To optimise returns and create value from a balanced portfolio
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Audited A **Assured** A **Remuneration** R

Non-financial

7. Reversionary percentage (cash basis)

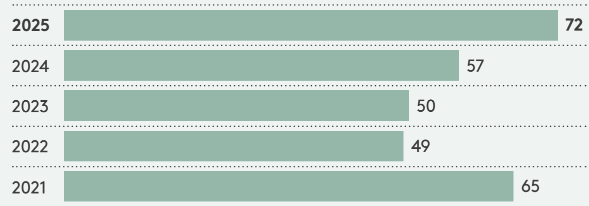
This is the percentage by which cash flow from rental income would grow, assuming passing rent increases to the estimated rental value (ERV) and that on-site schemes are completed and fully let. This is used to monitor the Group's future income growth potential.

Strategic objectives

1 2 5

Our performance

ERV increased by £14.8m to £335.3m in 2025. This was due to rental growth across the portfolio, partly offset by disposals in the year. The £141m potential reversion at December 2025 is 72% of passing rent (£195m), of which 38% is contracted.



8. Development potential

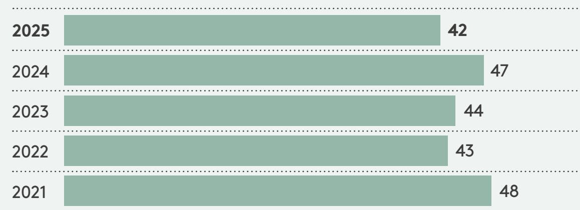
We monitor the proportion of our portfolio with refurbishment or redevelopment potential to ensure it contains sufficient opportunities for future value creation.

Strategic objectives

1 R

Our performance

At the end of 2025, major projects represented 9% of the portfolio with a further 33% identified as potential schemes. Including the conditional acquisition of Old Street Quarter EC1, the development potential increases to 46%.



9. Tenant retention

Maximising tenant retention, in the absence of regeneration plans, reduces void periods and vacancy levels, contributing to net rental income.

Strategic objectives

1 2 4 R

Our performance

Our retention and re-let rate was 71% in 2025. This was partly due to timing of breaks and expiries towards the end of the year.

	2025	2024	2023	2022	2021
Exposure (£m pa)[1]	**21.1**	17.9	21.5	13.2	19.7
Retention (%)	**51**	76	62	59	47
Re-let (%)	**20**	9	3	20	30
Total (%)	**71**	85	65	79	77

1 Rental income subject to tenant breaks or expiries.

10. Void management

To optimise our rental income we plan to minimise the amount of space immediately available for letting. Our aim is for this to remain below 10% of the portfolio's EPRA ERV.

Strategic objectives

1 2 R

Our performance

Our EPRA vacancy rate at year end was 4.1% and averaged 3.7% through 2025. The increase compared to 2024 was mainly due to vacancies arising in Q4 2025.

	Year end (%)	Average (%)
2025	**4.1**	**3.7**
2024	3.1	3.2
2023	4.0	4.3
2022	6.4	5.7
2021	1.6	2.3

11. BREEAM rating

BREEAM is an environmental impact assessment for non-domestic buildings. Performance ratings are: Pass, Good, Very Good, Excellent and Outstanding. We target minimum BREEAM ratings of 'Excellent' for major developments and 'Very Good' for major refurbishments.

Strategic objectives

4

Our performance

25 Baker Street W1 completed during the year and received a final BREEAM rating of 'Outstanding'. Network W1 is expected to receive a final rating of 'Outstanding' having received this at Design Stage.

	Completion	Rating
25 Baker Street W1	H2 2025	Outstanding
Network W1	H1 2026	Outstanding[1]

1 Certified at Design Stage.

12. Energy Performance Certificate (EPC)

EPCs indicate the energy efficiency of a building. The ratings range from 'A' (very efficient) to 'G' (inefficient). We target a minimum EPC of 'A' for major developments and 'B' for major refurbishments.

Strategic objectives

4

Our performance

Following completion, 25 Baker Street received an EPC rating of 'A'.

	Completion	Rating
25 Baker Street W1	H2 2025	A
Network W1	H1 2026	A[1]

1 Targeted.

13. Energy intensity

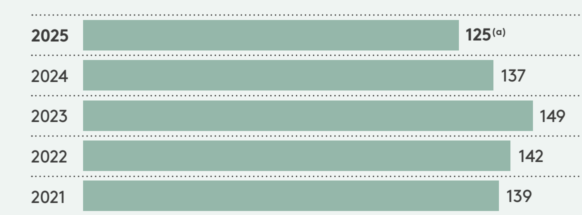
Energy intensity is measured as energy consumption over the gross internal floor area (kWh/sqm) across our managed portfolio. In 2025, our energy intensity milestone was 131 kWh/sqm, aligned with achieving 90 kWh/sqm by 2030. Energy intensity will continue to be a non-financial KPI but will be removed as a remuneration KPI from 2026.

Strategic objectives

4 A R

Our performance

Energy intensity across our managed portfolio decreased by 9% from 2024 to 125 kWh/sqm, a reduction of 25% compared to the 2019 baseline. The decrease relates to a series of proactive initiatives implemented by the Property Management team, including decarbonisation works, continued occupier engagement, MEP upgrades, streamlined plant run-times and enhanced out of hours usage monitoring.



(a) Denotes metric has been subject to limited assurance by PricewaterhouseCoopers LLP in accordance with the ISAE 3000 (Revised) and ISAE 3410 Standards.

14. Embodied carbon intensity

Embodied carbon intensity is measured as the carbon emissions generated in the construction of new developments (upfront carbon, modules A1-A5) divided by the new gross floor area, measured in $kgCO_2e/sqm$. Our embodied carbon intensity targets are aligned with our net zero by 2030 pathway.

Strategic objectives

4 R

Our performance

We worked closely with our designers and contractors to reduce the embodied carbon footprint at 25 Baker Street and Network. Both projects have an embodied carbon intensity of less than 600 $kgCO_2e/sqm$, in line with our corporate targets.

	Completion	$kgCO_2e/sqm$
25 Baker Street W1	H2 2025	594
Network W1	H1 2026	c.530

Key performance indicators continued

Non-financial continued

15. Accident Frequency Rate (AFR)

This is calculated by multiplying the number of significant RIDDOR (Direct) injuries and incidents during the year by 1,000,000 and dividing by the total work exposure hours. This KPI, which was introduced in 2024, was previously based on total development RIDDOR injuries only.

Strategic objectives

4 A R

Our performance

In 2025, the RIDDOR (Direct) AFR was 0.44 with 1 RIDDOR (Direct) reported, down from an AFR of 1.35 and 4 RIDDORs in 2024.

	RIDDOR (Direct) AFR	Construction projects total RIDDOR AFR
2025	**0.44**[a]	**3.94**
2024	1.35	1.75
2023	n/a	4.38
2022	n/a	3.60
2021	n/a	1.26

(a) Denotes metric has been subject to limited assurance by PricewaterhouseCoopers LLP in accordance with the ISAE 3000 (Revised) Standard

16. Staff satisfaction

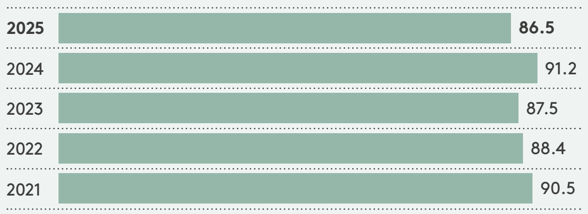
We assess employee satisfaction through an annual staff survey, and target a satisfaction rate above 80%.

Strategic objectives

3 R

Our performance

The measure of staff satisfaction was 86.5%. This strong level is testament to our collaborative and supportive culture and the pride our staff feel in working at Derwent London.



Property review

Network W1

Property review

Nigel George Executive Director

Valuation

The Group's investment portfolio was valued at £5.1bn as at 31 December 2025, up from £5.0bn at the end of 2024. Including development properties, the underlying portfolio valuation increased by 1.7% with a surplus for the year of £67.5m which, after accounting adjustments of £10.8m, produced an overall increase of £56.7m.

Portfolio ERV growth, on an EPRA basis, was 4.0% over the year, in line with guidance. Following a period where property yields increased significantly, the portfolio's true equivalent yield, on an EPRA basis, was stable in 2025 at 5.71% (31 December 2024: 5.73%). However, excluding the impact of 25 Baker Street W1, which completed in H2, the equivalent yield increased marginally by 5bp. The EPRA initial yield was 4.0% (December 2024: 4.3%) which, after allowing for the expiry of rent frees and contractual uplifts, rises to 5.1% on a 'topped-up' basis (December 2024: 5.2%).

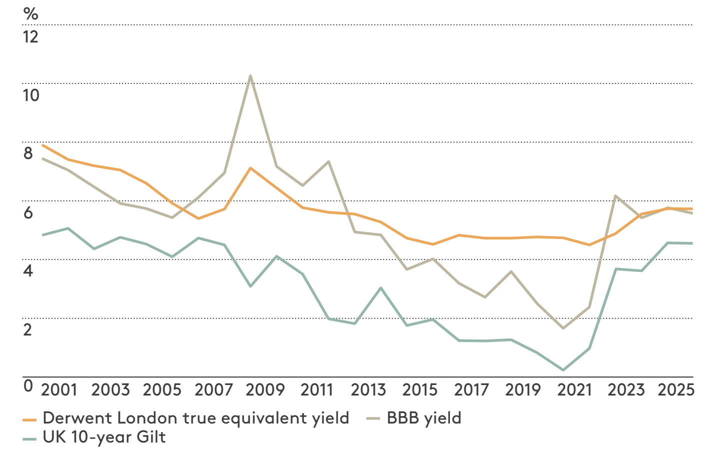
Our central London properties, representing 98% of the portfolio, were up 1.5%. Values in the West End increased 2.2%, outperforming the City Borders which declined slightly, at -0.9%. While the West End remains our strongest market, occupational demand is broadening across sub-markets, as cost and value become more important. The balance of the portfolio, our Scottish holdings, was up 13.1% following project completions and leasing activity.

We were on-site at three West End developments during the year. At 25 Baker Street W1, the offices and three of the retail units were pre-let with a further two retail units leased post-completion in Q3. At Network W1, the offices are now under offer ahead of project completion which is expected imminently. Remaining capital expenditure to complete these two developments totals £19m. At Holden House W1, demolition commenced in Q3. These three properties were valued at £709.1m as at 31 December 2025, representing 14% of the portfolio's valuation (December 2024: 12%). Adjusting for capital expenditure during the year, their values increased by 7.6%. Excluding these projects, the underlying portfolio valuation increased 0.8%.

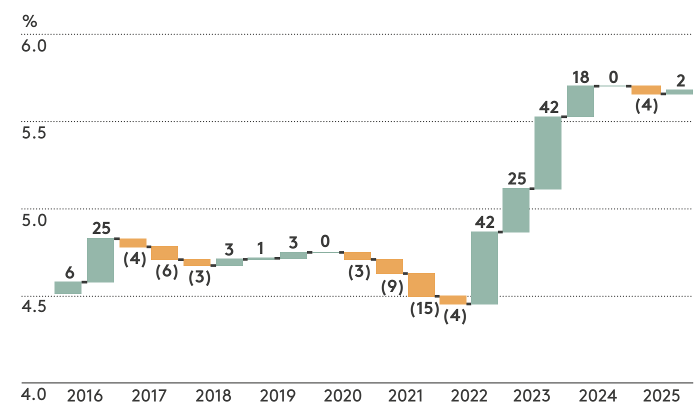
The portfolio valuation uplift of 1.7% outperformed both the MSCI Central London Office Quarterly Index, which was up 1.1%, and the UK All Property Quarterly Index, which increased by 1.0%.

The stabilisation in valuation yields across the London office market contributed to a 5.5% total property return for our portfolio over the year. This compares to 4.8% for the MSCI Central London Offices Quarterly Index and 6.0% for the UK All Property Index.

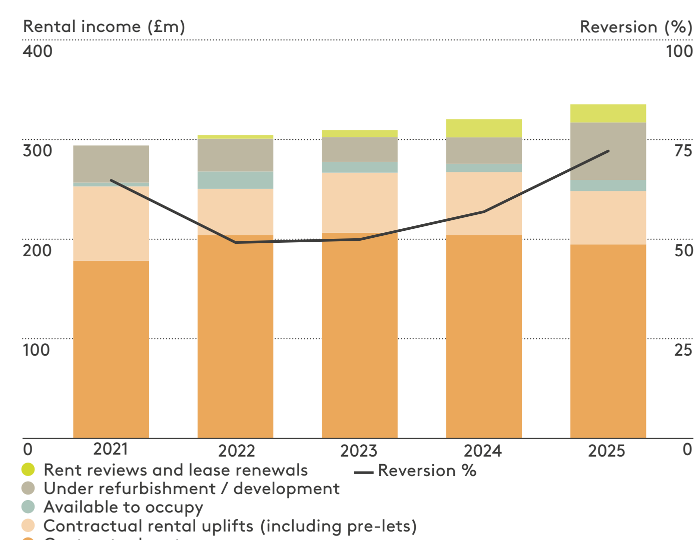
Valuation yields



True equivalent yield



Portfolio income potential



Portfolio reversion

Our contracted annualised cash rent roll as of 31 December 2025 was £194.8m, with £53.5m of contracted uplifts, primarily from rent-free expiries and fixed uplifts. Under IFRS, these contracted uplifts are straight-lined in the income statement. Our annualised accounting rent roll was £210.4m. With a headline ERV of £335.3m, the components of our £87.0m valuation reversionary potential are:

- **Major projects:** £40.2m of project ERV on a headline basis, or £32.2m on an accounting basis. This comprises the two on-site developments at Network W1 (100% of office space under offer) and Holden House W1 with an ERV of £28.9m. In addition to the developments, there are two large West End refurbishments at Greencoat & Gordon House SW1 and Middlesex House W1 with a combined ERV of £11.3m.
- **Refurbishment projects:** £17.4m of potential headline income from smaller projects (£13.9m accounting basis). These include rolling refurbishments at 1-2 Stephen Street W1 and Tea Building E1, as well as 1 Page Street SW1 where we are exploring alternative uses.
- **EPRA vacancy:** £11.2m of 'available to let' space (£8.9m accounting basis). This includes recently refurbished space at 1 Oliver's Yard EC1, 1-2 Stephen Street W1 and 90 Whitfield Street W1. Overall, this equates to a vacancy rate of 4.1%.
- **Reviews and expiries:** £18.2m (£15.9m accounting basis) is from future reviews (£6.2m) and expiries (£12.0m, of which £6.3m relates to near-term project commencements, mainly at 50 Baker Street W1 and 20 Farringdon Road EC1), less future fixed uplifts above the current ERV.

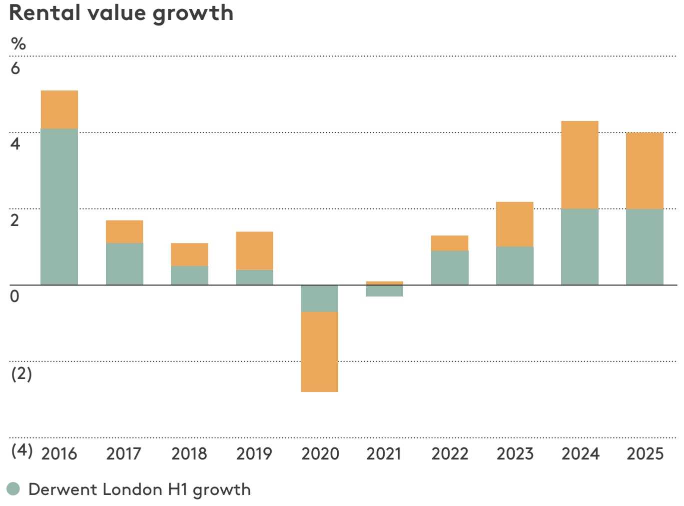
Members of the Investment and Valuation teams

Property review continued

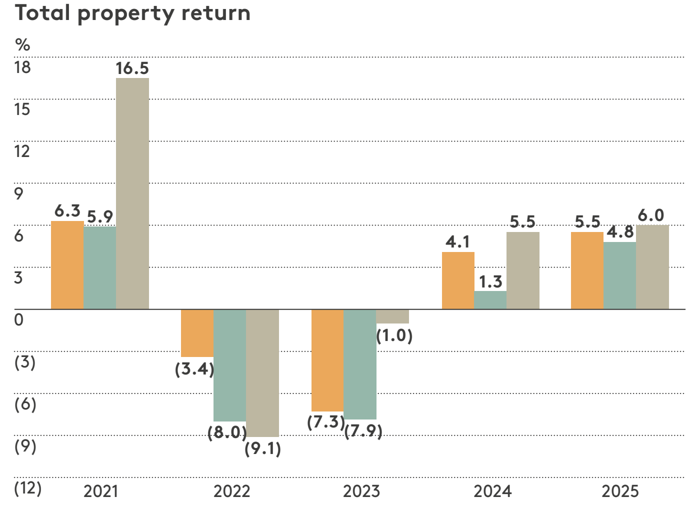
Valuation continued

Holden House W1

Rental value growth



Total property return



1 Quarterly index.

Portfolio statistics – valuation

	Valuation £m	Weighting %	Valuation[1] performance %	Let floor area[2] '000 sq ft	Vacant available floor area '000 sq ft	Vacant refurbishment floor area '000 sq ft	Vacant project floor area '000 sq ft	Total floor area '000 sq ft
West End								
Central	3,527.8	69	2.5	2,277	70	186	433	2,966
Borders	273.2	6	(1.5)	366	11	0	0	377
	3,801.0	75	2.2	2,643	81	186	433	3,343
City								
Borders	1,178.7	23	(0.9)	1,310	172	82	0	1,564
Central London	4,979.7	98	1.5	3,953	253	268	433	4,907
Provincial	114.2	2	13.1	309	42	0	0	351
Total portfolio 2025	**5,093.9**	**100**	**1.7**	**4,262**	**295**	**268**	**433**	**5,258**
2024	5,041.1	100	0.2	4,745	242	194	175	5,356

1 Underlying – properties held throughout the year.
2 Includes pre-lets.

Rental income profile

	Accounting rental uplift £m pa	Accounting rent £m pa	Headline rental uplift £m pa	Headline rent £m pa
Annualised contracted rental income, net of ground rents		210.4		194.8
Contractual rental increases across the portfolio	–		53.5	
Letting 295,000 sq ft available floor area	8.9		11.2	
Completion and letting 268,000 sq ft of refurbishments	13.9		17.4	
Completion and letting 433,000 sq ft of major projects	32.2		40.2	
Anticipated rent review and lease renewal reversions	15.9		18.2	
Portfolio reversion		70.9		140.5
Potential portfolio rental value		**281.3**		**335.3**

Portfolio statistics – rental income

	Net contracted rental income per annum £m	Average rental income £ per sq ft	Vacant space rental value per annum £m	Lease reversion per annum[1] £m	Portfolio estimated rental value per annum £m	Average unexpired lease length[2] Years
West End						
Central	108.3	48.43	57.1	56.0	221.4	7.8
Borders	18.1	49.50	0.3	0.8	19.2	4.4
	126.4	48.58	57.4	56.8	240.6	7.3
City						
Borders	65.5	50.83	10.7	12.2	88.4	3.7
Central London	191.9	49.33	68.1	69.0	329.0	6.1
Provincial	2.9	9.36	0.7	2.7	6.3	3.3
Total portfolio 2025	**194.8**	**46.42**	**68.8**	**71.7**	**335.3**	**6.0**[3]
2024	204.3	43.65	34.9	81.3	320.5	5.9

1 Contracted uplifts, rent reviews/lease renewal reversion and pre-lets.
2 Lease length weighted by rental income at year end and assuming tenants break at first opportunity.
3 7.0 years after adjusting for 'topped-up' rents and pre-lets.

Property review continued

Central London office rent
'Topped-up' income

£0-£30 per sq ft	5%
£30-£40 per sq ft	9%
£40-£50 per sq ft	9%
£50-£60 per sq ft	20%
£60-£70 per sq ft	16%
£70-£80 per sq ft	18%
£80+ per sq ft	23%

Ten largest tenants

	% of rental income[1]
Expedia	8.0%
Public sector	7.6%
Boston Consulting Group	7.5%
G-Research	5.0%
Fora	4.0%
Paymentsense	3.2%
Sony Pictures	2.8%
Arup	2.8%
Adobe	2.2%
Burberry	2.0%

Tenant diversity

	% of rental income[1]
Business services	23
Media	14
Fintech	10
Online leisure	8
Retail & hospitality	8
Financial	8
Public sector	7
Technology	7
Flexible office providers	6
Retail head office	5
Other	4

1 Based upon contracted net rental income of £194.8m.

1 Stephen Street W1

Leasing and asset management
Central London Office Market

Occupational market
Occupational activity across London continues to strengthen, reflected in elevated levels of viewings and sustained demand from a broad range of business sectors. Looking ahead, sentiment remains positive, with 80% of take-up in 2025 reflecting growth/expansion moves and occupiers increasingly focused on securing space in well-connected, central locations.

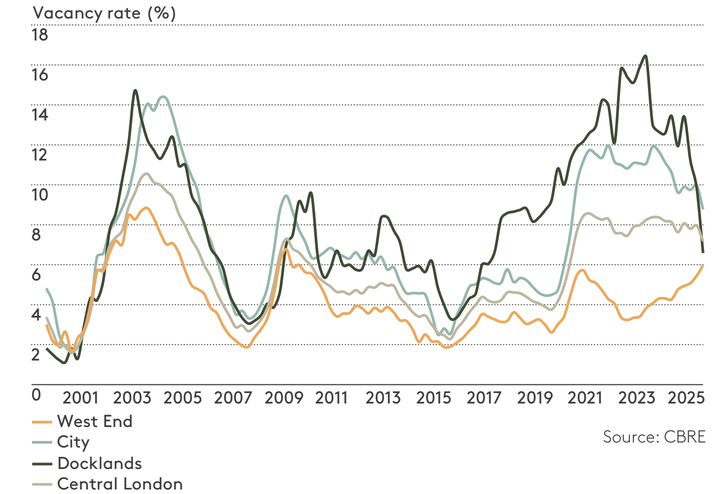
With a supply crunch anticipated in coming years and a strong level of demand, competition for best-in-class, sustainable buildings with good amenity and close proximity to the Elizabeth line or other transport hubs will drive rental growth. We are already seeing this growth spreading more broadly in respect of price point and location, reflecting a deeper, more balanced market which we expect to continue.

Supply constraints remain a structural characteristic of the market. With limited new stock under construction, pre-letting activity remains solid and grade A vacancy rates across central London are sub-2%. This imbalance between supply and demand is significant and scarcity of space of the quality the market is looking for is expected to become more pronounced over the coming years.

In this environment, we will see a continuation in the trend of occupiers renewing where the space works for their businesses. For occupiers, the 'stay put' option removes uncertainty and cost. For landlords, it supports income security and creates opportunities to extend lease lengths, enhance occupancy and capture rental growth.

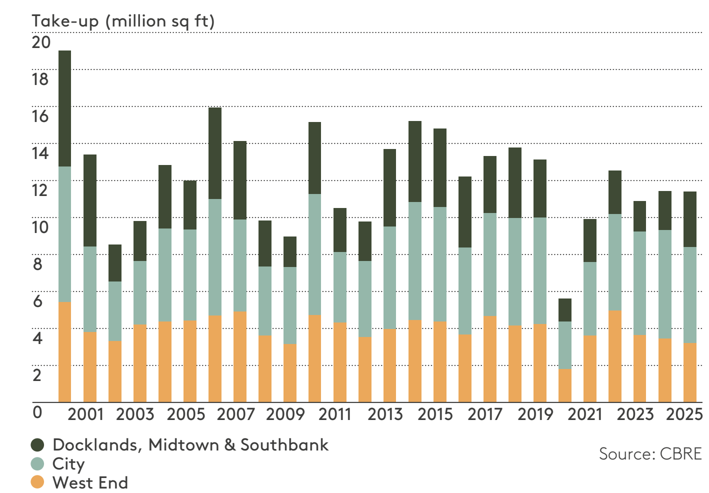
80%
of new leases are for expansion

Available space by sub-market



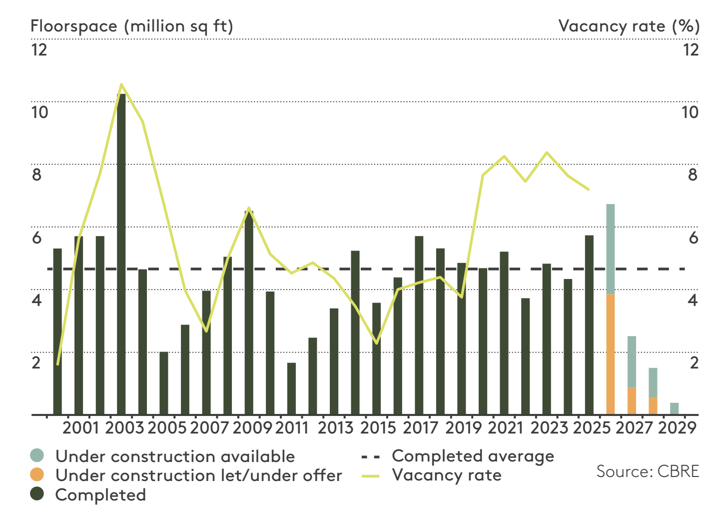
Source: CBRE

Central London office take-up



Source: CBRE

Central London development pipeline



Source: CBRE

Property review continued

Leasing and asset management

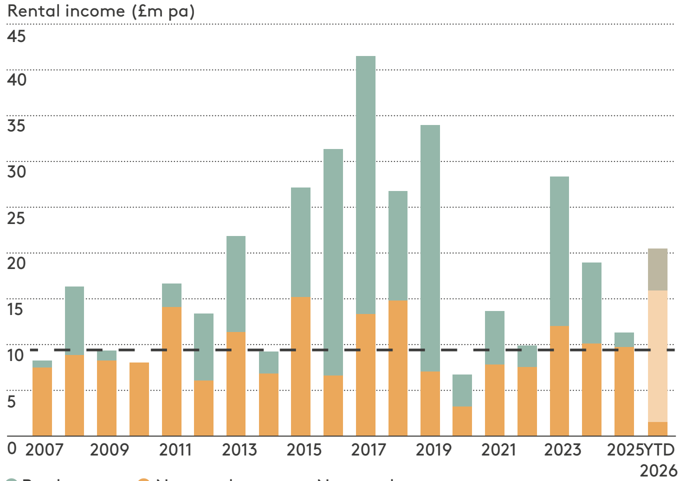
Emily Prideaux Executive Director

Leasing

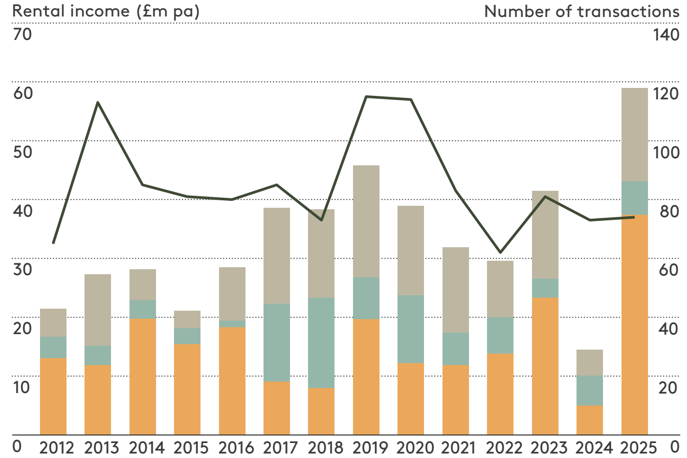
In 2025, we completed £11.3m of new lettings across 233,400 sq ft, comprising 54 transactions, with open-market rents agreed 9.9% ahead of December 2024 ERV. Demand was resilient across the portfolio, broadly split between the West End and City Borders, and across HQ and Flex. Excluding pre-lets, leasing volumes for the year were in line with the Group's long-term average, demonstrating the underlying consistency of demand for the portfolio through the cycle.

Since the start of 2026, operational momentum has stepped up. We have completed £1.5m of new leases and are under offer on £14.4m of rent, which includes all of the offices at Network W1. In addition, we are in negotiations on a further £4.4m across the portfolio.

Leasing analysis



Asset management activity



Leasing activity in 2025 to date

	Let			Performance vs Dec 2024 ERV (%)	
	Area '000 sq ft	Income £m pa	WAULT[1] Years	Open market	Overall[2]
H1 2025	99.4	4.3	4.6	8.4	-10.9
H2 2025	134.0	7.0	6.1	10.7	9.9
2025	233.4	11.3	5.5	9.9	0.9
Of which: F+F[3]	46.2	2.7	2.4	3.6	3.6

1 Weighted average unexpired lease term (to break).
2 Includes short-term lettings at properties earmarked for redevelopment.
3 'Furnished + Flexible'.

Principal lettings in 2025

Property	Tenant	Area sq ft	Rent £ psf	Total annual rent £m	Lease term Years	Lease break Year	Rent free equivalent Months
The White Chapel Building E1	BE Offices	23,600	48.60	1.1	9.7	–	22
90 Whitfield Street W1	Validus Risk Management	11,800	91.50	1.1	10	7	18, plus 6 if no break
230 Blackfriars Road SE1	TP Bennett[1]	14,600	49.50	0.7	3.7	1.7	0, plus 3 if no break
90 Whitfield Street W1	BMJ	6,500	86.50	0.6	6.2	4.2	10, plus 4 if no break
Morelands EC1	Ingeus[1]	8,400	67.40	0.6	2.4	–	2
Morelands EC1	Exigere	8,200	70.00	0.6	5.2	–	13
White Collar Factory EC1	Adobe	13,400	39.50	0.5	13.3	8.3	17, plus 12 if no break
1-5 Maple Place W1	Union Maritime[1]	5,900	68.20	0.4	5	3	4, plus 3 if no break
230 Blackfriars Road SE1	Quantspark	7,300	45.00	0.3	5	2	6, plus 3 if no break
25 Baker Street W1	Notto	3,300	89.90	0.3	10	–	15
1-2 Stephen Street W1	Sainsbury's	4,600	65.40	0.3	15	10	9
1 Oxford Street W1	Donutelier	900	286.40	0.3	15	10	6

1 Space leased on a 'Furnished + Flexible' basis.

Property review continued

Leasing and asset management continued

Members of the Development, Leasing and Marketing teams

Asset management activity

We had a record year of asset management in 2025 with £58.9m of completed transactions, nearly 30% above the previous strongest year (2019). The Group's main focus has been to capture reversion, extend income and align lease profiles with asset strategies and future development plans. On average, the 74 transactions delivered a 6.4% uplift in rent.

This exceptional level of activity was driven by early and proactive engagement with occupiers. Our relationship-led approach enables us to structure transactions that balance flexibility with longer-term income visibility, while mitigating void risk and capital expenditure.

Rent reviews totalled £37.4m and we saw strong reversion captured with reviews settled on average 7.3% ahead of the previous rent.

Key transactions include:

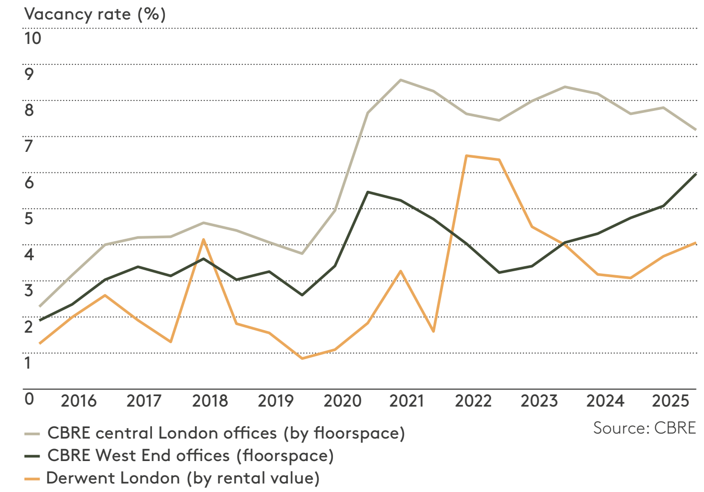
- **Horseferry House SW1**: a lease regear was completed with Burberry, extending the lease term from 2038 to 2043 (without breaks) and increasing the unexpired term to 17.6 years. The 2033 open market rent review and 2038 expiry were replaced with new five-yearly fixed uplifts, improving income visibility and providing greater certainty over future cash flows.
- **White Collar Factory EC1**: a major lease regear with Adobe, extending the lease term and increasing their total space by 25% to 67, 000 sq ft. The transaction aligned Adobe's leases to expire in 2038, with a tenant-only break in 2033, improving the income profile of the building, increasing the WAULT to break to 8.3 years. This was Adobe's fourth expansion since they first took occupation in 2017.
- **80 Charlotte Street W1**: BCG's rent review across levels 4-8 (163,700 sq ft) secured an uplift of 8.4% against the previous rent and a 5.1% premium compared to the December 2024 ERV.
- **Brunel Building W2**: 2025 saw the completion of the first round of rent reviews since the building completed. The average uplift across all occupiers was 5.1% compared to the headline rent.

Asset management

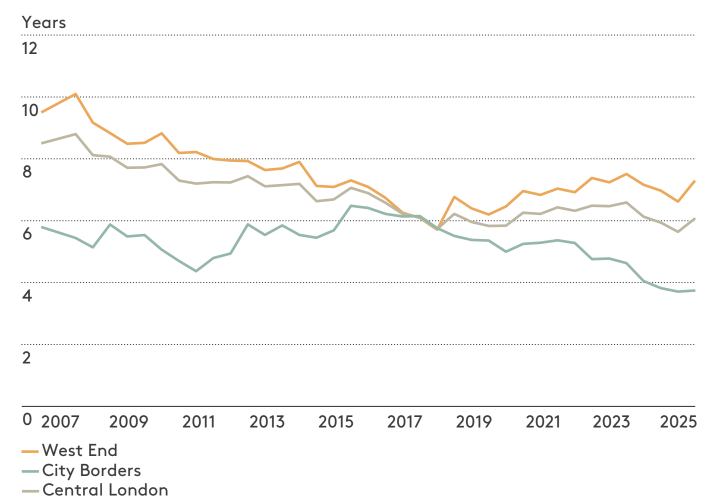
	Number	Area '000 sq ft	Previous rent £m pa	New rent[1] £m pa	Uplift %	New rent vs Dec 2024 ERV %
Overall						
Rent reviews	22	448.8	34.9	37.4	7.3	5.1
Lease renewals	39	157.2	5.5	5.7	3.4	-0.4
Lease regears	13	303.2	15.0	15.8	5.6	-0.6
Total	**74**	**909.2**	**55.3**	**58.9**	**6.4**	**3.0**
Activity excluding short-term development facilitation transactions						
Lease renewals	37	149.0	5.4	5.6	3.5	2.1
Lease regears	11	297.1	14.8	15.7	5.9	0.1

1 Headline rent, shown prior to lease incentives.

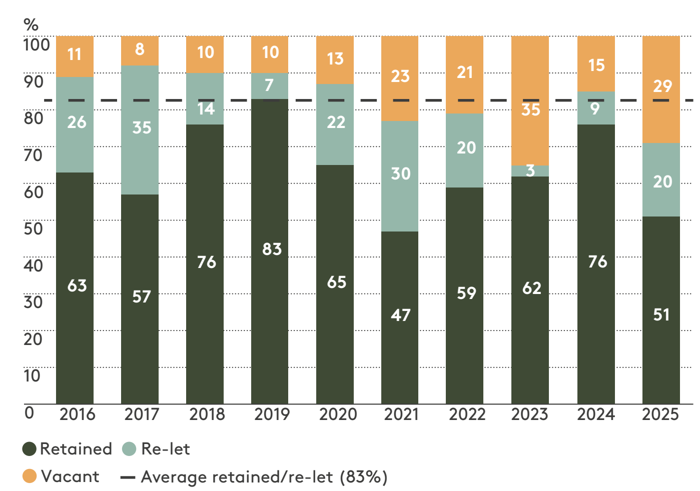
Ten-year vacancy trend



Average unexpired lease length



Lease expiry and break analysis



The weighted average unexpired lease term (WAULT) to break across the portfolio is 6.0 years and the 'topped-up' WAULT (adjusted for pre-lets and rent-free periods) is 7.0 years.

Portfolio vacancy

The EPRA vacancy rate increased by 100bp through 2025 to 4.1% (December 2024: 3.1%), with an ERV of £11.2m. In addition, there is a further £57.6m of rent classified as project space, split £40.2m at major projects and £17.4m at smaller refurbishments. In total, 71% of breaks/expiries were retained or re-let prior to the end of the year, excluding space taken back for projects and disposals. This is below the Group's 10-year average of 83% because units with a passing rent of £3.3m were vacated during Q4, leaving insufficient time to complete our asset improvement plans prior to year-end.

Members of the Asset, Property and H&S teams

Investment and regeneration
Central London Office Market

Investment market

Transactional activity in central London strengthened markedly during 2025, with investment volumes rising to £7.1bn, a 46% increase year-on-year, with improved liquidity evident across core City and West End locations.

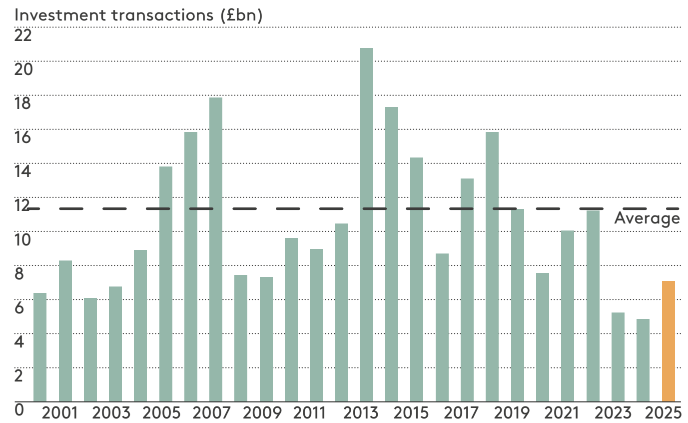
The average lot size also increased materially, with 20 transactions in excess of £100m, almost double the level seen in 2024. This re-emergence of demand for larger assets has improved pricing transparency, providing additional evidence across different sub-markets. Prime assets in the West End continue to command sharper pricing, while good quality, income-producing buildings outside the core are also attracting interest.

Investor sentiment was more cautious earlier in the year but improved towards the year end. The absence of material policy changes affecting commercial property in the Autumn Budget helped restore confidence, while ongoing geopolitical uncertainty has further reinforced London's position as one of the world's leading locations for long-term capital. Against this backdrop, a broader range of investors have been active in the market.

Looking ahead, more favourable credit market conditions and continued expectations of rental growth, combined with improving liquidity and clearer pricing, are expected to support investment activity through 2026. Demand remains focused on core-plus and value-add opportunities, where strong occupational fundamentals and supply-demand imbalances offer the potential for attractive returns.

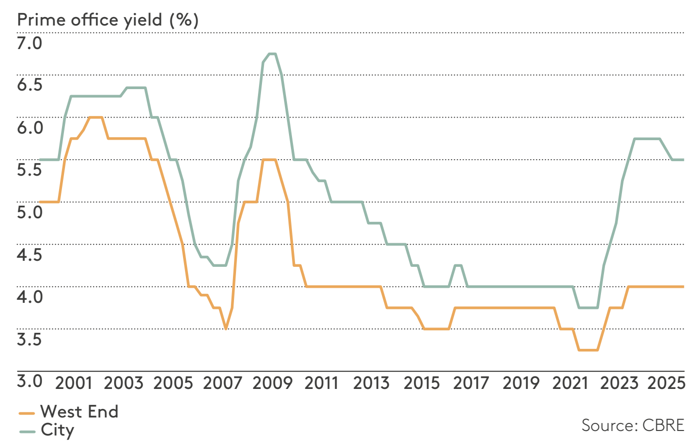
While appetite for core income remains more selective, the gap in pricing between core and higher-returning strategies continues to narrow. Against this backdrop, conditions are increasingly supportive for disciplined capital recycling and selective value realisation.

Central London office investment transactions



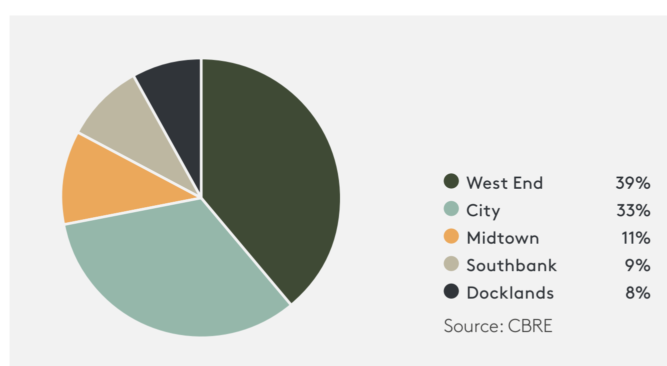
Source: CBRE

Central London office yields



Source: CBRE

Central London office stock



Source: CBRE

Paul Williams Chief Executive

Nigel George Executive Director

Developments and refurbishments

We successfully completed our major development at 25 Baker Street W1 in H2 2025 and Network W1 is due to complete imminently, delivering high quality buildings into well-connected central London locations. At Holden House W1, which began in August 2025, good progress is being made with demolition, and strip-out works have just commenced at Greencoat & Gordon House SW1. Preparatory work continues for 50 Baker Street W1 with a proposed start in 2026.

Looking forward, Holden House, Greencoat & Gordon House and Middlesex House are expected to deliver a combined ungeared IRR of >10% and a yield on completion of >6.5%. At 50 Baker Street, we forecast an ungeared IRR of >12%. Located in strong occupier sub-markets, we are confident that we will outperform appraisal rents in the increasingly supply-constrained market, driving an increase in profitability.

The timing and phasing of future commitments will be considered within the context of our capital allocation framework, ensuring disciplined and flexible deployment of capital.

Completed/near completion projects – 439,200 sq ft

- **25 Baker Street W1** (298,000 sq ft) – office-led scheme in Marylebone: the office element 100% pre-let. Physical completion was achieved on programme; practical completion was slightly delayed to August 2025 due to timing of sign off by the Building Safety Regulator. With fit-out works progressing the first tenants are now in occupation, following lease commencements from September 2025. The scheme made a positive contribution to earnings in 2025. In addition, 24 of the 41 private residential units have been sold. Completion marks an important milestone in realising value from this major development, with a profit on cost of 21%, yield on completion of 7.5% and ungeared IRR of 11.3%.
- **Network W1** (141,200 sq ft) – office-led scheme in Fitzrovia: completion is due imminently. All of the office space is under offer.

Property review continued

Members of the Development team

Major projects – 291,300 sq ft

- Holden House W1 (on-site H2 2025; 133,500 sq ft) – office-led scheme in Fitzrovia: good progress is being made on demolition works at this retained façade development. Kier has been appointed under a pre-construction services agreement for the main construction works. Located opposite the Dean Street Elizabeth line station, this scheme is well-located to benefit from current occupational trends and we are confident in its leasing prospects. Completion is expected in H2 2028.
- **Middlesex House W1** (on-site H1 2026; 50,000 sq ft) – office-led scheme in Fitzrovia: early strip-out works underway and the main contractor has been appointed, with construction works commencing in H1 2026. The scheme, where we are appraising a managed solution as part of the repositioned product, is targeting completion in February 2027.
- **Greencoat & Gordon House SW1** (proposed H1 2026 start; 107,800 sq ft) – comprehensive refurbishment: vacant possession is imminent and works are proposed to commence on site in H1 2026. Following successful leasing campaigns at the adjacent 6-8 Greencoat Place and Francis House, as well as the lack of competing heritage supply in Victoria, we are confident that there will be strong occupier demand. Completion is anticipated in H2 2027.

Schemes

	Total	Network W1	Holden House W1	Greencoat & Gordon House SW1	50 Baker Street W1
Status		**Imminent completion**	**On site**	**Proposed**	**Proposed**
Type of scheme		Development	Development	Major refurbishment	Development
Commencement		H1 2022	H2 2025	H1 2026	2026
Completion		Feb 2026	H2 2028	H2 2027	H2 2029
Office (sq ft)	561,100	136,300	113,000	107,800	204,000
Residential (sq ft)	14,000	–	–	–	14,000
Retail (sq ft)	43,400	4,900	20,500	–	18,000
Total area (sq ft)	**618,500**	**141,200**	**133,500**	**107,800**	**236,000**
Est. future capex[1] (£m)		9	135	52	TBC
Total cost[2] (£m)		242	290	151	TBC
ERV (c.£ psf)		100	110	80	TBC
ERV (£m pa)		13.7	15.2	9.6	TBC
Embodied carbon intensity ($kgCO_2e/sqm$) – estimate[3]		c.530	c.590	<250	c.530
BREEAM rating (target)		Outstanding	Outstanding	Excellent	Outstanding[4]
NABERS rating (target)		4.5 Star or above	5 Star or above	–	5 Star or above[4]
Green finance		Elected	Elect in 2026 (target)	To be elected	To be elected

1 As at 31 December 2025.
2 Comprising book value at commencement, capex, fees and notional interest on land, voids and other costs.
3 Embodied carbon intensity estimate as at stage 4.
4 On main commercial building.

50 Baker Street W1 – 236,000 sq ft (proposed 2026 start)

- Office-led scheme in Marylebone: preparatory work continues for this high quality redevelopment located adjacent to 25 Baker Street, which is already reversionary. Detailed designs are progressing, a new long headlease was agreed in 2025 with The Portman Estate, the freeholder, and contractors have been engaged, as the scheme advances towards proposed commencement in the middle of 2026. Marylebone is one of London's strongest sub-markets and there is demonstrable demand for large floorplates which are in short supply in the West End.

Future development projects – Four schemes totalling c.1.2m sq ft

The Group's medium to longer-term pipeline extends to c.1.2m sq ft across four major schemes. We are actively exploring alternative, including living-led uses, to maximise long-term value potential at several of these properties. Where appropriate, we will consider working with specialist partners.

- **20 Farringdon Road EC1** (167,000 sq ft) – potential to commence in H1 2027: an office-led repositioning and comprehensive refurbishment adjacent to Farringdon Elizabeth line station.
- **Blue Star House SW9** (86,100 sq ft) – potential to commence in 2027: working with living specialist Astir, resolution to grant planning consent was obtained in H2 2025 for a hotel-led redevelopment with supporting workspace and public realm, designed to extend the existing structure and optimise the site's potential.
- **Old Street Quarter EC1** (750,000+ sq ft) – potential to commence from 2028. The acquisition of this 2.5-acre island site is scheduled to complete from late 2027 (for £239m), conditional on delivery by the vendor of the new eye hospital at St Pancras and subsequent vacant possession. A strategic partnership with Related Argent has been formed to masterplan a flexible mixed-use, living-led campus-style redevelopment, targeting an increase in floor area of approximately 80%, which can be delivered in phases. A planning application is targeted for H1 2027.
- **230 Blackfriars Road SE1** (200,000+ sq ft) – potential to commence from 2030. Early feasibility work indicates capacity for a substantial mixed-use redevelopment of the existing 1970s building. There is potential to more than triple the current floor area, subject to regearing of the headlease.

Refurbishments

Alongside major projects, phased or rolling refurbishment is an important part of our approach to ensuring our buildings remain competitive as occupier requirements evolve. These projects are designed to deliver attractive rental uplifts, enhanced amenity and improved EPC ratings. Annual capital expenditure on rolling refurbishments is typically between £25-50m.

- Works completed at 1 Oliver's Yard EC1 (31,000 sq ft) in 2025, with upgrades to the courtyard, reception, workspace and amenities. The refurbishment has significantly improved product quality and rental performance, with space previously achieving £60 psf now targeting an ERV in excess of £70 psf. Further works on 25,000 sq ft are expected in 2026.
- Works continue at 1–2 Stephen Street W1 (27,200 sq ft), where the rolling refurbishment programme has driven a step-change in rental performance, with ERVs on this space ranging from £87.50 to £97.50 psf, compared with previous passing rents of c.£73 psf.

Lochfauld solar park, Scotland

Lochfauld solar park is a c.100-acre, 18.4 MW solar development forming part of the Group's Scottish portfolio and is an important component of our Net Zero Carbon Pathway. Once operational, the park is expected to generate c.40% of the London managed portfolio's electricity requirements, materially reducing reliance on external supplies.

During 2025, the majority of the construction and installation phases were completed. All solar panels have been installed, together with the supporting frames, cabling and the on-site electrical systems required for grid connection. Associated site infrastructure, including access roads, drainage and security systems, has also been completed. With these elements in place, power-on and energisation is expected in H1 2026.

Based on the current development appraisal, the project is expected to deliver an attractive yield on cost in excess of 9%, with net annual income of c.£1.5m after operating costs. The development delivers both a compelling financial return and long-term strategic value as part of the Group's sustainability and decarbonisation objectives.

Property review continued

Disposals and acquisitions

Principal disposals in 2025

Property	Date	Area sq ft	Total before costs £m	Net yield %	Net rental income £m pa
4 & 10 Pentonville Road N1	Q1	54,800	26.0	–	–
25 Baker Street W1 – residential (private & affordable)	Q3	38,500	118.1	–	–
25 Baker Street W1 – retail & 30 Gloucester Place offices	Q3	31,000	17.8	–	–
Francis House SW1	Q4	43,000 (plus 9,000 sq ft basement)	54.1	4.9	2.9

Disposals

Disposals in 2025 totalled £216.1m. The principal transactions in the year were:

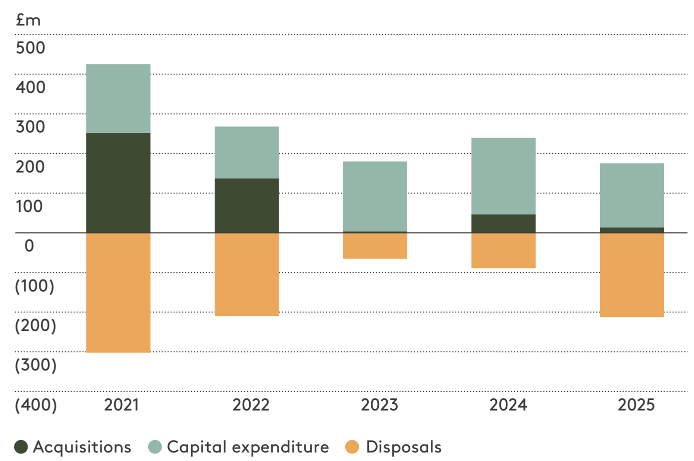
- **4 & 10 Pentonville Road N1**: sold with vacant possession for £26.0m, broadly in line with book value;
- **25 Baker Street W1** – Residential: completion on the sale of 24 of the 41 private residential units, plus the affordable residential for a total of £118.1m;
- **25 Baker Street W1** – Retail: as part of our strategic collaboration with The Portman Estate, we have completed works at the Loxton Walk retail, with £17.8m of proceeds received in 2025; and
- **Francis House SW1**: sold for £54.1m (after agreed deductions), broadly in line with the December 2024 book value, reflecting a net initial yield of 4.9%.

Since the start of 2026, we have exchanged contracts for the disposal of 80-85 Tottenham Court Road W1 for consideration of £32.6m, a 6.5% premium to the December 2025 book value. The property is being sold with vacant possession and completion is scheduled for June 2026. In addition, we are under offer on a further c.£240m of disposals.

Acquisitions

There were only £6.0m of acquisitions in 2025, principally the completion of the headlease regear at Morelands EC1 along with the simultaneous acquisition of the adjacent 74 Goswell Road EC1 for a combined £5.0m (before costs).

Net property investment



Members of the Scotland and Sustainability teams

Sustainability

Following an 8% reduction in energy intensity (EUI) in 2024, we have delivered a further 9% reduction to 125 kWh/sqm in 2025 (2024: 137 kWh/sqm). Total energy consumption was also down 6% to 48.7m kWh (2024: 51.8m kWh), with gas 22% lower and electricity down 1%. Gas has reduced from 37% of total energy in 2020 to 21% in 2025 following portfolio decarbonisation activity and delivery of new all-electric developments. There are several drivers behind the reduction in energy consumption, including the full year benefit of initiatives implemented in 2024:

- installation of air source heat pumps at 1-2 Stephen Street W1 last year and Charlotte Building W1 in 2025, as well as removal of gas at 9-10 Rathbone Place W1;
- ongoing occupier engagement, with a focus on reducing out-of-hours usage; and
- continued roll-out of shorter plant run-times.

We published an update to our Net Zero Carbon Pathway in December. Our CRREM-aligned 2030 energy intensity target of 123 kWh/sqm is equivalent to a 26% reduction compared to our 2019 baseline of 166 kWh/sqm.

The Government's 2025 carbon conversion factors were released in early July. Electricity factors are 15% lower compared to 2024 as further progress has been made decarbonising the UK's electricity grid. Applying these factors to our 2025 consumption, our location-based operational GHG emissions (Scopes 1, 2 and 3, excluding embodied carbon) reduced by 16% to 10,434 tCO_2e compared to 2024.

72% of our portfolio rated EPC A or B

To ensure compliance with evolving EPC legislation, we have a clear programme of upgrade works phased over the coming years. With 72% of our portfolio already rated EPC A or B (including 25 Baker Street W1 and Network W1) and a further 16% rated EPC C, we remain very well placed ahead of potential legislation changes in future.

Panel installation complete at Scottish solar park

See 'Developments and refurbishments' section for detailed update.

Circular economy embedded across portfolio

We have made good progress on the circular economy, in collaboration with Material Index, to optimise re-use across our portfolio, whilst brokering or donating opportunities to the wider circular economy market. Since we formalised our circular economy strategy, c.500 tonnes of material have been donated or brokered. To date, our rolling refurbishments have achieved an average 44% retention and on-site re-use rate.

A focus on low carbon concrete

In June 2024, we led the formation of a UK developer-led, industry wide initiative, the Accelerating Concrete-Decarbonisation Group (AC-DG), to accelerate the adoption and commercialisation of market-ready, viable low carbon concrete mixes. Significant progress has been made to date, with prototyping works due to begin in 2026 on several innovative low carbon mixes. Over the medium-term, these have the potential to reduce concrete carbon emissions by up to 70%.

In addition, Derwent London is a founding signatory of the Advanced Market Commitment (AMC), a government funded initiative aligned with the AC-DG. The aim of the AMC is to signal to the supply chain that low carbon concrete is a priority for industry. Derwent London has committed to procure at least 5% of concrete in line with AMC requirements.

9%

reduction in energy intensity

Finance review

Damian Wisniewski Chief Financial Officer

Presentation of financial results

The consolidated financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS). In common with usual and best practice in our sector, alternative performance measures have also been provided to supplement IFRS based on the recommendations of the European Public Real Estate Association ("EPRA"). EPRA Best Practice Recommendations (BPR) have been adopted widely throughout this report and are used within the business when considering our operational performance as well as matters such as dividend policy and elements of our Directors' and senior staff remuneration. Full reconciliations between IFRS and EPRA figures are provided in note 37 and the EPRA definitions are set out on pages 290 to 291.

Introduction

Derwent London produced a solid financial performance in 2025 amid an increasingly encouraging backdrop for the London office sector. Our total accounting return for the year rose to 5.0% helped by a small rise in property income and portfolio valuations up by 1.7%. IFRS earnings per share increased by 39% to 143.5p and administrative expenses were reduced by 4.9% compared to 2024. Our development projects continued to add value and, looking ahead, we expect development returns and the subsequent growth from recently-completed schemes to continue to outperform. An increased level of disposals in 2025 of £216.1m included £135.9m of trading sales, helping boost operating cashflow strongly. It also led to reductions in borrowings and net debt with net debt/EBITDA falling back to 9.0 times and EPRA loan-to-value ratio to 29.4%.

However, we know that there is more to do in 2026. With over £270m already exchanged or under offer in 2026 to date, we are targeting higher disposals into a more receptive investment market and have clear parameters for capital allocation into development and refurbishment projects. The cost of capital in our sector appears to have risen in 2025 and sets a high bar for real estate investment. This demands ever more vigilant cost analysis and discipline, meaning that some of our projects which were previously viable may now require alternative strategies. We are also looking at other forms of capital allocation that can bring nearer-term upside.

Financial highlights

Measure	Value	Dec 2024
Total net assets	£3,615.3m	Dec 2024: £3,539.8m
EPRA NTA per share	3,225p	Dec 2024: 3,149p
EPRA NDV per share	3,302p	Dec 2024: 3,261p
Property portfolio at fair value	£5,093.9m	Dec 2024: £5,041.1m
Gross property and other income	£406.3m	Dec 2024: £276.9m
Net rental income	£190.0m	Dec 2024: £189.6m
IFRS profit before tax	£161.5m	Dec 2024: £116.0m
EPRA earnings per share (EPS)	98.4p	Dec 2024: 106.5p
Interim and final dividend per share	81.5p	Dec 2024: 80.5p
EPRA LTV ratio	29.4%	Dec 2024: 29.9%
Net interest cover ratio	3.1x	Dec 2024: 3.9x
Net debt/EBITDA	9.0x	Dec 2024: 9.3x

For 2026, we are targeting further reductions in our cost base through process efficiencies and reducing irrecoverable property costs. Furthermore, substantial refinancing in 2025 has prepared us for the repayment of £230m of relatively expensive fixed rate debt in early 2026; however, the higher interest rates post refinancing in June 2025 caused EPRA earnings to decline in H2 2025. We now expect our average spot interest rate to fall slightly during 2026 and then remain relatively stable until 2031.

Our well-located and amenity-rich product remains in strong demand in an increasingly supply-constrained market and we are expecting rents to continue outpacing costs for some time. After a dip in H1 2026 before rent at Network W1 is recognised in the income statement, we see EPRA earnings returning to growth in 2027 with our outlook for 2030 around 25-30% higher. The medium-term outlook for the Group's total accounting return (TAR) is also the strongest for some time, helped by the rental growth outlook, improving development returns and stable investment yields.

Finance review continued

Property and other income

Gross property and other income increased substantially to £406.3m for the year ended 31 December 2025 from £276.9m in 2024. This was mainly due to trading property proceeds of £118.1m (2024: £3.7m) from the sale of 24 out of 41 apartments at George Street W1, part of our 25 Baker Street W1 scheme. The related profit on sale was £4.2m after allowing for the cost of affordable housing. Additional proceeds of £17.8m (2024: £nil) came from the disposal of trading stock on retail units already passed over to the freeholder on re-gearing of the headlease.

Gross rental income also increased, rising to £218.3m from £214.8m in 2024 with 25 Baker Street contributing £5.4m of new rent. Other lettings and reviews were approximately matched by units becoming vacant including Middlesex House W1, Greencoat and Gordon House SW1 and Holden House W1 where schemes commenced or are planned. Surrender premiums fell to £0.3m from £2.7m the year before.

Irrecoverable service charge costs were unchanged at £6.6m but other property costs rose to £19.8m from £18.2m in 2024. Most of this increase came from £1.5m of additional legal and letting costs plus £0.7m of marketing costs, the latter principally at Holden House.

Impairment charges in relation to planning costs at Old Street Quarter EC1 increased to £1.4m from £0.2m in 2024 with a further charge of £0.5m (2024: £0.2m) relating to receivables. We have seen continued strong rental and service charge collection rates exceeding 99% through the last year.

Taking account of these costs, net rental income increased marginally to £190.0m from £189.6m in 2024. Taking further account of surrender premiums, the trading profits noted earlier, dilapidation receipts, other property income and management fees, net property and other income increased to £199.6m from £198.3m in 2024.

Administrative expenses and EPRA cost ratios

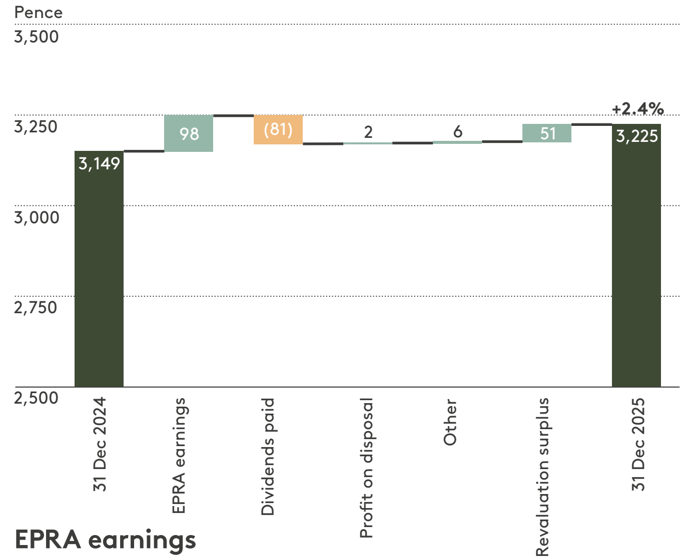
As noted last year, managing our costs and looking for efficiencies was a particular focus in 2025 and will continue to be so in 2026. As a result, the Group's administrative expenses fell to £39.1m from £41.1m a year earlier, the 4.9% decrease coming mainly from a 4.7% drop in staff costs despite increases averaging 5.9% for staff and 3.5% for directors. Out of £28.3m (2024: £29.7m) of staff costs, £2.7m (2024: £2.5m) of internal costs were capitalised in accordance with IAS16 and £2.7m (2024: £2.7m) was recovered via service charges. Total average headcount increased by eight, though five of these are recovered in full or in part via service charges.

Our EPRA cost ratio excluding direct vacancy costs increased to 22.4% (2024: 21.7%) and, including direct vacancy costs, the figure increased marginally to 27.3% from 27.0% in 2024.

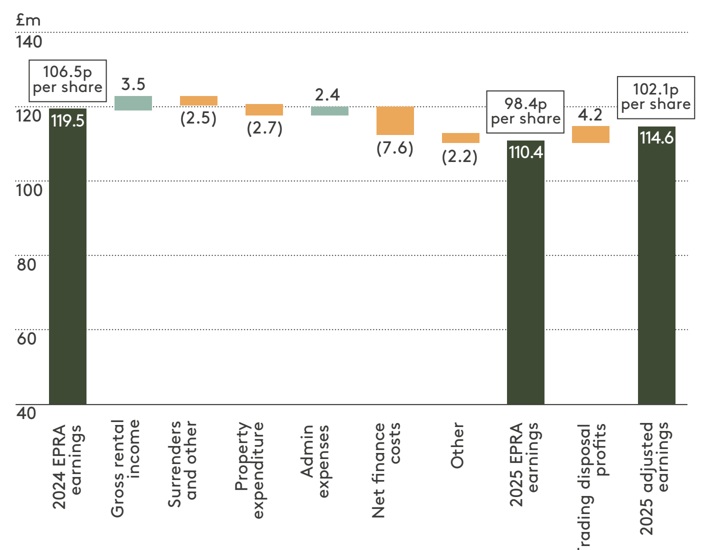
Other income statement items

After accounting adjustments which mainly comprise straight-lining lease incentives and grossing up headlease liabilities, the revaluation surplus on investment properties which passed through the income statement increased to £52.2m after a small deficit of £2.7m in 2024.

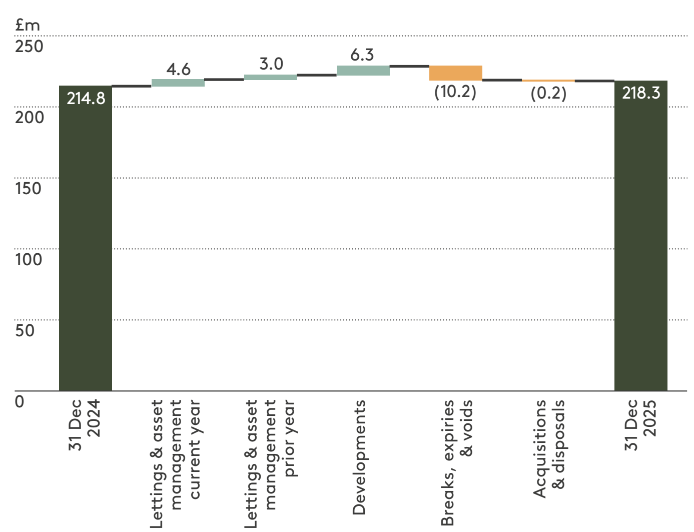
EPRA net tangible assets per share



EPRA earnings



Movement in gross rental income



In addition, the revaluation surplus for our head office was £4.5m in 2025 (2024: £2.9m); this was subject to a deferred tax adjustment of £1.1m (2024: £0.6m) as it is outside the REIT regime with both of these amounts included within the consolidated statement of comprehensive income rather than the income statement.

In addition to the trading activity noted earlier, we disposed of two investment properties during the year with combined proceeds of £80.2m. This was split £26.0m for the freehold interest in 4&10 Pentonville Road N1 and £54.1m for the freehold in Francis House SW1 and gave rise to a small combined loss on disposal of £2.2m after costs. In 2024, investment property disposal proceeds were slightly higher at £87.5m and provided a £2.1m net profit on disposal.

The profit from operations therefore increased to £210.5m in 2025 from £156.4m in the prior year.

The other main income statement items are finance income and costs. The net finance cost for 2025 increased to £48.4m (2024: £39.6m) partly due to higher average borrowings in 2025 but more impacted by the increase in our weighted average interest rate following the mid-year refinancing. Also included in finance costs in 2025 was a £1.2m settlement cost for an interest rate hedge taken out in connection with the £250m bond issue in June. Given the volatility at the time, we opted to hedge but rates fell through the period when pricing was at risk giving rise to this charge; we will get the benefit of slightly lower rates through the 7-year period of these 5.25% bonds. In 2025, we capitalised interest on projects totalling £14.1m (2024: £11.2m).

The Group's interest rate swaps also terminated in 2025 and showed a fair value loss on derivative financial instruments of £0.6m (2024: £2.3m loss).

There was no contribution from joint ventures this year but the prior year included a £1.5m profit from our share of the 50 Baker Street joint venture up to the point of termination in October 2024.

IFRS profit before tax and EPRA earnings per share

The IFRS profit before tax, which includes fair value movements such as the property revaluation passing through the income statement, increased to £161.5m (2024: £116.0m) and IFRS diluted earnings per share rose to 143.5p (2024: 102.9p).

EPRA earnings per share adjust for the fair value movements and certain other items. As previously guided, they were lower in 2025 at 98.4p per share (2024: 106.5p) largely as a result of the higher interest rates following refinancing during the year. Note that the £4.2m trading profits on residential apartment sales at George Street are excluded from EPRA's definition of earnings. Providing these apartments and affordable housing was an important and necessary part of our development activity at this mixed use scheme and adding these profits back for 2025 takes adjusted earnings per share to 102.1p.

A table showing a reconciliation of the IFRS and adjusted results to EPRA earnings per share is included in note 37.

Like-for-like rental income

Like-for-like (LFL) gross rental income increased by 2.4% in 2025, showing the impact of rental uplifts being captured on new lettings and reviews but also reflecting slightly higher vacancy across the portfolio. LFL net rental income was up 1.4% and LFL net property income, which takes account of dilapidations and other property income, was up 1.2%.

Taxation

The Group's tax charge for 2025 was £0.4m (2024: £0.1m). This was due to movements in deferred tax as a result of the utilisation of previously recognised tax losses and a reduction in the deferred tax asset on share based payments.

As in previous years, the majority of our income was exempt from corporation tax as it is derived from a qualifying property rental business under the UK REIT regime. The related requirement to pay a PID (property income distribution) meant that £11.0m (2024: £9.8m) of withholding tax was paid to HMRC instead.

Derwent London's principles of good governance extend to a responsible approach to taxation. Our tax affairs are led by an experienced Head of Tax, we have a low tax risk tolerance and continue to retain the low-risk status which HMRC granted in the Business Risk Review in July 2023. We have an open dialogue with HMRC in relation to our tax affairs, work collaboratively with them to ensure that we pay the correct amount of tax on time and engage proactively with them on proposed changes to legislation.

Our statement of tax principles is available on our website www.derwentlondon.com/investors/governance/tax-principles and is approved by the Board in line with the Group's long-term values, culture and strategy.

Dividend

Our policy aims for progressive annual increases but a payout well-covered by EPRA earnings after taking account of our duties to other stakeholders. The board is recommending another 0.5p per share increase in the final dividend to 56.0p, of which 40.0p will be a PID and the balance of 16.0p as a conventional dividend to be paid in May 2026. The Company's ISIN reference is GB0002652740.

Our dividend policy remains unchanged and this year's proposed final dividend will make this the 18th year of consecutive increases in our interim/final dividends since the formation of Derwent London plc in 2007. We also paid special dividends in 2017 and 2018.

This will take the total dividend for the year to 81.5p, a 1.2% increase over the previous year. Dividends paid and declared in relation to 2025 earnings were 1.2 times covered by EPRA earnings and 1.3 times by adjusted earnings.

Net asset values and total return for the year

Derwent London's total net assets increased during 2025 to end the year at £3,615m, up 2.1% from £3,540m in 2024. EPRA Net Tangible Assets (NTA), our main net asset performance measure, increased to 3,225p per share on a diluted basis from 3,149p a year earlier. The principal movements during the year were our recurring income as measured by EPRA earnings, the revaluation surplus and overall profit from disposals less ordinary dividends and PID paid in the year.

Finance review continued

	2025 p	2024 p
Opening EPRA NTA	**3,149**	3,129
Revaluation movement	**51**	(8)
Profit on disposals	**2**	2
EPRA earnings	**98**	106
Ordinary dividends paid	**(81)**	(80)
Other	**6**	–
Closing EPRA NTA	**3,225**	3,149

Adding back dividends paid, our total accounting return (TAR) for 2025 was 5.0%, indicating a further improvement in conditions for our sector after several challenging years. In 2024, when valuation declines started to reverse, our TAR was 3.2% following negative returns in both 2022 and 2023. Most of these valuation impacts came from yield adjustments as the era of quantitative easing ended after a sustained period of very low interest rates. Modest rental growth continued during this time and has accelerated for the better-quality space in which we specialise while yields have essentially stabilised.

EPRA Net Disposal Value (NDV), which takes account of a positive £96.6m fair value adjustment from our fixed rate debt and bonds, increased to 3,302p per share from 3,261p at 31 December 2024.

Property portfolio and other fixed assets

Our property portfolio is externally valued at six-monthly intervals by Knight Frank and, at 31 December 2025, the fair value increased to £5,094m from £5,041m a year earlier. We are required to make adjustments from fair value to carrying value for accounting purposes to recognise tenant incentives through earnings on a straight-line basis. In addition, letting costs are spread over the life of each lease and headlease liabilities are grossed up. After these adjustments, the total property carrying value was £4,915m at 31 December 2025 (2024: £4,861m).

Property additions in 2025 totaled £178.6m (2024: £242.0m), mostly made up of capital expenditure of £156.1m (2024: £182.1m) and capitalised interest and overheads of £16.5m (2024: £12.9m). The majority of expenditure in 2025 was incurred on the two large development projects at 25 Baker Street W1 and Network W1, costs on these alone totaling £82.6m. As these two projects were close to their maximum cumulative levels in 2025, capitalised interest was relatively high at £14.1m (2024: £11.2m) and we expect it to fall back considerably in 2026.

The combined carrying value of the property disposals noted above increased to £186.7m from £82.9m in 2024. Other property, plant and equipment increased to £68.1m from £52.0m in December 2024, the main reason being additions at our Lochfauld solar park in 2025 of £9.7m plus a transfer from prepayments of £2.5m as the costs now meet the criteria for recognition as fixed assets. Also included in this category is the owner-occupied property comprising our head office at 25 Savile Row W1, where the carrying value at 31 December 2025 was £53.5m (2024: £49.0m).

Old Street Quarter EC1

We are due to acquire this substantial Old Street site no earlier than mid-2027 subject to the vendor providing vacant possession. The agreed acquisition price is £239m less the £3m deposit paid at exchange. Including the deposit, we have now incurred costs associated with master-planning, design and planning application preparation totaling £12.0m net of impairment. In 2025, after a detailed review, we impaired a further £1.4m of these costs. At the point of acquisition, the balance of these costs will be allocated and included within investment property at fair value together with the remaining acquisition price paid. We are now working with our strategic development partner, Related Argent, to optimise our plans for this unique site. This will influence the future fair value at the point of acquisition and beyond.

Cash flow, borrowings and net debt

The cashflow generated from our operations increased substantially in 2025 due mainly to the sale of apartments at George Street W1, part of the 25 Baker Street scheme. The net cash from these sales received by the Group in 2025 was £115.8m after costs but including a small affordable housing receipt. We also received £17.8m in 2025 on the disposal of trading stock to the freeholder in relation to the same scheme. These expected cash inflows were explained in previous reports, offsetting the related cash outflows included as a deduction against operating cashflow in the last few years as we built out the trading properties and trading stock. Partly as a result, the net cash from operating activities shown within the consolidated cash flow statement increased from £64.6m in 2024 to £228.0m in 2025. We expect further sales to complete in 2026 but the figure will be substantially lower than in 2025.

Having issued new £250m unsecured bonds in June 2025, we ended 2025 with a higher cash balance than usual at £131.7m. Of this amount, £29.3m related to tenant rent deposits and £25.2m to service charge balances so the unrestricted cash available to the Group was £77.2m (2024: £15.4m).

Property disposals in 2025 brought net debt down to £1.45bn from £1.48bn in 2024, with net debt to EBITDA falling to 9.0 times (2024: 9.3 times) and EPRA loan-to-value ratio to 29.4% (2024: 29.9%). Both these 2025 year-end figures are within our target ranges. Year-end borrowings were marginally higher than 2024 at £1.49bn because we had no further revolving credit facilities to pay down. However, borrowings have fallen back in early 2026 as £55m of fixed rate private placement notes were repaid at maturity using the excess cash. Note that borrowings shown as current liabilities at the year end included these USPP notes and the £175m LMS bonds due in March 2026.

At 31 December 2025, available cash and undrawn facilities increased to £627m (2024: £487m). This figure will reduce in Q1 2026 as the £230m of USPP notes and bonds reach maturity.

Debt facilities and reconciliation to borrowings and net debt at 31 December 2025

	Drawn £m	Undrawn £m	Total £m	Maturity
Secured bonds	**175.0**	**–**	**175.0**	**2026**
Green bonds	**350.0**	**–**	**350.0**	**2031**
Non-green bonds	**250.0**	**–**	**250.0**	**2032**
Private placement notes	**455.0**	**–**	**455.0**	**2026 – 2034**
Non-bank debt	**1,230.0**	**–**	**1,230.0**	
Revolving credit facility	**–**	**100.0**	**100.0**	**2027**
Revolving credit facility	**–**	**450.0**	**450.0**	**2029**
Term loan	**82.5**	**–**	**82.5**	**2027**
Term loan	**82.5**	**–**	**82.5**	**2028**[1]
Term loan	**100.0**	**–**	**100.0**	**2028**
Committed bank facilities	**265.0**	**550.0**	**815.0**	
Debt facilities	**1,495.0**	**550.0**	**2,045.0**	
Acquired fair value of secured bonds less amortisation	**1.8**			
Unamortised discount on unsecured bonds	**(2.3)**			
Unamortised issue and arrangement costs	**(7.9)**			
Borrowings	**1,486.6**			
Leasehold liabilities	**41.0**			
Cash and cash equivalents	**(77.2)**			
Net debt	**1,450.4**			

1 Maturity following the facility extension in January 2026.

Debt and financing

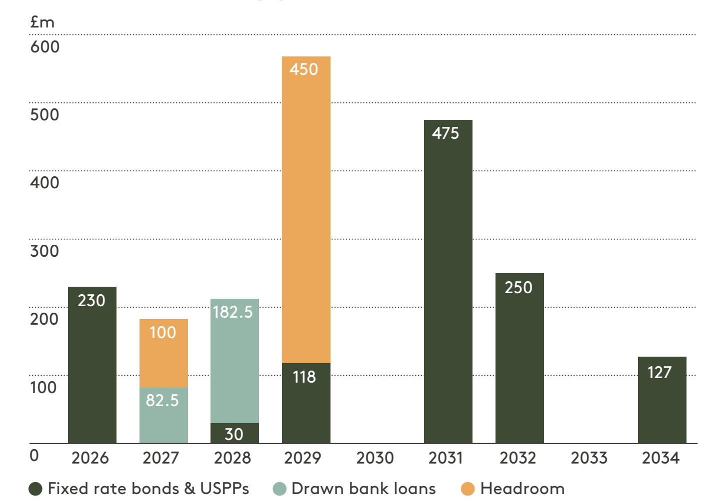
Debt markets generally continued their improving trend through most of 2025, helped by a gradual reduction in UK base rates, moderating (but sticky) inflation and a reasonable UK growth outlook. Business and economic uncertainty was, however, a continuing theme through 2025 particularly in the middle part of the year leading up to the late November budget.

Speculation remained as to where the 5- and 10-year gilt rates will eventually settle. Volatility has continued with the range of 5-year rates around 80bp over 2025, for example, but the general trend is modestly downwards. UK base rates, currently 3.75%, are also expected to fall to around 3.5% by the end of 2026. At 31 December 2025, the 5-year gilt was 3.9% but the 10-year remained stubbornly higher at 4.4%. Meanwhile, the 5-year SONIA swap continues to show a worthwhile benefit over the equivalent gilt and was as low as 3.6% at year-end.

Credit spreads in the bond market have also been relatively attractive and the banking market remains competitive for borrowers of good investment-grade credit-quality. In May, we maintained a Fitch issuer-default rating of BBB+ and A- for our senior unsecured debt rating, both with a stable outlook. Keeping our credit rating secure is a key business priority and we now target an EPRA LTV ratio below 30% and net debt/EBITDA below 9.5 times.

2025 was an active year for refinancing due partly to the maturity of £175m of convertible bonds last June but also because we opted to take advantage of the relatively favourable conditions in the bond and bank debt markets.

Proforma maturity profile of debt facilities[1]



1 Includes facility extension of £82.5m term loan, exercised in January 2026.

Finance review continued

Members of the Finance team

A new £115m unsecured term/revolving credit facility was signed with HSBC in February 2025. It comprised an £82.5m two-year term loan with a one-year extension option plus a £32.5m revolving component.

The next transaction was to issue £250m of 7-year unsecured bonds with a semi-annual coupon of 5.25% in June. After a short roadshow, there was strong demand for the bonds, the margin at issuance was a competitive 105bp and the bonds have traded well on the secondary market. As at the year end, the implied interest rate was 4.97% reflecting a tightening of the spread to 95bp.

Also in June, our £175m unsecured convertible bonds were repaid upon maturity at par and the £100m unsecured term loan arranged in 2024 with NatWest was extended by one year to a June 2028 maturity.

Refinancing activity continued in the second half. The Group's £450m unsecured revolving credit facility (RCF) provided by our three longstanding UK relationship banks, Barclays, HSBC and NatWest, was refinanced with a new four-year term to July 2029 plus two one-year extension options. Pricing was similar to the previous facility, which had been due to reach maturity in October 2026. These banking relationships are highly valued by us.

Our environmental sustainability criteria are well established and set out in our 'green finance framework' which was first published back in 2019. The green agenda is now firmly embedded in our corporate culture. Following discussions with our lenders, we decided to simplify the structure and classify the entire £450m RCF as a conventional (ie non-green) facility. Our £350m 2031 'green' bonds remain and we report in the section below under our green finance framework as usual.

Following the extension of the main Group RCF, we cancelled the two £32.5m revolving credit tranches that formed part of the bilateral facilities arranged with Barclays and HSBC, thereby reducing future non-utilisation fees. The two £82.5m term loans remain and, at 31 December 2025, the HSBC loan had a maturity date of February 2027 but this was extended after the year-end to February 2028.

In 2026 to date, we have repaid £55m of US Private Placement Notes which matured on 31 January and will redeem the £175m LMS secured bonds in March 2026. Both were classified as current liabilities at the year end. I would like to thank our USPP noteholders and longstanding bond holders, some of whom have held these bonds for many years, for their support. The LMS bonds have a coupon of 6.5% and we therefore expect our weighted average interest rate to fall to less than 4.0% by the end of Q1 2026.

Debt: key stats

	Dec 2025	Dec 2024
Hedging profile (%)		
Fixed	**82**	80
Swaps	**0**	5
	82	85
Percentage of debt that is unsecured (%)	**88**	88
Percentage of non-bank debt (%)	**82**	80
Weighted average interest rate for the year (%)	**3.8**	3.3
Weighted average interest rate (%)	**4.06**	3.53
Weighted average maturity of facilities (years)	**4.0**	3.4
Weighted average maturity of borrowings (years)	**4.2**	4.0
Undrawn facilities and unrestricted cash (£m)	**627**	487
Uncharged properties (£m)	**4,754**	4,665

Due to the refinancing carried out in 2025, it was inevitable that our weighted average interest rate would increase. At the year end, the rate was 4.06%, an increase from 3.53% at 31 December 2024 but slightly lower than the 4.11% at 30 June 2025. At the year end, 82% of our debt was at fixed rates (2024: 85%) and the weighted average maturity of borrowings was 4.2 years (2024: 4.0 years).

Internal controls, assurance and the regulatory environment

During the year, we continued to strengthen our internal control environment, including the successful implementation of a new payroll system. We are also more than a year into the design and build of enhanced business processes and controls for our new finance system, scheduled to go live in late 2026. Across both the finance transformation and wider business change initiatives, we are increasingly leveraging advanced technologies, including AI, to streamline processes, improve operational efficiency and further enhance financial and operational controls.

We have maintained our approach to assurance, obtaining independent external assurance for areas of higher risk. This includes limited assurance over selected sustainability and health and safety data and reasonable assurance over green finance disclosures, external audits of service charge costs and our twice yearly external property valuations. We also receive useful oversight of key business risks through our Internal Audit function.

We achieved re-accreditation of our Cyber Essentials Plus certification during the year, supported by independent verification of key cyber security controls and this remains an area of elevated focus for us.

In response to the new 'failure to prevent fraud' offence introduced under the Economic Crime and Corporate Transparency Act 2023, we have reviewed and strengthened our anti fraud procedures, providing a strong foundation for preventing and detecting fraud. Having defined and assessed our material controls over the past two years, we are well positioned to comply with Provision 29 of the revised UK Corporate Governance Code for the current financial year which commenced on 1 January 2026.

Francis House SW1

Reporting under the Green Finance Framework

Derwent London's Green Finance Framework (the Framework) has been prepared to align with the Loan Market Association (LMA) Green Loan Principles 2021 and International Capital Market Association (ICMA) Green Bond Principles 2021 guidance document. It has previously been externally reviewed and a Second Party Opinion (SPO) was obtained. The latest version of the Framework and the accompanying SPO are available on our website at www.derwentlondon.com.

Out of total debt facilities of £2.0bn, Green Financing Transactions (GFTs) now comprise only the £350m Green Bonds issued in 2021. This follows the refinancing in July 2025 of our main £450m revolving credit facility which previously included a £300m 'green' tranche.

In accordance with the reporting requirements set out in the Framework, we are disclosing the Eligible Green Projects (EGPs) that have benefitted from our GFTs, and the allocation of drawn funds to each project.

The projects eligible for funds from the GFTs are as follows:

Green project	80 Charlotte Street W1	1 Soho Place W1	The Featherstone Building EC1	25 Baker Street W1	Network W1
Expected completion date	Completed in 2020	Completed in 2022	Completed in 2022	2025	2026
Category for eligibility	Green building, criterion 1 of section 3.1 of the Framework (excludes Asta House and Charlotte Apartments)	Green building, criterion 1 of section 3.1 of the Framework	Green building, criterion 1 of section 3.1 of the Framework	Green building, criterion 1 and 2 of section 3.1 of the Framework (excludes retail and refurbished residential)	Green building, criterion 1 of section 3.1 of the Framework
Impact reporting indicator	Building certification achieved (system & rating)	Building certification achieved (system & rating)	Building certification achieved (system & rating)	Building certification achieved (system & rating)	Building certification achieved (system & rating)
Green credentials[1]	**Achieved:** ▪ BREEAM Excellent ▪ EPC B ▪ LEED Gold	**Achieved:** ▪ BREEAM Outstanding ▪ EPC B ▪ LEED Gold	**Achieved:** ▪ BREEAM Outstanding ▪ EPC A ▪ LEED Platinum	**25 Baker Street offices**[2] **Achieved:** ▪ BREEAM Outstanding ▪ EPC A **Expected:** ▪ LEED Gold, on target **30 Gloucester Place**[2] **offices** **Achieved:** ▪ BREEAM Excellent ▪ EPC A **Private residential** **Expected**: ▪ Home Quality Mark 4 Stars, on target	**Achieved:** ▪ BREEAM Outstanding (design stage) **Expected:** ▪ BREEAM Outstanding (post-construction), on target ▪ LEED Gold, on target ▪ EPC A, on target

1 Green EGP credentials disclosed in accordance with the Framework and the Green Finance Basis of Reporting, available on our website and within the Responsibility Report.

2 The development includes 206,000 sq ft of offices at 25 Baker Street and 12,000 sq ft of offices at 30 Gloucester Place.

Qualifying 'green' expenditure

The qualifying expenditure for each project as at 31 December 2025 is presented in the table below. This includes a 'look back' component, capturing capital expenditure incurred on projects prior to the point at which they received formal designation as an EGP. It also includes capital expenditure incurred on projects prior to October 2019, when the Group executed its first GFT.

Costs which form part of the initial project appraisal or which are associated with delivering the EGP through to practical completion are included within the eligible green expenditure of the project. Costs incurred following completion are generally excluded unless specifically elected as a green project.

25 Baker Street, which commenced on site in 2021, reached practical completion in H2 2025. Certain development costs were disposed of to the freeholder in 2025 and a number of the private residential units were also sold. In accordance with section 3.3 of the Framework, the expenditure allocated to these elements have been removed from the qualifying expenditure.

Cumulative expenditure on each EGP as at the reporting date

		Subsequent expenditure			
EGP	Look back expenditure £m	Q4 2019 – FY 2024 £m	2025 £m	Disposals/ transfer £m	Cumulative expenditure £m
80 Charlotte Street W1	185.6	52.6	–	–	238.2
1 Soho Place W1	57.5	167.1	–	–	224.6
The Featherstone Building EC1	29.1	69.2	–	–	98.3
25 Baker Street W1	26.5	219.2	46.8	(86.6)	205.9
Network W1	23.8	47.4	42.1	–	113.3
	322.5	**555.5**	**88.9**	**(86.6)**	**880.3**

The total qualifying expenditure incurred in 2025 was £88.9m. As at 31 December 2025, the cumulative qualifying expenditure on the EGPs amounted to £880.3m, after deducting £86.6m of previously eligible expenditure related to the 25 Baker Street scheme.

In July 2025, the Group refinanced its £450m RCF, which included a £300m 'green tranche', with a new 'non-green' RCF. At the time of refinancing, the amount drawn on the 'green tranche' was £28.5m. Following this transaction, drawn borrowings from GFTs at 31 December 2025 comprised solely the £350m Green Bonds issued in 2021.

In line with the requirements of the Framework, the total cumulative qualifying expenditure on EGPs (£880.3m) therefore exceeds the amount of drawn borrowings from all GFTs (£350m).

Going concern & viability

Our resilience

In accordance with the UK Corporate Governance Code 2024 (the Code), the Directors and senior management team assessed the prospects of the Company and potential threats to its resilience:

- **in the short-term (over the next 12 months as required by the 'Going concern' provision); and**
- **in the medium-term (a five-year period to 31 December 2030) as required by the 'Viability statement' provision.**

This statement also contains references to the longer term threats to the Company's resilience (beyond the five-year period).

Viability of our strategy

The Board formally reviews its strategy on an ongoing basis to ensure it remains capable of sustainable value creation and is responding appropriately to changing macroeconomic conditions, work practices and stakeholder expectations.

When assessing the viability of the Group's strategy, the Board's key qualifications and assumptions were:

- focus on the central London office market to continue but with a willingness to consider alternatives such as living-led schemes where these produce better returns;
- an accelerated strategy of recycling capital by selling buildings when we have maximised their potential, or they no longer meet our investment criteria, and purchasing buildings where there is an opportunity to replenish our development pipeline or add value via asset management or refurbishment;
- debt facilities are refinanced on a timely basis with a balance between flexible and longer term fixed rate;
- a property portfolio containing income producing properties with added income/asset management potential plus development/refurbishment opportunities; and
- a progressive dividend policy, whilst targeting dividend cover around 125% or more over the medium-term.

The London office market has generally been cyclical in recent decades, with strong growth followed by economic downturns, sometimes precipitated by rising interest rates. The impact of these cycles is dependent on the quality and location of the Group's portfolio. Occupier demand in London is good for the right product in the right location.

The Board agreed that we have a proven business model which has allowed us to remain flexible and resilient during previous property cycles and periods of significant uncertainty. Additionally, we have the ability to flex our business plan to react to unforeseen circumstances by either selling a property to generate additional cash flow or commencing, stopping or scaling back projects to manage our capital expenditure.

The Board agreed that no material change was required to its strategy, which continued to generate sustainable returns, but there is more focus on accelerated disposals over the next three to five years and a rebalancing of the portfolio targeting growth in earnings.

Short-term

Under provision 30 of the Code, the Board is required to report whether it considers it appropriate to adopt the going concern basis of accounting in the preparation of our financial statements. The assessment focused primarily on the short-term and at least the next 12 months to March 2027.

The Directors' assessment included consideration of:

- the Group's current financial position;
- the latest rolling forecast for the next two years, in particular the cash flows, borrowings and undrawn facilities;
- the timing of repayment of existing financing facilities;
- current and potential sources of replacement financing;
- lease expiry profile; and
- any material uncertainties or assumptions.

The Group is in a strong financial position. As at 31 December 2025, the Group has:

- £627m of undrawn facilities and cash (2024: £487m);
- an EPRA loan-to-value ratio of 29.4%;
- an overall cost of debt with a weighted average interest rate of 4.1%;
- 82% of our borrowings either fixed or hedged;
- net debt/EBITDA of 9.0 times; and
- significant headroom on our financial covenants.

The Group has sufficient access to finance in the short-term and medium-term. At 31 December 2025, our average maturity of borrowings was 4.2 years and average maturity of facilities was 4.0 years. Although £230m of USPP notes and bonds fall due for repayment by March 2026, these are well covered by alternative arrangements already in place and the Group has significant liquidity to fund its ongoing operations. As noted above, it had access to £627m of available undrawn facilities and cash at the year end. Further information is on pages 56 and 57.

The Directors stress tested the latest rolling forecast against various scenarios to determine whether they were likely to have a significant impact on the Group's solvency and liquidity in the short-term. This included a reverse stress test scenario and indicated that the Group has sufficient liquidity and plenty of headroom before breaching financial covenants.

Material uncertainties or assumptions

The Directors did not identify any material uncertainties to the Company's ability to continue to operate as a going concern over the period of its assessment which is supported by the ability to let vacant space, operate a strong asset management strategy and secure refinancing.

However, with any business there are sources of uncertainty that could impact on operations. The key sources of estimated uncertainty in the next 12 months are considered to be:

- the economic environment creating a more challenging financial environment for occupiers;
- execution of leasing transactions due to cautious decision making and a more 'stay put' attitude adopted by some occupiers; and
- the extent to which liquidity returns for larger lot sizes in the office investment market.

Related information is on the following pages:

Significant financial judgements / See page 144

Property review / See pages 35 to 51

Group's Risk Register

The Schedule of Principal Risks contains the risks which are currently impacting the Group or could impact it over the next 12 months. These risks are routinely subject to a comprehensive review by the Executive Committee, Risk Committee and the Board. Consideration is given to the risk likelihood, impact and velocity (speed at which the risk could impact the Group). The Board agreed that, given the level of headroom, none of the changes in risk likelihood or probability during the year had a significant impact on the Group's short-term viability.

Our principal risks / See pages 104 to 109

Going concern statement

After making appropriate enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence until at least March 2027. Therefore, the Board continues to adopt the going concern basis in preparing the financial statements.

Medium-term

The Directors challenge the time period over which to assess the Company's medium-term viability on an annual basis. The Directors determined that the five-year period to 31 December 2030 remains an appropriate period based on the following:

- For a major scheme, five years is a reasonable approximation of the time taken from obtaining planning permission for a typical development to letting the property.
- Most leases contain a five-year rent review pattern or break options. Therefore, five years allows for the forecasts to include the reversion arising from those reviews while also assessing the potential impact of income lost from breaks exercised. Our weighted average unexpired lease term is 7.0 years ('topped-up' including rent-frees and pre-lets).
- The average maturity of borrowings is 4.2 years as at 31 December 2025.

As part of its assessment, the Board considered the Group's emerging risks (page 110), including how these are being addressed. Emerging risks could involve a high degree of uncertainty and are therefore factored into the Board's medium-term viability assessment and the long-term sustainability of the Group. The methodology used to identify, assess and monitor emerging risks is described in the risk management framework on page 158. The Directors concluded that none of the individual emerging risks would in isolation or collectively compromise the Group's viability over the five-year period to 31 December 2030.

The Board's medium-term assessment focused on strategy, finance and operations.

Sensitivity and scenario testing

A detailed five-year strategic review was conducted which considered the Group's cash flows, dividend cover, REIT compliance and other key financial ratios over the period. These metrics were subjected to sensitivity analysis to assess the Group's ability to deliver its strategic objectives.

The Directors stress tested the strategy against various scenarios to determine whether they were likely to have a significant impact on the Group's solvency and liquidity in the short and medium-term. The scenarios are amended each year, as required, to reflect the key areas of concern identified by the Board. The eight scenarios assessed were:

- a 'base case' scenario;
- a downside scenario which considers the impact of a fall in property values of c.5% over two years;
- an upside scenario which includes a combination of higher ERV growth, yield compression and shorter letting voids for major schemes; and
- five scenarios covering varying disposals assumptions and alternative capital structures.

The modelling indicated that under all scenarios the Group would still be able to execute its strategic plan over the next five years or modify it using reasonable assumptions without breaching any covenants or experiencing liquidity concerns.

Going concern & viability continued

Allocation of capital

Capital recycling is a key part of our business model. Our ability to sell assets and reinvest these funds into higher-returning opportunities is an important part of our strategy and future performance.

We completed £216.1m of property sales in 2025 and investment activity has recently improved, especially for larger lot sizes. Since the year end we have agreed a further £32.6m of sales. We are targeting £1bn of disposals over the next three years. A lower level of disposals would impact our future capital allocation decisions.

Regeneration opportunities are carefully appraised against clear performance targets and benchmarking of costs. Rigorous stress testing is carried out by flexing appraisal assumptions which consider the potential impact of the key commercial risks of a project, including the impact of rising construction costs, fluctuating rents due to changes in occupier demand and varying investment yields. To maximise returns, we may consider alternative uses of an asset and may pursue strategic partnerships with other investors. Where this is the case, comprehensive due diligence is conducted to ensure the selection of an appropriate partner.

The appraisal process is important given the long horizon, typically 3-5 years, between approval to proceed and completion of a project so we could end up delivering in a market that has changed significantly. There is a possibility that capital allocated to specific assets, use types or locations do not generate the expected returns.

Holden House W1

Viability of our finances

Derwent London could potentially become unviable if the Group were unable to meet its financial covenants. If this occurred, we would potentially need to refinance or repay debt facilities, likely requiring the disposal of assets. As at 31 December 2025, the Group had significant headroom over its covenants, as shown below:

	Covenant	31 Dec 2025
Loan to value (specific assets)	≤ 60%[1]	**51%**
Ratio of unencumbered assets to unsecured net debt	≥ 1.6 times	**3.7 times**
Group NAV gearing	≤ 145%	**40.1%**
Consolidated interest cover	> 145%	**306%**

1 6.5% secured bonds

Our covenant headroom was subject to sensitivity analysis and scenario testing as part of the Group's strategy review. Even in the most extreme 'downside' scenario we modelled, the covenant ratios are covered and sufficient cash and unutilised facilities are available. For the Group to breach the NAV gearing limit, the value of our portfolio would have to fall in excess of £2,615m (or by a further 51%).

Valuations have generally increased since H2 2024 after a period of significant declines and rental growth is now widely expected to continue for good quality central London offices against a background of relatively stable yields. Our portfolio has continued to outperform the MSCI Central London Office Index over recent financial periods, most recently by 69bp in 2025. Our final secured facility, the £175m LMS bonds, are due for repayment in March 2026 after which we will no longer have asset specific covenants to manage.

During the year the Directors also reviewed:

- a detailed five-year strategic review which included assessment of the Group's cash flows, dividend cover, REIT compliance and other key financial ratios. These metrics were subjected to sensitivity analysis to assess the Group's ability to deliver its strategic objectives under varying market conditions;
- the risks which could impact the Group's liquidity and solvency over the next 12 months, five years and the longer term; and
- the Group's emerging risks.

The Board's assessment highlighted that, despite continuing volatility and uncertainty in the macroeconomic environment during 2025, the Group benefitted from:

- reasonable income visibility for the life of our leases which on 2025 lettings averaged 5.3 years on the headline rent. In addition, the Group has a known level of tenant lease expiries and breaks which is actively managed by our Asset Management team; and
- a high quality customer base, with none of our occupiers being responsible for more than 6.4% of total rental income on a 'topped-up' basis and relatively low exposure to the retail and restaurant sector.

Refinancing risk

The availability of financing for good quality covenants generally improved through 2025 and, though still subject to market volatility, the cost of long-term debt moderated. In addition, UK base rates fell through 2025 to end the year at 3.75% with a consequent reduction in the cost of short-term bank debt.

We remained close to our existing lenders and were very active in 2025, repaying the £175m convertible bonds at maturity, arranging £250m of new 7-year unsecured bonds in June and refinancing £565m of bank facilities. We continue to review market conditions and have facilities in place to repay £230m of fixed rate debt maturing in early 2026.

Viability of our operations

The Board received an update from the Chairs of the Audit and Risk Committees on the work performed during 2025 in respect to risk monitoring and reviewing the effectiveness of internal controls (see page 103).

There has been a heightened risk of cyber attacks amid escalating geopolitical tensions. To date, Derwent London has not experienced a significant increase in attempted cyber attacks. Ongoing staff vigilance is critical to the prevention of cyber attacks.

The Digital Innovation & Technology (DIT) team are proactive in providing regular guidance and refresher training to all employees on cyber security matters. We have a robust approach to cyber security which is routinely subject to independent testing (see pages 160 and 161).

Our Intelligent Building programme is a medium to long-term initiative which will assist with meeting our net zero carbon ambitions, strengthen our portfolio's cyber security and help realise cost savings for our occupiers.

Based on the Board's assessments, none of the operational principal or emerging risks currently facing the Group were likely to have a material impact on the Group's operations or cause it to become unviable in the short to medium-term.

Related information is on the following pages:

Investing in our employees / See page 194

Disaster recovery and business continuity / See page 160

Mandatory compliance training / See page 163

Viability statement

Based on the Board's assessments, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 December 2030.

Long-term

The Board considered a number of longer term factors (which could impact the Company and its business model in the next five to 10 years) and how these were being addressed. These factors included the impact of climate change and technology advancement.

Related information is on the following pages:

Strategic framework & business model / See pages 22 and 23

Regeneration projects / See pages 19 to 21

Our portfolio / See pages 6 and 7

Climate change

Willis Towers Watson performed an updated independent climate risk assessment and scenario analysis in 2024. The scope of the assessment included our entire London-based investment portfolio (including our head office) and our Scottish portfolio. Of the risks identified, none were likely to have a substantial impact on the viability of our business, although our cost profile could increase.

Task Force on Climate-related Financial Disclosures / See pages 86 to 99

Technology advancements

Acceleration of technology is an emerging risk for the Group and includes consideration of developments in Artificial Intelligence (AI). Technology in our sector is advancing at a rapid pace.

The Executive Committee has monitored the phased roll-out of Intelligent Building infrastructure during the year. The Derwent London Intelligent Building programme seeks to enable our buildings (where appropriate) to be digitally monitored and operated more efficiently, driving down equipment faults (and consequential maintenance) and delivering energy and operational carbon savings.

During the year, the Risk Committee received a detailed overview of the Group's current cyber posture and how future technological trends could impact on the Group's future performance (see pages 110 and 161).

Digital strategy risks / See page 161

Geopolitical instability

Geopolitical issues such as the ongoing war in the Ukraine and the widening of the Middle East conflict remain a concern. Despite the uncertainty, our supply chain has been relatively unaffected due to our approach of early pre-ordering and storage. Early supply chain engagement in project designs helps with the identification of potential risks and alternative solutions.

Responsibility

Corporate responsibility underpins how we create long-term shareholder value. It is embedded in our culture, guiding how we operate and allocate capital across the business, from investment and development decisions through to asset management and day-to-day operations.

This approach, grounded in our commitment to integrity, transparency and safety, supports positive outcomes for our stakeholders, including local communities, and the wider environment.

Our responsibility approach and framework

Our responsibility strategy sets out how we address the most material environmental, social and governance (ESG) issues to our business. It provides a structured framework for action across the Group, covering the full life cycle of our developments and operations – from reducing carbon and improving building performance to supporting our people, engaging with occupiers and maintaining responsible supply chain standards.

This strategy is based around seven ESG priorities and a series of targeted frameworks. Together, these enable a consistent approach to managing and reporting on our ESG pillars.

Responsibility embedded in our corporate strategy

Responsibility considerations are embedded within our corporate strategy, informing our strategic objectives, risk management processes and investment decisions. This is supported by clear Board-level oversight and accountability through dedicated committees.

Our executive remuneration policy incorporates ESG measures, aligning leadership incentives with long-term, responsible performance. The composition of our Board reflects the expertise, independence and diversity required to oversee responsible growth and uphold high standards of governance.

Highlights of the year:

During the year, we made strong progress across our responsibility priorities. These achievements highlight the integral role that responsibility plays in shaping our business and creating sustainable, long-term value.

Key achievements include:

- updated our Net Zero Carbon Pathway;
- broader adoption of circular economy principles;
- supporting charities through utilisation of our DL/Lounges;
- updated our Supply Chain Responsibility Standard;
- launched employee 'Rewards and Recognition' programme;
- delivered H&S Legal Duties session with 100% Board and Director participation;
- achieved embodied carbon target and BREEAM 'Outstanding' at 25 Baker Street following practical completion;
- 40% of managed portfolio buildings now all-electric, from 6% in 2020; and
- four new employee representatives joined the RBC bringing new perspectives to the employee voice.

Pillars	Environmental	Social	Governance
Priorities	1. Designing and delivering buildings responsibly 2. Managing our assets responsibly	3. Creating value in the community 4. Engaging and developing our employees 5. Ensuring the highest standards of health and safety 6. Protecting human rights	7. Setting the highest standards of corporate governance
Frameworks	▪ Net Zero Carbon Pathway ▪ Responsible Asset Framework ▪ Responsible Development Brief ▪ Whole Life Carbon Assessment Brief ▪ Green Finance Framework	▪ Social Value Strategic Framework ▪ Our Code of Conduct & Business Ethics ▪ Group Health & Safety Policy Statement	▪ Governance Framework ▪ Our Code of Conduct & Business Ethics ▪ Supply Chain Responsibility Standard ▪ Modern Slavery Statement ▪ Statement of Tax Principles

ROSPA Gold Award

Third consecutive year

Reduction in energy intensity compared to 2019 baseline

25%

£504k

Community funds and sponsorship donations committed in 2025

16%

Reduction in Scope 1, 2 and 3 operational carbon emissions

Overall employee satisfaction

86.5%

2025 GRESB: Greenstar status

A-rated public disclosure

Development – 5 stars with a score of 98

Standing Investments – 4 stars with a score of 86

Fair Payment Code 2025 Bronze Award

Our updated Net Zero Carbon Pathway

Reducing operational energy and carbon emissions
See page 69

Procuring and investing in renewable energy
See page 70

Reducing the embodied carbon of development projects
See page 71

Offsetting residual carbon emissions
See page 73

Nature and resilience
See page 73

Double materiality

We recognise the role of materiality in determining the relative importance of key ESG issues to the business and our stakeholders.

Materiality assessments provide a framework for prioritising issues and ensuring our responsibility strategy and management action are appropriately focused and targeted.

We keep our material issues under review to ensure changes are captured on a timely basis and remain aligned with the independent climate risk assessment and scenario analysis which forms part of our TCFD disclosure (see pages 86 to 99).

In 2024, we completed a double materiality assessment, with support from an independent third party consultant.

This identified 17 material topics, of which 12 were considered to have High or Very High materiality under either the Financial or Impact perspective – see chart. The topics with Low or Medium materiality are listed below.

The material topics were already known and captured through our various strategies and management procedures. However, the assessment provided additional insight to support the prioritisation of future actions.

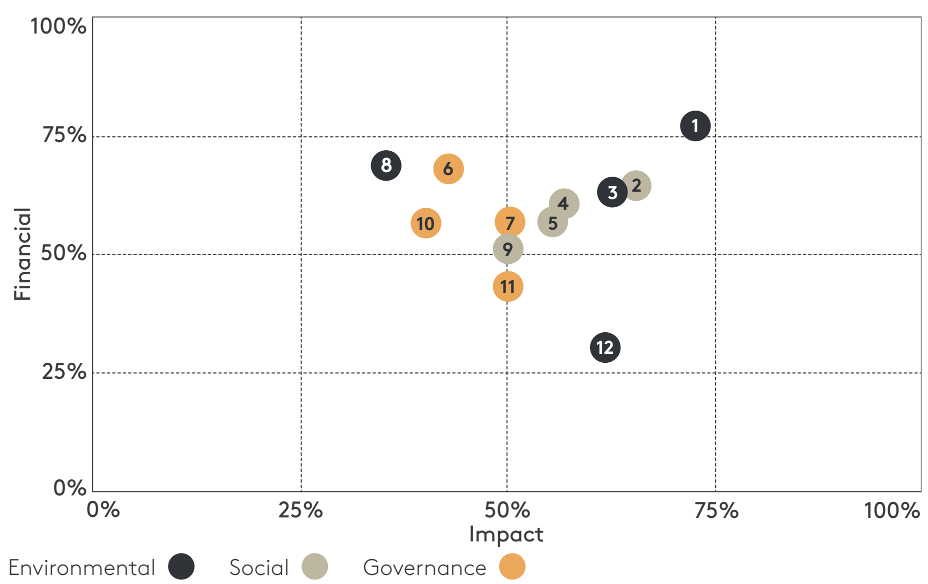
Our double materiality assessment is aligned with our wider processes for identifying and assessing the principal risks we report in the Managing Risks section (see pages 100 to 111).

Low/Medium materiality topics

- Diversity, equity & inclusion
- Health, safety & wellbeing
- Operational water use & management
- Operational waste management & circular economy
- Leasing transaction satisfaction

Our stakeholders identified these topics as Low/Medium materiality. We continue to monitor and prioritise them as appropriate and will ensure resources are available as required.

The table provides further detail of where our material issues can be located within our risk management and other reporting.



Most material topics		Page
1 Sustainable building design & construction	Principal risk, 'Our resilience to climate change'	108
	Emerging risk, 'The evolving nature of office occupation'	110
	TCFD transition risk, 'Planning requirements'	92
2 Local economic growth & placemaking	Our Communities	76 to 77
3 Operational GHG emissions & energy efficiency	Principal risk, 'Our resilience to climate change'	108
	Emerging risk, 'Climate-related risks'	110
	Our Net Zero Carbon Pathway	69 to 73
4 Occupier wellbeing	Principal risk, 'Health and safety'	108
	Emerging risk, 'The evolving nature of office occupation'	110
	Health and safety	80 to 81
5 Talent attraction, retention & development	Responsible Business Committee report	164 to 171
	Our people	78 to 79
6 Ethical & responsible business conduct	Principal risk, 'Non-compliance with law and regulations'	109
	Responsible Business Committee report	164 to 171
7 Responsible & local procurement	Responsible Business Committee report	164 to 171
8 Climate change adaptation & resilience	Principal risk, 'Our resilience to climate change'	108
	Task Force on Climate-related Financial Disclosures (TCFD)	86 to 99
9 Social value impact	Our Communities	76 to 77
	Social Value Strategic Framework	76
10 Cyber security	Principal risk, 'Cyber attack on our IT systems'	107
	Principal risk, 'Cyber attack on our buildings'	107
	Emerging risk, 'Accelerating technological change'	110
	Risk Committee report	154 to 163
11 Human rights & fair pay across the value chain	Principal risk, 'Non-compliance with law and regulations'	109
	Responsible Business Committee report	164 to 171
12 Biodiversity & urban greening	See page 12 and 15 of **Net Zero Carbon Pathway (2025)**	

These risks are monitored via the Group's Risk Register which is not disclosed in the annual Report & Accounts. Refer to pages 104 to 111 for the Group's principal and emerging risks.

Responsibility – Environmental

Our Net Zero Carbon Pathway

01 Reducing operational energy and carbon emissions

Our commitment

We are committed to operating our investment portfolio on a net zero carbon basis by 2030. This requires a sustained and significant reduction in our energy consumption, upgrading and retrofitting our properties to improve efficiency and removal of gas use where feasible, as well as close collaboration with our occupiers.

Actions and outcomes

Portfolio decarbonisation

In 2025, we continued to invest in decarbonisation works across the portfolio. Following the installation of air source heat pumps (ASHP) at 1-2 Stephen Street W1 in 2024, an ASHP was installed at Charlotte Building W1 alongside a broader mechanical, engineering and plant (MEP) upgrade. We are also installing point of use electric hot water supplies for WCs to decarbonise hot water supplies. 40% of buildings in our managed portfolio are now all-electric. To enable effective monitoring of mains water use across the managed portfolio, a Smart Flow monitoring system was rolled out across 70% of the portfolio.

Occupier engagement

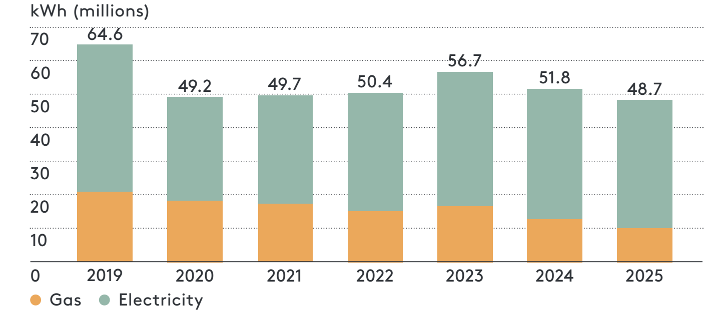
Our recent 'You Hold the Power to Save' campaign (launched in Q4) was well-received by occupiers across the managed portfolio. To maximise impact, engagement was focused on our 10 highest energy consuming buildings, which represent 78% of managed portfolio energy. In total, we engaged with 77% of occupiers in 2025.

Further energy reduction

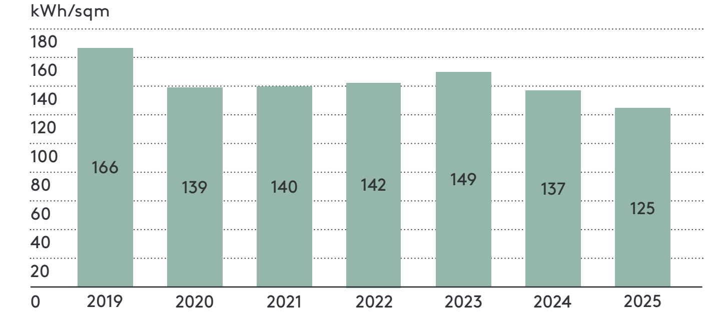
Building on the significant 20% reduction in energy consumption across our managed portfolio between 2019 and 2024, 2025 saw a further 6% decrease to 48.7m kWh. Energy intensity of 125 kWh/sqm is down 9% compared to 2024 (137 kWh/sqm) and 25% below our 2019 baseline (166 kWh/sqm). This compares well to our 2030 target of 123 kWh/sqm. When combined with ongoing decarbonisation of the UK's energy grid, our location-based operational carbon footprint reduced 16% in 2025 to 10,434 tCO_2e (2024: 12,357 tCO_2e).

1 Data relates to the Group's managed portfolio only.

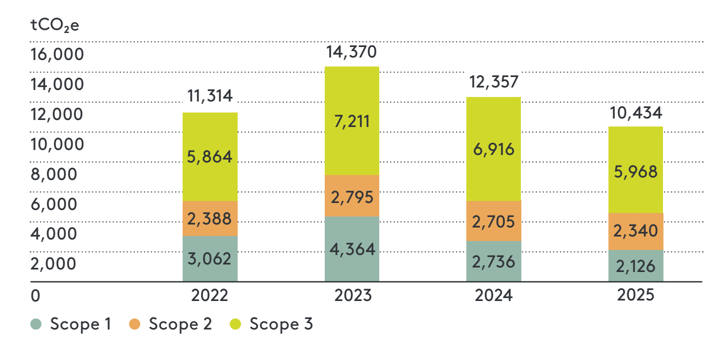
Energy usage[1] (electricity and gas split in kWh)



Energy intensity[1] (in kWh/sqm)



Operational carbon footprint[1] (Scopes 1, 2 & 3 in tCO_2e)



Water and waste

Water consumption reduced 2% in 2025 compared to 2024. The majority of the decrease is related to installation of Smart Flow monitoring technology during 2025.

The managed portfolio waste recycling rate improved in 2025 to 72% from 69% in 2024. We maintained an active programme of engagement, particularly targeting new occupiers.

Responsibility – Environmental continued

02 Procuring and investing in renewable energy

Our commitment

The Group is committed to ensuring that the energy we consume is from renewable sources. For procurement, this means contracting electricity on renewable tariffs backed by Renewable Energy Guarantees of Origin (REGO) certificates and gas contracts backed by Renewable Gas Guarantees of Origin (RGGO) certificates. Our Scottish land also provides several self-generation opportunities which we are progressing.

Actions and outcomes

Energy on renewable tariffs in 2025

- Electricity (REGO-backed): 100% (2024: 99%)
- Gas (RGGO-backed): 100% (2024: 100%)
- As at 31 December 2025, 100% of our electricity and gas contracts were on renewable tariffs backed by REGOs/RGGOs

All REGO-backed electricity is procured from UK-based solar, wind or hydro projects.

Investing in self-generation

Lochfauld Solar Park in Scotland

Following receipt of planning consent in 2023 for a c.100-acre, 18.4 MW solar park at our Lochfauld site in Scotland, significant progress on site has been made. Installation of the frames and photovoltaic (PV) panels, alongside supporting site infrastructure has completed and panel connection and inverter works are currently underway. Testing, commissioning and grid connections are expected to complete in mid-2026, followed by energisation thereafter. We expect the solar park to generate c.40% of our London managed portfolio's electricity requirements (based on 2019 baseline energy consumption).

London portfolio

Where feasible, we install PV panels on our buildings, six of which now have PV arrays. In addition, we have a small PV array at our Easter Cadder central hub in Scotland, covering the electricity consumption of our Scottish office.

As part of our Section 106 agreement for 50 Baker Street W1, we agreed with Westminster City Council to carry out a carbon saving project at St Mary's Bryanston Square Primary School. We installed an 83 PV panel array, equivalent to 36 kW. The first year of performance generated 24,400 kWh, in excess of 50% of the school's electricity consumption, saving approximately 5 tCO_2e.

Lochfauld Solar Park

03 Reducing the embodied carbon of development projects

Our commitment

Under our Net Zero Carbon Pathway, new developments and major refurbishments will be net zero carbon on completion. In 2024, we updated our reporting methodology to better align the timing of emissions and offsetting. Forecast emissions from major projects are recognised on a phased basis over the construction period, with emissions offset over the same profile.

Defining embodied carbon targets

Whole life carbon assessments are performed on our projects to inform design decisions and report on the 'Cradle to Completed Development' (A1-A5) aspects. Refer to our Whole Life Carbon Assessment Brief at www.derwentlondon.com/news/publications/responsibility-policies

Our phased targets for commercial office new build developments align with the Greater London Authority (GLA) and LETI targets (under RICS v1, which excludes demolition):

- From 2025: ≤600 $kgCO_2e$/sqm
- From 2030: ≤500 $kgCO_2e$/sqm

For our next major redevelopment projects, Holden House W1 and 50 Baker Street, we intend to report embodied carbon intensity under both RICS v1 and RICS v2, the latter of which accounts for demolition and enabling works.

For major refurbishments, our target is ≤350 $kgCO_2e$/sqm.

Actions and outcomes

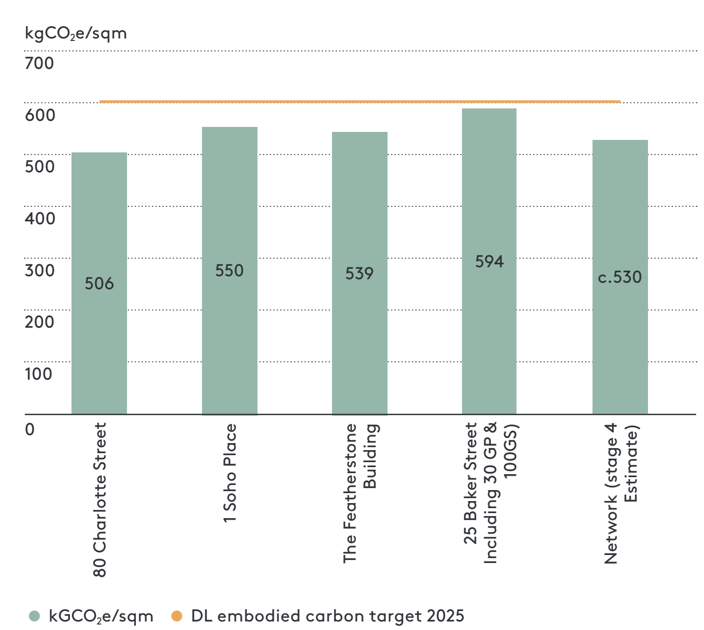
We work collaboratively with our development supply chain to assess and reduce a scheme's embodied carbon footprint. At each design stage, we hold detailed workshops with our teams and ensure early engagement on procurement of low carbon materials. The wider industry needs to adapt and work together for us to fully achieve our aims and we are active in this endeavour – see page 72 for details on our works to accelerate the use of low carbon concrete and the circular economy.

Our three major projects which were on site during 2025 are being delivered to align with our 2025 target:

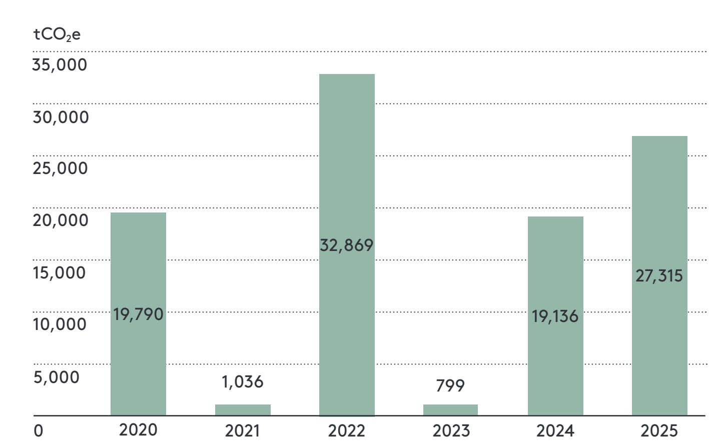
- 25 Baker Street W1 (completed Aug 2025): 594 $kgCO_2e$/sqm (a c.13% reduction compared to the Stage 4 estimate)
- Network W1: c.530 $kgCO_2e$/sqm
- Holden House W1: c.590 $kgCO_2e$/sqm

The current forecast for 50 Baker Street is c.530 $kgCO_2e$/sqm.

Embodied carbon intensity of major projects



Embodied carbon (S3, C2) emissions recognised in year



Responsibility – Environmental continued

Accelerating Concrete-Decarbonisation Group

Aiming to bridge the gap between supply of low carbon concrete, specification needs and market demand

- Derwent London established the Accelerating Concrete-Decarbonisation Group (AC-DG) in June 2024 and has continued to lead the initiative. It is a UK developer-led, industry-wide initiative to accelerate the adoption and use of market-ready, technically viable low carbon concrete mixes in construction projects.
- The aim is to reduce the barriers for use of lower carbon concrete, prototype testing and knowledge sharing, ultimately reducing embodied carbon.
- The lack of specific empirical test data is a key barrier, preventing engineers and clients from specifying low carbon concrete without adding technical, programme and cost risks into projects.
- By supporting more rapid collection and distribution of critical data for these innovative concrete mixes, AC-DG seeks to enable a faster route to market, facilitating specification for construction projects.
- The seven AC-DG workshops to date have been informative, circulating knowledge more quickly across the sector on low carbon concrete available for use in the UK today, as well as the emerging suppliers.
- Through the AC-DG, Derwent London and 30 other key organisations have signed a collaboration agreement enabling prototyping works and testing to commence in H1 2026 on three low carbon mixes. These have the potential to reduce concrete carbon emissions by up to 70%.
- Derwent London is also a founding signatory of the Advanced Market Commitment (AMC), a government funded initiative aligned with the AC-DG. The aim of the AMC is to signal to the supply chain that low carbon concrete is a priority for industry.

Network W1

Our circular economy approach

Optimising reuse across our portfolio and reducing embodied carbon without compromising on quality

- Our circular economy approach goes hand in hand with reducing embodied carbon.
- In 2025, Derwent London strengthened its leadership in circular economy practices, embedding resource efficiency and material reuse across its development pipeline and operational portfolio, alongside our partner Material Index.
- Since we formalised our circular economy strategy, c.500 tonnes of material have been donated or brokered.
- At our smaller refurbishment projects, retention and on-site reuse has averaged 44%. Examples include the sale or donation of kitchenette units from Oliver's Yard EC1, and timber panelling from 1-2 Stephen Street W1.
- The circular economy is also being incorporated across our major projects:
  - Network W1 is our first whole building redevelopment to use refurbished raised access flooring.
  - At Holden House W1, 64% of the temporary work steel to retain the façade is reused, chimney stacks are being reused and 95% of the glass has been recovered for reprocessing. This is in addition to internal fittings, finishes and lighting being donated. The bricks are currently being tested for off-site reuse.
  - At 50 Baker Street W1, we are pioneering the piece-wise reuse of the existing concrete structure in what is the largest scale project of this type in the UK.
  - Greencoat & Gordon House SW1 is setting the blueprint for retention and reuse across our refurbishment projects.

Holden House W1

04 Offsetting residual carbon emissions

Our commitment

The Group's business model of office regeneration and operation will, by its nature, result in the emission of embodied and operational carbon across Scopes 1, 2 and 3. For this reason, we will prioritise achieving our ambitious targets to reduce our carbon footprint as far as possible. We have committed to offset any residual carbon that we are unable to either manage out or eliminate.

Actions and outcomes

We have a phased pipeline of regeneration schemes over the coming years. Occupational market dynamics are forecast to remain favourable and we expect to commence the next phase of our pipeline over the coming year. Beyond this, we have a longer term pipeline which is expected to commence from 2027 onwards.

Forward purchase of carbon offsets

This project visibility allows us to forecast our embodied carbon emissions and plan accordingly. The Group has forward-purchased carbon offset credits equivalent to c.195,600 tCO_2e since 2020 for a combined consideration of c.£4.9m or an average of c.£25/tCO_2e. In 2020, we began offsetting the embodied carbon associated with our regeneration activity, through retirement of our carbon credits, and have offset a cumulative c.100,945 tCO_2e, of which 27,315 were retired in relation to 2025. The remaining offsets cover our forecast embodied carbon emissions to 2030.

Working with our offset partner, Climate Impact Partners, we carried out significant pre-acquisition due diligence to ensure the environmental projects meet our quality standards. This includes being validated under a robust, credible scheme such as the Verified Carbon Standard (VCS) or the American Carbon Registry (ACR). We acknowledge this is a changing landscape and refer to latest guidance from the UKGBC (Carbon Offsetting & Pricing Guidance).

Tree planting

The Group continues to progress tree planting opportunities across its Scottish land. Additional land has been identified as potentially suitable for planting, subject to further appraisals and planning consent.

05 Nature and resilience

Our commitment

Nature and resilience was added as a fifth pillar of our Net Zero Carbon Pathway in 2025. We are committed to enhancing biodiversity across our portfolio, including at both standing investments and regeneration projects. To support this, as well as ensuring our business resilience to a changing climate, we will carry out climate risk and opportunity assessments every three years as part of the WTW risk assessment, to proactively manage our climate risk, which includes biodiversity-related aspects.

Actions and outcomes

Biodiversity net gains at major projects

Each of our new build pipeline projects received planning approval prior to the Biodiversity Net Gain (BNG) legislation coming into effect. However, many boroughs already required a minimum BNG of 10%. Consequently, all our recently completed schemes and next phase of projects have achieved, or intend to achieve, a BNG significantly greater than 10%.

- 25 Baker Street W1: 180%
- Network: 110%
- Holden House: 210%
- 50 Baker Street: 273%

For our schemes which are currently in design, we expect to achieve the agreed urban greening factor.

Scottish land

Part of our Scottish land at Bargenny Hill has been designated as a Site of Special Scientific Interest (SSSI). The site is one of the largest and best remaining examples of lowland neutral grassland, which supports a variety of rare plants, flowers and wildlife, in south-western Scotland. The SSSI designation at this site forms part of a wider Agri-Environment Climate Scheme (AECS). We have also transitioned to more sustainable farming practices, utilising green manure, creating grass strips and water margin in arable fields as well as creating new wetlands.

Bargenny Hill

Responsibility – Environmental continued

Streamlined Energy and Carbon Reporting (SECR) disclosure

In line with SECR regulations, the adjacent table sets out the carbon emissions (tCO_2e) across Scopes 1, 2 and 3 together with relevant intensity ratios ($kgCO_2e$/sqm) from our managed portfolio. We also show the global energy consumption (kWh) used to calculate our emissions.

Energy efficiency actions

The Group undertook a number of energy efficiency actions in 2025. These included:

- decarbonisation initiatives at Charlotte Building W1 (air source heat pump) and 9-10 Rathbone Place W1 (variable refrigerant flow technology);
- implementation of occupier engagement strategy ('You Hold the Power to Save'), focused on the top 10 consuming buildings;
- ongoing LED lighting and other MEP upgrades across the managed portfolio;
- streamlined plant run times implemented alongside relaxed temperature set points, following successful trials in 2024; and
- enhanced out of hours usage monitoring, facilitated by our metering upgrade programme, and out of hours lighting assessment.

As a result of these actions and interventions, year-on-year energy consumption reduced by 6% and energy intensity by 9% in 2025. Compared to our 2019 baseline, energy intensity has reduced by over 25%.

See page 69

Data notes	
Boundary (consolidation approach)	We use the 'operational control' approach. This incorporates properties where the Group has management control and influence over the operations, referred to as the 'managed' portfolio. This is located in central London (UK) and comprised 37 properties in total during 2025. Landlord emissions from our retail park in Glasgow are also included.
Alignment with financial reporting	The only variation from our financial reporting approach is the exclusion of energy data and GHG emissions for buildings where the Group does not have control or influence. These are our single-let properties (also referred to as FRI or the unmanaged portfolio). Estimated emissions for these properties are disclosed as a footnote to the SECR table. The rental income and valuation of these properties is included in the consolidated financial statements.
Reporting method	GHG emissions reporting is in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Further details on our data calculation methodology is set out in the Environmental Basis of Reporting within our **2025 Responsibility Report**.
Prior year restatements	No restatements have been made to 2024 data.
Emissions factor source (location-based)	UK government emissions factors are used to convert energy usage into location-based carbon equivalents. These can be found at **www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025**
Market-based emissions	The Scope 2 market-based factor is based on the provenance of energy supplies. In 2025, 100% of electricity was purchased on REGO-backed tariffs.
Embodied carbon (Scope 3, Category 2)	Embodied carbon emissions from major projects (including refurbishments) are reported annually on a phased basis. Total estimated emissions from the RIBA Stage 4 report are spread equally over the construction period. Following practical completion, the as-built embodied carbon assessment is reported, and any true-ups are captured in the final reporting year. For smaller projects, embodied carbon is recognised in full in the year of completion where feasible. The reported carbon tonnage is offset in the year of reporting.
Independent assurance	Selected 2025 metrics, denoted with an (a), have been subject to independent limited assurance by PricewaterhouseCoopers LLP (PwC) in accordance with ISAE 3000 (Revised) and ISAE 3410 Standards. Our Environmental Basis of Reporting and PwC's assurance report can be found in the **2025 Responsibility Report**.

GHG emissions

	Location/Market-based	tCO_2e 2025	tCO_2e 2024	% change 2025 vs 2024
Scope 1				
Combustion of fuel[1]	Location	**1,852**	2,378	**(22)**
Fugitive emissions[2]	Location	**274**	358	**(23)**
Total Scope 1 emissions	Location	**2,126**[a]	2,736	**(22)**
Scope 2				
Total Scope 2 emissions – location-based[3]	Location	**2,340**[a]	2,705	**(13)**
Total Scope 2 emissions – market-based[3]	Market	**4**[a]	19	**(76)**
Total Scope 1 & 2 emissions	Location	**4,466**	5,441	**(18)**
Total Scope 1 & 2 emissions intensity ($kgCO_2e$/sqm)	Location	**11.4**	13.6	**(16)**
Proportion UK-based		**100%**	100%	**–**
Scope 3 emissions[4]				
Category				
1. Purchased goods and services (includes water)		**36**	30	**20**
2. Capital goods (embodied carbon)		**27,315**[a]	19,136	**43**
3. Fuel and energy-related activities		**1,235**	1,283	**(4)**
5. Waste generated in operations		**44**	52	**(16)**
6. Business travel		**60**	117	**(49)**
7. Employee commuting		**110**	110	**0**
13. Downstream leased assets[5]		**4,482**	5,324	**(16)**
Total Scope 3		**33,283**[a]	26,052	**28**
Total Scope 1, 2 & 3 emissions	Location	**37,749**	31,493	**20**
Total Scope 1, 2 & 3 (excluding embodied carbon) emissions		**10,434**	12,357	**(16)**

1 Managed portfolio gas use and fuel use in Derwent London owned vehicles.

2 Managed portfolio refrigerant loss from air-conditioning and heating/chilling systems.

3 Managed portfolio electricity use for common parts and shared services (landlord-controlled areas).

4 Categories 4, 8, 9, 10, 11, 12, 14 & 15 are currently identified as non-material to scope of business or not relevant.

5 Emissions from tenant electricity consumption for the managed portfolio only. Where the Group does not exercise 'operational control' (the unmanaged portfolio, as well as retail, residential and unmanaged office units within the managed portfolio), consumption is excluded from our global energy use and emissions are not reported within our managed portfolio carbon disclosure (within Scope 3, Category 13). For completeness, using anonymised aggregated third party data, we estimate energy consumption for the unmanaged portfolio at c.34.6m kWh, which equates to carbon emissions of c.6,176 tCO_2e.

Global energy use

	kWh 2025	kWh 2024	% change 2025 vs 2024
Total gas use	**10,099,638**[a]	12,981,252	(22)
Electricity (consumption from landlord-controlled areas)	**13,320,416**	13,150,182	1
Electricity (consumption from tenant-controlled areas)	**25,324,570**	25,713,301	(2)
Total electricity use	**38,644,986**[a]	38,863,483	(1)
Total energy landlord	**23,420,054**[a]	26,131,434	(10)
Total energy use	**48,744,624**[a]	51,844,735	(6)
Derwent London vehicles (fuel combustion)	**16,416**	16,278	1
Electricity intensity (kWh/sqm)	**104**[a]	105	(1)
Gas intensity (kWh/sqm)	**31**[a]	38	(19)
Energy intensity (kWh/sqm)	**125**[a]	137	(9)

For more analysis of our GHG emissions, energy consumption and renewable energy generation, use and procurement, visit our **2025 Data Report**.

Responsibility – Social

Our social contributions

2025 highlights

- Raised £232,000 for Teenage Cancer Trust at our 'Big Lunch' event
  - Received Special Recognition Award as its longest-standing corporate supporter
- Delivered £1.4m in funding through our community funds since their inception in 2013
  - Introduced a multi-year funding model, giving charities greater certainty and visibility for forward planning
- Committed £119,000 through our Sponsorship & Donations Committee to tackle homelessness

We strive to ensure our buildings deliver lasting social value for the communities in which they sit and for all stakeholders.

Our approach to social value

Delivering social value is integral to our business. We maximise positive impact through targeted financial support provided by our Sponsorship & Donations Committee and our Community Fund. This is complemented by active engagement with local communities. Volunteering, work experience and opening our buildings up to community groups help us stay connected to the community so we can understand local needs and deliver meaningful outcomes.

Our Social Value Strategic Framework is based on three themes which guide how we create meaningful impact in our communities. We continued to deliver against these themes in 2025. In 2026, we intend to undertake a full review of the framework, initially published in 2023, to ensure it remains relevant and effective. This will help us ensure our approach continues to maximise our social impact as community needs, societal expectations and best practice continue to evolve.

Progress against each theme in 2025:

- **'Part of the neighbourhood'**
  Fitz Music supports Fitzrovia's cultural heritage by delivering a free, inclusive programme of cultural events. We have committed three years of funding to this initiative through our Community Fund.
- **'Great places to work'**
  We design buildings and spaces that support connection, health and wellbeing. In April, occupiers from across the portfolio took part in the White Collar Factory rooftop half marathon to raise funds for charity.
- **'A thriving local economy'**
  As part of the Network W1 construction programme, our building contractor, Kier, embedded a focused approach to local employment, skills and progression – delivering benefits to the local community and economy.

£504k
Community funds & sponsorship donations committed in 2025

20
Community Fund projects supported in 2025

£4.6m
Sponsorship donations provided to date

Opening doors to opportunity

This year we partnered with Islington Council's Youth Employability and Skills (YES) programme and our front-of-house service partner PROception to create a tailored work experience placement at 80 Charlotte Street W1. The YES programme supports young adults aged 18-25 who face barriers to employment, offering pre-employment coaching and real-world experience.

Through this collaboration, a young person gained hands-on front-of-house experience in a professional environment, supported by PROception's expert team. The placement built the candidate's confidence and customer service skills, and led to further work experience at Brunel Building W1, thereby strengthening the individual's career prospects.

This initiative is a good example of how we work with local authorities and service partners to deliver social value beyond funding by creating practical pathways into employment and helping young people build sustainable futures.

Continued to support our community funds

We operate two community funds: Community Fund West (est. 2013) and Community Fund East (est. 2016). These funds support grassroots projects focused on community events, environmental improvements, health and wellbeing activities, music and culture, and support for marginalised groups. By extension, our approach also promotes wider engagement through corporate volunteering, school partnerships, and work experience.

Following the launch in 2013, over £1.4m has been awarded, supporting more than 200 projects – from renewing children's playgrounds to running music sessions in care homes and funding lunch clubs for older people.

We introduced a new multi-year funding model in 2025 – committing £450,000 for 2025 to 2027 – providing charities with greater certainty and visibility for forward planning.

Other activities

In 2025, our Sponsorship & Donations Committee committed £350,000 in charitable donations. Some of the ways these funds were used to create value in the community during the year included:

EY Foundation's Real Estate Futures Programme

We supported work experience placements and mentoring for young people interested in real estate careers. Several employees acted as mentors, helping participants develop skills and confidence. We intend to participate in the programme again in 2026.

NSPCC Proper Trek

We sponsored NSPCC's first property-sector fundraiser, with White Collar Factory EC1 acting as the penultimate host building for the walkers.

Host the Teacher event

In collaboration with The Academy of Real Assets, our White Collar Factory building hosted an event bringing together teachers, occupiers and service partners to discuss career pathways for young people within the real estate sector.

Enduring partnerships that make a difference

Our long-standing relationships with Teenage Cancer Trust (TCT) and LandAid demonstrate the power of sustained, high-impact community investment. Together, they have raised approximately £2.4m to date, delivering measurable benefits in a cost-efficient way.

These enduring collaborations reflect our belief in long-term relationships that deliver real social value and adapt to changing needs over time.

Teenage Cancer Trust – Over 20 years of support

In 2025, our biennial Big Lunch fundraiser raised £232,000, contributing to total fundraising of more than £2.2m since the partnership began in 2001. This year, we were honoured with a Special Recognition Award from TCT, acknowledging our role as its longest-standing corporate supporter and our commitment to transforming the lives of young people with cancer.

LandAid – 15 years of impact

Our partnership with LandAid reflects our commitment to addressing youth homelessness through targeted grants and initiatives. By combining resources and expertise, we help create safe, supportive environments for vulnerable young people across London and beyond.

Our support in 2025 included participation in LandAid fundraising events and sponsorship of its Gala Dinner, which raised £364,000 on the night to help change young lives. Since the partnership began 15 years ago, we have raised £218,000 directly for LandAid.

> "Derwent London's dedication to supporting LandAid's mission is remarkable. From involvement in our events, to the team's impressive fundraising skills, it's a pleasure to work alongside you. I look forward to another meaningful year ahead, particularly as we celebrate 40 years of impact in 2026. Thank you for standing with us to end youth homelessness – together, we are making a real difference."

Jess Strudwick
LandAid – National Partnerships Manager

Our people

Our people are instrumental to the success of our business. We aim to cultivate an inclusive, diverse and collaborative culture that attracts and retains talented individuals, while investing in their growth and developing our next generation of leaders.

2025 highlights

- Launched employee 'Rewards and Recognition' programme
- Achieved high satisfaction score of 86.5% in our employee survey
- Improved Business Disability Forum (BDF) Smart Self Assessment score by 28%
- Introduced 'Lunchtime conversations with the Directors' to foster open dialogue
- Awarded 19 internal promotions

Attracting and developing talent

Our employees play a critical role in delivering our strategy and long-term performance. We are committed to fostering a culture that empowers our diverse workforce to thrive, have a voice and contribute authentically.

As of 31 December 2025, our total workforce comprised 206 employees (201 as of 31 December 2024) and during 2025 we maintained a high employee retention rate of 91% (excluding contractors and retirees). We seek to balance continuity with fresh ideas, experience and skills, and we welcomed 30 new joiners during the year.

We actively support continuous development, career progression and succession planning, and encourage our employees to pursue ongoing professional growth. To facilitate this, we invest in our employees by offering learning and development opportunities at all levels. These include core skills and technical workshops, management skills training, as well as one-to-one and team coaching. Alongside annual objectives, employees are encouraged to complete personal development plans. In 2025 we awarded 19 internal promotions – 11 males and eight females.

Employee engagement and insight

We value open dialogue and want our employees to feel empowered to speak up. Feedback is gathered through anonymous annual employee surveys, providing insight into engagement, workplace experiences and satisfaction levels. This consists of a short 'pulse survey' and a comprehensive independent survey in alternative years. Following feedback from our 2024 pulse survey, in 2025 we refreshed and relaunched our Refer a Friend Policy and enhanced our Long Service Awards to recognise employee five-year milestones. In addition, we launched a new 'Rewards and Recognition' programme to recognise those individuals who embody our values and demonstrate strong collaboration and creativity in carrying out their role, with nominations encouraged from across the business.

Our biennial employee survey, conducted in October 2025, achieved an 86% response rate and reported an overall satisfaction score of 86.5%. In 2026 members of our Responsible Business Committee will hold focus groups to gather insights and present any recommendations to the Executive Committee.

Emphasis on health and wellbeing

We believe our people perform best when they experience physical and mental wellbeing and feel socially connected. In addition to a comprehensive employee benefits package, we provide access to trained mental health champions, an employee assistance programme and occupational health support. We encourage proactive self-care by offering employees opportunities to broaden their knowledge through resources on our intranet, 'lunch and learn' sessions and other wellbeing presentations. Our 2025 Health & Wellbeing plan included sessions to raise awareness on topics such as pensions, healthcare benefits, musculoskeletal health, managing anxiety, cholesterol, diabetes and blood pressure. We also introduced on-site health checks for all employees, with 62% of the business participating.

To continue building healthy, nurturing and supportive relationships, while cultivating a genuine sense of community, our Social Committee organises regular, inclusive events. Numerous volunteering opportunities are also available to all employees, enabling them to contribute positively to the local community.

Advancing diversity & inclusion

We are committed to fostering an inclusive culture where diverse perspectives are valued and respected. In our 2025 employee survey, 83% of employees agreed their 'team provides an inclusive environment where everyone's views are valued'. Our Diversity & Inclusion (D&I) Working Group comprises 14 individuals and has been operational for several years. Key activities carried out by the group during the year included campaigns to highlight Mental Health Awareness Week, Pride Month and Black History Month, as well as D&I newsletters to maintain employee awareness. We continued to review and enhance our policies and benefits and this year introduced a popular workplace nursery scheme enabling working parents to pay nursery fees via a salary exchange arrangement.

Following our 2024 National Equality Standard (NES) assessment, EY hosted two focus groups to provide colleagues from ethnically diverse backgrounds with a confidential and anonymous forum to share their experiences and explore the survey findings in greater depth. Many participants expressed appreciation for the opportunity, reinforcing the value of inclusive listening within the organisation.

Throughout the year, disability and accessibility remained key priorities as we advanced our commitment to disability inclusion. For further details, refer to the case study below.

Disability and accessibility inclusion in action

In March 2023, we embarked on a journey with the Business Disability Forum (BDF) towards being fully inclusive and accessible to anyone who works in, lives in or visits our buildings. We began by undertaking the BDF's Disability Smart Self-Assessment, which offered valuable insights into our organisation's performance regarding disability inclusion and established a benchmark for measuring our progress. This also highlighted priority areas for improvement.

Using the BDF Framework, the D&I Working Group worked to address several key areas in collaboration with the Health, Safety and Accessibility (HS&A) Working Group. Key initiatives to date include:

- enhancing workplace adjustments to support disabled employees entering or returning to work;
- improving accessibility to our buildings in accordance with recommendations provided by the external review conducted by design consultancy firm Motionspot;
- providing autism awareness training in partnership with the National Autistic Society to our front of house, reception, building management and HR teams; and
- recently completed BDF's Disability Smart Self-Assessment for the second time, improving our score by nearly 28% over two years, demonstrating meaningful progress and commitment in our approach to disability inclusion.

> "Derwent took a 'best practice' approach to completing BDF's online management tool and it is a privilege working with their dedicated and specialist colleagues across the HS&A and D&I working groups."

Sarah Eason
Business Disability Forum – Head of Memberships

Business Disability Forum Member

Health and safety

The health, safety and wellbeing of our people, occupiers, residents, service partners, contractors and the public is a high priority for us. We manage this through a culture of shared responsibility and robust, effective risk management.

2025 highlights

- Achieved Royal Society for Prevention of Accidents (ROSPA) Gold Award for the third consecutive year
- Supported one of the UK's first successful 'Gateway 3' submissions at 25 Baker Street
- Delivered H&S Legal Duties session with 100% Board and Director participation
- Updated supplier due diligence to meet new building safety requirements and Build UK standards
- Launched H&S audit programme across our managed portfolio service partners; all seven were audited in 2025
- Enhanced contractor controls and safely prepared 25 Baker Street W1 and 100 George Street W1 projects for occupation

Embedding health, safety and wellbeing across our business

Health, safety and wellbeing (HS&W) are embedded across every aspect of our operations, shaping how we manage people, assets and developments across London and Scotland. Our objective is to create safe, healthy and secure environments for colleagues, customers and contractors, supported by robust systems and strong governance.

Our integrated approach ensures that HS&W is considered at every stage of a building's life cycle: from acquisition, through development, leasing, management and disposal.

We achieve this by:

- designing and proactively managing appropriate HS&W systems;
- establishing and maintaining policies and procedures that meet current legislation;
- assigning work to competent individuals and monitoring through audits;
- training and developing our people on legal responsibilities and best practice to ensure competence in managing HS&W risks;
- reviewing performance at Board, Executive and Committee levels; and
- learning from accidents, incidents and near misses, and implementing changes to prevent reoccurrence.

Providing a safe work environment for our people

We prioritise both physical and mental wellbeing to create a workplace where employees feel safe and supported. We achieve this through clear communication and training on H&S requirements, standards and best practice. This is reinforced through collaboration across the business – from property management and construction to marketing and events – ensuring understanding, capability and accountability at every level.

In 2025, we delivered 119 person days of training, alongside formal courses, topical health and wellbeing webinars, toolbox talks and tailored site inductions for new employees. These initiatives strengthen understanding of health and safety requirements and reinforce safe working practices. They are supported by our H&S training matrix, which identifies role-specific requirements and helps maintain competency across the business.

Employee engagement is supported by our Health, Safety and Accessibility Working Group, which meets bi-monthly to share insights and outcomes with the Group H&S Committee. The Property Management Sub-Committee also feeds outcomes into the Group H&S Committee, ensuring clear governance and accountability at every level.

Making our assets safe to occupy

We take responsibility for ensuring our occupiers, visitors and those living and working in and around our buildings are safe and healthy. Health and safety considerations are embedded throughout design, construction, maintenance and operation, supported by early intervention, recognised standards and best practice across the business.

Our in-house H&S team works closely with our Property Management team. Dedicated H&S Managers are assigned to each building to ensure they are operated safely, supporting and advising the local building management teams while monitoring and auditing performance to minimise risk.

Our use of the RiskWise system provides live compliance reporting, incident management and permit control across our managed portfolio. Formal inspections including annual 'Property Health Checks' and Fire and Water Risk Assessments, are complemented by ongoing reporting and monitoring of key areas such as 'legionella' control, fire safety, asbestos management and structural safety.

High health and safety standards on construction sites

We maintain strong relationships with our principal and main contractors and seek to lead by example as an informed and responsible construction client. In 2025, we worked with 25 different principal contractors across our development and managed property portfolios.

Health and safety is central to our construction activities. We promote safer environments through collaboration, client input, consistent standards, and a continued focus on key industry risks. Performance monitoring is undertaken internally and through external schemes such as the Considerate Constructors Scheme, providing assurance and supporting continuous improvement.

In 2025, there were four construction-related RIDDORs (2024: three). Three of these were relatively minor, being Indirect RIDDORs involving an 'over 7-day injury absence from work'. The fourth was a Direct RIDDOR involving a 'specified injury' at Strathkelvin Retail Park Project. While the Total RIDDOR AFR increased year-on-year, the construction-related Direct RIDDOR AFR reduced to 0.98 (2024: 1.17).

The H&S and Development teams work closely on all projects with a dedicated Derwent H&S Manager involved from the early design phase. This proactive approach enables early identification of potential construction or operational risks, ensuring they are eliminated or mitigated at an advanced design opportunity.

25 Baker St. W1 site

Health and safety data

The table below details our key H&S statistics. Those denoted with an (a) have been subject to independent limited assurance by PricewaterhouseCoopers LLP (PwC) in accordance with the ISAE 3000 (Revised) Standard. This data allows us to identify trends and highlight areas of focus for the business. The Health and Safety Basis of Reporting and PwC's assurance report can be found in the **2025 Responsibility Report**.

	Employee		Managed portfolio		Construction projects		Totals	
	2025	2024	2025	2024	2025	2024	2025	2024
Indicators								
Person hours worked	272,835*	259,822	1,008,304*	981,639	1,015,360	1,716,207	2,296,499	2,957,668
Minor injuries	3	2	18	23	6	18	27(a)	43
Near miss	1	1	35	29	19	40	55	70
Lost time injuries	0	1	2	2	5	4	7(a)	7
Lost time days	0	2	3	5	10	10	13	17
RIDDORs (TOTAL)	0	0	0	3	4	3	4(a)	6
RIDDORs (Direct)	0	0	0	2	1	2	1(a)	4
Dangerous occurrences	0	0	0	0	0	0	0	0
Fatalities	0	0	0	0	0	0	0(a)	0
Improvement notices	0	0	0	0	0	0	0	0
Prohibition notices	0	0	0	0	0	0	0	0
Rates								
Injury rate	11.00	7.70	17.85	23.43	5.91	10.49	11.76(a)	14.54
Lost day rate	0.00	7.70	2.98	5.09	9.85	5.83	5.66(a)	5.75
Severity rate	0.00	0.67	0.15	0.18	0.67	0.40	0.34	0.30
RIDDOR AFR (TOTAL)	0.00	0.00	0.00	3.06	3.94	1.75	1.74(a)	2.03
RIDDOR AFR (Direct)	0.00	0.00	0.00	2.04	0.98	1.17	0.44(a)	1.35
Document Compliance % score (Quarter Average)			98.00	97.75			98.00(a)	97.75

* Denotes that person hours worked for 'Employees' includes 'Derwent Lounges,' but does not include Building Managers' and 'Caledonian Properties' employees' working hours, which are subtracted from submitted internal 'Employees' data and added to 'Managed portfolio' data.

Responsibility – Governance

Responsibility governance

Acting in a transparent and responsible manner is fundamental to our business and underpins our key governance practices.

2025 highlights

- Updated our Net Zero Carbon Pathway
- Published climate-related financial disclosures consistent with TCFD Recommendations (Listing Rule 9.8.6 (8) (b))
- Published our updated Supply Chain Responsibility Standard and introduced a third party whistleblowing line for existing suppliers
- Consulted shareholders (equivalent to 68% of issued share capital) on proposed Remuneration Policy changes
- Delivered training to members of the Executive Committee and other employees from across the business on the new 'failure to prevent fraud' offence under the Economic Crime and Corporate Transparency Act 2023
- Published our latest Modern Slavery Statement
- Continued mandatory compliance training for all employees, including the Board

A responsible business

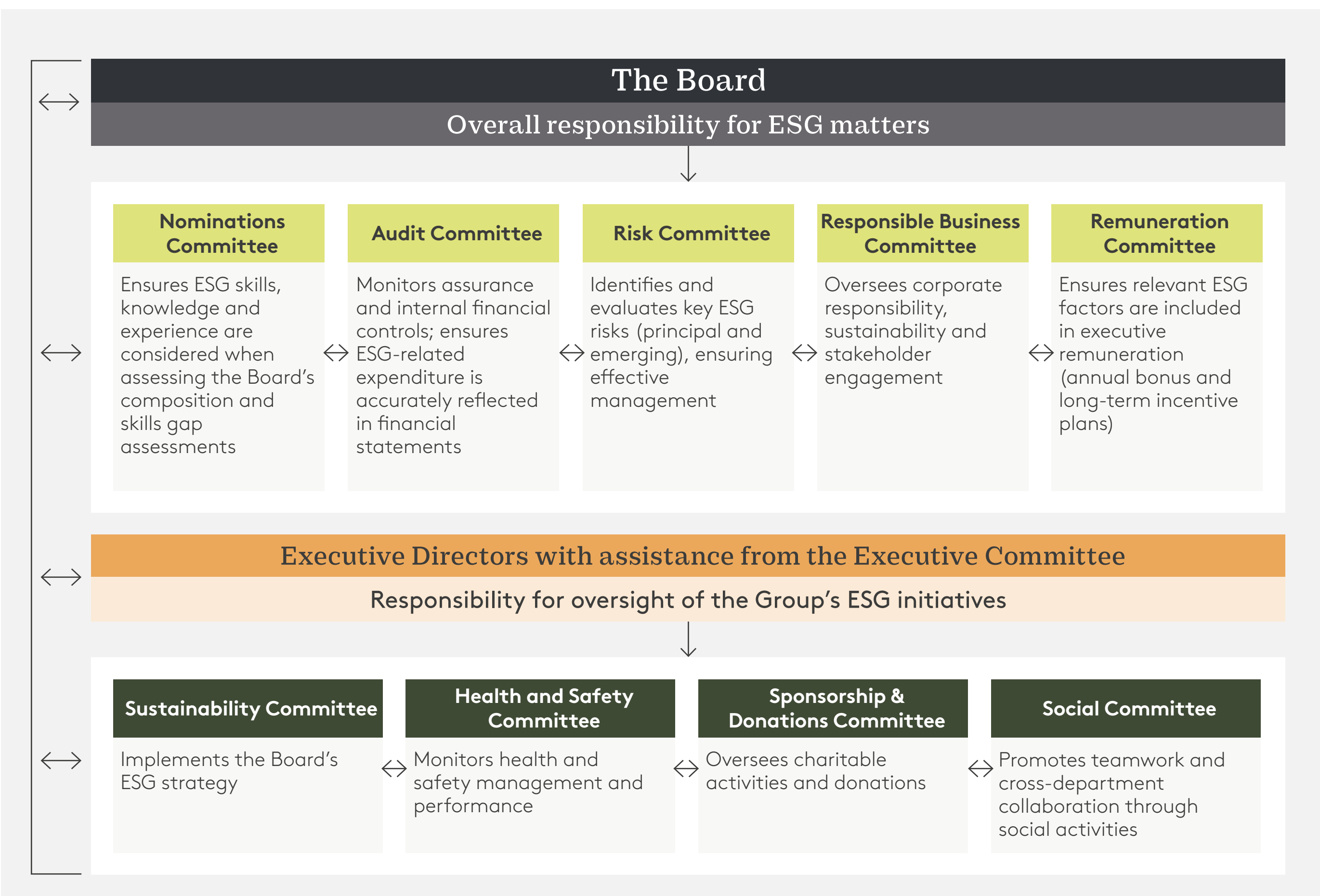
Effective oversight of ESG matters is critical as it enables the Board to understand the impact of its decisions on stakeholders and the environment. It also helps the Board identify emerging trends and risks, and stay alert to market changes, informing strategic considerations.

We conduct business with integrity and work with stakeholders who share our values and ethical principles.

ESG is overseen principally by the Board, Responsible Business Committee and Sustainability Committee.

Our Chief Executive, Paul Williams, is the designated Director with overall accountability for ESG matters, chairing the Sustainability Committee and serving on the Responsible Business Committee.

Governance Framework / See page 127



Climate change governance

The Board is ultimately accountable for the governance of climate change risks and opportunities. However, day-to-day responsibility and management is delegated to the Executive Committee, and Sustainability and Investor Relations teams.

The Board approves and monitors progress against our Net Zero Carbon Pathway targets, including energy and carbon (both operational and embodied). In 2025, we published an updated Net Zero Carbon Pathway, introducing 'nature and resilience' as a fifth pillar. During the year, the Board, Responsible Business Committee and Executive Committee received formal updates on the Group's performance against targets.

Updated Net Zero Carbon Pathway

Following a competitive tender, PwC was appointed as the new non-financial assurance provider, providing limited assurance over climate-related and Health and Safety performance indicators. PwC's assurance statement is available to view within the **2025 Responsibility Report**.

Green finance governance

Our Green Finance Framework (the Framework) demonstrates the clear link between our financing activities and our broader environmental objectives. PwC has provided reasonable assurance over selected green finance KPIs for the year ended 31 December 2025. Its assurance statement is available to view within the **2025 Responsibility Report**.

The Framework has been prepared in alignment with the Loan Market Association (LMA) Green Loan Principles 2021 and International Capital Market Association (ICMA) Green Bond Principles 2021 guidance document. It has also been externally reviewed and a Second Party Opinion (SPO) has been obtained. The latest version of the Framework and the accompanying SPO are available on our website at www.derwentlondon.com.

Protecting human rights

Protecting human rights and fundamental freedoms is a core ESG priority for us, managed from an internal (within our business) and external perspective (with our supply chain and our relationships with contractors).

Internally, the Board monitors culture to uphold our values and high standards of transparency and integrity. The biennial employee survey provides valuable insights and during the year 89% of employees said that they were proud to work for Derwent London. Our HR team ensures effective systems and processes are in place to strengthen and sustain our culture. Based on our ongoing risk assessment, we believe the residual risk of slavery or human trafficking among our employees is very low.

Promotes the desired culture and values / See page 126

Externally, we actively communicate our ESG standards to our supply chain and during the year published an updated Supply Chain Responsibility Standard.

Our supply chain governance procedures clearly define these standards and ensure our supply chain is aware that respecting human rights is paramount to us. The full Modern Slavery Statement is available at: **www.derwentlondon.com/investors/governance/modern-slavery-act**

Modern slavery / See page 169

Supply chain governance

We require our suppliers and construction partners to operate responsibly and uphold our ESG principles. Suppliers with whom we spend more than £20,000 per annum may be required to provide evidence of how they are complying with our Supply Chain Responsibility Standard.

In conjunction with the publication of our updated Supply Chain Responsibility Standard, a third party whistleblowing line was introduced to enable suppliers to report any concerns anonymously.

Supply Chain Responsibility Standard / See page 168

Responsible payment practices

Responsible payment practices remain an important area of focus for the Group as we are committed to being clear, fair and collaborative with our suppliers. The Fair Payment Code (the Code) replaced the Prompt Payment Code in December 2024, with the new Code intended to set higher standards, support businesses to improve their payment practices, and create a more robust approach to compliance.

During the year, the Group achieved Bronze level accreditation. As the Group continues to enhance its reporting systems, we will have the ability to report upon additional elements required to achieve a higher level accreditation, further demonstrating the Group's commitment to the prompt and fair payment of suppliers.

Tax governance

The Group is committed to strong tax governance and risk management processes. Our Statement of Tax Principles, approved annually by the Board and overseen by the Audit Committee, ensures transparency, integrity and compliance and is available at: **www.derwentlondon.com/investors/governance/tax-principles**

Responsibility for managing the Group's tax affairs and implementation of our Statement of Tax Principles is delegated to the Head of Tax. The Group continues to maintain a low appetite for tax risk, applying robust internal controls and processes, and does not engage in aggressive tax planning. An open and collaborative relationship with HMRC is maintained, anticipating potential risk early and clarifying any uncertainties as they arise as well as proactively supporting HMRC's consultations. The Group's overall approach to tax governance aligns with our ESG commitments by promoting tax practices that contribute to sustainable value creation for our stakeholders.

Responsibility – Governance continued

Reporting frameworks and ESG data

Non-financial reporting

As we have fewer than 500 employees, the non-financial and sustainability information statement (NFSIS) requirements contained in the Companies Act 2006 do not apply to us. However, due to our commitment to promoting transparency, we have elected to provide additional information in the table below to enhance clarity and accountability.

Category	Our key policies and standards	Additional Information	
Environmental matters	▪ Responsibility Policy ▪ Net Zero Carbon Pathway ▪ Science-based carbon targets ▪ Task Force on Climate-related Financial Disclosures (TCFD) ▪ Streamlined Energy and Carbon Reporting (SECR) disclosure	**2025 Responsibility Report** **www.derwentlondon.com/responsibility/publications**	
		Our Net Zero Carbon Pathway	Pages 69 to 73
		Climate change governance	Pages 83 and 95
		Risk management	Pages 159 and 100 to 111
		Executive Directors' LTIP 2025	Page 204
		UN SDGs	Page 85
		TCFD	Pages 86 to 99
		SECR	Pages 74 to 75
Social and employee aspects	▪ Volunteer Policy ▪ Equal Opportunities and Diversity Policy ▪ Professional development and training ▪ Shared parental leave ▪ Smart Working Policy	Community Fund	Pages 76 to 77
		Our people	Pages 78 to 79
		Executive Directors' annual bonus	Pages 201 to 202
		Diversity and inclusion	Pages 170 to 171
		Employees on a committee	Page 165
		The Section 172(1) Statement	Page 130
Respect for human rights	▪ Individual Rights Policy ▪ Health and Safety Policy Statement ▪ Supply Chain Responsibility Standard ▪ Modern Slavery Statement & Policy ▪ Code of Conduct and Business Ethics	Health and safety	Pages 80 to 81
		Human rights	Page 83
		Modern slavery	Page 169
		Supply Chain Responsibility Standard	Page 168
Anti-corruption and bribery issues	▪ Anti-bribery Policy ▪ 'Speak up' Policy ▪ Expenses Policy ▪ Money Laundering and Terrorist Financing Policy ▪ Preventing Facilitation of Tax Evasion Policy ▪ Prevention of Fraud Policy	Audit Committee report	Pages 142 to 153
		Risk Committee report	Pages 154 to 163
		Anti-bribery and corruption	Page 163
		Our principal risks	Pages 104 to 109
		Our emerging risks	Pages 110 to 111
		Compliance training	Page 163
		Fraud Risk Management	Page 148

UN SDG disclosures

The United Nations Sustainable Development Goals (SDGs) are an international framework developed to support global change and sustainable growth.

We have reviewed all 17 goals and identified those most relevant to our ESG priorities, informed by our double materiality assessment. We believe that we have a role in supporting the UK in responding to this standard and helping positively effect change. Set out in the table below is a summary of our progress against the selected goals.

Our ESG priority	UN SDG Goal	Target	Indicator	Our progress
Creating value in the community and for our wider stakeholders	4 Quality Education	4.4	4.4.1	Our Community Fund enables us to invest in and support groups which develop skills and improve education outcomes for young people from socially and economically challenged backgrounds. We support Team Up for Social Mobility, a charity that works to recruit, train and support volunteer tutors for 9-16 year olds from low-income backgrounds. Its Tuition and Enrichment Programme helps young people to build academic skills and confidence, supporting progression through GCSEs and beyond.
		4.a	4.a.1	Our Sponsorship & Donations Committee funded the participation of two young people on the Ernst & Young (EY) Foundation's Real Estate Futures programme. The programme supports young people from low-income backgrounds to develop workplace skills and career aspirations, providing real estate sector insight, work experience and access to a mentor for at least six months.
Protecting human rights; Engaging and developing our employees	5 Gender Equality	5.1	5.1.1	Beyond our legislative requirements we are active in ensuring meaningful gender equality across the business. In 2024, we achieved re-accreditation for the National Equality Standard (NES), scoring in the top 5% of assessed organisations. Our Diversity & Inclusion Committee continues to ensure progress is being made and best practice is implemented. Our training and development initiatives are available company-wide. We have adopted a smart working policy and offer enhanced parental leave. Feedback from our employee surveys helps us identify potential gender and ethnicity differentials.
		5.5	5.5.2	Our gender balance ratio is 47%:53% male/female, with women comprising 38% of our senior management team. In 2025, there were 19 internal promotions, 42% of which were women.
Designing and delivering buildings responsibly; Managing our assets responsibly	7 Affordable and Clean Energy	7.2	7.2.1	We aim to purchase renewable energy across our managed portfolio. As at the end of 2025, all electricity contracts were on renewable tariffs backed by REGOs and gas contracts were RGGO backed. In support of our net zero carbon programme, construction is underway on our 100-acre, 18.4 MW solar park on our Scottish land, which is due to energise in mid-2026.
		7.3	7.3.1	We have developed building-specific energy intensity reduction targets to measure and improve the energy efficiency of our managed properties, supporting progress towards net zero carbon.
Creating value in the community and for our wider stakeholders	11 Sustainable Cities and Communities	11.7	11.7.1	We actively promote the inclusion of public spaces in and around our buildings and ensure they are fully accessible. In addition, we are signatories of the Westminster City Charter, supporting Westminster City Council in its ambition to become a zero carbon borough by 2040.
Managing our assets responsibly	12 Responsible Consumption and Production	12.5	12.5.1	We have a portfolio-wide minimum recycling target of 75% (2025: 72%) and a no waste to landfill policy. In 2025, we implemented a new circular economy strategy covering both our managed properties and regeneration projects.
		12.6	12.6.1	We integrate comprehensive sustainability information into our company and public reporting cycles.
Designing and delivering buildings responsibly; Managing our assets responsibly	13 Climate Action	13.2	13.2.2	Our science-based carbon targets are aligned to a 1.5°C scenario, verified by the Science Based Targets initiative (SBTi). In addition, we have set embodied carbon and energy intensity reduction targets for our developments and managed properties respectively. We are committed to reducing carbon emissions and ensuring our portfolio is climate resilient. In 2025, we updated our Net Zero Carbon Pathway, introducing nature and resilience as a core focus.

Responsibility – Governance continued

Task Force on Climate-related Financial Disclosures (TCFD)

We are proactive in finding solutions to further reduce emissions and develop renewable energy sources.

TCFD compliance statement

Our disclosures in this section are consistent with the TCFD's Recommendations and Recommended Disclosures. When assessing the consistency of our disclosures, we have had due regard for all relevant guidance including the TCFD's Guidance for All Sectors.

We have adapted our disclosure to reflect some of the key aspects within the sustainability disclosure standards IFRS S1 and S2 which were published by the International Sustainability Standards Board in 2023.

We separately publish a Responsibility Data Report alongside our annual Report & Accounts which provides more detailed climate-related data sets and performance metrics.

This can be found at **www.derwentlondon.com/responsibility/publications**. We structure our reporting in this way to satisfy the requirements of our various stakeholders.

TCFD directory

In line with the UK's Financial Conduct Authority Listing Rules, we have identified in the table below where our responses to the TCFD's 11 recommendations are located. We retain sufficient evidence/records to support our compliance statement (on page 86) and our data disclosures in our annual Report & Accounts and Responsibility Reports.

Governance	a) Describe the Board's oversight of climate-related risks and opportunities	See pages 94 to 95
	b) Describe management's role in assessing and managing climate-related risks and opportunities	See pages 90 to 95
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	See pages 88 to 91
	b) Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning	See pages 92 to 93
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See pages 88 to 91
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	See pages 87 to 93
	b) Describe the organisation's processes for managing climate-related risks	See pages 108, 94 to 97
	c) Describe how processes for identifying and managing climate-related risks are integrated into the organisation's overall risk management	See page 87
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	See pages 74, 75 and 97
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See pages 74 to 75
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See pages 69 and 97

The built environment

Climate change is a major global challenge which will impact how business operates in the future. The built environment contributes approximately 40% (including the residential sector) to the UK's overall carbon footprint. Consequently, we take a proactive approach in finding solutions to further reduce emissions and develop renewable energy sources (see pages 69 to 73).

As part of our commitment to being a net zero carbon business by 2030, we are helping to lead the industry in supporting the Government's net zero carbon ambitions and improving the carbon footprint of the built environment. We are also helping to develop best practice guidance for our sector through engagement with industry partners and organisations such as the Better Building Partnership and the British Property Federation.

Examples include:

- **Westminster City Council Sustainable City Charter:** We were early signatories to the Westminster City Council (WCC) Sustainable City Charter, which provides a framework for reducing carbon emissions from non-domestic buildings across Westminster; and
- **Sustainable Markets Initiative (SMI) Sustainable Buildings Taskforce:** Our CEO, Paul Williams, sits on the Sustainable Markets Initiative (SMI) Sustainable Buildings Taskforce which is part of His Majesty King Charles III's Terra Carta. The aim of the initiative is to put nature, people and the planet at the heart of global value creation.

Engagement

We seek to actively engage with our peers, occupiers and other stakeholders to reduce energy use and carbon emissions within the built environment. If you wish to discuss our Net Zero Carbon Pathway, please email **sustainability@derwentlondon.com**

Our approach

Climate change is a material issue for our business. We deem an issue to be 'material' when it is assessed as being sufficiently important to both our business and our stakeholders. Our properties are subject to climate-related risks such as increasing temperatures which could lead to greater physical stresses. Our strategy involves the acquisition and repositioning of older properties and ongoing investment in more modern properties.

We ensure a high degree of resilience in our new developments and repositioning of older properties by setting high standards for sustainability. When managing our core income portfolio, we focus on energy and carbon reduction (as dictated by our energy intensity reduction targets), ensuring our buildings operate as efficiently as possible. Our strategy centres around the concept of continual improvement to ensure a high degree of both climate and financial resilience. Our environmental priorities are on pages 69 to 73.

Climate risk assessment

We identify and monitor climate change risks and opportunities as part of our wider risk management procedures which are overseen by the Board and its principal committees (see pages 94 to 95 and 144).

We structure our risk management framework, which is disclosed on page 158, into four stages. Our climate risk disclosures, shown on pages 86 to 99, are structured in accordance with this four-stage approach.

Owing to their complex nature, the identification and assessment of climate-related risks and opportunities are undertaken with the support of third party expertise. In 2024, Willis Towers Watson (WTW) performed an updated independent climate risk assessment and scenario analysis. The scope of the assessment included our entire London-based investment portfolio (including our head office) and our Scottish portfolio.

During our climate risk assessments, short, medium and long-term time horizons were considered (see page 94 to 95). We recognise that climate-related issues, in particular physical risks, are often (but not exclusively) linked to the medium to long-term and that the properties within our investment portfolio have a long lifespan of many decades.

The climate risk assessments sought to identify the transition and physical risks and opportunities applicable to the Group. As our business is based in and solely focused on the UK, the risks/opportunities were not considered on an international and/or segmental basis.

Through this process we identified and reviewed nearly 35 transition and physical risks and opportunities. On page 88 we have disclosed the most material risks and opportunities in terms of impact, likelihood (transition risk) and exposure (physical risk). Once the risks and opportunities had been identified, three pre-defined climate scenarios were applied, where appropriate, to test the resilience of our business, strategy and financial planning.

Identification	Assessment	Monitoring	Response
See page 88	See page 90	See page 94	See page 96

Responsibility – Governance continued

Identification

Transition

Transition risks and opportunities are those which arise from the transition to a low carbon economy. These were identified and assessed, in terms of their impact and likelihood, via a facilitated workshop with cross-functional representation from across our business. As part of our risk assessment, we considered how these risks changed under a 1.5°C aligned scenario (the 'Low Carbon World'). Overall, our transition risk exposure under the 'Low Carbon World' scenario was assessed to be low to moderate in both the short-term (2030) and the medium-term (2040) (see table below).

The impact and likelihood of each identified risk were challenged in the context of the latest regulatory updates and WTW's/our experience with the real estate sector.

We also estimated the financial impact (whether to the balance sheet or income statement) and assigned high and low impact estimates to applicable cost components, depending on the effectiveness of our planned mitigating actions. Through the assessment process, we applied mitigation measures already captured within the scope of our Net Zero Carbon Pathway and those within our existing business processes, to define our residual risk profiles. Due to the strength of our mitigation strategies, the impact of these risks reduced significantly on a residual basis.

Based on our assessment, the table below shows the most material transition risks and opportunities applicable to our business.

Material transition risks and opportunities identified:

	'Low Carbon World' (~1.5°C)			
	Risks		Opportunities	
Risk rating on a residual basis	0-5 years	5-15 years	0-5 years	5-15 years
Enhanced emissions reporting requirements	Low	Low		
Change in customer demand			Moderate	Moderate
Emissions offsets	Low	Moderate		
Planning approval changes	Moderate	Moderate		
Cost of raw materials	Low	Low		
Employee attitude to climate change and sustainability	Low	Low		
Cost of low carbon emission technologies	Low	Low		

Risk rating / See page 102

Physical

Physical risks were identified and assessed through an asset-by-asset exposure/susceptibility analysis using a range of acute and chronic climate hazards (risks). The scenarios were tested as at the present day, as well as for future projections under three climate scenarios (see table below). This was supplemented by a climate risk modelling analysis, undertaken by WTW, for flood and windstorm, as well as more chronic risks like heat, drought and subsidence. Physical assets were considered exposed if they are located in an area where a climate hazard may occur. The degree of exposure was defined by the severity/intensity of that hazard, with each hazard having its own intensity scale. If an exposure was deemed to be moderate or above it could have a material impact.

It should be noted that the scores were based on a global scale. For the UK, a modest increase in a chronic hazard, such as heat-stress (heatwaves), from very low to low could have wider implications on properties and infrastructure.

Our exposure to physical risks increases into the medium and long-term and as global temperatures rise. Based on our assessment, we consider windstorm and flooding to be the most material physical risks to our business. While subsidence is a material physical risk, there is no clear financial quantification model available within the data sets used.

Material physical risks identified:

	Short-term 0-5 years		Medium-term 5-15 years		Long-term 15+ years	
	Present day	'Low Carbon World' (~1.5°C)	'Current Policies' (~2 to 3°C)	'Hot House World' (>4°C)	'Current Policies' (~2 to 3°C)	'Hot House World' (>4°C)
Heat stress	Very low	Very low	Very low	Low	Low	Low
Flooding	Low	Low	Low	Moderate	Moderate	Moderate
Drought	Very low	Low	Low	Low	Low	Moderate
Fire	Very low	Low	Low	Low	Low	Low
Windstorm (Severe weather event)	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Subsidence			High	High	High	High

Decarbonising our portfolio

Phased decarbonisation

Working with our Asset and Property Management teams, as lease expiries/breaks have occurred, c.80% of 1-2 Stephen Street has now been converted to be all-electric, through the installation of Air Source Heat Pumps (ASHP) and removal of gas for domestic hot water. We are targeting full decarbonisation by 2029.

When floors become available, retention and reuse is a priority, with raised access floors being retained and MEP reused where suited to the new ASHP system. We have worked closely with the supply chain to develop a custom design-led low carbon ceiling which meets quality, aesthetic and carbon requirements. As floors return, we keep learning and improving on our existing benchmarks.

Risk: Timing and cost

Our portfolio comprises buildings of different ages. Some projects require a greater level of intervention (for example, where on floor MEP equipment cannot be reused). Consequently, some buildings may take longer to decarbonise as we align our works with lease expiries and breaks to minimise disruption.

Opportunity: Innovation

1-2 Stephen Street has helped us develop a phased decarbonisation blueprint which allows us to continue decarbonising our portfolio whilst limiting disruption to occupiers. This approach is being rolled out across other buildings within the portfolio, including 9-10 Rathbone Place W1 and 17 Gresse Street W1 (Charlotte Building), where projects were completed during 2025. This both aligns with our Net Zero Carbon Pathway and improves EPC ratings.

9-10 Rathbone Place W1

Responsibility – Governance continued

Assessment

Of the risks identified, none were deemed likely to have an impact such that the viability of our business would be interrupted, although our cost profile could increase.

Testing our resilience

The risks and opportunities we identified were applied against at least two climate scenarios for transition risk and three for physical risk to test the resilience of our business, strategy and financial planning.

Our approach to creating scenarios followed the updated guidelines produced by the TCFD within its Guidance on Scenario Analysis for Non-Financial Companies and aligns with IFRS S2. We set out on page 99 the assumptions and risk data sources that were used in our most recent climate scenarios.

When conducting the scenario analysis, we had due regard to the following:

- **Forecasting:** scenarios are a way to imagine plausible states of the world and plan for our resilience. They are not intended as forecasts of the future.
- **Balance:** they should have aspects of quantification, but not so much that it impairs strategic thinking.
- **Challenge:** they must ensure we challenge our own thinking about our organisation and business model.
- **Certainty:** some drivers within the scenarios may be relatively certain and predictable whilst others are highly uncertain as to their development and impacts over time.
- **Breadth:** the resilience of our strategy should be investigated under multiple scenarios, including a 2°C or lower scenario.

The tables on pages 92 and 93 illustrate how we have incorporated these risks and opportunities into our strategy and financial planning. Ultimately, we do not envisage having to make changes to our overall strategic approach when considering climate-related scenarios.

Risk rating / See page 102

Scenario 1 ‘Low Carbon World’ ~1.5°C

Assumptions

A low temperature rise scenario as the world transitions to a low carbon economy

- Pricing of voluntary carbon offsets increases significantly.
- Increased stringency of building planning and design. requirements to meet net zero targets.
- Increased demand for lower emission technologies to enable transition to a low carbon world.
- Increased cost of high carbon raw materials (e.g. steel, glass and concrete), which is further impacted by a carbon tax.
- Increased demand for enhanced climate-related disclosures.
- Climate change and sustainability remain concerns for employees.

Transition risks — Low to Moderate

Our overall risk exposure under the ‘Low Carbon World’ (~1.5°C) scenario is low to moderate in both the short-term (2030) and the medium-term (2040). The most material transition risks identified were EPC rating requirements, planning approvals and rising emission offset prices.

Physical risk exposure — Very Low to Moderate

Our physical risk exposure was low under this scenario. However, our Scottish land had greater exposure to windstorm and river floods in comparison to our London portfolio.

Potential financial impacts — Moderate

In 2021, approximately £97m of capex was identified to achieve an EPC rating of B across our London commercial portfolio. This has since been revised to £73.7m to reflect the latest scope (change in building regulations), inflation, disposals, the acquisition of the remaining 50% interest in 50 Baker Street W1, and the work carried out to date.

We have mitigated the impact of near- to medium-term cost increases in market pricing of carbon offsets by forward-purchasing high quality, nature-based removal credits for our regeneration pipeline to 2030. However, we remain vigilant to pricing shifts in the voluntary carbon market.

Potential impact on strategy — Low

Our strategy and financial planning already reflect more stringent planning and design requirements, guided by the introduction of our Net Zero Carbon Pathway in July 2020 (updated in 2025). We estimate that the cost impact of achieving our pathway requirements is approximately 5% to 10% of our development costs which is factored into our appraisals.

Over the long-term, we can reduce the cost impact of carbon offsets on our financial returns by extending our carbon removal projects (e.g. tree planting) on our Scottish land which will help to reduce our reliance on the voluntary carbon market. However, in this scenario we are unlikely to realise the full value for some time, given such projects take time to yield a significant number of credits. In 2020 and 2024, we forward-purchased c.195,600 carbon credits for a combined price of c.£4.9m.

Scenario 2 ‘Current Policies’ ~2°C to 3°C

Assumptions

The world follows the emissions trajectory based on current policies/practices

- Offset prices increase but not by as much as under the ‘Low Carbon World’ scenario.
- There are no changes to existing planning and design requirements for developments.
- No change in the demand for lower emissions technologies.
- The increase in cost of low carbon materials is anticipated to be lower than in the ‘Low Carbon World’ scenario.
- No discernible change in demand for enhanced climate-related disclosures.
- No change in employees’ attitude to climate change and sustainability.

Transition risks — Low to Moderate

Under this scenario, the risk impact and likelihood profiles for transition risks were unchanged in comparison to the ‘Low Carbon World’ scenario. This is because strategically we are expecting to decarbonise in a shorter time frame compared to the current policy approach.

Physical risk exposure — Low to Moderate

Within this climate scenario there was no scientific evidence to suggest that intensity or frequency of windstorms would increase significantly, therefore the risk profile has been deemed to be broadly similar to that in the short-term. However, subsidence starts to represent a material risk in this scenario, albeit currently there is little or no data available on its impact, either financially or structurally at the asset level. All our London portfolio assets are either out of risk zones or are protected by the Thames Barrier. Four agricultural assets in our Scottish portfolio are currently exposed to very high flooding risk. Flooding consequently represents a moderate risk in this scenario.

Potential financial impacts — Low to Moderate

Generally, the transition risk cost impact is lower than in the ‘Low Carbon World’ scenario where demand for instruments such as offsets is greater, leading to supply constraints.

Physical risk cost impact is not discernible in this scenario.

Potential impact on strategy — Low

Sustainability has always been part of our strategy. This puts us in a good position to take advantage of market and occupier demand for more sustainable spaces, and the associated higher rental premiums. There are also operational cost savings that can be achieved from reduced energy intensity of more efficient spaces.

Under this scenario, we would continue to retrofit and improve our properties in line with our net zero strategy and overall business model.

It is assumed the opportunities available in our Scottish portfolio remain the same.

Scenario 3 ‘Hot House World’ >4°C

Assumptions

A high carbon scenario where the world fails to transition, and temperatures rise

- No change in EPC rating requirements.
- Current policies promoting sustainability are removed.
- No carbon pricing exists.
- Exploitation of abundant fossil fuel resources.
- Little or no development in low carbon technology.
- Adoption of resource and energy intensive lifestyles.

Transition risks — n/a

Transition risks were not modelled under this scenario. These risks only arise if the world actively attempts to transition to a low carbon economy.

Physical risk exposure — Moderate to High

Our London portfolio could see a moderate risk of drought, of between three to four months per year, a notable increase over today’s climate. Under this scenario, there is increased susceptibility of subsidence, with all the London portfolio having ‘probable’ increases and instability issues in line with the wider London area. There was no scientific evidence to suggest that intensity or frequency of windstorms would increase significantly. Consequently, the risk profile has been deemed to be broadly similar to that in the ‘Current Policies’ scenario.

Potential financial impacts — Low

Within the next 10 years, modelling showed that there was a 10% probability of windstorm damage to the portfolio costing approximately £1.8m to £4.0m in the most extreme years. Likewise, in the same extreme years flood damage could cost £0.3m to £3.6m, rising to approximately £2.1m to £6.1m by 2050, across both the London and Scottish portfolios.

Potential impact on strategy — Low

Drought might create water stress issues and shortages in the water supply for London. Our water management strategy would need to be adapted for more optimal water usage (reuse, collections etc.) which could lead to higher maintenance and regeneration costs.

Although overall flood risk is not significant, projected changes indicate that the frequency of flood events could increase in the UK (and more for Scotland) and create additional direct building and infrastructure damage and more frequent interruptions. Flood risk assessment forms part of our acquisition appraisal process.

Subsidence presents a risk to our London portfolio, although the lack of data makes it difficult to ascertain the impact, if any, on our business strategy.

Responsibility – Governance continued

Assessment continued

Impact on our strategy and financial planning

The outputs from the risk and scenario assessments (see pages 88 to 91) have been embedded into our business to ensure all of our core activities accurately reflect the required actions and investments. Our strategy remains unchanged as we continue to develop design-led, amenity-rich, low carbon office space in line with market and customer demand.

Strategic objectives

1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cash flow
3. To attract, retain and develop talented employees
4. To design, deliver and operate our buildings responsibly
5. To maintain strong and flexible financing

Material risk	Exposure 0-5 years	Exposure 5-10 years	Exposure 15+ years	Impact on strategy	Impact on financial planning
Transition risks					
Planning requirements It is likely that the UK will need to incrementally increase the stringency of building planning and design requirements as part of its efforts to meet its net zero targets. This would affect our development pipeline, including increasing development costs to ensure all new buildings are net zero carbon ready.	●	●		Our Responsible Development Brief and updated Net Zero Carbon Pathway aim to ensure that our properties are more climate resilient, built for a longer life, flexible to occupy and operate, less reliant on mechanical cooling and free from fossil fuel use i.e., all electric heating and cooling. **Strategic objectives:** 1 2 4 **Business model:** Refurbishment & Development	The requirement to be net zero aligned is already factored into our development appraisal process and ensures we have a robust level of cost certainty and financial forecasting ability. Access to good quality, affordable finance is also important to enable us to deliver our development pipeline effectively. Further information on our green finance initiatives is on pages 60 to 61.
Emissions offsets As more companies commit to net zero, the demand for high quality carbon removal offsets is increasing, resulting in higher prices. There is also increasing reputational risk associated with the use of emission offsets if carbon offsetting is chosen as the only net zero measure, instead of focusing on reducing energy consumption and emissions first.		●		We have put in place energy intensity reduction targets for the properties in our managed portfolio which look to reduce intensity by c.4% year-on-year between our 2019 baseline and 2030. These are designed to ensure (alongside our renewable energy procurement) that we drive down operational carbon as much as possible. Our strategy has been to utilise our Scottish land to generate our own offsets, initially via tree planting schemes. **Strategic objectives:** 4 **Business model:** All of our core activities	To offset our development-based residual embodied carbon we use carbon removal offsets purchased from the voluntary carbon market. Our development appraisals include a cost of carbon for these offsets, currently set at £34 per tonne, the price at which we forward-purchased c.114,000 carbon credits in 2024 which covers our forecast embodied carbon. This is complemented by our stretching embodied carbon targets, which aim to drive down the amount of embodied carbon on scheme completion and subsequently the need for and cost of offsetting.

Material risk	Exposure 0-5 years	Exposure 5-10 years	Exposure 15+ years	Impact on strategy	Impact on financial planning
Physical risks					
Windstorm The risk arising from windstorms is damage to our buildings (which could include façade and roof damage and power outages), primarily caused by flying debris.		●	●	Our buildings are in storm susceptible regions, with our land in Scotland being at highest risk. Overall, the impact of windstorms on our portfolio does not impact on our business strategy. We have adequate building maintenance and management measures in place. **Strategic objectives:** 1 2 3 4 5 **Business model:** All of our core activities	As modelling showed a minor potential financial loss of approximately £2-4m in an extreme year, we currently do not believe that it will impact our financial planning. Recommendations from the climate assessments will be factored into our property management strategy and planned preventive maintenance schedules.
Flooding All of our London assets are out of flood risk zones or protected by the Thames Barrier. In Scotland (c.2% of our total portfolio), we have locations, mainly used for agricultural purposes, which are currently exposed to very high flooding risk.			●	The risks from flooding do not impact our overall business strategy, albeit we are likely to undertake a greater level of due diligence during the acquisition process given future purchase targets could potentially be in flood zones. **Strategic objectives:** 2 4 **Business model:** All of our core activities	To ensure we understand the flood risk of potential new acquisitions, our due diligence procedures will need to be enhanced to account for a greater level of flood mapping to avoid introducing higher levels of risk and loss exposure into the portfolio.

Further information on how we have addressed these risks can be found on the following pages:

Our Net Zero Carbon Pathway / See pages 69 to 73

Occupier engagement on climate change / See page 69

The Featherstone Building EC1

Monitoring

Role of the Board

The Board has overall accountability for climate-related risks and opportunities. It is responsible for ensuring that climate change is adequately reflected in the Group's strategy to ensure our future resilience. Due to its importance, climate-related matters are regularly discussed during the Board's strategy reviews and factored into the Board's viability assessment, with support from third party experts as required (see page 65). The Group's non-financial assurance tender (see page 145) was overseen by the Audit Committee and approved by the Board. The Responsible Business Committee approved publication of the updated Net Zero Carbon Pathway.

Climate resilience has been classified as a principal risk for the Group and is contained on our Schedule of Principal Risks (see page 104). The Board reviews and approves the Group's risk registers on at least an annual basis and they are subject to review by the Risk Committee regularly.

Climate-related topics are included on the agendas of several Board committees, including: Responsible Business, Sustainability, Risk and Audit. The climate risk governance framework is on page 95.

To embed a further level of oversight, we have linked climate-related performance measures into our Remuneration Policy for the Executive Directors (see pages 178 to 187). These targets are directly linked to our Net Zero Carbon Pathway.

Further information on the role of the Board and its committees in respect of climate change is available on the following pages:

Audit Committee report / See page 142

Remuneration Committee report / See page 172

The Schedule of Matters Reserved for the Board outlines that climate change and other environmental factors which could impact the design or management of our portfolio is reserved for the Board and two of its principal committees; the Responsible Business and Audit Committees. This responsibility of oversight is also formalised in the terms of reference of the respective committees.

The Board's assessment of its skills, experience and knowledge is on page 135 and incorporates reference to environmental matters, including climate change.

Role of management

As Chief Executive, Paul Williams has overall accountability for climate-related issues. However, oversight of climate-related issues (which includes identification) is delegated to the Sustainability Committee. The Investment, Asset Management, Property Management, Development and Company Secretarial teams are responsible for day-to-day implementation as appropriate.

Throughout the year, the Executive Committee reviews the Group's risk registers, which include sustainability/climate change-related risks. These reviews consider the risk severity, likelihood and the internal controls and/or mitigation actions required to reduce our risk exposure, so that it is aligned with or below our risk tolerance. This approach allows the effects of any mitigating procedures to be considered properly, recognising that risk cannot be eliminated in every circumstance.

The Sustainability Committee comprises key department leaders, many of whom have a responsibility for implementing climate-related issues within their department. At each meeting, a 'performance and data' dashboard is produced for discussion and analysis.

Members from key departments were involved in the most recent climate risk assessment and climate scenarios conducted with WTW, the outputs of which underpin our disclosure.

Climate risk governance framework

As climate risks and opportunities are likely to have an impact on various aspects of our business, all the Board's committees are involved in the oversight of climate-related matters. As illustrated below, the business has a 'top-down, bottom-up' approach to the oversight of climate-related aspects, from individual departments to the Board.

Oversight

Board

Overall accountability for climate-related risks and opportunities

Nominations Committee

Ensures climate and environmental skills, knowledge and experience are a consideration when assessing the Board's composition and identifying any skills gaps. The Committee meets as required.

Audit Committee

Ensures climate-related risks and capital expenditure are appropriately reflected in our financial statements and portfolio valuations. The Committee typically meets three times per year.

Risk Committee

Ensures climate-related risks are appropriately identified, monitored and managed. The Committee typically meets three times per year.

Remuneration Committee

Ensures climate-related aspects are appropriately included in executive remuneration. The Committee typically meets at least twice per year.

Responsible Business Committee

Monitors the management of our climate-related risks and opportunities and meets at least twice per year to ensure that the Board adequately reflects climate-related issues in its decision making.

Monitoring

Executive Committee

Meets regularly and has overall responsibility for oversight of climate-related risks and opportunities.

Sustainability Committee

Typically meets quarterly and comprises key department leaders; it is chaired by the CEO. The Committee is responsible for monitoring our day-to-day climate-related progress and performance.

Management

Sustainability strategy is set by the Executive Directors, in liaison with the Responsible Business Committee.

Responsibility for day-to-day implementation is integrated across the business.

Development

Responsible for ensuring our development schemes embed the required climate-related and net zero carbon aspects within their design and delivery programmes.

Property Management

Responsible for ensuring our properties are operated efficiently e.g. building energy consumption is reducing in line with our energy targets.

Asset Management

Responsible for ensuring EPCs are tracked and monitored across the investment portfolio.

Company Secretarial

Responsible for ensuring climate-related issues are adequately reflected within executive remuneration.

Responsibility – Governance continued

Response

Capturing opportunities

As a responsible business, we understand, balance and manage our environmental opportunities proactively; it is visible in our culture and approach, and the design and management of our buildings. Our management structure and style ensure that we can respond to changes in regulation and occupier demand. Likewise, this enables us to plan more effectively for the long-term and ensure we are putting the right systems and processes in place to maintain our position as London's leading office-focused REIT and capture the opportunities which arise.

Through our climate risk assessment, we identified the opportunities that we could embrace. Of those identified, changing occupier requirements and cost of debt through green initiatives were considered most material. We detail below some of the ways in which we are capturing climate-related opportunities.

Oliver's Yard EC1

Green finance	Our Green Finance Framework was specifically developed to link an element of our debt funding to our net zero carbon ambitions and in particular our development and refurbishment activities. Our £350m green bond, issued in 2021, is linked to our framework and provides an attractive source of finance to part-fund our eligible projects. Further information on our Green Finance Framework is on pages 60 to 61.
Building upgrades	Refurbishing space to optimise rents as vacancies occur is an integral part of our business model. In addition to physical upgrades, we also seek to improve a building's environmental credentials. Where appropriate, we are removing gas from properties and where this is not possible, we are retrofitting specialist equipment to enhance performance – see page 69 for further details. These works, which also form part of our strategy to ensure compliance with evolving EPC legislation, are factored into all refurbishment projects. Since the independent third party assessment in 2021, we have invested £24m of capital expenditure on EPC upgrade works.
Operationalising data	The volume and quality of environmental data we collect from our buildings continue to rise. As well as retrofitting sensors as part of our refurbishment activity, we have developed a bespoke in-house environmental database which operates alongside our Intelligent Building programme. Our building managers now have better access to near-real time data, facilitating lower energy consumption and delivering savings in cost and operational carbon to our occupiers.
Self-generation	The provenance of energy is under increasing scrutiny as businesses seek to optimise GHG emissions. Aligned with this, we aim to procure 100% of the energy consumed across our portfolio on renewable contracts. Our land in Scotland presents several opportunities for us to reduce our carbon impact, including self-generation. Construction of our 100-acre, 18.4 MW solar park is nearing completion (total development cost c.£16m). Energisation is due in 2026 and we expect it to generate in excess of 40% of the electricity needs of our London managed portfolio.

Metrics and targets

The Group reports annually on its progress towards net zero by 2030. A brief outline of our progress in 2025 is set out on pages 69 to 73. To help our stakeholders understand our performance, our annual Responsibility Data Report, which sits alongside our annual Responsibility Report sets out a broad range of climate and energy performance data and metrics. This includes extensive carbon reporting and historical performance data to allow for trend analysis. Our Data Report and Responsibility Report are available on our website.

We align our Responsibility Report disclosures to externally recognised frameworks including the EPRA Sustainability Best Practices Recommendations (sBPR) and the International Sustainability Standards Board (ISSB). We participate in internationally recognised indices, namely CDP and GRESB, and our performance against these can be found on the inside back cover.

Since 2023, embodied carbon reduction and energy intensity reduction performance metrics have been included within the Executive Director and Executive Committee incentive plan (the PSP). This is currently being reviewed by the Remuneration Committee as part of the 2026 Remuneration Policy consultation. Further information is on pages 178 to 187.

In 2025 we updated our Net Zero Carbon Pathway. This is aligned to the Better Buildings Partnership (BBP) Climate Change Commitment, and includes a series of ambitious climate-related targets, which we show on the right.

Reducing operational energy and carbon emissions

- An annual reduction in energy intensity of our managed portfolio to achieve 123 kWh/sqm by 2030.
- Near-term: we commit to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline (5,450 tCO_2e) and to measure Scope 3 emissions.
- Long-term: reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040 from a 2022 baseline (44,183 tCO_2e).

Reducing embodied carbon of development projects

- New build commercial office schemes completing from 2025 to achieve: ≤600 $kgCO_2e$/sqm (upfront carbon, A1-A5, RICS v1).
- New build commercial office schemes completing from 2030 to achieve: ≤500 $kgCO_2e$/sqm (upfront carbon, A1-A5, RICS v1).
- Major refurbishments: ≤350 $kgCO_2e$/sqm.

Energy and carbon reporting

We publish a full breakdown of our corporate carbon footprint (inclusive of Scopes 1, 2 and 3) and energy usage in our Streamlined Energy and Carbon Reporting (SECR) disclosure on pages 74 to 75. Our Scope 1, 2 and 3 totals in 2025 have been subject to independent limited assurance by PwC LLP in accordance with ISAE 3000 (Revised) and ISAE 3410 Standards.

SECR disclosures / See page 74 to 75

Responsibility – Governance continued

EPC ratings

EPC ratings indicate the energy efficiency of a building. We are following a phased programme of works to upgrade the EPC ratings of our portfolio. We target a minimum EPC of A for major new build schemes and 'B' for major refurbishments.

71.7%

of our portfolio (by ERV) has an EPC rating of A or B (including projects)

16.2%

of our portfolio (by ERV) has an EPC rating of C

Percentage of portfolio (by ERV)	2025	2024	2023
Rated A	**23%**	10%	10%
Rated B	**40%**	48%	47%
Rated C	**16%**	18%	19%
Rated D	**8%**	8%	8%
Rated E	**4%**	5%	5%
Rated F	**0%**	0%	0%
Rated G	**0%**	0%	0%
Properties in development	**9%**	11%	11%
Exempt/under review/outstanding	**0%**	0%	0%

Renewable energy

The Group is committed to ensuring that all the energy we procure, electricity and gas, is from renewable sources.

100%

of our electricity is from renewable sources

100%

of our gas is from renewable sources

	2025	2024	2023
Percentage of electricity from renewable sources[1]	**100%**	99%	99%
On-site renewable energy generation (kWh)	**99,602**	86,136	97,440
Percentage of gas from renewable sources[2]	**100%**	100%	99%

1 Electricity purchased on renewable tariffs backed by REGOs.
2 Gas purchased on renewable tariffs backed by RGGOs.

Certification

BREEAM and LEED certifications recognise the sustainability of our buildings, their construction and operation. We target minimum BREEAM ratings of 'Excellent' for major developments and 'Very Good' for major refurbishments (see page 33 for our progress in 2025).

Percentage of portfolio (by floor area – NIA)	2025	2024	2023
BREEAM certified	**38%**	33%	35%
LEED certified	**27%**	22%	22%

Our progress

As part of our commitment, we analyse our activities to ensure we are reducing our carbon footprint across all our spheres of influence. Our pathway focuses on five principal areas:

- Reducing operational energy and carbon emissions through setting annual reduction targets and engaging with our occupiers.
- Procuring and investing in renewable energy.
- Reducing the embodied carbon of our future pipeline.
- Offsetting residual carbon emissions we cannot eliminate.
- Nature and resilience.

Further information on these commitments and our progress in 2025 is detailed on pages 69 to 73.

Future priorities

On page 27 we have outlined our priorities for 2026. In addition to these focus areas, we intend to action the following:

- **Governance:** The Board will continue to build its competency through training and monitoring of developing best practice.
- **Strategy:** Monitor construction of our 18.4 MW solar park in Scotland which is expected to complete in H1 2026.

Climate scenarios – assumptions and risk data sources

WTW risk assessment

Scenario Name	'Low Carbon World' (~1.5°C)	'Current Policies' (~2 to 3°C)	'Hot House World' (>4°C)
Temperature range	1.4°C (median, 2100, IEA NZE2050) ~1.5°C (median, 2100, RCP2.6)	2.6°C (median, 2100, IEA STEPS) ~2.3°C (mean, 2100, RCP4.5)	~4.2°C (mean, 2100, RCP8.5)
Sources	IEA – Energy Outlook 2021: NZE2050 IPCC, 2014: Synthesis Report: RCP2.6 Narratives for Shared Socioeconomic Pathways (SSPs): SSP1	IEA – Energy Outlook 2021: STEPS IPCC, 2014: Synthesis Report: RCP4.5 Narratives for SSPs: SSP2	IPCC, 2014: Synthesis Report: RCP8.5 Narratives for SSPs: SSP5
Primary risks			
	Transition risks (2025 and 2030)	Moderate transition (2025 and 2030) and physical risks (current, 2030, 2050)	Physical risks (current, 2030, 2050)
Underlying assumptions			
Global net zero achieved by:	2050 (IEA NZE2050)	Not achieved before 2100 (IEA STEPs)	Not achieved
Carbon price	Advanced economies **2025:** \$75/tonne **2030:** \$130/tonne **2040:** \$205/tonne **2050:** \$250/tonne (IEA NZE2050)	EU **2030:** \$65/tonne **2040:** \$75/tonne **2050:** \$90/tonne (IEA STEPs)	No carbon pricing in existence. (SSP5)
Building sector policies	Implementation of more stringent building energy conservation building codes for existing and new buildings, including net zero emission requirements by 2030 and 85% of all buildings are zero carbon-ready in 2050. (IEA NZE2050)	In the UK, Low Carbon Heat Support and Heat Networks Investment Project; various retrofit incentive schemes for improving buildings efficiency as part of Plan for Jobs. It does not however assume increasing stringency of EPC requirements. (IEA STEPs)	Assumes current policies promoting sustainability are removed. (SSP5)
Social assumptions	Assumes low growth in material consumption and increasing consumer pressure on businesses to drive sustainability. (SSP1)	The world follows a path in which social, economic and technological trends do not shift markedly from historical patterns. Global and national institutions work towards, but make slow progress in achieving, sustainable development goals. (SSP2)	The push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. (SSP5)
Technology assumptions	Promotion of alternative fuels and technologies such as hydrogen, biogas, biomethane and carbon capture utilisation and storage across sectors. The share of renewables by 2030 in the global electricity supply would increase to approximately 61%, shifting economies from being fossil fuel-dependent to renewable energy driven. (IEA NZE2050)	Phase out of traditional coal-fired power by 2024 in the UK and the Ten Point Plan, with up to 40 GW offshore wind capacity by 2030. Electrification component of the Sixth Carbon Budget and Industrial Energy Transformation Fund provides grant funding for energy efficiency projects. (IEA STEPs)	Little to no development in low carbon technology. (SSP5)
Physical risk data sources			
Willis Towers Watson's Global Peril Diagnostic and Climate Diagnostic tools, data from the MunichRe hazard databases, and the Intergovernmental Panel on Climate Change (IPCC). For climate loss modelling, the catastrophe model of RMS (Risk Management Solutions) was used.			

Managing risks

Our risk profile

With our strong balance sheet, and an improving office investment market, we are well-positioned with the right product and pipeline to capture London's diverse demand.

As a predominantly London-based Group, we are particularly sensitive to factors which impact central London's growth and demand for office space. We are also impacted by the wider macroeconomic environment. Some of the external and property-related risks which have impacted on the Group during 2025 are shown below. These risks are factored into the Board's strategy discussions and help to inform the scenarios chosen by the Board to stress test the viability of our business (see page 63).

External					
The funding environment	Interest rates	Geopolitical instability	Climate change	Cyber	Regulatory and legal
See page 57	See page 57	See page 65	See page 86	See page 107	See page 109

Property-related					
Property values	Capital recycling	Vacancy rates	Health and safety	Planning requirements	Energy consumption
See page 39	See page 64	See page 45	See page 80	See page 92	See page 69

25 Baker St W1

An overview of the risks and uncertainties which have impacted on the Group's risk profile

During 2025, the UK economy recorded slow growth helped by reductions in UK base rates and moderating inflation. However, growth was constrained by rising tariffs, global trade tensions and ongoing uncertainty of domestic policy.

Emerging and market risks

Whilst central London continues to experience strong occupational demand, occupiers are proceeding with caution particularly over the cost of relocation and ongoing operating expenses. Additionally, rising construction costs, some yield uncertainty and a prolonged planning process are contributing to current market pressures. During the year, the Group has continued to monitor the emerging and market risks that could have an impact in the short to medium-term. In particular, in-depth discussions were held around the potential impact of the current UK Government's policy agenda and the proposal to abolish upward only rent reviews.

Property portfolio

Most office values increased moderately in both H1 and H2, supported by rental growth and generally stable investment yields. Demand, both for tenant occupation and investment ownership, continues to be highest for good quality amenity-rich buildings in the core West End and City.

Investment activity picked up over the year, and this included a significant rise in the number of larger assets, particularly investments over £100m, which provided more data point evidence for property valuations. While UK investors were most active, there was renewed demand from overseas capital, particularly European and North American investors.

Health and safety (H&S)

Whilst our operations and developments take place in environments that inherently involve higher-risk activities, Derwent London remains committed to the continual enhancement of our H&S controls and mitigation measures. Reflecting the strength of our approach, we were proud to receive the Royal Society for the Prevention of Accidents (RoSPA) Gold Award for the third consecutive year. Further information on H&S at Derwent London is available on pages 80 and 81.

Refinancing

Gilt yields have continued to remain relatively high but generally reduced in the year alongside the cost of borrowing. Financial risks for the Group have reduced in 2025 with the arrangement of new £250m unsecured 7-year bonds issued in June and the refinancing of the Group's main £450m corporate Rolling Credit Facility. The Group's financial position has also been helped by the easing of interest rates over the year with the Bank of England reducing the base rate to 3.75% in December 2025.

Cyber security

Cyber attacks have dominated market headlines during 2025. The Group has remained vigilant to its cyber security protocols, with ongoing compliance training, attaining additional cyber insurance cover and in-depth updates to the Risk Committee (see pages 156 and 160). To note, there were no cyber-related incidents during 2025.

Principal risks

The principal risks and uncertainties facing the Group in 2026 (as at 25 February 2026) are:

- Market impact on Group's strategy
- Refinancing risk
- Income decline
- Fall in property values
- Reduced development returns
- Cyber attack on our IT systems
- Cyber attack on our buildings
- Our resilience to climate change
- Health and safety
- Non-compliance with law and regulations
- Digital transformation risk

Our principal risks / See pages 104 to 109

Emerging risks

The emerging risks identified by the Board are:

- The evolving nature of office occupation
- Accelerating technological change
- Climate-related risks
- Geopolitical instability

Our emerging risks / See pages 110 and 111

Climate change

We identify and monitor climate change risks and opportunities as part of our wider risk management procedures. Our climate risk assessments have identified the transition and physical risks and opportunities applicable to our business:

- Enhanced emissions reporting requirements
- Change in customer demand
- Emissions offsets
- Planning approval changes
- Cost of raw materials
- Employee attitude to climate change and sustainability
- Cost of low carbon emission technologies
- Heat stress
- Flooding
- Drought
- Fire
- Windstorm
- Subsidence

Task Force on Climate-related Financial Disclosures / See pages 86 to 99

Managing risks

At Derwent London, the management of risk is treated as a critical and core aspect of our business activities.

Risk management

The Board has ultimate responsibility for the Group's approach to risk management. On a regular basis, the Board reviews the Group's risk registers and conducts robust assessments of the Group's principal and emerging risks (see page 159).

Changes to our principal and emerging risks

During the year, the Board and Risk Committee conducted an extensive review of the Group's principal and emerging risks.

Schedule of Principal Risks

The review of the Schedule of Principal Risks was centred around ensuring the risks remain appropriate and representative of the main risks that could impact the Group over the next six to 12 months.

Following its review, the Risk Committee recommended amendments to the titles of two principal risks to ensure they more accurately reflect the Group's evolving risk profile. The updated titles are 'Market impact on Group's strategy' and 'Digital transformation risk'.

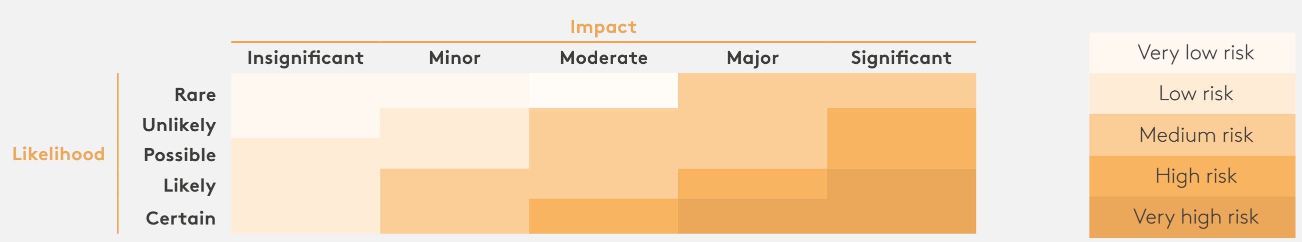
Schedule of Emerging Risks

A review of the Group's emerging risks concluded that the previously identified emerging risk relating to a potential shortage of electrical power should be removed. This risk had originally been included following discussions on how constrained power capacity in London might affect future developments. Given the Group's satisfactory ongoing arrangements with UKPN, this is currently not impacting any major projects.

To ensure the Group's emerging risks continue to reflect the Group's risk profile, the titles of two emerging risks were amended: 'The evolving nature of office occupation' and 'Accelerating technological change'.

Risk rating

As part of the Directors' assessment process, we estimate the likelihood of the risk occurring and the potential quantitative and qualitative impacts. Risks are rated in accordance with the Board's Risk Appetite Statement. A simplified version of our risk rating criteria is provided below.



The risk ratings for our principal risks are detailed below:

Principal risks	Inherent risk (without controls)	Residual risk (with controls)	Our risk tolerance
Market impact on Group's strategy	High	Medium	Medium
Refinancing risk	Medium	Medium	Medium
Income decline	Medium	Medium	Medium
Fall in property values	Medium	Medium	Medium
Reduced development returns	High	Medium	Medium
Cyber attack on our IT systems	Very high	Medium	Low
Cyber attack on our buildings	Medium	Medium	Low
Our resilience to climate change	Medium	Low	Low
Health and safety	Very high	Medium	Zero
Non-compliance with law and regulations	Medium	Very low	Zero
Digital transformation risk	Medium	Medium	Medium

Effectiveness review

To ensure focused oversight, the Board operates a separate Risk Committee (see pages 154 to 163). The Risk Committee reviews the effectiveness of the Group's risk management policies and practices. This effectiveness review is conducted through speaking with senior management directly, third party assurance reviews, reports from internal and external audits, and independent testing of our key controls.

The Audit Committee reviews the adequacy and effectiveness of the Group's system of internal financial controls (see page 149). The Audit Committee remains satisfied that the review of internal financial controls did not reveal any significant weaknesses or failures, and that they continue to operate effectively.

Following the Audit and Risk Committee's reviews, the Chairs of each Committee confirmed to the Board that they were satisfied that the Group's internal control framework (financial and non-financial) and risk management procedures:

- operated effectively throughout the period; and
- are in accordance with the guidance contained within the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Risk appetite

Risk is inherent in running any business. At Derwent London we aim to deliver on our strategic objectives for the benefit of our shareholders and other stakeholders, whilst operating within the risk tolerance levels set by our Board.

The Group's risk appetite is set by the Board and is the level of risk we are willing to accept to achieve our strategic objectives. Our overall risk appetite is low with varying levels of risk tolerance. This, alongside our culture, informs how our staff respond to risk. Due to our open and collaborative working style, any potential problem, risk or issue is identified quickly so appropriate action can be taken.

The use of inherent and residual 'risk ratings' within our Schedule of Principal Risks makes it easier for the Board to identify which risks are not aligned with its tolerance on a residual basis (after controls):

- When assessing our health and safety risks, we consider all of our core activities, including the work of our contractors on site at our developments. Due to the nature of these activities, health and safety is classified as a 'medium risk' at residual level, which requires further contractor-led controls to be implemented and the adoption of best practice standards. As the Board is committed to promoting the highest health and safety standards, its tolerance for health and safety risks is set at zero. Further information on health and safety is on pages 80 and 81.
- Similarly, the Board's tolerance for cyber threats is low. The Board recognises that due to the pervasive nature of the threat, it is difficult to reduce the residual risk from medium to low. To provide the Board with comfort that our Digital Innovation & Technology (DIT) team have adopted a continuous improvement strategy towards our cyber security posture, we commission regular independent reviews and assessments as well as ongoing monitoring by the Risk Committee. Further information is on pages 160 and 161.

Risk Appetite Statement

Summary of risk tolerance

Operational	
Health and safety	Zero
IT continuity (including cyber attacks)	Low
Staff retention	Medium
Climate change resilience	Low
Other operational risks	Medium
Financial*	
REIT status	Low
Credit rating	Low
Decrease in asset value (>£100m)	Medium
Profits (>£5m)	Medium
Cost overruns (>5%)	Medium
Interest cover (<20%)	Medium
Reputational	
Brand value	Low
Regulatory	
Statutory	Zero
Governance	Low

* Financial amounts are measures of deviation from Group annual budget.

Key

Zero	The Board has a zero-tolerance approach and is committed to promoting full health and safety and statutory compliance
Low	The Board is risk averse and is reluctant to take risks
Medium	The Board is willing to take measured risks if they are identified, assessed and controlled
High	The Board is willing to take significant risks

Additional risk disclosures	Page
Double materiality assessment	68
Health and safety	80 and 81
Risk management structure	162
Risk documentation and monitoring	159
Digital security and strategy risks	160 and 161
Risk management framework	158

Managing risks continued

Our principal risks

Our principal risks are not an exhaustive list of all risks facing the Group but are a snapshot of the Company's main risk profile as at 25 February 2026.

Time horizons

The Board seeks to assess and identify the risks facing the Group in the short, medium and long-term.

	Imminent < 1 year	Short-term < 5 years	Medium-term 5 to 15 years	Long-term 15+ years
Principal risks See pages / 104 to 109				
Emerging risks See pages / 110 and 111				
Climate-related risks See pages / 86 to 99				

The Schedule of Principal Risks

The Board classifies the Group's most material risks as its 'principal risks'. Materiality is assessed based on the potential impact and its probability of occurring within the next 12 months.

The Derwent London brand is well-regarded and respected within our industry and we are recognised for developing design-led buildings. The protection of our brand and reputation is important to the future success of the Group. Our strong culture, low overall risk tolerance and established procedures and policies mitigate against the risk of internal wrongdoing.

Strategic

The Group's business model and/or strategy does not create the anticipated shareholder value or fails to meet investors' and other stakeholders' expectations.

1. Market impact on Group's strategy

Risk

The Group's reliance on the successful execution of its strategy and maintaining its ability to respond appropriately to internal and external factors including changing work practices, occupational demand, economic and property cycles.

Executive responsibility: Paul Williams
Risk tolerance: Medium

Strategic objectives: 1 2 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend: Increased

The London office market has generally been cyclical in recent decades, with strong growth followed by economic downturns, often linked to a change in interest rates. The impact of these cycles on the Group is dependent on the nature, quality and location of its portfolio. Should the Group fail to respond and adapt to such cycles or execute the projects that underpin its strategy, it may have a negative impact on the Group's expected growth and financial performance.

Status

Given the ongoing geopolitical and economic uncertainties compounded by the elevated interest rates, there has been a slower investment market. However, the letting market in London remains relatively strong for the right product in the right location.

Key performance indicators:
- Total accounting return
- Total property return
- Interest cover ratio (ICR)

In addition, we also consider inflation, interest rates and yield changes.

Our actions

- The Board maintains a formal schedule of matters which are reserved solely for its approval. These matters include decisions relating to the Group's strategy, capital structure, financing, capital allocation, major property acquisition or disposal, the Group's risk appetite and the authorisation of capital expenditure above certain limits.
- An annual strategic review (including the five-year forecast) and budget is prepared for Board approval alongside two-year rolling forecasts which are prepared during the year.
- The Credit Committee's terms of reference have been revised during 2025 to focus on assessing and monitoring the financial strength of potential and existing occupiers. The Group's diverse and high quality occupier base provides resilience against occupier default.
- The Board has an ongoing strategy to extend income through lease renewals and regears. The Group seeks to de-risk developments through the use of fixed price contracts prior to the commencement of works on site and appointing contractors appropriate to the project's scale and complexity as well as by often securing pre-lets.
- We develop properties in central locations where there is good potential for future occupier demand and connectivity, such as along the Elizabeth line.
- A regular review of the portfolio and identification of opportunities to dispose of non-core assets which are not anticipated to produce required returns.
- Maintain sufficient headroom against all key financial ratios and covenants, with a particular focus on interest cover and net debt/EBITDA.

Strategic objectives

1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cash flow
3. To attract, retain and develop talented employees
4. To design, deliver and operate our buildings responsibly
5. To maintain strong and flexible financing

Trend
- Increased
- Decreased
- Unchanged

Financial

The main financial risk is that the Group becomes unable to meet its financial obligations. The probability of this occurring is low due to our significant covenant headroom, modest leverage and strong credit metrics. Financial risks can arise from movements in the financial markets in which we operate and inefficient management of capital resources.

2. Refinancing risks

Risk

The Group is unable to raise finance in a cost-effective manner that optimises the capital structure of the Group.

Executive responsibility: Damian Wisniewski
Risk tolerance: Medium

Strategic objectives: 5
Stakeholders: Shareholders and debt providers

Trend: Unchanged

Gradual rise in overall interest costs incurred as debt is refinanced over the next few years, with a consequent impact on earnings and interest cover.

Status

The availability of financing for good quality covenants generally improved through 2025 but the cost of long-term debt has remained higher than in the preceding decade. We have remained close to our existing lenders and in 2025 put in place £115m of new bank facilities (subsequently reduced to £82.5m), issued a £250m unsecured bond, and extended our £450m Revolving Credit Facility for a new four-year term.

Key performance indicators:
- Gearing & available resources
- Interest Cover Ratio (ICR)
- Net debt/EBITDA

Our actions

- Continue to review market conditions for long-term fixed rate debt and engage with existing and potential debt providers.
- Early and frequent engagement with existing and potential lenders to maintain long-term relationships.
- Preparation of five-year cash flow and annual budgets support the Group in raising finance in advance of requirements.
- The Group's financial position is reviewed at Executive Committee and Board meetings with an update on leverage metrics and capital markets from the CFO.
- Annual review with a credit rating agency with whom we maintain a frequent dialogue.
- Regular updates with our advisers to understand debt market trends. This includes looking at new forms of debt, considering whether security should be offered and the appropriate terms.
- Recycling of capital is a key assumption in our annual budget and is updated in each rolling forecast.

3. Income decline

Risk

The Group's income declines due to external factors, many of which are outside of its control, including:
- geopolitical and macroeconomic factors;
- recession;
- occupier default or failure;
- demand for office space;
- the 'grey' market in office space (i.e. occupier controlled vacant space); and
- current proposals by UK Government to prohibit upward only rent reviews.

Executive responsibility: Paul Williams
Risk tolerance: Medium

Strategic objectives: 1 2 5
Stakeholders: Occupiers, shareholders and debt providers

Trend: Unchanged

Adverse macroeconomic conditions can lead to a general property market contraction and a decline in rental values and Group income. In the event of occupier default, we could incur impairments and write-offs of trade receivables and/or IFRS 16 lease incentive receivable balances (which arise from the accounting requirement to spread any rent-free incentives given to an occupier over the respective lease term), in addition to a loss of rental income.

Status

The current economic climate could lead to some of our occupiers facing financial challenges due to the impact of the increases in the general costs of running businesses. However, due to the ongoing uncertainty in the macroenvironment we could see a rise in occupiers choosing to renew leases.

Rent for office occupiers typically represents a relatively small percentage of business overheads. Leasing transactions can take longer to finalise as occupiers tend to adopt a 'wait-and-see' approach leading to a greater risk of aborted transactions.

Key performance indicators:
- Tenant retention
- Void management

In addition, we consider the following:
- Lease expiries/breaks
- Our Lease Incentive Debtor balance
- Level of rent deposits
- The amount of 'grey space'

Our actions

- The Credit Committee, chaired by the CEO or CFO, conducts detailed reviews of all prospective occupiers and monitors the financial strength of our existing occupiers.
- The Group maintains a diverse range of occupiers. We focus on letting our buildings to large and established businesses (headquarter spaces) where the risk of default is lower, compared with SMEs.
- A 'tenants on watch' register is maintained and regularly reviewed by the Executive Directors and the Board.
- The Leasing team monitors the vacancy rate closely with a specific focus on upcoming vacancies.
- Ongoing dialogue is maintained with occupiers to understand their concerns, requirements and future plans.
- Active in-house rent collection, with regular reports to the Executive Directors on day 1, 7, 14 and 21 of each rent collection cycle.
- The Group's robust interest cover ratio and moderate net debt/EBITDA reduces the likelihood that a fall in rental income has a significant impact.
- Rent deposits or guarantees are obtained where considered appropriate.

Managing risks continued

Financial continued

4. Fall in property values

Risk

The economic and geopolitical environment could have an adverse impact on property values and heighten the risk of a fall in property values.

Executive responsibility: Nigel George
Risk tolerance: Medium

Strategic objectives: 1 2 5
Stakeholders: Occupiers, shareholders and debt providers

Trend:

A fall in property values will have an impact on the Group's net asset value and gearing levels.

Status

2025 has seen property values rise slightly in both H1 and H2. Whilst not the central case, there remains the risk that property values could fluctuate and continue to be dependent on many macroeconomic factors.

Key performance indicators:
- Total property return
- Void management
- Reversionary percentage

Our actions

- The Group's mainly unsecured financing makes management of our financial covenants more straightforward.
- The Group's moderate loan-to-value ratio reduces the likelihood that falls in property values will have a significant impact.
- The impact of valuation yield changes on the Group's financial covenants and performance is monitored regularly and subject to sensitivity analysis to ensure that adequate headroom is preserved.
- The impact of valuation yield changes and rent levels are considered when potential projects are appraised.
- The Group produces a budget, five-year strategic review and three rolling forecasts each year which contain detailed sensitivity analyses, including the effect of changes to valuation yields.

Operational

The Group suffers either a financial loss or adverse consequences due to processes being inadequate or not operating correctly, human factors or other external events.

5. Reduced development returns

Risk

Returns from the Group's developments and refurbishments may be adversely impacted due to:
- Increased construction costs
- Skilled labour shortages
- Movement in valuation yields
- Contractor or subcontractor default
- Delays on delivery due to poor contractor performance
- Building Safety Regulator sign-off where applicable
- Unexpected 'on-site' issues
- Adverse letting conditions

Executive responsibility: Paul Williams
Risk tolerance: Medium

Strategic objectives: 1 2
Stakeholders: Suppliers, occupiers and shareholders

Trend:

Any significant delay in completing development projects may result in financial penalties or a reduction in the Group's targeted financial returns and a deferral of rental income.

Status

'Tier 1' contractors in central London are becoming increasingly risk adverse to engaging with complex projects on fixed price contracts. There is also an increased risk of insolvencies in the industry as a result of rising inflation and construction costs, which under fixed price contracts are a particular risk for the contractor and subcontractors. Other consultants and advisers are at some risk of insolvency.

Planning authorities have an increasing preference for refurbishment ahead of redevelopment. The Board is monitoring the potential impact of a tighter planning environment on our strategy and future development returns. Mixed-use projects with residential over 18 metres now fall into a category of 'High-Risk Buildings' as defined under the Building Safety Act 2022 which may adversely impact construction programmes.

Key performance indicators:
- Development potential
- Total accounting return
- Total property return

In addition, we consider the following:
- Construction cost inflation
- Project profitability status
- Average payment days to our suppliers
- Project delays
- Contingency tracker

Our actions

- We use known 'Tier 1' contractors on our major projects with whom we have established working relationships and regularly work with tried and tested subcontractors.
- Prior to construction beginning on site, we conduct thorough site investigations and surveys to reduce the risk of unidentified issues, including investigating the building's history and adjacent buildings/sites.
- Engagement with the Building Safety Regulator to mitigate time required for Building Control approval.
- Adequately appraise investments, through: (a) benchmarking development costs; (b) following a procurement process that is designed to minimise uncertainty around costs and includes the use of highly regarded quantity surveyors; and (c) value engineering opportunities.
- We collaborate with the supply chain through the main contractor and engage in pre-construction service agreements (PCSAs) as well as against an agreed target, cost and programme.
- Contractors are paid promptly and are encouraged to pay subcontractors promptly. Payments to contractors are in place to incentivise the achievement of project timescales, with damages agreed in the event of delay/cost overruns.
- Regular on-site supervision by a dedicated Project Manager who monitors contractor performance and identifies problems at an early stage, thereby enabling remedial action to be taken.
- Post-completion reviews are carried out for all major developments to ensure that improvements to the Group's procedures are identified and implemented.

Strategic objectives

1 To optimise returns and create value from a balanced portfolio
2 To grow recurring earnings and cash flow
3 To attract, retain and develop talented employees
4 To design, deliver and operate our buildings responsibly
5 To maintain strong and flexible financing

Trend

Increased
Decreased
Unchanged

6. Cyber attack on our IT systems

Risk

The Group may be subject to a cyber attack that results in it being unable to use its information systems and/or losing data.

Executive responsibility: All Executive Directors
Risk tolerance: Low

Strategic objectives: 1 2 3 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend:

Such an attack could severely restrict the ability of the Group to operate, lead to an increase in costs and/or require a significant diversion of management time, in addition to potential reputational damage.

Status

There has been a heightened risk of cyber attacks amid ongoing geopolitical tensions. To date, Derwent London has not experienced a significant increase in attempted cyber attacks; however ongoing staff vigilance is critical to the prevention of cyber attacks. The Digital Innovation & Technology (DIT) team is proactive in providing regular guidance and refresher training to all employees on cyber security matters.

Key performance indicators:
- Number of cyber security incidents
- Vulnerability management risk scores
- Percentage of high-risk employees from cyber security awareness perspective
- Multifactor Authenticated requests reported and confirmed as fraudulent
- Password health scores
- Cyber resilience assessments based on CIS controls and other frameworks

In addition, we consider any security issues raised and the results of independent assurance reviews.

Our actions

- Our IT systems are protected by anti-virus software, 24/7/365 threat hunting, security incident detection and response, security anomaly detection and firewalls that are frequently updated.
- The Group's Business Continuity Plan and cyber security incident response procedures are regularly reviewed and tested.
- Security measures are regularly reviewed by the DIT team and during the year cyber insurance was put in place to support the strategy in mitigating the financial impact of cyber attacks.
- Independent internal and external penetration/vulnerability tests and audits are regularly conducted to assess the effectiveness of the Group's security and the Cyber Essentials Plus Certification has been obtained.
- Multi-Factor Authentication is in place for all users with access to our systems.
- The Group's data is regularly backed up and securely replicated off site.
- A gap analysis of the Cyber Governance Code of Practice was performed and enhancements were made to the Group's security posture during the year, with additional controls implemented as required.
- Regular staff awareness and training programmes.

7. Cyber attack on our buildings

Risk

The portfolio is exposed to potential cyber threats targeting building IT infrastructure, Operational Technology systems, and Internet of Things devices. Such incidents could adversely affect occupiers and result in significant operational disruption.

Executive responsibility: All Executive Directors
Risk tolerance: Low

Strategic objectives: 1 2 3 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend:

A significant cyber attack targeting buildings within the portfolio could disrupt both landlord and occupier operations and adversely affect the Group's reputation.

Status

The Royal Institution of Chartered Surveyors (RICS), in its recent publication, 'Digital Risks in Buildings', highlights the expanding cyber threat landscape facing commercial properties. This escalation is largely driven by the convergence of operational technology with information technology in intelligent buildings, alongside the growing use of Internet of Things devices, which collectively increase system exposure and vulnerability.

Key performance indicators (KPIs):

Could indirectly impact a number of our KPIs.

In addition, we consider any cyber security issues raised and the results of independent assurance reviews.

Our actions

- Our IT systems are protected by advanced endpoint protection software, 24/7/365 threat hunting, security incident detection and response, security anomaly detection, vulnerability management, firewalls and infrastructure that is regularly updated.
- Frequent staff awareness and training programmes. Building Managers are included in cyber security awareness training and phishing simulations.
- Cyber security incident response procedures are regularly reviewed and tested.
- Physical segregation between the building's core IT infrastructure and occupiers' corporate IT networks as well as between buildings across the portfolio.
- Multi-Factor Authentication, network segmentation and security standardisation.
- Unlimited support by our Managed Detection and Response team is provided in the event of a malware incident.
- Independent security penetration testing on both internal and externally facing systems.
- A gap analysis of the Cyber Governance Code of Practice was performed and enhancements were made to the Group's security posture with additional controls implemented as required.
- Cyber insurance is in place to support the strategy in responding to the risk of cyber attacks.

Managing risks continued

Operational continued

8. Our resilience to climate change

Risk

The Group fails to respond appropriately, and sufficiently, to climate-related risks or fails to benefit from the potential opportunities.

Executive responsibility: Nigel George
Risk tolerance: Low

Strategic objectives: 1 2 3 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend:
This could lead to reputational damage, loss of income and/or a reduction in property values. In addition, there is a risk that the cost of construction materials and providing energy, water and other services to occupiers will rise.

Status

With regard to reporting, the Government's consultation on the UK Sustainability Reporting Standards (S1 and S2) closed in September 2025. We await its publication in H1 2026.

The Group remains engaged on forthcoming legislation, such as the UK Net Zero Carbon Building Standard. Where appropriate, it challenges the promotion of new legislation to ensure it remains appropriate to the overall net zero carbon goal. We updated our net zero targets in 2025 to ensure they remain aligned to the latest climate science.

Key performance indicators:
- Energy intensity
- Embodied carbon intensity
- BREEAM ratings
- Energy Performance Certificates (EPCs)

Our actions

- Our SBTi (Science Based Targets initiative) targets are aligned to a challenging 1.5°C climate scenario in line with our net zero carbon ambition.
- We are progressing the construction of an 18.4 MW solar park at Lochfauld (Scotland), with energisation anticipated in 2026.
- The Executive Directors receive regular updates and presentations at both the Executive Committee and Sustainability Committee meetings on environmental and sustainability performance and management matters, as well as progress against our pathway to becoming net zero carbon by 2030.
- Industry leadership through both the Circular Economy initiative and Accelerating Concrete-Decarbonisation Group.
- Periodic multi-scenario climate risk assessments (physical and transition risks), supported by third party experts, to identify risks and agree mitigation plans.
- Clear disclosure in Group results, Annual Report and Responsibility Report/Data Report of key data and performance points which are internally reviewed and subject to external assurance.

9. Health and safety (H&S)

Risk

A major incident occurs at a development scheme, a managed property or at head office which leads to significant injuries, harm, or fatal consequences.

Executive responsibility: Paul Williams
Risk tolerance: Zero

Strategic objectives: 1 2 3 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend:
A major health and safety incident could cause loss of life, life-changing injuries, significant business interruption, Company or Director fines or imprisonment, reputational damage, and/or loss of our licences to operate.

Status

Derwent London continues to ensure high levels of H&S compliance across all of our directly managed activities, including our agriculture operations in Scotland.

Construction activities can have a high inherent risk for injury, harm or loss, particularly in respect of our managed portfolio with occupiers in situ, demolition and early construction phases. Across construction sites within the UK, serious accidents involving falls from height, pedestrian-vehicle collision, and slips and trips are still experienced.

Key performance indicators:
- RIDDOR Accident Frequency Rate (AFR)
- Managed Property statutory compliance

In addition, we monitor:
- compliance to the CDM Regulations (as a 'construction client'), from early design stage, through construction, to operational delivery; and
- audit programmes within the managed portfolio (PHCs and site visits) and construction projects (monthly site inspections and CDM duty holder audits).

Our actions

- Periodic review of relevant health, safety and fire management policies and arrangements.
- Ensure the Group has a competent and qualified (CMIOSH) H&S team, whose performance is monitored and reviewed by the CEO, and the H&S and Risk Committees.
- Check the H&S competence of our main contractors and service partners is verified by the H&S team prior to their appointment, based on risk profile of the project and/or delivery.
- Ensure our principal designers and principal contractors submit suitable design stage reviews, pre-construction information, construction phase plans, site management plans (logistics, security, fire etc.) before works commence.
- The H&S team, with the support of external advisers and audits, ensures our Construction (Design and Management) (CDM) client duties are executed at all project stages and are monitored on a monthly basis (on construction sites).
- The Board, Risk Committee and Executive Directors receive frequent updates and presentations on key H&S matters, including 'Significant Incidents', legislation updates, and H&S performance trends across the development and managed portfolio.
- The H&S team work closely with HR on employee health and safety proactive measures (such as the Heath & Wellbeing Strategy and Plan) and reactive measures (such as workplace adjustments, returning to work for new/expectant mothers and workplace assessments).

Strategic objectives

1 To optimise returns and create value from a balanced portfolio
2 To grow recurring earnings and cash flow
3 To attract, retain and develop talented employees
4 To design, deliver and operate our buildings responsibly
5 To maintain strong and flexible financing

Trend
Increased
Decreased
Unchanged

10. Non-compliance with law and regulations

Risk

The Group breaches legislation that forms the regulatory framework within which the Group operates.

Executive responsibility: All Executive Directors
Risk tolerance: Zero

Strategic objectives: 3 4 5
Stakeholders: Could potentially impact all our stakeholders

Trend:
Failure to apply with applicable laws and regulations could result in significant financial, operational and reputational consequences for the Group, as well as the diversion of management's time. This could result in sanctions, fines or loss of our licence to operate.

Status

The Group actively monitors the proposed regulatory changes which could have an impact on our business, including the reform of the UK Prospectus and Listing regime, and the UK Economic Crime and Corporate Transparency Act 2023 (ECCTA). Following publication of the UK Corporate Governance Code 2024, the Board will ensure the Group is fully compliant with the revised provisions by the applicable dates, particularly in respect of internal controls.

Key performance indicators (KPIs):
- Accident Frequency Rate (AFR)
- Managed property compliance
- A significant diversion of time could affect a wider range of KPIs

In addition, we consider compliance training completion rates, compliance with legislation through system based controls and feedback received from employee and occupier surveys.

Our actions

- The Board and Risk Committee receive regular reports identifying upcoming legislative/regulatory changes. External advice is taken on any new legislation, if required.
- Managing our properties to ensure they are compliant with the proposed Minimum Energy Efficiency Standards (MEES)legislation for Energy Performance Certificates (EPCs).
- Ongoing staff training and awareness programmes.
- Group policies and procedures dealing with all key legislation are available on the Group's intranet.
- Quarterly review of our anti-bribery and corruption procedures by the Risk Committee.
- A Group whistleblowing system ('Speak-up') for staff is maintained to report wrongdoing anonymously.
- A review of our procedures against the Home Office's guide in response to the new offence of 'failure to prevent fraud' was introduced under ECCTA.

11. Digital transformation risk

Risk

Systems fail to be implemented or do not deliver the anticipated benefits due to:
- lack of clear scope and strategic focus;
- inadequate skills, resource and transfer of knowledge;
- underestimation of investment;
- lack of project management and governance;
- inadequate support from management;
- inadequate communication to stakeholders; or
- neglecting the impact on stakeholders and importance of change management.

Executive responsibility: Damian Wisniewski
Risk tolerance: Medium

Strategic objectives: 1 2 3 5
Stakeholders: Employees, occupiers and suppliers

Trend:
Failure to successfully deliver system changes that will help improve the control environment could lead to errors in financial accounting and reporting. It could also lead to higher costs due to inefficient existing processes, and impair the organisation's ability to scale and compete effectively.

Status

The Group is implementing a number of applications/systems, including a new finance system. These change initiatives need to be carefully managed to ensure they deliver the anticipated benefits and mitigate any risks arising from the implementation/transition process.

Key performance indicators (KPIs):
- Regular reporting on key projects
- Cost incurred against budget
- A significant diversion of time could affect a wider range of KPIs

In addition, we monitor key project milestones and budget contingency trackers.

Our actions

- Project scope and objectives are clearly defined, documented, approved and communicated to all stakeholders.
- Before project approval, the costs of implementation are budgeted, alongside the preparation of a detailed resource plan, to ensure adequate contingency in case of delays.
- Budget contingency is monitored throughout the project and reported to the Executive Committee and Board/Committees, as required.
- Project management resource is assigned to larger projects, and they are required to follow good governance and internal project management processes.
- Provide clear and regular communication about key projects to the whole business, throughout the project, with support and leadership from the executive team.

Managing risks continued

Our emerging risks

Emerging risks are conditions, situations or trends that could significantly impact on the Group's financial strength, competitive position or reputation within the next five plus years and are therefore factored into the Board's viability assessment and strategic planning process. Emerging risks could involve a high degree of uncertainty. The methodology used to identify, assess and monitor emerging risks is described in the risk management framework on page 158.

Risk	Time horizon[1] 0-5 years	5-10 years	15+ years	Impact	Our actions
A: The evolving nature of office occupation **Strategic objectives:** 1 2 4	●	●		The evolving nature of office occupancy in London is driven by a strong demand for premium spaces in prime locations, potential changes in workforce structure given the emergence of Artificial Intelligence (AI) and hybrid working trends. While high quality real estate remains resilient, occupier needs are changing. The Group needs to ensure it is thinking ahead, so that our product remains attractive to businesses, thereby retaining its competitive edge. Buildings that are unable to meet these objectives may suffer in value unless they can be redeveloped or repurposed.	The Group continues to proactively deploy its strategy, whilst maintaining close engagement with occupiers and monitoring evolving market trends to ensure a timely and appropriate response. We believe our customer-focused approach to delivering space in well-positioned locations with creative design and enhanced amenity at its core will exceed these evolving requirements. Our 'Furnished + Flexible' product also offers accessible and high quality space, particularly to small businesses. Regular reports on market sentiment are presented to the Board to inform decision making and assess how occupier trends may impact broader business performance.
B: Accelerating technological change **Strategic objectives:** 1 2 3	●	●		The accelerating pace of technological innovation (including AI) may disrupt existing business models, operational processes, and customer expectations. Failure to adopt technology could result in reduced competitiveness, increased obsolescence of systems, and missed opportunities for efficiency and growth. If the Group fails to respond to occupier demands for building-related technology, the Group's offering could become less desirable, leading to potential vacancies and loss of rental income. Whilst there is a demand for intelligent buildings, this does result in increased cyber risk.	The Group maintains a digital strategy that includes the systematic evaluation of emerging technologies to ensure that new systems and services deliver appropriate value and align with the Group's technology framework. The Group monitors developments in quantum computing and conducts periodic reviews of its cyber security service providers to ensure that they remain responsive to evolving technological and security risks. Artificial intelligence (AI) considerations have been incorporated into the Group's IT Acceptable Use Policy and into third party supplier due diligence processes, to ensure appropriate governance and risk management controls are applied.
C: Climate-related risks **Strategic objectives:** 1 2 3 4	●	●	●	The climate-related emerging risks which are considered to have the greatest impact on Derwent London are: ▪ Subsidence ▪ Planning approval changes ▪ Emissions (carbon) offsets ▪ Windstorm ▪ Flooding These risks have the potential to materially impact asset valuations, development viability, cash flows and regulatory compliance across the Group's portfolio.	Through our ongoing development and refurbishment programme, we continually improve the energy efficiency of our buildings. In addition to purchasing and self-generating renewable energy, we are delivering a c.100-acre solar park in Scotland to increase our own supply base of renewable energy. Embodied carbon and energy intensity reduction targets are included within the Executive Directors' long-term incentive plan awards (PSP).
D: Geopolitical instability **Strategic objectives:** 2 4 5	●			Continued geopolitical tensions could cause prolonged global supply chain disruption, commodity price inflation and market uncertainty, causing delays or disruption to occupier decision making and investor sentiment. There is also a risk of increased cyber attacks and social unrest.	Despite the uncertainty, our supply chain has been relatively unaffected due to our approach of early pre-ordering and storage. Early supply chain engagement in project designs helps with the identification of potential risks and alternative solutions.

Due to the uncertain nature of emerging risks and trends, the time horizon indicates the time period over which the Board currently perceives these risks could have a material impact on the Group.

The evolving nature of office occupation

Emerging risk

The central London office market for good quality assets remains resilient. However, the evolving nature of office occupation is an emerging risk for the Group. Awareness of key market drivers that could impact this risk is essential to ensure the Group remains ahead of occupier trends and demands.

The key drivers that could influence occupier trends include:

- strategic location of our buildings;
- the need for adaptable and collaborative space to accommodate hybrid working patterns and technological advancements;
- landlord services and amenities; and
- integration of ESG.

The Group's strategy of delivering high quality, amenity-rich space in well-positioned locations remains central to mitigating the emerging risk of the evolving nature of office occupation. The following controls are in place to mitigate this risk.

Engagement with occupiers

Regular engagement with occupier advisers as well as existing occupiers allows the Group to monitor trends and understand key factors impacting decision making. This informs the Group's strategy of developing a portfolio that meets evolving demand.

Differentiating our portfolio

The Group's portfolio is strategically considered to provide both HQ offices and 'Furnished + Flexible' offices in appropriate proportions to meet London's office demand profile. All workspace is now further supported by the DL/Member offer which includes, DL/Lounges and the DL/App. This provides the Derwent London occupier with high quality amenities and services at portfolio level as well as within individual assets.

Understanding market sentiment

The Board receives regular updates and reports, from both internal teams and external advisers, ensuring the Group has visibility over shifts in market sentiment and key drivers which ultimately inform strategic decision making as well as the design of Derwent London's workspace and offer.

Integration of ESG

Understanding how our occupiers view ESG enables the Group to respond to evolving expectations. Sustainability is embedded throughout the Group's strategy and this integrated approach ensures our assets are aligned to long-term occupier priorities and values. In 2025, a portfolio-wide campaign was issued, 'You Hold the Power to Save'. This initiative allows the Group to work alongside occupiers throughout a tenancy to achieve aspirations of reducing carbon.

Furnished & Flexible Floor Oliver's Yard EC1

Brunel Building W2

Governance

Introduction from the Chairman

Mark Breuer Chairman

2026 focus areas

- To appoint a new Chief Executive
- Ongoing review of the Group's strategy
- To put forward the 2026 Remuneration Policy at the AGM and monitor the implementation
- To continue to monitor the Group's long-term succession plan for senior management

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the 2025 Corporate governance statement on pages 122 to 137.

Board changes

2025 has been a busy year in implementing the agreed succession plans for executive leadership.

Paul Williams announced his retirement as Chief Executive and Director of the Company on 22 January 2026. The Board has now engaged with an external search consultancy, with a key focus for 2026 being the appointment of Paul's successor.

On 12 August 2025, Nigel George announced that he would be stepping down from the Board on 31 March 2026. During the year, progress has been made in ensuring a smooth handover of Nigel's responsibilities to members of senior management. Nigel has agreed to continue to support the Group on a number of key projects over the next two years.

On behalf of the Board, I would like to thank both Paul and Nigel for their dedication and outstanding contribution to the Company.

The Board remains confident in the composition of its Non-Executive Directors and during the year saw the facilitation of a smooth handover made to Madeleine McDougall as Chair of the Responsible Business Committee and the designated director for gathering the views of the workforce as Dame Cilla Snowball stepped down from the Board at the 2025 AGM.

Stakeholder engagement

We understand the importance of gathering the views of our stakeholders and ensuring proactive engagement (see pages 128 and 129). During the year, I sought engagement from the Group's largest shareholders to ensure the Board understands the wider views of our shareholders.

The biennial employee survey was rolled out to all employees during Q4 2025 and it was encouraging to receive an 86% response rate.

The Remuneration Committee engaged with the Group's top 20 shareholders and proxy voting agencies in respect to the proposed changes to the Remuneration Policy. The Board is grateful to the shareholders who engaged and the proposed 2026 Remuneration Policy (as outlined on pages 178 to 187) will be put forward to shareholders at the 2026 AGM.

Strategic review

The Board continues to proactively review and discuss the Group's strategy, and in June held its annual strategy meeting over two days. During this time, the Board discussed the strategic outlook of the Group's portfolio, the development pipeline, and the maintenance of strong and flexible financing. With the appointment of a new Chief Executive, there will be increased focus by the Board on strategy during 2026.

Corporate governance

The Board and its committees were subject to an external evaluation facilitated by the third party, Independent Audit Limited. No significant matters were raised in respect to the operation of the Board and its committees (see page 137).

The Board confirms that for the year ended 31 December 2025 the principles and provisions of the UK Corporate Governance Code 2024 (the Code), that became applicable from 1 January 2025, have been complied with and consistently applied (see page 117). The Board continues to make good progress for compliance with provision 29 that becomes applicable for the year ending 31 December 2026 and during the year has remained up to date on the Group's preparation for compliance.

Annual General Meeting (AGM)

The forthcoming AGM will be hosted at DL/78 on 15 May 2026. Alongside my fellow Directors, I hope that you will be able to join us. If you wish to discuss any aspect of our governance arrangements, please contact me via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** or
Email: **company.secretary@derwentlondon.com**

Mark Breuer
Chairman

25 February 2026

Board engagement

During the year, the Board maintained open engagement channels with its key stakeholders, ensuring the views of stakeholders are considered in the Board's decision making.

Remuneration Policy consultation

Shareholders were invited to engage in the Remuneration Policy consultation on 14 April 2025. During the year, the Remuneration Committee engaged with the Group's top 20 shareholders and proxy voting agencies in respect to the proposed changes to the Remuneration Policy. A series of engagement meetings were held with shareholders to directly receive their feedback.

Directors' Remuneration Policy / See pages 178 to 187

Our Chairman's engagement with shareholders

Mark Breuer wrote to the Group's largest shareholders on 8 September 2025, seeking engagement to understand the wider views of our shareholders. It was pleasing to receive engagement and valuable feedback from six of our shareholders.

'Meet the Board' event

Employees from across the business were invited to a 'meet the Board' event on 22 September 2025 as the Board continues to recognise the importance of building relationships and enhancing employee engagement.

External Board evaluation

In accordance with the Group's three-year cycle, an external evaluation of the Board and its committees was facilitated during the year by the third party, Independent Audit Limited. No significant matters were raised in respect to the operation of the Board and its committees

Ensures the long-term sustainable success of the Company / See pages 136 and 137

2025	January	February	March	April	May	June	July	August	September	October	November	December
Board and committee meetings		Audit Board Remuneration		Board pre-strategy meeting	Board Nominations Remuneration Responsible Business Risk	Board strategy meeting Nominations Remuneration		Audit Board Nominations Remuneration Risk	Board Remuneration		Audit Board Risk	Board Nominations Remuneration Responsible Business
Key announcements	25 Baker Street W1 offices fully pre-let	Full year results announcement	Investor meetings	2024 Report & Accounts Notice of AGM	Q1 Business update £250m 7-year 5.25% bond issuance in June		Disposal of Francis House SW1 for £55.5m Extension of £450m Revolving Credit Facility	Interim results New headlease agreed at 50 Baker Street W1	Investor meetings	Completion of 25 Baker Street W1	Q3 Business update	Planning approval at Blue Star House SW9 2025 Net Zero Carbon Pathway update

Governance at a glance

Transparency and strong corporate governance drives long-term value for our stakeholders.

Board succession

Executive Directors

On 22 January 2026, Paul Williams announced that he will be stepping down as Chief Executive and Director of the Company. The Board has commenced the process to appoint Paul's successor.

Nigel George announced his retirement on 12 August 2026 and will step down from the Board on 31 March 2026. A smooth transition of Nigel's responsibilities to members of senior management has been made during the year.

Non-Executive Directors

As Helen Gordon and Lucinda Bell approach their ninth anniversaries on the Board, a key focus area for the Nominations Committee is to identify successors for the positions of Senior Independent Director and Chair of the Audit Committee.

2025 governance highlights

86.5% overall employee satisfaction

Further information / See page 78

55.6% Board independence (excluding the Chairman)

Further information / See page 134

5.0% Total accounting return for the year ended 31 December 2025

Further information / See page 30

53% Female representation in our workforce

Further information / See page 171

1 Soho Place W1

Key governance activities in 2025

Succession planning

Further information / See page 140

Fraud Risk Management

Further information / See page 148

Section 172(1) Statement

Further information / See page 130

Remuneration Policy

Further information / See page 178

Cyber security

Further information / See page 156

Non-financial assurance

Further information / See page 145

Economic Crime and Corporate Transparency Act 2023

Further information / See page 137

External Board evaluation

Further information / See page 136

Net Zero Carbon Pathway

Further information / See page 69

UK Corporate Governance Code 2024 – Compliance Statement

The FRC published a revised UK Corporate Governance Code (the Code) in 2024. The Board confirms that for the year ended 31 December 2025, the principles and provisions that became applicable from 1 January 2025 have been complied with and consistently applied. We note that provision 29 is only applicable from 1 January 2026.

Further information on the Code can be found on the Financial Reporting Council's website: **www.frc.org.uk**

Key changes Applicable for the year ended 31 December 2025	Our response	Status
Board leadership and company purpose		
Principle C: To focus on board decisions and the outcomes in context of the company's strategy and objectives.	Our disclosure on 'Board activities' (see page 132) outlines the key decisions made by the Board during 2025 with a link to the Group's strategic objectives.	✓
Provision 2: The board's role to not only assess and monitor company culture but to ensure the desired culture is embedded.	Details of how the Group's culture has been monitored and embedded are on page 126.	✓
Composition, success and evaluation		
Principle J: To promote diversity, inclusion and equal opportunity when appointing to the board.	The Nominations Committee report outlines the Board's recognition of the role of diversity when reviewing its composition and making appointments to the Board (see pages 138 to 141).	✓
Provision 23: Companies may have further initiatives in place alongside their diversity and inclusion policy.	Our progress in diversity is included on page 141. Further information on our diversity and inclusion initiatives is on pages 170 and 171.	✓
Audit, risk and internal control		
Principle O: The board to be responsible for maintaining the effectiveness of risk management and the internal control framework.	The risk management structure outlines the Board's responsibility for maintaining the effectiveness of risk management and the internal control framework (see page 162).	✓
Remuneration		
Provision 37: Director remuneration contracts/agreements should include malus and clawback.	The provision of malus and clawback and the circumstances in which it could be applied is detailed in the Remuneration Committee report on page 183.	✓
Provision 38: Describe malus and clawback including the provisions that have been used in the last reporting period.		✓

Our progress to compliance with provision 29 of the Code

The Board continues to make good progress for compliance with provision 29 that will become applicable for the year ending 31 December 2026.

Key changes Applicable for the year ending 31 December 2026	Our response	Status
Audit, risk and internal control		
Provision 29: ▪ To describe how the board has monitored and reviewed the effectiveness of the framework. ▪ A declaration of effectiveness of the material controls as at the balance sheet date. ▪ To describe any material controls that have not operated effectively as at the balance sheet date.	During the year, significant work has been undertaken to further develop the Group's material controls framework in preparation for the Board's declaration on the effectiveness of material controls in the 2026 Report & Accounts. Further information on identifying our material controls is on page 147.	**In progress**

Compliant In progress

Board of Directors

1 – Damian Wisniewski
Chief Financial Officer

Board appointment: 2010
Damian is a chartered accountant who held previous senior roles within the real estate sector including Stanhope Properties, Chelsfield plc and Treveria Asset Management. He has overall responsibility for financial strategy, treasury, taxation, financial reporting and property management as well as other operational responsibilities.

Other public appointments:
Member of the governing body and Chair of Audit Committee at the Royal Academy of Music and Deputy Chairman and Chair of the Finance and Business Development Committee at the ABRSM.

2 – Helen Gordon
Senior Independent Director

Board appointment: 2018
Helen is Chief Executive Officer of Grainger plc. Previously, she was Global Head of Real Estate Asset Management of Royal Bank of Scotland plc and has held senior roles at Legal & General Investment Management, Railtrack and John Laing Developments.

Other public appointments:
CEO of Grainger plc, Board member and Past President of the British Property Federation, Vice Chair and Board Member of EPRA (European Public Real Estate Association), Non-Executive Director of Business LDN.

Committee:
Risk (Chair), Nominations, Remuneration.

3 – Lucinda Bell
Non-Executive Director

Board appointment: 2019
Lucinda has significant real estate, finance and governance experience. She has held a number of Non-Executive Director roles in different sectors and has extensive experience of chairing Audit Committees. She was CFO of The British Land Company plc from 2011 to 2018, where she also led on sustainability. Prior to that she held a range of finance and tax roles at British Land. Lucinda is a Fellow of the Institute of Chartered Accountants of England and Wales.

Other public appointments:
Non-Executive Director at Man Group Plc.

Committee:
Audit (Chair), Nominations, Remuneration, Risk.

4 – Sanjeev Sharma
Non-Executive Director

Board appointment: 2021
Sanjeev is an independent member of the Estates Strategy Committee of King's College University London. Sanjeev is on the Patrons Committee of Real Estate Balance and a Trustee Director of the Prudential Staff Charitable Trust.

Other public appointments:
Chief Property Portfolio Officer at M&G Real Estate – a leading financial solutions provider for global real estate investors, which is part of M&G plc's £75bn Private Markets business. Sanjeev has announced his intention to retire from this role, with effect from 28 March 2026.

Committee:
Remuneration (Chair), Audit, Nominations, Risk.

5 – Paul Williams
Chief Executive

Board appointment: 1998
Paul is a chartered surveyor who joined the Group in 1987. He was appointed Chief Executive in 2019, and has overall responsibility for Group strategy, business development, sustainability, health and safety and day-to-day operations. Paul will retire as Chief Executive of Derwent London plc following the appointment of his successor during 2026.

Other public appointments:
Chair of Sadler's Wells Foundation, Chair of the New West End Company (NWEC), Board member of the Westminster Property Association and member of the Real Estate Committee of HM The King SMI.

Committee:
Responsible Business.

6 – Mark Breuer
Chairman

Board appointment: 2021
Mark worked in investment banking for 30 years and, in 2017, retired from a 20-year career at JP Morgan in London, where he held the position of Vice Chairman, Global M&A and was a member of the Global Strategic Advisory Council. Mark is a Fellow of the Institute of Chartered Accountants of England and Wales, having qualified in 1987, and has a BA from Vassar College in the US.

Other public appointments:
Chairman of DCC plc.

Committee:
Nominations (Chair), Responsible Business.

7 – Robert Wilkinson
Non-Executive Director

Board appointment: 2024
Robert became Chief Executive Officer from 1 January 2026 of Hammerson plc, the largest UK-listed, pure-play owner and manager of prime retail and leisure anchored city destinations across the UK, France and Ireland. Robert has significant real estate and financial services experience, having previously served as CEO and Chief Investment Officer for AEW Europe and a Non-Executive Director of Grainger plc.

Other public appointments:
CEO of Hammerson plc and Vice Chair of INREV's Management Board.

Committee:
Audit, Nominations.

8 – Madeleine McDougall
Non-Executive Director

Board appointment: 2024
Madeleine is the Head of Corporate Sector Coverage at Lloyds Banking Group, looking after clients in sectors such as infrastructure, energy, retail, leisure, health, manufacturing and technology. Before this Madeleine was Head of the Real Estate & Housing team within the Lloyds Banking Group team.

Other public appointments:
Managing Director, Head of Corporate Sector Coverage at Lloyds Banking Group and Honorary Treasurer of the British Property Federation.

Committee:
Responsible Business (Chair), Nominations, Risk.

9 – Nigel George
Executive Director

Board appointment: 1998
Nigel is a chartered surveyor who joined the Group in 1988. He is responsible for leading Derwent London's investment team including valuations, acquisitions, disposals and analysis.

In addition, his responsibilities include overseeing the Group's Development and Sustainability teams. Nigel will retire as Executive Director on 31 March 2026.

Other public appointments:
Nigel is a co-opted member of the Royal Albert Hall Fabric Committee.

10 – Emily Prideaux
Executive Director

Board appointment: 2021
Emily Prideaux joined Derwent London in 2010 and was appointed to the Executive Committee in 2018 and the Board in 2021. She is responsible for Leasing, Asset Management, Corporate and Property Marketing, and plays an integral role in design and development of future projects. Emily also leads the DL/Member initiative, driving customer service and digital strategy to ensure Derwent delivers best-in-class workspace for the next generation of businesses.

Other public appointments:
NLA Expert Panel Member.

Committee:
Responsible Business.

Executive management

1 – Matt Cook
Head of Digital Innovation & Technology
Joined Derwent London: November 2015
Appointed to Executive Committee: January 2024

2 – Jennifer Whybrow
Head of Financial Planning & Analysis
Joined Derwent London: June 2007
Appointed to Executive Committee: January 2018

3 – Vasiliki Arvaniti
Head of Asset Management
Joined Derwent London: September 2019
Appointed to Executive Committee: January 2022

4 – John Davies
Head of Sustainability
Joined Derwent London: January 2013
Appointed to Executive Committee: January 2022

5 – Richard Dean
Director of Investment
Joined Derwent London: January 2023
Appointed to Executive Committee: July 2023

6 – Richard Baldwin
Director of Development
Joined Derwent London: January 2011
Appointed to Executive Committee: January 2011

7 – Robert Duncan
Head of Investor Relations & Strategic Planning
Joined Derwent London: September 2021
Appointed to Executive Committee: January 2023

8 – Victoria Steventon
Head of Property Management
Joined Derwent London: December 2019
Appointed to Executive Committee: January 2022

9 – Philippa Abendanon
Head of Occupier Markets
Joined Derwent London: April 2013
Appointed to Executive Committee: July 2022

10 – Jay Joshi
Group Financial Controller
Joined Derwent London: April 2012
Appointed to Executive Committee: April 2021

11 – David Lawler
Company Secretary
Joined Derwent London: September 2017
Appointed to Executive Committee: September 2017

12 – Katy Levine
Head of Human Resources
Joined Derwent London: September 2008
Appointed to Executive Committee: January 2023

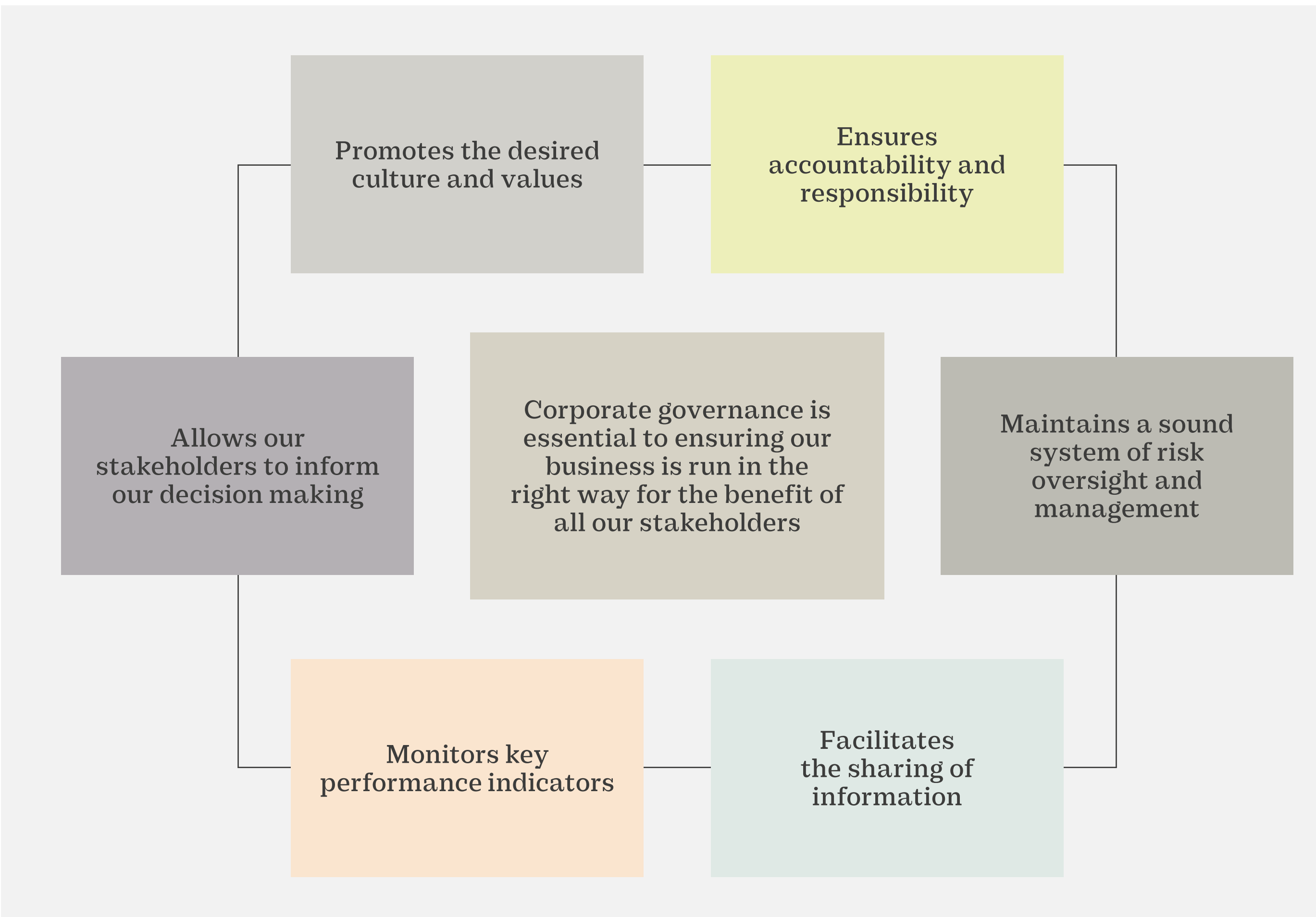
13 – Julie Schutz
Head of Internal Audit
Joined Derwent London: January 2023
Appointed to Executive Committee: July 2024

Senior Management	Joined Derwent London
Lesley Bufton Head of Property Marketing	2003
Tim Hyman Group Architect	2008
Benjamin Lesser Head of Design & Innovation	2010
Jonathan Theobald Head of Investment Analytics	2012
Matt Massey Head of Project Management	2014
Charlotte Maclean Land & Asset Manager	2021
Matt Peaty Head of Health & Safety	2022
Paul Atkins Head of Tax	2024
Stef Doede Head of Financial Reporting	2025

Corporate governance statement

Our approach to governance

At Derwent London our approach to governance is rooted in the concepts of fairness, transparency and accountability.



The Section 172(1) Statement

The Board of Directors confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The Board is also kept fully informed of the material issues of stakeholders through the Responsible Business Committee, Executive Directors, reports from senior management and external advisers. We utilise various engagement channels to receive informative feedback from our key stakeholders which can be factored into our principal decisions and activities.

Further information / See page 130

Public Interest Statement

We are aware of our wider obligations to be a responsible business partner to our occupiers and to the communities in which we operate. As our activities impact multiple stakeholder groups, our Board ensures that stakeholder matters are central to its decision making alongside the long-term financial success of our business.

We extend our obligations beyond the statutory requirements to add value and build long-term mutually beneficial relationships. Our obligations are incorporated into our purpose, which strongly influences our values (see pages 22 to 25).

We have detailed on pages 66 to 85 and 122 to 137 how we have acted in the public interest during 2025.

Running our business in the right way

Effective leadership

Our Board is composed of diverse professionals who bring a range of skills, perspectives and corporate experience to our boardroom. The composition of the Board is subject to periodic review by the Nominations Committee to ensure it remains sufficiently balanced and diverse to effectively oversee and determine the Group's strategy.

On 22 January 2026, Paul Williams announced his retirement as Chief Executive and Director of the Company. The Board has commenced the process to appoint Paul's successor and will ensure an effective handover of responsibilities is made. Additionally, Nigel George announced his retirement as a Director on 12 August 2025 and will be leaving the Group on 31 March 2026. Nigel will continue to support the Group on a number of key projects over the next two years. During the year, a smooth transition was made from Dame Cilla Snowball to Madeleine McDougall as Chair of the Responsible Business Committee and the designated director for gathering the views of the workforce.

To ensure sufficient time for discussion, the Board utilises its five principal committees to effectively manage its time (see page 127). At each Board meeting, the agenda ensures sufficient time for the committee chairs to report on the contents of discussions, any recommendations to the Board which require approval, and the actions taken. The Board, its principal committees and individual Directors are subject to annual effectiveness evaluations to identify areas for improvement or action (see pages 136 and 137). The Chairman discusses with each Director their training needs to ensure they keep their knowledge and skills up to date.

Value creation and preservation

The role of the Board is to generate long-term value for shareholders and other key stakeholders. The appropriateness of our strategy is subject to a detailed review at the Board's strategy meeting which is held annually. Additionally, before making a material decision, the Directors have due regard for the wider context including the macroeconomic environment, property cycle and the potential impact on our stakeholders and wider society.

Some of the key aspects discussed by the Board during its strategy discussions were:

- a strategic outlook of our London portfolio;
- the nature of office occupation;
- our development pipeline in respect to its replenishment and future potential;
- a review of the five-year plan including the potential impact of external risk factors on the business and our stakeholders;
- maintenance of strong and flexible financing and the cost to refinance; and
- costs and efficiencies.

The Board required no significant changes to the Group's strategy during 2025, which continues to assist in the achievement of our purpose and is aligned with our values. It is recognised that a key priority for 2026 is the recycling of capital. As a business, we continue to create value responsibly through responsible initiatives, a conservative balance sheet and a resilient strategy (see pages 22 and 23).

Applying best practice principles

During the year ended 31 December 2025, we have applied the principles and complied with the provisions of good governance contained in the UK Corporate Governance Code 2024 (the Code). Our Compliance Statement for 2025 is on page 117. Further details on how we have applied the Code can be found in the Governance section on pages 122 to 137.

Ensures accountability and responsibility

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any malpractice within or affecting the Company. Our employees embrace our high standards of conduct and are encouraged to speak out if they witness any wrongdoing which falls short of those standards.

Workforce policies and practices

The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business.

Policies are published on the intranet and where relevant included in the employee handbook. To ensure policies are embedded in our business practices, we operate a mandatory training programme which aims to reinforce key compliance messages in areas such as anti-bribery, fraud, modern slavery etc. If the Board is concerned or dissatisfied with any behaviours or actions, it seeks assurance that corrective action is being taken. No such action was required during 2025.

Compliance training / See page 163

Anonymous reporting of concerns

All employees have access to our 'Speak up' system. Our procedures are included within our employee handbook, on our Group intranet and staff noticeboards. Our procedures aim to support and reassure staff that they are able to raise genuine concerns without fear of victimisation or unfair treatment, even if they turn out to be mistaken.

In 2025, we transitioned to a new independent service provider, which enabled the introduction and publication of a third party reporting line to our existing suppliers, and was reflected in the updated Supply Chain Responsibility Standard. Following this transition, our 'Speak up' Policy (the Policy) and posters were updated to ensure our employees and suppliers had clear guidance on how to report concerns anonymously.

Following receipt of a message we have procedures in place to ensure an independent and proportionate investigation. The Policy outlines that the CEO and relevant committee Chair are informed of all reports, unless they are indicated within the report. Due to the 'open door' nature of our business, concerns are often raised directly with management, the CEO or the HR team.

Conflicts of interest

All employees (including the Board) are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest.

Prior to all major Board decisions, the Chairman requires the Directors to confirm that they do not have a potential personal conflict with the matter being discussed. If a conflict does arise, the Director is excluded from discussions and voting, unless the Board unanimously decides otherwise.

Independence / See page 134

Delegated authority limits

The Board maintains a formal schedule of matters which are reserved solely for its approval. These matters include decisions relating to the Group's strategy, capital structure, financing, any major property acquisition or disposal, the risk appetite of the Group and the authorisation of capital expenditure above the delegated authority limits. The delegated authority limits are detailed below:

Board approval is required for:	Level of approval:
Major property acquisition or disposal	Valued above £40m
Major capital expenditure project	Projected costs above £20m
Material occupier lease or contract	Rental income greater than 7.5% of the Group's total rental income

Although the Board is formally required to authorise capital expenditure above this limit, the open nature of our business means that the Board is aware of all active projects within our portfolio.

If any Director has concerns about the running of the Group or a proposed course of action, they are encouraged to express those concerns which are then minuted. No such concerns were raised during 2025.

All Directors have access to the services of the Company Secretary, and any Director may instigate an agreed procedure whereby independent professional advice may be sought at the Company's expense. No such advice was sought by any Director during the year.

Governance framework / See page 127

Board activities / See pages 132 and 133

Code of Conduct for Directors

The Institute of Directors (IoD) operates a voluntary Code of Conduct for Directors, which is centred on six principles:

- Leading by example
- Integrity
- Transparency
- Accountability
- Fairness
- Responsible business

The Derwent London Board has confirmed that it has complied with the IoD Code of Conduct and its principles for director conduct during 2025. Further information on the IoD Code of Conduct for Directors can be found here: **www.iod.com**

Division of responsibilities

Chairman, Mark Breuer

- Responsible for the effective running of the Board and ensuring it is appropriately balanced to deliver the Group's strategic objectives
- Promote a boardroom culture that is rooted in the principles of good governance and enables transparency, debate and challenge
- Ensure that the Board as a whole plays a full and constructive part in the development of strategy and that there is sufficient time for boardroom discussion
- Effective engagement between the Board, its shareholders and other key stakeholders

Chief Executive, Paul Williams

- Provide clear and visible leadership
- Execute the Group's strategy and commercial objectives together with implementing the decisions of the Board and its committees
- Keep the Chairman and Board appraised of important and strategic issues facing the Group
- Ensure that the Group's business is conducted with the highest standards of integrity, in keeping with our culture
- Manage the Group's risk profile and ensure actions are compliant with the Board's risk appetite
- Investor relation activities, including effective and ongoing communication with shareholders

Senior Independent Director, Helen Gordon

- Provide a 'sounding board' for the Chairman in matters of governance or the performance of the Board
- Available to shareholders if they have concerns which have not been resolved through the normal channels of communication
- At least annually lead a meeting of the Non-Executive Directors without the Chairman present to appraise the performance of the Chairman
- Act as an intermediary for Non-Executive Directors when necessary and act as Chairman of the Board, if the Chairman is conflicted

Chief Financial Officer, Damian Wisniewski

- Support the CEO in developing and implementing strategy
- Provide financial leadership to the Group and align the Group's business and financial strategy
- Responsible for financial planning and analysis, treasury and tax functions, and overseeing change management systems
- Responsible for presenting and reporting accurate and timely historical financial information
- Manage the capital structure of the Group
- Investor relation activities, including communications with shareholders, alongside the CEO

Designated director for gathering the views of our workforce, Madeleine McDougall

Madeleine McDougall has been designated the director responsible for gathering the views of our workforce. This is achieved by:

- Monitoring the effectiveness of engagement programmes established for employees
- Providing the Board with regular updates on workforce sentiment to support informed and balanced decision making
- Monitoring the outcome of employee surveys and providing input on their design
- Attendance at key employee and business events, including property launches

Other Executive Directors

- Support the CEO in developing and implementing strategy
- Oversee the day-to-day activities of the Group, including the design and implementation of appropriate risk management and internal control systems (financial and non-financial)
- Manage, motivate and develop staff
- Develop business plans in collaboration with the Board
- Ensure that the policies and practices set by the Board are adopted at all levels of the Group
- Investor relation activities, including communications with shareholders, alongside the CEO

Non-Executive Directors (NEDs)

- Provide constructive challenge to our executives, help to develop proposals on strategy and monitor performance against our KPIs
- Ensure that no individual or group dominates the Board's decision making
- Promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level
- Determine appropriate levels of remuneration for the senior executives
- Review the integrity of financial reporting and that financial controls and systems of risk management are robust

Company Secretary, David Lawler

- Secretary to the Board and its committees
- Develop Board and committee agendas and collate and distribute papers
- Ensure compliance with Board procedures
- Advise on regulatory compliance and corporate governance
- Facilitate induction programmes for Directors and assist with their training and development, as required
- Responsible for communications with retail shareholders and the organisation of the Annual General Meeting
- Available to support all Directors

Corporate governance statement continued

Promotes the desired culture and values

Our culture has developed from our values and is a key strength of our business. The benefits of a strong culture are seen in our employees' engagement scores, retention rate and levels of productivity.

Purpose
Why we do what we do
Our purpose communicates the Group's strategic direction and intentions to our employees, occupiers and wider stakeholders.

Values
The qualities we embody
Our values articulate the qualities we embody and our underlying approach to doing business.

Culture
How we work together
Our culture has developed from our values and is a key strength of our business.

Embedding our culture

The Board reinforces our culture and values through its decisions, strategy and conduct. Culture and value 'fit' is a key consideration during our recruitment process, which is reinforced during our induction programme and town halls run by the CEO and is monitored through performance appraisals.

As part of the performance appraisal process, all employees are required to work towards achieving the following objectives:

- active involvement in fostering, promoting and supporting an inclusive culture; and
- cross-team collaboration to deliver goals and build strong trusting relationships.

These objectives reinforce the behaviours we wish to foster within our workforce and link our culture to our reward mechanisms.

Assessing and monitoring our culture

The Board monitors the culture and values of the Group via:

- Regularly meeting with management and inviting employees to present at Board and committee meetings.
- Receiving feedback via the four employee representatives that sit on our Responsible Business Committee.
- Assessing cultural indicators such as:
  - management's attitude to risk;
  - health and safety data;
  - compliance with the Group's policies and procedures; and
  - key performance indicators, including staff retention.
- Feedback from our wider stakeholders, including from occupier 'pulse surveys'.
- Promptness of payments to suppliers.
- Independent assurance is sought via the internal audit function and other advisers.

Key indicators in monitoring our culture

The feedback received from employee surveys provides valuable insights into what is valued and seen as corporate norms. The biennial employee survey includes a specific question on how our employees would describe our culture.

If the Board is concerned or dissatisfied with any behaviours or actions, it seeks assurance that corrective action is being taken. No such action was required during 2025.

86.5%
of employees are overall satisfied with working at Derwent London
(2023: 88%)

83%
of employees said they are comfortable to voice their views even when different from others
(2023: 73%)

91%
of employees said they know what is expected of them in their role
(2023: 88%)

86%
of employees said their skills and expertise are well utilised in their role
(2023: 77%)

Governance framework

We pride ourselves on conducting our business in an open and transparent manner.

Our well-established culture ensures that our governance framework remains flexible, allowing for fast decision making, effective oversight and clear accountability throughout the organisation.

The Board

The Board is primarily responsible for setting the Group's strategy for delivering long-term value to our shareholders and other stakeholders, providing effective challenge to management concerning the execution of the strategy and ensuring the Group maintains an effective risk management and internal control system.

Our strategy / See page 22
Managing risks / See page 100
The Section 172(1) Statement / See page 130
Board activities / See page 132

The Board delegates certain matters to its five principal committees

Nominations Committee
Ensures the Board (and its committees) have the correct balance of skills, knowledge and experience, and that adequate succession plans are in place.
See page 138

Audit Committee
Oversees the Group's financial reporting, maintains an appropriate relationship with the external Auditor and monitors the Group's financial internal controls.
See page 142

Risk Committee
Reviews and monitors the Group's principal and emerging risks, and the effectiveness of the Group's risk management systems and non-financial internal controls.
See page 154

Responsible Business Committee
Monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities.
See page 164

Remuneration Committee
Establishes the Group's Remuneration Policy and ensures there is a clear link between performance and remuneration.
See page 172

The terms of reference for each Board Committee are available on the Group's website at www.derwentlondon.com

Executive Directors

The Board delegates the execution of the Company's strategy and the day-to-day management of the business to the Executive Directors, assisted by other members of the Executive Committee.

Chief Executive's statement / See page 12
Measuring our performance / See page 30
Property review / See page 35
Executive management / See page 120

Supporting committees

The executives operate a number of supporting committees that provide oversight on key business activities and risks, examples include:

Credit Committee
Health and Safety Committee
Sustainability Committee
Cost Committee

Engagement with shareholders and other stakeholders

Our shareholders and other key stakeholders play an important role in monitoring and safeguarding the governance of our Group. Further information on how we engage with our key stakeholders is on pages 24, 128 and 129.

Corporate governance statement continued

Our stakeholders

We recognise our duty to act in the best interests of our stakeholders and are committed to delivering long-term value.

Strategic objectives

1 To optimise returns and create value from a balanced portfolio
2 To grow recurring earnings and cash flow
3 To attract, retain and develop talented employees
4 To design, deliver and operate our buildings responsibly
5 To maintain strong and flexible financing

Our stakeholders	Why we engage	Our key priorities	How we engage	Value created in 2025
Occupiers Strategic objectives: 2 4 5	**Our long-term success depends on our ability to understand and respond to occupiers' requirements.**	▪ Well-designed and sustainable buildings ▪ Suitable lease terms ▪ Adaptable space to accommodate new and collaborative ways of working ▪ Exclusive access to available amenities	▪ Occupier pulse surveys ▪ Constructive and collaborative discussions on ESG initiatives ▪ Occupier-focused amenities ▪ DL/App	▪ Delivered the 'You Hold the Power to Save' campaign, achieving 60% engagement rate and driving behavioural change. ▪ Published our updated Net Zero Carbon Pathway, providing direction for long-term sustainability. ▪ Delivered a programme of portfolio-wide and building-specific events, securing strong engagement, with seasonal and high demand activities regularly selling out.
Employees Strategic objectives: 3 4	**To benefit from the skills and knowledge of our talent base.**	▪ Overall health and wellbeing ▪ A diverse and inclusive working environment ▪ Opportunities for training, development and progression	▪ Biennial employee survey ▪ Business Disability Forum ▪ D&I Working Group ▪ Health, Safety and Accessibility Working Group ▪ Employee members on the Responsible Business Committee	▪ Achieved a significant improvement in the Business Disability Forum Self-Assessment strengthening the Group's approach to accessibility. ▪ Circulated a series of diversity and inclusion newsletters that increased engagement and shared lived experiences. ▪ Implemented a 'Rewards and Recognition' programme that encourages cross-team collaboration.
Local communities and others Strategic objectives: 3 4	**To gather feedback on the needs of the communities, neighbourhoods and charitable organisations.**	▪ Minimising local disruption ▪ Impact on the local economy ▪ Effective communication and engagement ▪ Being a responsible neighbour	▪ Operation of the Community Fund ▪ Volunteering and charitable donations ▪ Engagement throughout planning and development processes ▪ Work experience opportunities	▪ Launched a multi-year funding option for Community Fund recipients. ▪ Continued strong support for communities by ensuring ongoing commitment for vital causes via our Sponsorship and Donations Committee, with £350k committed. ▪ Worked alongside 'Tier 1' contractors to create employment and training opportunity proposals, tailored to support the resident-led priorities of local boroughs. ▪ Hosted 18 individuals on our work experience programme, including two from the EY Foundation's Real Estate Futures programme.
Shareholders and debt providers Strategic objectives: 1 5	**To facilitate access to long-term and cost-effective finance and strategic input.**	▪ Financial performance ▪ Environmental, social and governance performance ▪ Openness and transparency ▪ Payment of the dividend	▪ All material news published via Regulatory News Services ▪ Annual General Meeting ▪ Investor meetings, presentations and property tours ▪ Remuneration Policy consultation ▪ Our annual Report & Accounts	▪ Secured an extension of the £450m unsecured Revolving Credit Facility. ▪ Obtained £250m 7-year 5.25% bond issuance, strengthening the Group's long-term funding. ▪ Maintained strong interest cover at 3.1 times. ▪ Conducted shareholder meetings as part of the Remuneration Policy consultation.
Central and local government Strategic objectives: 4	**To better understand public policy and regulatory frameworks, and influence policy outcomes.**	▪ Openness and transparency ▪ Proactive engagement with local authorities ▪ Support for local economic plans and strategies ▪ Compliance with legislation	▪ Ongoing engagement with local authorities to ensure high quality planning applications are submitted ▪ Regular dialogue and correspondence with government departments such as HMRC	▪ Led a fundraising initiative for AC-DG, raising £240k in total from 24 developers and contractors. ▪ Contributed as an active member of Build UK, supporting efforts to drive sustainable growth across the construction industry. ▪ Engaged regularly with Business London, benefitting from thought leadership and regulatory insights.
Suppliers Strategic objectives: 4	**To partner with like-minded businesses that engage and promote ethical supply chain practices.**	▪ Long-term partnerships ▪ Collaborative approach ▪ Open terms of business ▪ Fair payment practices	▪ Supplier onboarding procedures ▪ Our Supply Chain Responsibility Standard ▪ Introduction of new third party whistleblowing line for suppliers	▪ Introduced a third party whistleblowing line for suppliers as a means to report any concerns of wrongdoing. ▪ Published a revised Supply Chain Responsibility Standard and latest Modern Slavery Statement. ▪ Achieved Bronze level accreditation for responsible payment practices.

Key stakeholder engagement during 2025

2025	Key stakeholder engagement
January	DL/Lounge access offered to charities and community groups
February	Full year results announcement
March	Received engagement from the local government regarding AC-DG fundraising
April	White Collar Factory charity half marathon organised
May	Hosted our 41st Annual General Meeting and approved 2024 Report & Accounts
June	Engaged with suppliers on the publication of third party whistleblowing line
July	Remuneration Policy consultation: engagement with top 20 shareholders
August	Interim results
September	Launch of 'You Hold the Power to Save' campaign, engaging with occupiers
October	Employees were invited to participate in the 2025 employee survey
November	Portfolio-wide donation drive for the men's charity 'Suited & Booted'
December	Published an update on the Group's Net Zero Carbon Pathway

Corporate governance statement continued

Allows our stakeholders to inform our decision making

The Section 172(1) Statement

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Informed decision making

The Board's procedures require a stakeholder impact analysis to be completed for all material decisions requiring its approval that could impact one or more of our stakeholder groups. The stakeholder impact analysis assists the Directors in performing their duties under s.172 of the Companies Act 2006 and provides the Board with assurance that the potential impacts on our stakeholders are being carefully considered by management when developing plans for Board approval. The key activities and principal decisions undertaken by the Board in 2025 are detailed on pages 132 and 133.

Principal methods used by the Board in 2025

The main methods used by the Directors to perform their duties include:

- strategy reviews which assess the long-term sustainable success of the Group and our impact on key stakeholders;
- the Responsible Business Committee monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities and reports to the Board on its activities (see pages 164 to 171);
- assessing the potential impact of significant capital expenditure decisions on our stakeholders;
- identifying the risks and potential consequences of decisions in the short, medium and long-term so that mitigation plans can be put in place;
- direct and indirect stakeholder engagement (see pages 128 and 129);
- external assurance is received from stakeholder surveys, brokers and advisers; and
- specific training for our Directors and senior managers, in addition to the mandatory compliance training programme (see pages 135 and 163).

Issues, factors and stakeholders

Case studies have been included throughout the Governance section (see pages 131 and 169). Within each case study we have identified the s.172 factors which were most relevant in the Board's decision making. Additionally, we have provided an explanation of how our stakeholders impacted on the Board's discussions during 2025 on the following pages:

Holden House W1 / See page 131

Community Fund / See page 169

s.172 factor	Relevant disclosures	Page
a) the likely consequences of any decision in the long-term	Company purpose	22
	Central London Office Market	41
	Our business model and strategy	22
b) the interests of the Company's employees	Our people	78
	Diversity and inclusion	170
	Non-financial reporting	84
	Employee engagement	78
c) the need to foster the Company's business relationships with suppliers, customers and others	Social Value Strategic Framework	76
	Responsible payment practices	168
	Modern slavery	169
	Supply Chain Responsibility Standard	168
d) the impact of the Company's operations on the community and the environment	Our Net Zero Carbon Pathway	69
	Double materiality assessment	68
	Community Fund	77
	Streamlined Energy and Carbon Reporting (SECR) disclosure	74
	Task Force on Climate-related Financial Disclosures (TCFD)	86
e) the desirability of the Company maintaining a reputation for high standards of business conduct	'Speak up' procedures	124
	Purpose, values and culture	126
	Internal financial controls	149
	Risk management	159
	Anti-bribery and corruption	163
	Awards and recognition	295
f) the need to act fairly between members of the Company	Annual General Meeting	212
	Voting	212
	Rights attached to shares	213

Holden House W1

Holden House W1

The Board approved the redevelopment of Holden House W1 in December 2024. The strip out and demolition commenced in August 2025 with planned completion at the end of 2028. The redevelopment will deliver a 133,500 sq ft modern building, with an area uplift of 52%.

During these early discussions, the Board considered the potential impacts of the redevelopment on its stakeholders and received confirmation that the sustainability credentials of the development were aligned with the Group's net zero carbon strategy.

Ahead of demolition commencing, a stakeholder impact analysis was undertaken and early engagement sought to ensure the decisions made by the Board were well informed and considered all key stakeholders.

Key concerns of demolition

- Noise, vibrations, dust.
- General disruption to local occupiers and members of the public.
- Safety of pedestrians and vulnerable road users.
- Waste strategy and material reuse.

Early engagement with stakeholders

A series of presentations and 'drop in' sessions were hosted at DL/78 with both occupiers and members of the local community invited with the objective of informing stakeholders of the programme and to address any key questions. Key feedback was to ensure that the proposed programme of works would be clearly communicated, in particular any periods of disruption or increased noise. It was decided that Derwent London would issue 'two-weekly lookaheads' to our own occupiers in neighbouring properties to ensure that they were kept informed of the proposed works.

The Health and Safety Committee discussed the plans to mitigate the risks of the demolition on road users, particularly to pedestrians and cyclists. Additionally, engagement was sought with Westminster City Council to discuss the site logistics. As a result of discussions with and feedback from Westminster City Council, an outline logistics strategy was agreed and included within the enabling works tender documents. Measures included within the outline strategy included the position and dimensions of pitlanes, access points into site and the implementation of additional road barriers to help segregate vulnerable road users, such as cyclists, from vehicles servicing the site. Regular liaison is undertaken between the site team and Derwent London on all aspects of the logistics arrangements. Additionally, reports are submitted to the Risk Committee and Health and Safety Committee to ensure regular monitoring of the works.

Community management

Engagement was sought with the main contractor, Erith, to understand what opportunities, including apprenticeships, were available. Derwent London worked alongside Erith to put forward a proposal to Westminster City Council, tailored to support its local priorities. Both Derwent London and Erith are aligned in wanting to ensure the redevelopment of Holden House W1 provides and promotes a range of opportunities available on the site for Westminster residents. The Group recognises that Holden House W1 presents a unique opportunity to positively impact the local environment and community within the borough of Westminster during construction and into operation.

S.172 factors

C D E

Corporate governance statement continued

Board activities

The Board met nine times during the year (including the Annual General Meeting). An overview of our Board's key activities in 2025 is provided below.

Strategic objectives
1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cash flow
3. To attract, retain and develop talented employees
4. To design, deliver and operate our buildings responsibly
5. To maintain strong and flexible financing

Recycling of capital

Recycling of capital
Investment activity is one of our core activities. This involves the recycling of capital, acquiring properties with future regeneration opportunities and disposing of those which no longer meet our investment criteria and forward return expectations.

During the year, the Board:
- reviewed our portfolio pipeline for future acquisition and disposal opportunities;
- approved the sale of Francis House SW1 for £55.5m;
- sold 24 apartments at 100 George Street W1, with £115.8m proceeds raised;
- approved the comprehensive refurbishment of Greencoat & Gordon House SW1; and
- received resolution to grant planning permission at Blue Star House SW9.

Construction projects
Received regular updates on key construction projects and received resolution to grant planning at our c.240,000 sq ft 50 Baker Street W1 development.

Reached practical completion on Building Safety Regulations at 25 Baker Street W1. Leases commenced in September for the fully pre-let 204,000 sq ft office element.

Leasing activity
Monitored letting activity throughout the year, which remained strong, with open market lettings 9.9% above December 2024 ERV.

Strategic objectives
1 2 4

S.172 factors
A C D

Strategy and financing

Strategy meeting
The Board strategy meeting was held in June, and in order to adequately prepare a pre-meeting was held to agree the strategic challenges and areas to be discussed.

Financing strategy
A strategic objective for the Group is the maintenance of strong and flexible financing. The Board received updates throughout the year on the Group's financing strategy, including the following refinancing activity:

- A £115m unsecured term loan/ Revolving Credit Facility was signed in February.
- £250m 5.25% 7-year unsecured bonds were issued in June.
- The £175m 1.5% convertible bonds were repaid upon maturity in June.
- Additionally, both the £100m term loan and the £450m Revolving Credit Facility were extended by a year to June 2028 and by four years to July 2029, respectively. The amended and extended Revolving Credit Facility includes two one-year extension options.
- Two £32.5m Revolving Credit Facilities were cancelled in July.

Costs and efficiencies
The Board discussed cost saving opportunities to support efficiencies.

Dividends
Approved the interim and final dividends to be paid in 2025.

Strategic objectives
1 2 4 5

S.172 factors
A F

Risk management and internal control

Internal Controls Project
The Internal Controls Project continues to remain on track to achieve compliance with provision 29 of the UK Corporate Governance Code 2024 effective from 1 January 2026. During the year the Audit Committee monitored the progress to compliance with provision 29 in respect to material controls. Further information can be found on page 147.

Assurance
The Audit Committee tendered our independent non-financial assurance during 2025. Further details are on page 145.

Principal and emerging risks
Approved the Group's principal and emerging risks, supported by an in-depth benchmarking exercise.

Cyber security
In August, the Risk Committee received a detailed presentation from the Digital, Innovation and Technology (DIT) team which provided an overview of the Group's cyber posture and strategy. Additionally, following the publication of the Cyber Governance Code of Practice in April, a gap analysis of the Group's procedures against the Cyber Governance Code of Practice was undertaken by the DIT team.

Fraud Risk Management
An internal assessment of the Group's Fraud Risk Management Framework was conducted.

Strategic objectives
3 4

S.172 factors
D E

Corporate reporting and performance monitoring

Review of 2025 Report & Accounts
Reviewed the 2025 Report & Accounts to ensure it is fair, balanced and understandable.

Reporting
- Reviewed the rolling forecasts and approved the 2026 budget.
- Approved the full year and interim results, in addition to the Q1 and Q3 business updates.
- Reviewed and approved the Group's five-year plan and forecast.
- Reviewed quarterly project cost reports.
- Approved the portfolio valuation as at 30 June and 31 December 2025.

Finance system project
The Audit Committee received regular updates on the implementation of the new finance system and discussed the expected benefits.

Net zero carbon
Published the updated Net Zero Carbon Pathway, which confirmed strong progress and a forward look approach. Further details are on page 69.

Board evaluation
Following a tender, Independent Audit Limited conducted the 2025 external Board evaluation. The findings were discussed at the Board meeting on 24 February 2026. Further details are on page 137.

Strategic objectives
1 3 4 5

S.172 factors
A E

Stakeholder engagement

'Meet the Board' event
On 22 September, employees from across the business were invited to meet the Board, recognising the importance of employee engagement.

Employee survey
Sought feedback from our employees during Q4 2025, in order to assess staff satisfaction. The initial high level feedback was reviewed by the Responsible Business Committee in December 2025.

Remuneration Policy consultation
Engaged with shareholders and proxy agencies on the proposed changes to the Remuneration Policy in advance of the 2026 AGM.

AGM
Hosted the 41st Annual General Meeting (AGM) on 16 May 2025 at DL/78, with a business update provided by Paul Williams.

Chequeless dividend
Continued to notify and communicate with shareholders that, from October 2025, dividend payments would no longer be paid via cheque in order to reduce the environmental impact.

Stakeholder consideration
The Responsible Business Committee has continued to monitor and receive regular updates on stakeholder engagement.

Strategic objectives
1 3

S.172 factors
B C D E F

Governance

Corporate governance
Continued to monitor our progress and compliance with the UK Corporate Governance Code 2024.

Board skills matrix
A review of the Board skills matrix was conducted and the new category of 'people and talent' was added.

Committee membership
The Chairman performed a review of the Board committees' memberships to ensure each committee is composed of the appropriate skills.

Modern slavery
Approved and published the 2025 Modern Slavery Statement.

Audit exemption
Approved the use of audit exemptions under the Companies Act for a number of subsidiary accounts.

Economic Crime and Corporate Transparency Act 2023
The Board continued to receive regular updates on the Group's progress to comply with the Economic Crime and Transparency Act 2023, which included all Directors completing the ID verification process.

Health and safety training
Executive Directors, Non-Executive Directors and members of senior management received training on health and safety management from Mishcon de Reya.

Strategic objectives
1 3

S.172 factors
C E F

Corporate governance statement continued

Policies and practices

Independence

The Non-Executive Directors play an important role in holding to account the performance of executive management and ensuring that no individual or group dominates the Board's decision making. It is therefore of paramount importance that their independence is maintained.

The Board has identified in the table on page 135 which Directors are considered to be independent. To safeguard their independence, Non-Executive Directors are not permitted to serve more than three three-year terms unless in exceptional circumstances (see page 139).

The Board has reconfirmed that our Non-Executive Directors remain independent from executive management and free from any business or other relationships which could materially interfere with the exercise of their judgement.

The Chairman held a number of meetings with the Non-Executive Directors without executive management being present. These meetings are useful to safeguard the independence of our Non-Executive Directors by providing them with time to discuss their views in a more private environment.

55.6%

of the Board is independent (excluding the Chairman), which exceeds the guidelines of the UK Corporate Governance Code 2024

Related party disclosures / See page 263

External commitments

The Board takes into account a Director's other external commitments when considering them for appointment, to satisfy itself that the individual can discharge sufficient time to the Derwent London Board and assess any potential conflicts of interest. Our Directors are required to notify the Chairman of any alterations to their external commitments that arise during their tenure with an indication of the time commitment involved.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 118 and 119).

Executive Directors may accept a non-executive role at another company with the approval of the Board. Currently, none of our Executive Directors are directors of other listed companies.

All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively (see page 135 for Board meeting attendance). Following a one-to-one meeting between each Director and Independent Audit Limited, any feedback received was provided to the Chairman with key areas to be addressed during 2026 (see page 137).

Other publicly listed appointments

The Board takes into account guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed efficiently. For the table below, we have used the methodology contained in the ISS UK and Ireland Proxy Voting Guidelines in respect of 'overboarding' to calculate our Non-Executive Directors' mandates in respect of their publicly listed appointments. Any person who holds more than five mandates at listed companies would be classified as 'overboarded'. The Board confirms that none of our Directors are overcommitted and all Directors are capable of discharging sufficient time to Derwent London.

	Non-Executive Director		Board Chairman		Executive Director		Total
	Appointments	Mandates	Appointments	Mandates	Appointments	Mandates	mandates[1]
Mark Breuer	–		Derwent London plc DCC plc	4	–	–	4
Lucinda Bell	Derwent London plc Man Group Plc	2	–	–	–	–	2
Helen Gordon	Derwent London plc	1	–	–	Grainger plc	3	4
Sanjeev Sharma	Derwent London plc	1	–	–	–	–	1
Robert Wilkinson	Derwent London plc	1	–	–	Hammerson plc	3	4
Madeleine McDougall	Derwent London plc	1	–	–	–	–	1

1 Inclusive of their appointment at Derwent London plc. For the purposes of calculating the number of total mandates: a non-executive directorship counts as one mandate, a non-executive chairmanship counts as two mandates, and a position as executive director (or a comparable note) is counted as three mandates.

Training

With the ever-changing environment in which Derwent London operates, it is important for our Executive and Non-Executive Directors to remain aware of recent, and upcoming, developments. We require all Directors to keep their knowledge and skills up to date and include training discussions with the Chairman in their annual performance reviews.

As required, we invite professional advisers to provide in-depth updates. Updates and training are solely reserved for legislative developments but aim to cover a range of issues including, but not limited to, market trends, the economic and political environment, environmental, technological and social considerations. During the year, the Executive Committee and members of senior management received training on the new 'failure to prevent fraud' offence that came into effect from 1 September 2025 under the Economic Crime and Corporate Transparency Act 2023.

Our Company Secretary provides regular updates to the Board and its committees on regulatory and corporate governance matters. In addition, we invite our Directors to attend courses hosted by the Deloitte Academy and PwC.

During 2025

- The Risk Committee received the annual update on upcoming legislative developments.
- All employees (including Directors) participated in compliance training courses on a range of topics including fraud and market abuse, competition law, whistleblowing and cyber security and data protection.
- Directors attended regular external briefing sessions from the major accountancy firms.
- The Executive Committee and members of senior management received training on the new 'failure to prevent fraud' offence.

The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business.

Policies are published on the intranet and where relevant included in the employee handbook. To ensure policies are embedded in our business practices, we operate a mandatory training programme which aims to reinforce key compliance messages in areas such as anti-bribery, fraud, modern slavery, conflict of interest, etc.

Compliance training / See page 163

Board members and attendance in 2025

	Independent	Number of meetings[1]	Attendance[2]
Non-Executive Chairman			
Mark Breuer[3]	Yes	8	100%
Executive Directors			
Paul Williams	No	8	100%
Damian Wisniewski	No	8	100%
Nigel George	No	8	100%
Emily Prideaux	No	8	100%
Non-Executive Directors			
Lucinda Bell	Yes	8	100%
Helen Gordon	Yes	8	100%
Cilla Snowball[4]	Yes	2	100%
Sanjeev Sharma	Yes	8	100%
Robert Wilkinson	Yes	8	100%
Madeleine McDougall	Yes	8	100%

1 The table excludes the pre-strategy discussion which took place on 30 April 2025.
2 Percentages are based on the meetings entitled to attend for the 12 months ended 31 December 2025.
3 Mark Breuer was independent on his appointment as Chairman in February 2021.
4 Cilla Snowball stepped down from the Board on 16 May 2025.

Board skills and experience

During the year, the Chairman has reviewed the Board's skills and experience and the chart below provides an overview of the skills and experience of our Directors as at 31 December 2025. To be counted for each skill area, a Director is required to have executive or senior management experience. The Board remains well-equipped with a diverse range of skills and expertise to contribute to achieving the Group's long-term strategy. For the skill areas in which our Directors have less experience at executive level, we provide training and regular updates either to the entire Board or to specific committees.

Board Skills Matrix

	Executive Directors	Non-Executive Directors	
Executive/Strategic leadership	4	6	100%
Property, real estate or construction	4	5	90%
Listed PLC experience	4	6	100%
Financial and risk management (inc. tech and cyber)	2	6	80%
People and talent	1	6	70%
Corporate finance and capital markets	4	6	100%
Governance, legal and compliance (inc. H&S and ESG)	3	6	90%
Investor relations, engagement and marketing	4	6	100%

Board biographies / See pages 118 and 119

Executive Directors Non-Executive Directors

Corporate governance statement continued

Ensures the long-term sustainable success of the Company

Timeline for 2025 external Board evaluation

Q4 2024

- Tender process approved by Chairman and Senior Independent Director
- Shortlist of potential evaluators approved

Q1 2025

- Tender process commenced and received proposals from a number of providers
- Independent Audit Limited selected as external Board evaluator
- Non-disclosure agreement signed

Q4 2025

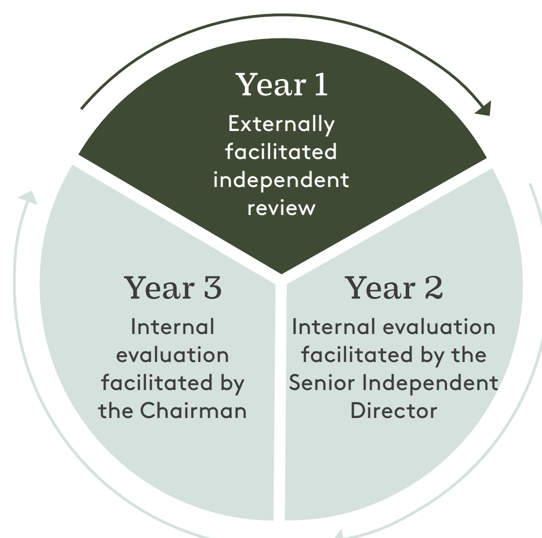
- Planning meeting held by Chairman with Independent Audit Limited
- Board questionnaire distributed to Directors
- Interviews with Executive and Non-Executive Directors
- Attended meetings of the Board, Audit, Risk, Remuneration, Nominations and Responsible Business Committees

Q1 2026

- Final report discussed with the Chairman
- Final report presented to the Board

Annual Board evaluation

On an annual basis, an evaluation process is undertaken which considers the effectiveness of the Board, its principal committees and individual Directors. The review identifies areas for improvement, informs training plans for our Directors and identifies areas of knowledge, expertise or diversity which should be considered in our succession plans. The Board follows a formal three-year cycle that was developed to enable reviews to be led from a fresh perspective, each year.



Evaluation for the year ended 31 December 2024

The 2024 Board evaluation was internally facilitated by Mark Breuer, our Chairman, and was outlined in the 2024 Report & Accounts on page 139. As a result of this evaluation, the Board identified a number of areas which it wished to focus on in 2025.

Focus area	Actions during 2025
Include a greater focus on the long-term strategy	Facilitated by an additional strategy pre-meeting in April, the annual strategy meeting in June and a follow-up meeting in September.
Continue to receive contributions from management	Facilitated with eight Board meetings held in 2025, with a cross-section of senior management invited to present.
Balance the Board calendar	An additional Board meeting was held in September 2025 to ensure regular Board meetings throughout the year.

Evaluation for the year ended 31 December 2025

Our external Board evaluation for the year ended 31 December 2025 was externally facilitated by the third party Independent Audit Limited, which is accredited by the Corporate Governance Institute. A formal tender process was organised in order to select a Board evaluator, with each firm required to provide a written proposal. In selecting our 2025 external evaluator, the following areas were considered by the Chairman, Senior Independent Director and Company Secretary:

- the evaluator's proposed method and approach;
- experience, skills and references;
- any potential conflicts of interest; and
- whether they were an accredited board reviewer.

2025 evaluation process

The evaluation process was tailored to Derwent London based on discussions with the Chairman and the Company Secretary. The Company Secretary provided the third party evaluator with the requested information to facilitate the review.

The evaluation commenced with a short questionnaire completed by each Director. The individual interviews with the Directors and the Company Secretary, which were conducted during November/December and typically lasted for one hour and 30 minutes. The evaluator also attended a series of committee meetings in Q4 2025, including Audit, Risk, Remuneration and Responsible Business.

Feedback from the 2025 Board evaluation

The Board review confirmed that Derwent London has the characteristics of a well-functioning Board. It was recognised that there was a good degree of trust, confidence and healthy respect between the Executive and Non-Executive Directors.

A copy of the Board evaluation report will be shared with the new CEO, who will have the opportunity to meet Independent Audit Limited in order to discuss its findings.

The Board reviewed and discussed the report findings at the Board meeting on 24 February 2026. Following this, a number of areas for improvement were identified and will be considered during 2026.

Stakeholders

- To ensure that key stakeholder relationships are developed and maintained during senior management's succession.

Board and committee meetings

- All Non-Executive Directors will be invited to attend any committee meetings of interest, of which they are not already a member.
- The Audit Committee will continue to oversee delivery of benefits from the new finance systems.
- The Risk Committee's 2026 agenda will include a review of the Company's preparedness for a cyber attack.
- Ad hoc Board meetings to be held at the start or end of the day where possible.

Board dinners

- To ensure that there are at least two Board dinners in 2026.

Board skills matrix and training

- To identify any Board training requirements for 2026.

Re-election of Directors

In accordance with the Code, all Directors will be putting themselves forward for re-election at the 2026 AGM, with the exception of Nigel George who will be stepping down from the Board on 31 March 2026. In respect to Paul Williams, he will put himself forward unless a new successor is already in place. Following the formal performance evaluation, and taking into account the Directors' skills and experience (set out on page 135), the Board believes that the re-election and election of all Directors respectively is in the best interests of the Company.

Evaluation for the year ending 31 December 2026

In accordance with our three-year cycle, the performance evaluation for the year ending 31 December 2026 will be internally facilitated by the Senior Independent Director, Helen Gordon.

Economic Crime and Corporate Transparency Act 2023

The Economic Crime and Corporate Transparency Act 2023 (the Act) seeks to tackle economic crime and strengthen corporate accountability. The Act has introduced a variety of reforms with the aim of improving transparency from corporate entities.

During the year, the legislative developments of the Act have been closely looked into with the key changes identified as:

- enhanced powers for Companies House;
- new filing requirements for entities;
- mandatory identity verification for all directors, LLP members, persons with significant controls and persons submitting information to Company House; and
- the introduction of a new corporate criminal offence, 'failure to prevent fraud'.

We recognise the importance of early preparation with legislative developments, and therefore during the year a series of compliance exercises were undertaken. From April 2025, Companies House enabled directors to voluntarily verify their identity. Each member of the Board of Directors successfully completed the identity verification process ahead of the legislation's effective date of 18 November 2025.

By proactively completing the identity verification process the Group is compliant with the new identity verification requirements and is well-positioned to meet the enhanced filing obligations in 2026.

In addition to the completion of the identity verification process a series of activities have been undertaken during the year in response to the other key changes under the Act.

Fraud Risk Management Framework / See page 148

Supply Chain Responsibility Standard / See page 168

Training on new 'failure to prevent fraud' offence / See page 155

Nominations Committee report

Mark Breuer Chair of the Nominations Committee

2026 focus areas

- Appoint a new Chief Executive
- Ensure an effective handover of responsibilities to a new Chief Executive
- Continue to support a smooth transition of responsibilities from Nigel George to members of senior management
- Review the tenure of Helen Gordon, as Non-Executive Director
- Continue to monitor the talent development pipeline from across the business
- To identify the Audit Committee chair successor as Lucinda Bell approaches her nine-year tenure

Committee membership during 2025

	Independent	Number of meetings	Attendance[1]
Mark Breuer	Yes	5	100%
Lucinda Bell	Yes	5	100%
Helen Gordon	Yes	5	100%
Sanjeev Sharma	Yes	5	100%
Cilla Snowball[2]	Yes	1	100%
Robert Wilkinson	Yes	5	100%
Madeleine McDougall	Yes	5	100%

1 Percentages are based on the meetings entitled to attend for the 12 months ended 31 December 2025.
2 Cilla Snowball stepped down from the Board at the AGM on 16 May 2025.

Dear Shareholder,

I am pleased to present an overview of the Committee's work during the year. 2025 has been a busy year, with significant focus on succession planning of Executive Directors. Over the coming years, the Committee will continue to oversee and support a smooth transition in executive leadership.

Executive Director

On 22 January 2026, Paul Williams informed the Board of his retirement as Chief Executive and Director of the Company. The Board has engaged an external search consultancy and commenced the process to appoint his successor, which will form a key area of focus for the Committee during 2026. To support continuity and an effective handover of responsibilities, Paul has agreed to remain as Chief Executive until his successor is appointed.

Nigel George announced his retirement as a Director on 12 August 2025 and will stand down from the Board on 31 March 2026. Considerable progress has been made in 2025 to ensure a smooth transition of responsibilities amongst members of senior management. Nigel has agreed to continue to support the Group on a number of key projects over the next two years.

Succession planning / See page 140

Non-Executive Director succession

At the 2025 AGM, Dame Cilla Snowball stepped down from the Board as she reached her ninth anniversary. A smooth transition was made to Madeleine McDougall as the new Chair of the Responsible Business Committee and the designated director for gathering the views of the workforce. The Board continues to consider the composition of the Board by regularly reviewing the tenure of Non-Executive Directors.

Board composition and diversity

The Board continues to recognise the role of diversity in its composition and remains compliant with the Listing Rules, FTSE 350 Women Leaders Review and the 2024 Parker Review target. The Parker Review December 2027 target remains a work in progress as we continue to aim for at least 15% of our senior management team self-identifying as being of an ethnically diverse background.

Our progress in diversity / See page 141

Further engagement

If you wish to discuss any aspect of the Committee's activities, I will be attending the forthcoming AGM on 15 May 2026 and would welcome your questions. I am also available via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** or
Email: **company.secretary@derwentlondon.com**

Mark Breuer
Chair of the Nominations Committee

25 February 2026

Committee composition and performance

Our Committee consists of five independent Non-Executive Directors as well as our independent Chairman. At the request of the Committee, members of the Executive Committee, Executive Directors, members of the senior management team and external advisers may be invited to attend all or part of any meeting, as and when appropriate. During the year under review, the Committee held five meetings (2024: four meetings).

The 2025 evaluation of the Board, its committees and individual Directors was externally facilitated by the third party Independent Audit Limited, in accordance with our three-year cycle of evaluations (see page 137). The review raised no significant matters or areas of concern in respect to the operation of the Committee.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in June 2025 and are on the Company's website at: **www.derwentlondon.com/investors/governance/board-committees**

On a regular basis, the Committee considers the composition of the Board and its committees in terms of its balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations, alongside considering whether each Non-Executive Director has sufficient time to discharge their duties. The composition review conducted in 2025 confirmed that the Board, and the membership of its five principal committees, continues to be appropriate.

The Board's diversity policy is on page 140. In respect of its committees, the Board requires that each committee has at least one female member and/or one member from an ethnically diverse background.

Board and committee composition

The table below provides an overview of the composition of the Board's five principal committees as at 31 December 2025.

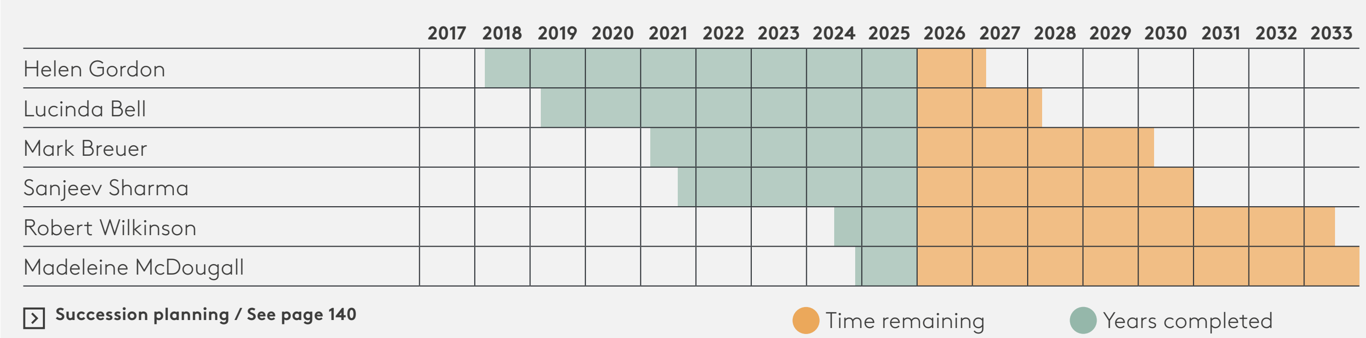
	Audit	Risk	Remuneration	Nominations	Responsible Business
Mark Breuer[1]				Chair	✓
Helen Gordon		Chair	✓	✓	
Lucinda Bell	Chair	✓	✓	✓	
Madeleine McDougall		✓		✓	Chair
Robert Wilkinson	✓			✓	
Sanjeev Sharma	✓	✓	Chair	✓	
Number of independent NEDs:	3	4	3	6	2
Number of Executive Directors:	—	—	—	—	2
Number of employee representatives:	—	—	—	—	4
Total membership:	**3**	**4**	**3**	**6**	**8**

1 Mark Breuer was independent on his appointment as Chairman in February 2021.

Following the Committee's review, it was confirmed that the membership of the five principal committees continues to be appropriate, effective and in accordance with the UK Corporate Governance Code 2024.

Non-Executive Directors' tenure

The Committee monitors a schedule of the Non-Executive Directors' tenure and reviews potential departure dates assuming the relevant Directors are not permitted to serve more than three three-year terms (nine years) from their appointment date, unless in exceptional circumstances.



Succession planning / See page 140

Nominations Committee report continued

Succession planning

As Directors we have a duty to ensure the long-term success of the Company, which includes ensuring that we have a steady supply of talent for executive positions and established succession plans for Board changes.

Executive Directors

The Committee considers the Group's succession planning on a regular basis to ensure that changes to the Board are proactively planned and co-ordinated.

Paul Williams announced his retirement as Chief Executive and Director of the Company on 22 January 2026 after 38 years of service. A third party external search consultancy has been appointed to commence the process to appoint a successor. It has been agreed that Paul will remain as Chief Executive until his successor has been appointed and an effective handover of responsibilities has been made. The Committee will remain fully engaged in the succession plans of a new Chief Executive in 2026.

On 12 August 2025, it was announced that Nigel George will step down from the Board on 31 March 2026. Due to the size of the business and current composition of the Board it was agreed that a replacement would not be required for Nigel's role on the Board, and instead Nigel's responsibilities will be allocated amongst members of senior management. During the year, a smooth transition of responsibilities has been made and Nigel has agreed to continue to support the Group on a number of key projects over the next two years.

Non-Executive Directors

Over the last couple of years, the Group has appointed two new Non-Executive Directors following retirement tenures. Due to this recent activity, it is envisaged that there will be no changes to the composition of Non-Executive Directors during 2026 as the Committee remains confident in the skills and knowledge of the Board (see page 135).

Helen Gordon will reach her ninth anniversary as a Non-Executive Director in December 2026. The Committee recognises Helen's in-depth knowledge of London Real Estate and therefore proposes to extend Helen's tenure for up to two years from December 2026 in order to support in facilitating the transition and succession of a new Chief Executive. Additionally, as Lucinda Bell reaches her ninth year on the Board in 2027 the Committee will start to consider a successor for the Chair of the Audit Committee.

Appointment reviews

The external Board evaluation confirmed that the Board and its committees continue to operate effectively supported by leadership and constructive challenge from the Non-Executive Directors. During the year, no appointment reviews were required to be made for the Non-Executive Directors.

Board biographies / See pages 118 and 119

Non-Executive Director tenure / See page 139

Board appointments

The Board's appointment policy requires that, where possible, each time a Director is recruited at least one of the shortlisted candidates is female and at least one of the candidates is from an ethnically diverse background. Whilst we have identified areas where we could further improve our diversity balance, principally our ethnic diversity, we do not positively discriminate during the recruitment process.

The Company provides new Directors with a comprehensive and tailored induction process which includes visiting a number of the Group's properties, meetings with the Group's audit partner and corporate lawyer, together with meetings with the Executive Directors, Executive Committee and senior management.

Induction programmes are developed by the Group's Company Secretarial team and approved by the Chairman. As the Group prepares for the appointment of a new Chief Executive an in-depth induction programme will be prepared. If considered appropriate, new Directors are also provided with external training that addresses their role and duties as a Director of a quoted public company. We aim to limit the amount of information provided as reading material during an induction process. All new Directors are provided with access to our electronic Board paper system.

Executive Committee

The Executive Directors are responsible for the Group's succession plans below Board level. The Committee receives periodic updates on these succession plans and monitors the development of the executive management team below the Board, to ensure that there is a diverse supply of senior executives and potential future Board members.

During the year, there were no new appointments to the Executive Committee. As at 31 December 2025, the composition of the Executive Committee consisted of four Executive Directors, the Company Secretary and 12 senior managers. The Executive Committee is now 41% female, achieving the FTSE 350 Women Leaders Review target of 40% (see page 141).

Our progress in diversity

A diversified Board brings constructive challenge and fresh perspectives to discussions. We consider diversity, in its widest sense (and not limited to gender), during our Board and committee composition reviews as well as during the development of recruitment specifications.

We are pleased that Derwent London's efforts to actively promote the importance of diversity has ensured our Board and senior management teams achieve the targets set by the FTSE 350 Women Leaders Review, the Listing Rules and the Parker Review.

Our compliance

Our progress as at 31 December 2025

Targets	Status
Listing Rule	
Parker Review 2024 target	
Parker Review 2027 target	
FTSE Women Leaders Review	

Fully compliant: In progress

The Listing Rules

The Listing Rules include specific diversity targets which require companies to report against on a 'comply or explain' basis.

Target	Status	
At least 40% of the Board are women	40% of our Board are women	
At least one of the senior Board positions is held by a woman	Helen Gordon is our Senior Independent Director	
At least one member of the Board is from a minority ethnic background	Sanjeev Sharma joined the Board in October 2021	

The Parker Review

The Parker Review continues to monitor and champion ethnic diversity on boards. In accordance with the Parker Review's latest recommendations, we have set a target of at least 15% of our senior management team self-identifying as being of an ethnically diverse background by December 2027. The Board recognises that this is a challenging target.

December 2024 target	Status	
At least one director from an ethnically diverse background	Sanjeev Sharma joined the Board in October 2021	

December 2027 target	Status	
At least 15% of our senior management team self-identifying as being of an ethnically diverse background	8% of our senior management team self-identify as being ethnically diverse	

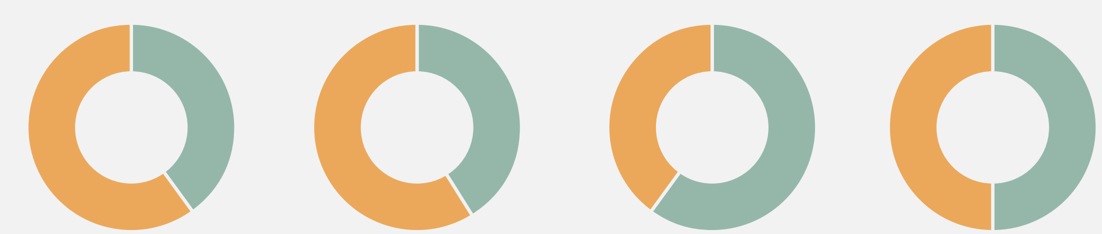
FTSE 350 Women Leaders Review

Target

40%

Female

Male



Women on the Board 40%

Women on the Executive Committee[1] 41%

Female Non-Executive Directors[2] 60%

Female direct reports of the Executive Committee[3] 50%

1 The combined diversity balance of the Executive Committee and its direct reports (excluding administrative and support staff) is 48% women.

2 Independent Non-Executive Directors, excluding the Chairman.

3 Direct reports to the Executive Committee, excluding administrative and support staff, is 50% women. Direct reports to the Executive Committee, including administrative and support staff, is 56.3% women.

Audit Committee report

Lucinda Bell Chair of the Audit Committee

2026 focus areas

- Ensure that the Board is well-positioned to make a declaration on the effectiveness of material controls as at 31 December 2026
- Monitor the implementation of the new finance system during 2026
- Review the appointment of Knight Frank as external valuers of the Group's portfolio in accordance with the Valuer Appointment Policy

Committee membership during 2025

	Independent	Number of meetings	Attendance[1]
Lucinda Bell	Yes	3	100%
Sanjeev Sharma	Yes	3	100%
Cilla Snowball[2]	Yes	1	100%
Robert Wilkinson	Yes	3	100%

1 Percentages are based on the meetings entitled to attend for the 12 months ended 31 December 2025.

2 Cilla Snowball stepped down from the Board at the AGM on 16 May 2025.

Dear Shareholder,

I am pleased to provide you with an overview of the Committee's main activities and areas of focus during the year.

External Audit

As Sandra Dowling reached the end of her tenure as the Group's Audit Partner, a smooth transition has been made during the year to Allan McGrath. The Committee continues to be pleased with the performance and level of challenge provided by the PwC external audit team.

External audit / See page 150

Non-financial assurance tender

During 2025, the Committee conducted a competitive tender in respect to non-financial assurance. The tender was comprehensive and saw the appointment of PwC. Following completion of the 2025 non-financial assurance, the Committee was pleased with the synergy achieved by PwC in providing the combined assurance to the Group. We recognise that ESG disclosures continue to be a key feature of reporting and therefore during the tender, the opportunity was taken to further align the key performance indicators that are assured with the needs of our stakeholders.

Non-financial assurance tender / See page 145

Material controls

We remain on schedule for achieving compliance with the UK Corporate Governance Code 2024 in respect to the new declaration on the effectiveness of material controls to be included in the 2026 Report & Accounts. During the year, updates on the material controls project were provided to members of both the Audit and Risk Committees, which included a 'dry run' of the material controls assurance pack.

Our material controls / See page 147

Finance system project

Significant progress has been made during 2025 on the finance system project, which remains on target to 'go live' in 2026. The Committee has received regular updates on the project and discussed, in depth, the benefits and efficiencies to the wider business that will come from a new cloud-based and better integrated system solution.

Finance system project / See page 143

Further engagement

If you wish to discuss any aspect of the Committee's activities, I will be attending the forthcoming AGM on 15 May 2026 and would welcome your questions. I am also available via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** or
Email: **company.secretary@derwentlondon.com**

Lucinda Bell
Chair of the Audit Committee

25 February 2026

Committee composition and performance

During the year under review, the Committee was composed of independent Non-Executive Directors with a wide range of experience, including real estate and finance (biographies are available on pages 118 and 119). The Board considers that the Committee (including its Chair, Lucinda Bell) is composed of a sufficient number of financial experts to discharge its duties, with an appropriate level of recent and relevant financial experience.

At the request of the Committee Chair, meetings are attended by the Board Chairman, the Head of Internal Audit, the external Auditors, and members of the Group's senior management team. To further facilitate open dialogue, the Committee holds private sessions with the internal and external Auditors without members of management being present.

During 2025, the Committee held three scheduled meetings (2024: four meetings), two of which included an update from the Group's external property valuers.

The 2025 evaluation of the Board, its committees and individual Directors was externally facilitated by the third party, Independent Audit Limited, in accordance with our three-year cycle of evaluations (see page 137). The review raised no significant matters or areas of concern in respect to the operation of the Committee.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in November 2024. The Audit Committee terms of reference are available on the Company's website at: **www.derwentlondon.com/investors/governance/board-committees**

Financial reporting

One of the Committee's principal responsibilities is to review and report to the Board on the clarity and accuracy of the Group's financial statements, including the annual Report & Accounts and interim statement. When conducting its reviews, the Committee considers:

- the appropriateness of accounting policies and practices applied (see note 40 on pages 271 to 275) including in respect to any significant transactions during the year;
- material accounting assumptions and estimates made by management (see note 3 on page 232);
- significant judgements and key audit matters identified by the external Auditor (see page 144 and pages 219 to 220);
- the effectiveness and application of internal financial controls (see page 149); and
- compliance with relevant accounting standards and other regulatory financial reporting requirements including the UK Corporate Governance Code and European Single Electronic Format (ESEF) requirements.

The Committee was pleased to be awarded 'Audit Disclosure of the Year' by the Chartered Governance Institute UK & Ireland on 4 November 2025. The award recognised the high standard of reporting and the Group's ongoing commitment to informative and transparent disclosures.

Finance system project

The Committee approved the commencement of the new finance system project in April 2024 with the primary objective of upgrading the core financial system to a cloud-based solution with enhanced functionality, improved integration and streamlined reporting.

Project leadership

To ensure the effective delivery and implementation of the finance project, a dedicated project team was established. The project team was tasked with evaluating the requirements, ensuring an appropriate timeline, engaging with key stakeholders and managing key risks throughout the project.

Vendor selection and peer engagement

During the preliminary stages, the project team evaluated various software solutions and made recommendations to the Committee. Additionally, engagement was sought with peers to obtain valuable insights on their experiences with differing software solutions and transformation projects. After deliberation, the Committee agreed with the project team's recommendation.

Risk management

The Committee continues to recognise the strategic importance of the finance system transformation project and therefore, alongside the Risk Committee, deemed it appropriate to update the Group's Schedule of Principal Risks in 2024 to include a new risk: 'Digital transformation risk' (see page 109).

Key milestones achieved

To date, the Committee is pleased with the progress made on the implementation of the project but recognises that the next six months are critical to achieve the target 'go live' in 2026.

Q2 2024	Approval to commence project
Q3 2024	Software demonstrations and peer engagement
Q4 2024	Business case and key vendors approved
H1 2025	Process scoping, detailed walkthroughs and design workshops; Formal vendor assessments of supplementary software suppliers; System design build
H1 2026	Development of detailed project plan; System build; Data cleansing and change management; Data migration and training
H2 2026	'Go live' date; Post-implementation review

Audit Committee report continued

Significant financial judgements, key assumptions and estimates

Any key accounting issues or judgements made by management are monitored and discussed with the Committee throughout the year. The table below provides information on the key issues discussed with the Committee in 2025 and the judgements adopted.

Issue	Judgements or estimates	Outcome
Compliance with the Real Estate Investment Trust (REIT) taxation regime		
Should the Group not comply with UK REIT regulations, it could incur tax penalties or ultimately be expelled from the REIT regime, which would have a significant impact on the financial statements.	As a REIT, the Group benefits from tax advantages. Income and chargeable gains on the qualifying property rental business are exempt from corporation tax. Income that does not qualify as property income within the REIT rules is subject to corporation tax in the normal way. There are a number of tests that are applied, and in relation to forecasts, to ensure the Group remains well within the limits allowed of those tests.	The Group has a qualified and experienced Head of Tax who the Committee meets at least annually. The Committee noted the frequency with which compliance with the tests and regulations was reported to the Board and considered the substantial margin by which the Group complied. Based on this, and the level of headroom shown in the latest Group forecasts, the Committee agreed that sound application of judgement has been made.
Valuation on the Group's property portfolio		
Due to its size, nature and the direct impact upon the Group's net asset value, the Committee reviews the assumptions and estimates used in the valuation carried out by the external valuers.	The valuation considers a range of assumptions including future rental income, investment yields, anticipated outgoings and maintenance costs, future development expenditure and appropriate discount rates. The external valuers also make reference to market evidence of transaction prices for similar properties and take into account the impact of climate change and related environmental, social and governance (ESG) considerations. These are reflected in the financial statements and valuations (see note 15 on pages 243 to 247).	The valuation is performed twice yearly by the external valuers. Due to its significance, the valuation is also reviewed by the external Auditor. The Committee reviewed the underlying assumptions used in the valuation of the Group's development property portfolio in addition to the external valuer's objectivity and methodology. These procedures enabled the Committee to be satisfied with the assumptions and estimates used in the valuation of the Group's property portfolio. (see note 15 on pages 243 to 247).

25 Baker St W1

Portfolio valuation

An important area of reporting risk relates to the valuation of our portfolio. Knight Frank have been our principal valuers since December 2022 and are responsible for valuing the property portfolio for both our interim and year end results. Additionally, Knight Frank succeeded Savills as valuers of our Scottish portfolio, which confirmed the Group's full compliance with the Royal Institution of Chartered Surveyors (RICS). In accordance with the Group's Valuer Appointment Policy, the Group's external valuer will be tendered at least every five years, subject to annual assessment of their effectiveness and objectivity.

As at 31 December 2025, our portfolio was valued at £5.1bn (2024: £5.0bn) and principally consists of 61 properties. Further information on our valuation is on pages 36 to 40. The valuation of our portfolio is a major component of EPRA net tangible assets (NTA) and is a key determinant for our investors when assessing our performance. Movements in the valuation are a significant part of how we measure our progress and a material determinant of the Group's total accounting return.

Due to its significance, the biannual valuation is overseen by the Audit Committee and is also subject to a detailed internal review by our Investment team, which consists of experienced and qualified professionals.

Key matters discussed during the meetings in 2025 included:

- the impact of the macroeconomy and valuation outlook for our London portfolio;
- the cost of EPC improvements included in the valuation;
- the progress of our major on-site developments and the impact on the valuation, including 25 Baker Street W1 and Network W1; and
- rental growth and occupational demand within the portfolio.

Effectiveness of the Group's valuers

A review into the effectiveness of the external valuer is performed after the year end and interim valuations, with assistance from Nigel George, Executive Director.

The effectiveness reviews for 2025 were conducted in February and August and considered:

- experience, qualification and objectivity of the Valuation team;
- quality of presentation and data; and
- robustness of the valuation.

At both meetings it was concluded that the external valuer performed to a high standard and the timetable for delivery was achieved.

Property review / See pages 35 to 51

Regeneration projects / See pages 19 to 21

Central London Office Market / See page 41

Impact of climate change and ESG on the valuation

Following an independent third party assessment in 2021, approximately £97m of capital expenditure was identified to achieve 2030 EPC compliance across our London commercial portfolio. This figure is reviewed annually and has been revised to £73.7m to reflect the latest scope (change in building regulations), inflation, disposals, and the work carried out to date. Of this, Knight Frank made a specific deduction of £31m in their December 2025 external valuation. In addition, further amounts have been allowed for general upgrades between assumed tenant vacancies.

RICS valuation – Global Standards

Valuations are undertaken in accordance with the 'RICS Valuation – Global Standards' (the Standards). Knight Frank are responsible for monitoring any forthcoming regulation changes. The most recent changes came into effect on 31 January 2025 and were comprised of new Standards on automation, artificial intelligence and ESG, detailing the ESG considerations that a valuer should consider and report upon.

Old Street Quarter EC1

The Committee considered the work carried out by the Finance team to determine the appropriate pre and post-acquisition accounting for the Old Street Quarter EC1 site, anticipated to complete no earlier than late 2027. The Committee considered the anticipated cash inflows and outflows, the key assumptions made including the mix of end use type and value, planning regulations, inflation and likely project timeline.

Non-financial assurance

The Group is committed to its sustainability initiatives and continues to make good progress towards its target of net zero carbon by 2030. The Committee ensures that the effects and consequences of climate change are being adequately reflected in our financial statements and valuations.

Technical briefing

To further support the Committee's oversight of non-financial assurance, a technical briefing was held in November 2025. The Committee remains committed to monitoring developments in best practice and will continue to seek training/professional guidance where required.

Non-financial assurance tender

In alignment with governance standards, the Committee conducted a formal tender process for the role of non-financial assurance provider during the year to cover both sustainability and health and safety. Following the 2025 non-financial assurance audit, the Committee is pleased with the synergy created by PwC in delivering the combined assurance to the Group. PwC was selected as the Group's non-financial assurance provider following a comprehensive process, including an in-depth evaluation of candidate presentations and capabilities.

Audit Committee report continued

Review of the 2025 Report & Accounts

At the request of the Board, the Committee was asked to review the Group's Report & Accounts and to consider whether, taken as a whole, it was fair, balanced and understandable. In carrying out its review, the Committee had regard to the following:

Fairness and balance

- Is the report open and honest?
- Are we reporting on our weaknesses, difficulties and challenges alongside our successes and opportunities?
- Do we provide clear explanations of our KPIs and is there strong linkage between our KPIs and our strategy?
- Do we show our progress over time and is there consistency in our metrics and measurements?

Understandable

- Do we explain our business model, strategy and accounting policies simply, using precise and clear language?
- Do we break up lengthy narrative with quotes, tables, case studies and graphics?
- Do we have a consistent tone across the Report & Accounts?
- Are we clearly 'signposting' to where additional information can be found?

Specific considerations for the 2025 Report & Accounts

- Inclusion of an EPRA earnings and total accounting return outlook in relation to the Group's future prospects.
- The macroeconomic factors influencing the property market and the Group's main focus areas.
- Publication of updated Net Zero Carbon Pathway.
- Consultation with top 20 shareholders and proposed 2026 Remuneration Policy.
- The tender and appointment of PwC as the Group's non-financial assurance provider.
- Disclosures in respect to Old Street Quarter EC1.
- Enhanced disclosures on Fraud Risk Management in response to the new corporate offence, 'failure to prevent fraud' under the Economic Crime and Corporate Transparency Act 2023.
- The preparations undertaken to achieve compliance with the UK Corporate Governance Code 2024 in respect to the effectiveness of our material controls from 1 January 2026 onwards.
- Confirmation of our compliance with the Audit Committees and the External Audit: Minimum Standard.

The Committee paid particular attention to these changes to ensure they did not adversely impact the balance and clarity of the Report & Accounts.

Following its review, the Committee confirmed to the Board that the 2025 Report & Accounts is fair, balanced and provides sufficient clarity for shareholders to understand our business model, strategy, financial position and performance.

Audit Committees and the External Audit: Minimum Standard

The Committee confirms that for the year ended 31 December 2025, it has complied with the Audit Committees and the External Audit: Minimum Standard (the Standard).

The Committee has outlined in the table below the activities it has undertaken to meet the requirements of the Standard during the year.

Reporting area	Our activities
Significant issues that the Committee considered relating to the financial statements	See pages 143 and 144
Application of the entity's accounting policies	See page 271
Shareholders' request for certain matters to be covered in an audit[1]	See note 1 below
Assessment of the independence and effectiveness of the external audit process	See page 150
External audit tender and appointment[2]	See page 150
An explanation of how auditor independence and objectivity has been safeguarded if non-audit services are provided	See pages 150 and 151
Details of the findings of a regulatory inspection of the quality of the company's audit[3]	See note 3 below

1 As at 31 December 2025, we have not received any requests from shareholders that certain matters be covered in an audit.
2 A competitive external audit tender was last conducted in 2023 and saw the reappointment of PwC.
3 No regulatory inspection of the quality of the Company's audit took place in 2025.

Monitoring future regulatory developments

UK Corporate Governance Code 2024

The revised UK Corporate Governance Code was published in 2024 and became applicable to financial years beginning on or after 1 January 2025. As at 31 December 2025 the Group is compliant with the Code, with the exception of provision 29, regarding internal controls, which is applicable to financial years beginning 1 January 2026.

During the year, significant work has been undertaken on the Group's material controls in preparation for the Board to make an effectiveness declaration in the 2026 Report & Accounts. The declaration on the effectiveness of material controls will include:

- a description of how the Board has monitored and reviewed the effectiveness of the risk management and internal control framework;
- a declaration of effectiveness of the material controls as at the balance sheet date; and
- a description of any material controls which have not operated effectively as at the balance sheet date, actions taken and/or proposed to improve them, and any action taken to address previously reported issues.

Further information on the work undertaken to date is on page 147.

Internal Audit

The Head of Internal Audit reports directly to the Committee and administratively to the Chief Financial Officer, with a remit to provide independent assurance over the Group's key risks. Internal Audit's purpose, authority and responsibilities are defined in the Internal Audit charter, which is periodically reviewed and approved by the Committee.

Internal Audit's activity is primarily driven by the annual internal audit plan which is discussed with management and jointly approved by the Audit and Risk Committees. The plan is a mixture of assurance and advisory reviews and is aligned to the Group's principal risks. It is reviewed throughout the year to ensure it remains appropriate, and any changes to the plan are approved by the Committee.

Both the Audit and Risk Committees receive regular updates on internal audit activity and monitor the implementation status of recommendations.

Reviews performed by Internal Audit and external assurance providers during 2025 include:

- Procurement: Property Management
- HR & Payroll Processes & Controls
- Critical Incident Management Procedures
- External & Internal Penetration Tests – Corporate & Portfolio
- Procurement: Development Projects
- Accounts Payable Processes & Controls
- Failure to Prevent Fraud Compliance
- Cyber Security Foundations

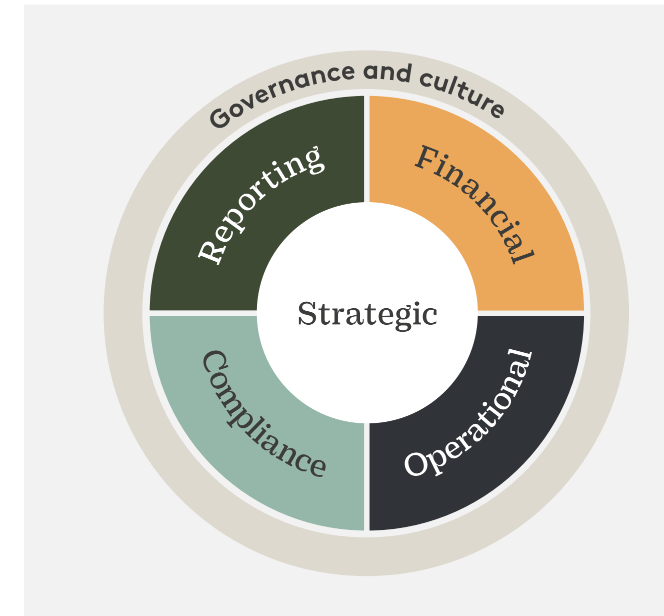
Annual review of the internal audit function

The Audit Committee reviewed the effectiveness of the internal audit function in February 2026 and is satisfied that it operates independently, objectively, and in accordance with relevant professional standards and codes of practice. The Committee considers internal audit to have provided robust assurance and valuable insight during the reporting period, supporting the Committee in fulfilling its oversight responsibilities.

2026 Internal Audit Plan

The 2026 Internal Audit Plan will be weighted towards the provision of advisory reviews across various elements of the finance system project, given the importance of successful delivery of the project.

Our material controls



Preparations have continued throughout the year to ensure readiness for compliance with the requirements of provision 29 of the UK Corporate Governance Code 2024, for the year ending 31 December 2026.

We have defined our material controls as those that are most important in mitigating key risks that threaten the long-term sustainability of the business, and where a failure of their effective operation, or a resulting omission and/or misstatement of information caused by the control failure is likely to influence decisions made by users of the information. They have been grouped into six categories as set out in the diagram above.

Having undertaken a proactive and comprehensive programme over the past two years to ensure readiness, Derwent London is well-prepared to comply with the new requirements.

Key milestones achieved to date have included the review and agreement of Derwent London's material controls and an assurance framework by the Board, supported by the Audit and Risk Committees. A range of stakeholder engagement has taken place, along with a 'dry run' of the draft assurance pack to provide an example of the evidence that will be collated to inform the declaration.

Our progress to compliance with provision 29 / See page 117

Audit Committee report continued

Fraud Risk Management

During the year, both the Audit and Risk Committees received a comprehensive update on the Group's Fraud Risk Management Framework, which helps Derwent London assess its fraud maturity and ensures key elements of an effective control environment are in place. Its existence, supported by a detailed Fraud Risk Assessment, evidences the wide range of governance and monitoring practices in place, demonstrating a commitment to continuously review and enhance fraud controls. Together, the Framework and Assessment enable Directors to report on the adequacy of measures in place.

Fraud Risk Management Framework

The Group's Fraud Risk Management Framework is comprised of the following components:

- **Fraud Governance:** Well-protected organisations have a strong governance and reporting structure with clearly defined roles and responsibilities around fraud risk.
- **Fraud Risk Assessment:** A comprehensive assessment is fundamental to capture key fraud risks, assess the impact and identify key controls to prevent instances of fraud.
- **Fraud Prevention:** Operationally efficient controls that protect the organisation from internal and external fraud.
- **Fraud Detection:** Processes and systems that actively look for fraud in key risk areas.
- **Fraud Response:** The ability to rapidly and effectively investigate fraud, learn from incidents, identify root causes and prevent recurrences.

An internal assessment of Derwent London's Fraud Risk Management Framework was undertaken and it was determined it remains strong, with no material deficiencies identified.

Fraud Risk Assessment

A Fraud Risk Assessment was conducted to assess inherent risk (before controls) and residual risk (after controls) levels for key fraud-related areas facing Derwent London's operations. All mitigated risk levels were within tolerances, and management confirmed there were no known instances of fraud during the year. Management remain committed to continuously improving the control environment and opportunities to further strengthen existing fraud controls will be leveraged as part of the new finance system implementation.

Both the Fraud Risk Management Framework and Fraud Risk Assessment provide a comprehensive overview of fraud risks and controls in place. While fraud remains an inescapable threat, with a suite of robust controls in place, supported by a culture that has a zero-tolerance to fraudulent behaviour, Derwent London is well-positioned to both prevent and detect fraud.

Throughout the year, the Committee has remained informed on the new corporate offence, 'failure to prevent fraud' under the Economic Crime and Corporate Transparency Act 2023 (the Act), which became applicable from 1 September 2025.

The only defence available for an organisation is to have 'reasonable procedures' in place. An in-depth gap analysis against the Home Office's published guidance was undertaken to review the Group's procedures against the Home Office's six principles for establishing adequate procedures.

The Group's compliance with the relevant part of the Act and the strength of our 'reasonable procedures' were subject to independent review and assessment by Internal Audit. The review found a sound level of fraud prevention and detection controls to be in place, with only minor opportunities for continued improvement noted, reinforcing the Group's commitment to maintaining robust fraud governance procedures and the importance of safeguarding both the Company and wider stakeholder interests.

The following key prevention procedures are in place to mitigate the risk of fraud occurring within the organisation.

Fraud prevention procedures

- Top-level commitment
- Continuous monitoring and reviewing
- Communication and training
- Due diligence
- Risk-based procedures
- Ongoing risk assessment

During the year, a series of activities have been undertaken in response to the legislative developments, including:

- mandatory compliance training for all employees during Q2 2025. The training focused on fraud and market abuse, with a dedicated module addressing the new 'failure to prevent fraud' offence;
- bespoke training from Burges Salmon for senior managers on the new 'failure to prevent fraud' offence; and
- publication of a third party whistleblowing reporting line to existing suppliers.

Further information on the work undertaken to ensure compliance with the Act is detailed on page 137.

Internal controls

Our internal control environment allows the Company to safeguard its assets, prevent and detect material fraud and errors, and ensure accuracy and completeness of its accounting records which are used to produce reliable financial information.

Our internal controls continue to mature. During 2025, we have undertaken the following key actions to further strengthen our internal controls:

- Implemented a new payroll system with controls that better help prevent and detect potential fraud and errors.
- Expanded the whistleblowing hotline to enable suppliers to also report concerns of suspected wrongdoing (previously limited to staff).
- Implemented a data analytics tool to help streamline the data collection and review process for VAT returns to ensure a digital end-to-end process.
- Enhanced the supplier portal to further streamline the set-up process and strengthen due diligence checks performed prior to onboarding.
- Enabled an employee risk score feature in our cyber security training platform to drive a more risk-based approach to training that tailors content based on employee engagement, knowledge and risk profile.
- Implemented several system-based policies that provide enhanced email security and better protect against email spoofing of our domain.
- Obtained our Cyber Essentials Plus recertification.
- Implemented a range of recommendations raised by Internal Audit and other external assurance providers to address deficiencies in control design and effectiveness to further strengthen the financial control environment for areas subject to review.

Effectiveness review

The Committee receives detailed reports on the operational effectiveness of internal financial controls from members of the senior management team and Internal Audit throughout the year. In addition, the outcome of the external audit at half year and year end is considered in respect of ongoing enhancements to internal controls.

On an annual basis, the Committee reviews the Group's Fraud Risk Management Framework (the Framework), and detailed Fraud Risk Assessment. The Framework helps management assess and improve upon its fraud resilience measures across a range of key components, while the Fraud Risk Assessment sets out the detailed controls which safeguard the Company and help prevent and detect fraud and errors. These documents were reviewed in light of the new 'failure to prevent fraud' offence and updated accordingly. See page 148 for more details.

As training and staff awareness forms part of the Group's internal control framework, the Risk Committee receives updates on key policies and procedures in place and how these are being communicated and complied with by our staff. Further information is on pages 124 and 163.

Following the Audit and Risk Committees' reviews (see page 103), the Chairs of each Committee confirmed to the Board that they are satisfied that the Group's internal control framework (financial and non-financial) and risk management procedures:

- operated effectively throughout the period; and
- are in accordance with the guidance contained within the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Our internal financial controls operate within the following control environment and context:

Culture	Our values and strategic objectives are underpinned by our Code of Conduct and Business Ethics, which sets clear expectations for ethical behaviour. Senior management and the Board set a strong ethical tone and promote a culture that encourages employees to ask questions and challenge requests that do not follow standard procedures.
Governance and oversight	An independent and engaged Board, Audit Committee and Risk Committee oversee internal controls and risk management, with governance structures in place that support accountability, transparency and collaboration. A relatively flat structure allows close supervision and monitoring of key controls and business activity by members of the Executive Committee.
Group and organisational structure	We operate within a simple and transparent Group legal structure. Roles, responsibilities and authority levels are clearly defined, along with segregation of duties across all core business processes.
Income/costs	Rent, service charge, administrative costs (mainly salaries), interest and other finance costs are largely predictable. Quarterly management accounts analyse income and expenditure and are compared against the prior year and budget, with unexpected variances investigated and explained to management, who closely monitor financial performance.
Capital costs	Capital expenditure represents the Group's largest costs, with all projects subject to prior approval and ongoing budget monitoring. The majority of our significant payments are to development contractors, whose invoices are signed off by external monitoring agencies before additional layers of internal review, authorisation and payment.

Audit Committee report continued

External audit

The Committee has primary responsibility for managing the relationship with the external Auditor, including assessing its performance, effectiveness and independence annually and recommending to the Board its reappointment or removal.

The Company has complied with the provisions of the Competition and Markets Authority's order for the financial year under review in respect to audit tendering and the provision of non-audit services. The Committee last conducted a competitive external audit tender in 2023 and will conduct the next tender no later than 2033.

The Committee conducts an effectiveness review of the external Auditor on an annual basis which aims to ensure a robust audit is performed, auditor performance is optimised and encourages candid feedback and communication between the Auditor and the Committee. The aspects considered by the Committee during its review are detailed in the diagram below.

Audit quality can be challenging to define and measure. The Committee utilises Audit Quality Indicators (AQIs) to assess PwC's audit quality. The Committee finds the use of AQIs an effective addition to its review processes. The AQIs for the 2025 year end were:

- experience and continuity of the audit team;
- management and engagement team feedback;
- success in achieving the agreed timetable;
- number of audit misstatements, both adjusted and unadjusted; and
- number of control findings.

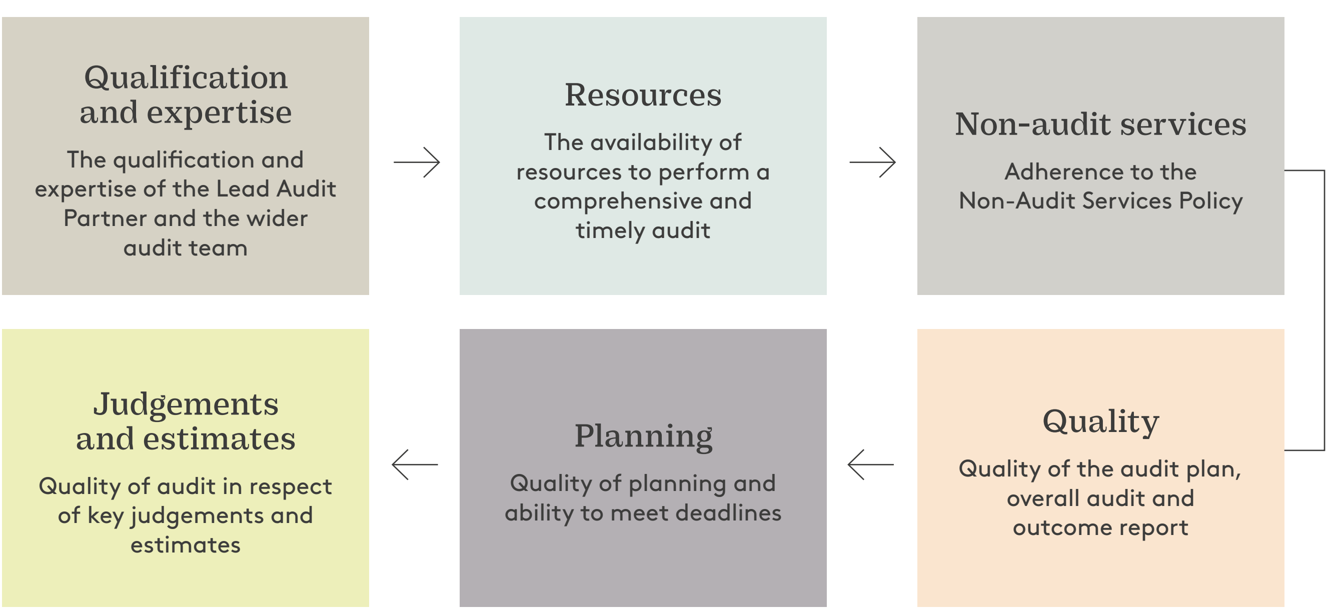
After taking all of these matters into account, the Committee concluded that PwC had performed their audit effectively, efficiently and to a high quality.

An important aspect of managing the external Auditor relationship is ensuring there are adequate safeguards to protect auditor objectivity and independence. In assessing this matter, the Committee considered:

- the Auditor's independence letter which annually confirms its independence and compliance with the Financial Reporting Council's (FRC) Ethical Standard;
- how the Auditor demonstrated professional scepticism and challenged management's assumptions, where necessary;
- the tenure of the external Auditor and the Lead Audit Partner;
- the outcome of the FRC's latest inspection of PwC's audit quality; and
- how the Auditor identified risks to audit quality and how these were addressed.

In assessing how the Auditor demonstrated professional scepticism and challenged management's assumptions, the Committee considered the depth of discussions held with the Auditor, particularly in respect to challenging the Group's approach to its significant judgements and estimates (see page 144).

Annual effectiveness review of the external Auditor



Audit and non-audit services in 2025

The audit fees incurred by PwC during the year totalled £644,160. In addition, PwC was remunerated £76,986 for the review of the interim results and £204,550 for other assurance and non-audit related services, of which £93,200 related to sustainability assurance and £70,000 related to the issuance of a corporate bond. The Committee confirmed that it does not believe that the level or nature of the non-audit services provided during 2025 have impacted on PwC's actual or perceived independence as Auditor.

	2025		2024		2023	
Audit and non-audit fees	**£'000**	**%**	**£'000**	**%**	**£'000**	**%**
Audit of Derwent London plc and subsidiaries	**644**	**70**	704[1]	79	620	90
Review of interim results	**77**	**8**	74	8	71	10
Other assurance services	**203[2]**	**22**	111	13	–	–
Other non-audit services	**2**	**0**	–	–	–	–
Total fees	**926**	**100**	889	100	691	100
Non-Audit Services Policy						
Non-audit fees as a % of the average audit fee in the last three consecutive financial years		**32**		28		12
Headroom relative to 70% limit		**38**		42		58

1 Includes a net cost overrun of £30k;
2 Including bond offering (£70k), green bond (£40k) and sustainability (£93k) assurance.

Audit exemption

For the year ended 31 December 2025, a number of the Group's wholly owned subsidiaries are entitled to exemption from audit, under section 479A of the Companies Act 2006. We have identified which subsidiaries intend to utilise the audit exemption in the table on pages 282 to 283.

Derwent London plc is the ultimate parent company of these subsidiaries and has unanimously agreed to the adoption of the exemptions and to the granting of a guarantee in accordance with section 479C of the Companies Act 2006.

Non-audit services

The objective of maintaining the Non-Audit Services Policy (the Policy) is to ensure the independence of the external Auditor is not compromised and that the provision of such services does not impair the external Auditor's objectivity. The Policy was last approved by the Audit Committee in February 2026.

The Committee has provided pre-approval limits which allow management to appoint the external Auditor to conduct permissible non-audit services if they fall below an amount it deems as immaterial. The approval limits for non-audit services are provided below and are subject to review:

Value	Approval required prior to engagement
Up to £25,000	Chief Financial Officer
£25,001 to £100,000	At least two members of the Audit Committee (including the Committee Chair)
£100,001 and above	Board of Directors

Summary of the Non-Audit Services Policy

Under the Policy, all services provided by the external Auditor (other than the audit itself) are regarded as non-audit services. Our Policy draws a distinction between permissible services (which could be provided subject to conditions set by the Committee) and prohibited services (which may not be provided by the external Auditor except in exceptional circumstances when the Auditor has been provided with approval by the Financial Conduct Authority).

The type of non-audit services deemed to be permissible includes a review of the half year results and assurance work on non-financial data. In accordance with audit legislation, the total fees for non-audit services provided by the external Auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Company paid to the Auditor in the last three consecutive financial years.

When reviewing requests for permitted non-audit services, the Committee will assess:

- whether the provision of such services impairs the Auditor's independence or objectivity and any safeguards in place to eliminate or reduce such threats;
- the nature of the non-audit services;
- whether the skills and experience make the Auditor the most suitable supplier of the non-audit service;
- the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee; and
- the criteria which govern the compensation of the individuals performing the audit.

In accordance with the FRC Ethical Standard, the Committee would also assess whether it is probable that an objective, reasonable and informed third party would conclude independence is not compromised.

Audit Committee report continued

Assurance over external reporting

Our approach to assurance is influenced by our risk appetite, our management approach and our culture.

Our approach
It is crucial that the information we disclose is relevant, informative and sufficiently transparent, so that our stakeholders can assess our performance and have trust in the integrity of our reporting. To keep our shareholders and the wider market informed, we release results on a half yearly basis, with a business update at the end of the first and third quarters. Our financial calendar for 2026 can be found on page 294.

Full year results announcement and annual Report & Accounts
Our financial year is the 12 months to 31 December, and we publish our full year results in late February. The disclosures contained in this announcement form the foundation for our annual Report & Accounts (principally the front end of the Strategic report as well as the financial statements).

Our financial statements are subject to audit by our external Auditor, PricewaterhouseCoopers LLP (PwC) and the entire annual Report & Accounts is subject to a fair, balanced and understandable review by both the Audit Committee and the Derwent London Board (see page 146). In addition, any key accounting issues or judgements made by management are reviewed and agreed with the Audit Committee (page 144). The main area of estimation uncertainty relates to the valuation of our portfolio. Our property portfolio is valued by external valuers for both our interim and year end results (see page 145).

Risks and uncertainties
Our principal and emerging risk registers are regularly reviewed by the Executive Committee and Risk Committee, prior to approval by the Board. As part of our review of principal risks, the Risk Committee utilises a Board Assurance Framework which identifies the key controls for each risk and the level of assurance available.

Going concern and viability
In order to assure our stakeholders that the Company remains viable for the next 12 months and into the medium-term (the next five years), we have provided detailed disclosures on pages 62 to 65. The process and assumptions underlying the short, medium and long-term assessments and scenarios, which form the going concern and viability statements, are subject to a detailed review by the Audit Committee and Board. As part of their audit, PwC tested the integrity of the underlying calculations within the going concern modelling, assessed the appropriateness of the key assumptions and agreed the underlying cash flow projections (see page 222).

Remuneration
Key disclosures in our Remuneration Committee report are subject to independent audit by PwC. Our remuneration disclosures are also reviewed by Deloitte LLP to ensure they are aligned with best practice. In addition, Deloitte LLP independently reviews the executive incentive outcomes under the Performance Share Plan and annual bonus to provide assurance to the Remuneration Committee that the outcomes have been accurately calculated.

Environmental, social and governance (ESG)
We understand the importance of clear and accurate reporting of key ESG data to our stakeholders. During the year, we have obtained independent limited assurance from PwC in accordance with ISAE 3000 (Revised) and ISAE 3410 Standards, in respect of:
- selected energy and carbon reporting metrics (energy data, Scope 1, 2 and 3 greenhouse gas emissions data, and intensity ratios); and
- selected health and safety metrics (all RIDDORs, fatalities, minor injuries, significant near misses and any enforcement notices data).

In addition, PwC have provided reasonable assurance over selected green finance KPI disclosures. The assurance statements are published in our Responsibility Report which is available on our website.

Historically, the Group has voluntarily disclosed under the Task Force on Climate-related Financial Disclosures (TCFD) since the 2018 Report & Accounts. These disclosures are now mandatory, and our TCFD disclosures are reviewed annually by PwC as part of their review of the annual Report & Accounts.

Other annual Report & Accounts disclosures
The rest of our Strategic report and governance disclosures are subject to detailed internal review and verification. Other key audit matters which, in the external Auditor's professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement were:
- valuation of investment properties; and
- valuation of investments in, and loans to, subsidiaries.

Information on PwC's audit of these disclosures is provided on pages 219 to 221.

Half year results announcement
In respect to the valuation, a similar process to year end is adopted with our investment properties being externally valued. The valuation is then reviewed by the Audit Committee and approved by the Board.

Although not legally required, our external Auditor performs a review on our half year results announcement. Whilst this is not to the same level of assurance as a year end audit, it does allow an independent review of our half year results announcement and any issues are raised and discussed with the Audit Committee.

Investor presentations
We prepare detailed investor presentations for year end and half year results. A significant amount of information contained in our investor presentations is extracted from results announcements released via the London Stock Exchange's regulatory news service (RNS). Any additional information is subject to a detailed internal review.

Quarterly business updates
We provide a market update with portfolio information in April/May and October/November. No financial numbers are provided, nor do we revalue or provide any forecasts in respect to the valuation of our portfolio. Due to the limited information provided, no external assurance is provided or deemed necessary. However, the announcements are subject to significant internal review and verification.

Annual Responsibility Report and our progress to net zero carbon
We publish an annual Responsibility Report which is structured around our seven key ESG priorities (see page 66) and is available to view on our website: **www.derwentlondon.com/responsibility/publications**. Certain environmental and health and safety metrics are subject to independent limited assurance under the ISAE 3000 (Revised) and ISAE 3410 Standards. This assurance captures the data we disclose on utility usage, energy consumption, embodied carbon, waste generation and health and safety.

In addition to TCFD (see pages 86 to 99), we report in accordance with the EPRA Sustainability Best Practices Recommendations and the International Sustainability Standards Board (ISSB). Disclosures are prepared by the Sustainability and Investor Relations teams. As well as being subject to detailed internal reviews, key environmental and health and safety metrics are reviewed by PwC as part of their external assurance work.

Other reports
There are a limited number of other financial reports provided to external stakeholders. These relate mainly to RNS and press release announcements of transactions. The announcements are subject to internal verification checks to ensure values, rental levels, areas and yields are fairly stated and, where material, are signed off by the CEO and CFO. In relation to acquisitions and disposals, figures are reconciled to cash movements and completion statements.

Key reporting risk area	Current level of assurance	Current provider	Further information
Financial statements	International Standards on Auditing (UK) and applicable law	PwC	Pages 226 to 283
Key EPRA financial metrics[1]	International Standards on Auditing (UK) and applicable law	PwC	Page 285
Portfolio valuation	External valuation in accordance with RICS Valuation Global Standards and the Red Book	Knight Frank	Pages 36 to 39
Environmental, energy and carbon	Selected metrics subject to limited assurance under ISAE 3000 (Revised) and ISAE 3410 standards	PwC	Pages 74 and 75
Health and safety statistics	Selected metrics subject to limited assurance under ISAE 3000 (Revised)	PwC	Page 81
Green Finance Framework and disclosures	Our Green Finance Framework received a Second Party Opinion (SPO) from DNV that it is aligned with the Loan Market Association's Extended Green Loan Principles 2021 and the International Capital Market Association's Green Bond Principles 2021. PwC have also provided 'reasonable assurance' over selected green finance KPI disclosures	PwC	Pages 60 and 61

1 EPRA earnings and EPRA NAV metrics (EPRA NRV, EPRA NTA and EPRA NDV).

Risk Committee report

Helen Gordon Chair of the Risk Committee

2026 focus areas

- Receive regular updates on central London market trends which may impact the portfolio
- Ensure health and safety risks continue to be managed effectively
- Receive updates on the Group's main developments and compliance with the Building Safety Act
- Monitor the Group's ongoing strategy in mitigating cyber risk
- Continue to monitor the Group's principal and emerging risks

Committee membership during 2025

	Independent	Number of meetings	Attendance[1]
Helen Gordon	Yes	3	100%
Lucinda Bell	Yes	3	100%
Sanjeev Sharma	Yes	3	100%
Cilla Snowball[2]	Yes	1	100%
Madeleine McDougall	Yes	3	100%

1 Percentages are based on the meeting entitled to attend for the 12 months ended 31 December 2025.
2 Cilla Snowball stepped down from the Board at the AGM on 16 May 2025.

Dear Shareholder,

I am pleased to provide a report on the activities and focus areas of the Risk Committee during 2025.

Risk profile of the Group

As a predominantly London-based Group, we are particularly sensitive to factors that impact central London's growth and demand for office space. The Group's risk profile has continued to be elevated in 2025 characterised by uncertainty in the macroenvironment and cost inflation.

Managing risks / See pages 100 to 111

Key activities of the Committee

During the year, the Committee has overseen four principal areas: property and market, cyber security, people and environment and compliance.

A particular focus of the Committee has been to continue to monitor the emerging and market risks and how they might impact the Group in the short to medium-term. In response to this, the Committee has held in-depth discussions around the potential impact of the UK Government's current policy agenda and the proposal to abolish upward only rent review clauses in commercial leases.

The Committee also received training on the Building Safety Act 2022 with the objective of raising awareness at Board level. The training related to two of the Group's major developments, 25 and 50 Baker Street, and it was pleasing to note the Group's progress and compliance with the Building Safety Act.

Key activities of the Committee / See pages 156 and 157

Cyber security

During the year, the Committee continued to remain vigilant to the ongoing risk of cyber crime and dedicated a significant proportion of its meeting in August to receiving a thorough update on cyber security, which provided an overview of the Group's cyber posture and strategy. Although no cyber-related issues have arisen during 2025, cyber insurance has been acquired to further support the Group in mitigating the risk of cyber attacks.

Our disclosures on the work completed in respect of cyber security have been expanded in this report to reflect the volume of work that has been undertaken during the year.

Cyber security / See page 156

Health and safety

The Committee remains committed to prioritising the safety of our people, contractors and occupiers. At each meeting a detailed update on health and safety is provided and includes a forward look at the potential risks across the managed portfolio and major developments, including how they will be mitigated. During the year, the Group's ongoing commitment to health and safety was reinforced through the delivery of health and safety training by Mishcon de Reya to Executive Directors, Non-Executive Directors and senior management.

Health and safety / See pages 80 and 81

Key risk indicators

The Committee monitors a schedule of key risk indicators which works to provide early warning signs of potential risks, helping organisations to anticipate and mitigate risks before they escalate. During the year, a comprehensive internal review of the key risk indicators schedule was conducted. The review ensured the indicators remain forward looking and continue to support the Committee in identifying early warning signs of potential risks approaching or exceeding tolerance levels. As part of the review, enhancements were made to broaden the scope of the schedule, with new areas identified for inclusion to strengthen the overall risk monitoring framework.

Further engagement

The forthcoming AGM is on 15 May 2026 and I will be available to answer any questions on the Committee's activities that you may have. If you wish to contact me, I am available via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** or
Email: **company.secretary@derwentlondon.com**

Helen Gordon
Chair of the Risk Committee

25 February 2026

Committee composition and performance

The Committee's membership for the year under review is detailed in the table on page 154. In addition to the Committee members, the Board Chairman, other Directors, senior management and the internal and external advisers, are often invited to attend all or part of any meeting as and when appropriate or necessary.

In 2025, the Risk Committee met three times (2024: three meetings). The meetings in August and November included a joint session with the Audit Committee to review the outcome of internal audits (see page 147).

The 2025 evaluation of the Board, its committees and individual Directors was externally facilitated by the third party Independent Audit Limited, in accordance with our three-year cycle of evaluations (see page 137). The review raised no significant matters or areas of concern in respect to the operation of the Committee.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in August 2024, and are available on the Company's website at: **www.derwentlondon.com/investors/governance/board-committees**

New 'failure to prevent fraud' offence

Alongside the Audit Committee, the Risk Committee is responsible for overseeing the Group's non-financial internal controls and risk management systems.

During the year, the Group has remained informed about the new corporate offence, 'failure to prevent fraud' under the Economic Crime and Corporate Transparency Act 2023 (the Act). The Act seeks to promote stronger anti-fraud governance and strengthens corporate integrity by placing an obligation on companies to ensure reasonable procedures are in place to prevent fraudulent activity.

To ensure both compliance with the Act and to demonstrate that the Group has reasonable procedures in place to protect against fraud, the following activities were undertaken during the year, in addition to the review and update of the Fraud Risk Management Framework and detailed Fraud Risk Assessment:

Gap analysis: An in-depth gap analysis was conducted using the Home Office's guidance to understand how the Group's existing fraud controls compared to the six key principles of a robust fraud prevention framework.

Training and awareness: The Executive Committee attended a training session hosted by Burges Salmon to understand their obligations, liability and role in preventing fraud within the organisation. Due to the positive feedback and high level of engagement received, the training session was extended to over 30 other employees who are involved in the procurement of goods and services.

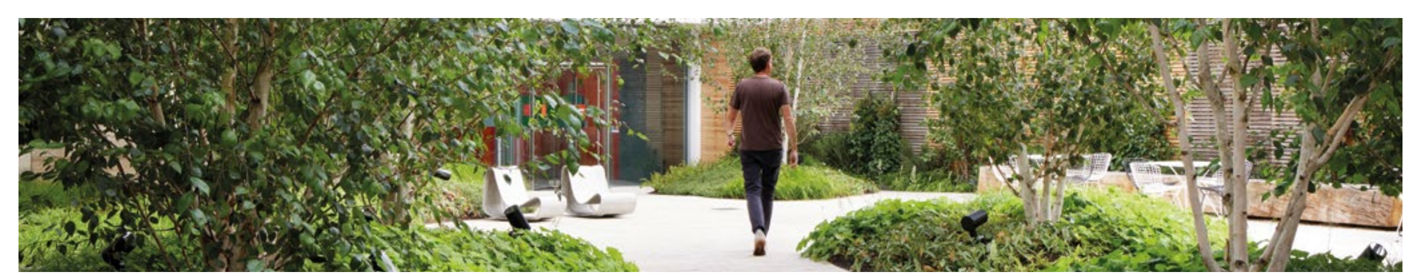
Independent review: The Group's compliance with the Act and the strength of existing 'reasonable procedures' were subject to independent review and assessment by Internal Audit. The review found a sound level of fraud prevention and detection controls to be in place, with only minor opportunities for continued improvement noted.

The Risk Committee will continue to monitor the legal developments under the Act and ensure that the Group's Fraud Risk Management Framework remains robust.

Director ID verification / See page 137

Fraud Risk Management / See page 148

Supplier whistleblowing line / See page 168



Oliver's Yard EC1

Risk Committee report continued

Key activities of the Committee

During 2025, the Committee focused on a variety of risks across four principal categories: property and market, cyber security, people and environment, and compliance.

Strategic objectives

1. To optimise returns and create value from a balanced portfolio
2. To grow recurring earnings and cash flow
3. To attract, retain and develop talented employees
4. To design, deliver and operate our buildings responsibly
5. To maintain strong and flexible financing

Property and market

Impact of current Government's policies

Discussed the impact of the UK Government's current policy agenda on the central London property market and both the opportunities and risks faced by the Group.

A detailed discussion was held on the Government's proposal to abolish upward only rent review clauses in commercial leases.

Investment market

A comprehensive update on the London investment market with an overview of both opportunities and risks from CBRE.

Development risks

Regularly reviewed the key risks affecting the Group's major on-site developments. The Committee also received an update on the construction market with a focus on the supply chain challenges, tender price inflation and construction costs.

Construction Market

An update on the Construction Market was provided to the Committee and covered the following areas:

- Construction costs
- Supply chain challenges
- Tender price inflation

Reviewed valuation in business rates

An overview of the 2026 reviewed valuation of business rates was received and the Committee discussed how this could impact the Group.

Insurance claims

The Committee reviewed the number of insurance claims that have been incurred across the managed portfolio over the last five years and discussed the controls in place to continue to mitigate the risk.

Strategic objectives

1 2 4

Principal risks (see page 104)

1 3 4 5

Cyber security

Cyber security

In August 2025, the Digital, Innovation & Technology team provided an in-depth presentation on the Group's cyber posture, layered defence model and strategy.

Cyber Governance Code of Practice

Following the publication of the Cyber Governance Code of Practice in April 2025, the Committee received a comprehensive gap analysis undertaken by the Digital, Innovation and Technology (DIT) team and discussed the timeline to implement the remaining recommendations.

Phishing tests

Updates were provided on the phishing tests conducted by the Cyber and Infrastructure team.

Security penetration tests

Internal and external penetration tests were carried out by an independent security adviser.

Software vulnerability tests

Manual and automated vulnerability testing of our internally developed apps and solutions.

Employee risk score

During the year, we implemented a new employee risk score feature to ensure that our training and prevention measures are aligned with risk levels.

Crisis Management Team

The Crisis Management Team, reviewed its incident playbooks with the assistance of external experts and initiated a comprehensive revision of its Business Continuity Plan (BCP).

Cyber insurance

Obtained cyber insurance cover and discussed how this additional cover will supplement the existing cover in place.

Strategic objectives

3 4

Principal risks

6 7

People and environment

Health and safety (H&S)

A detailed update on health and safety matters was provided with key risks identified. During the year the following areas were covered:

Key health and safety risks

An overview of the key health and safety risks across the managed portfolio, construction sites and the Scottish land, as well as a forward look at the Group's major projects were outlined and discussed by the Committee.

Health and safety training

Senior management received training on health and safety management from Mishcon de Reya, as well as attending health and safety leadership tours across the Group's major developments. The engagement of the Board in health and safety matters reinforces the Board's commitment and visibility to health and safety.

Building Safety Act 2022

An in-depth training session on the Building Safety Act took place which supported raising awareness across the business.

Occupier health risk

The Committee received an update on the Group's occupiers' covenant and financial 'health' as well as assurance that the process which assesses proposed occupier covenant strength remains robust.

Service charge

Discussed the market factors contributing to the rates of service charges and benchmarked the Group's service charge expenditure.

Environmental risk

Environmental risks are reserved for the Board and two of its principal committees; the Responsible Business and Audit Committees. Further details are included on page 94.

Strategic objectives

3 4

Principal risks

8 9 10

Compliance

Internal audits

Alongside the Audit Committee, the Committee received regular updates on the work performed by internal audit, including the Fraud Risk Management Framework and Fraud Risk Assessment.

Legal updates

The Committee reviewed the Group's status against recent legislation developments and received updates from management on the preparation for any upcoming legal developments. In particular, the Committee has monitored the developments of the Economic Crime and Corporate Transparency Act 2023.

Key risk indicators

The key risk indicators were subject to a thorough review to ensure they remain forward looking and provide a holistic overview of all key areas across the business.

Group risk registers

The Committee reviewed the Schedules of Principal and Emerging Risks and in particular discussed whether the risk registers sufficiently cover:

- geopolitical risks; and
- the ability to sell assets in a challenging market.

Anti-bribery and corruption

The Committee continued to review the Hospitality & Gift Register at each meeting. The Register provides an overview of the returns of all employees each quarter.

Compliance training

The Committee continued to monitor the completion rates and engagement received with the compliance training programme. During the year, c.99.6% of employees completed quarterly compliance training (see page 163).

Strategic objectives

3 4

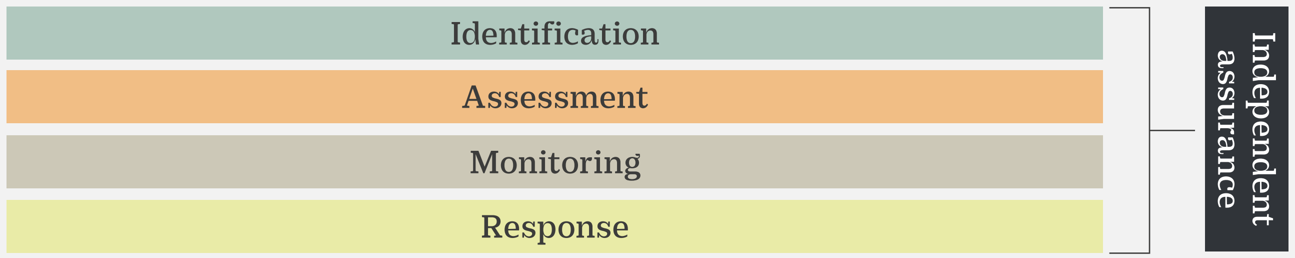
Principal risks

10

Risk management framework

Our risk management procedures seek to ensure that all foreseeable and emerging risks are identified, understood and managed.

Our risk management framework is summarised below:



Identification

- **Top down approach to identify the principal risks that could threaten the delivery of our strategy:** At the Board's annual strategy review, scenarios for the future are considered which assist with the identification of principal and emerging risks and how they could impact our strategy. The continuous review of strategy and our environment ensures that we do not become complacent and that we respond in a timely manner to any changes.
- **Bottom up approach at a departmental and functional level:** Risks are principally identified by the Executive Committee and members of senior management, through analysis, independent reviews and use of historical data and experience. Risk registers are maintained at a departmental/functional level to ensure detailed monitoring of risks, where necessary. Risks contained on the departmental registers are fed into the main Group Risk Register depending on the individual risk probability and potential impact.

Assessment

Following the identification of a potential risk, the Executive Committee seeks to:

- gain sufficient understanding of the risk to allow an effective and efficient mitigation strategy to be determined;
- allow the root cause of the risk to be identified;
- estimate the probability of the risk occurring and the potential quantitative and qualitative impacts; and
- understand the Group's current exposure to the risk and the 'target residual risk profile' (in accordance with the Board's risk tolerance) which will be achieved following the completion of mitigation plans.

Where necessary, external assistance is sought to assess potential risks and advise on mitigation strategies. Emerging risks are kept under review at each Risk Committee meeting and are reassessed during the Board's annual strategy review.

Monitoring

As part of our risk management procedures, the Executive Committee and Risk Committee routinely conduct monitoring exercises to ensure that risk management activities are being consistently applied across the Group, that they remain sufficiently robust and identify any weaknesses or enhancements which could be made to controls. Monitoring activities include:

- the regular review and updating of the Schedule of Principal Risks, Schedule of Emerging Risks and the Group's Risk Register;
- alerting the Board to new emerging risks and changes to existing risks;
- monitoring how the risk profile is changing for the Group; and
- providing assurance that risks are being managed effectively and, where any assurance gaps exist, identifiable action plans are being implemented.

Response

We implement controls and procedures in response to identified risks with the aim of reducing our risk exposure, so that it is aligned or below our risk tolerance. The successful management of risk cannot be done in isolation without understanding how risks relate and impact upon each other. The mitigation plans in place for our principal risks are described on pages 104 to 109. We use insurance to transfer risks which we cannot fully mitigate.

Insurance

The Group has a comprehensive insurance programme. We are advised by insurance brokers, who provide a regular report to the Risk Committee. We have a long-standing relationship with our property insurers, who perform regular reviews of our properties that aim to identify risk improvement areas. Due to our proactive risk management processes, Derwent London has a low claims record which makes us attractive to insurers.

Risk management

At Derwent London, the management of risk is treated as a critical and core aspect of our business activities. Although the Board has ultimate responsibility for the Group's risk identification and management procedures, certain risk management activities are delegated to the level that the Board judges is most capable of overseeing and managing the risks. In order to gain a comprehensive understanding of the risks facing the business and the management thereof, the Risk Committee invites senior managers and external advisers to present at its meetings.

A robust assessment of the principal risks facing the Group is regularly performed by the Directors, taking into account the risks that could threaten our business model, future performance, solvency or liquidity, as well as the Group's strategic objectives over the coming 12 months.

Our principal risks are documented in the Schedule of Principal Risks (see pages 104 to 109) which includes a comprehensive overview of the key (financial and non-financial) internal controls in place to mitigate each risk and the potential impact. The Directors also review an assurance framework which evidences how each internal control is managed, overseen and (where appropriate) independently assured.

Due to its importance, material changes to the Schedule of Principal Risks can only be made with approval from the Risk Committee or Board. Further information on the Group's risk registers subject to review by the Risk Committee are detailed in the table below.

Health and safety training at Board level

During the year, the Board's ongoing engagement in, and commitment to, health and safety was reinforced through the delivery of health and safety training to Executive Directors, Non-Executive Directors and senior management. The training session was led by Mishcon de Reya, with the objective of updating and refreshing senior management's understanding of evolving health and safety obligations, responsibilities and the importance of proactive risk management.

The training session focused on:

- recent developments in health and safety legislation;
- contractual implications of health and safety compliance;
- identification and mitigation of workplace risks;
- corporate and director's duties under current regulations;
- best practice guidance tailored for executive and non-executive roles; and
- a review of Derwent London's health and safety governance structure.

"To see so much active participation at both sessions was a credit to all those involved."

Matt Peaty
Head of Health and Safety

Risk documentation and monitoring

Schedule of Principal Risks (See page 104)	Contains the risks which are classified as the Group's main risks which do or could impact the Group over the next 12 months. The Schedule of Principal Risks also includes an assurance framework to evidence how each control is managed, overseen and independently verified. As at 31 December 2025, the Schedule of Principal Risks contains 11 risks (2024: 11 risks).
Schedule of Emerging Risks (See page 110)	Contains the internal and external emerging risks that could significantly impact the Group's financial strength, competitive position or reputation within the next five plus years. Emerging risks could involve a high degree of uncertainty. As at 31 December 2025, the Schedule of Emerging Risks contains four risks (2024: five risks).
Group Risk Register	Risks not deemed to be principal to the Group are documented within the Group Risk Register, which is maintained by the Executive Directors, with assistance from the Executive Committee. The Board reviews and approves the Group Risk Register and it is reviewed by the Risk Committee on an annual basis. As at 31 December 2025, the Group Risk Register contains 50 risks (2024: 48 risks).
Key risk indicators	The Risk Committee has identified risk areas which could indicate an increase in the Group's risk profile. These indicators are reviewed at each Risk Committee meeting and are compared against the Board's Risk Appetite Statement (see page 103). During the year, the key risk indicators were subject to a thorough internal review to ensure the indicators remain forward looking and continue to support the Committee in identifying early warning signs of potential risks approaching or exceeding tolerance levels. Any deviance or significant increase is subject to challenge by the Risk Committee.
Functional/ departmental risk registers	Risk registers are maintained at a departmental/functional level to ensure detailed monitoring of risks, where necessary. These registers are the responsibility of each department and are periodically reviewed by the Risk Committee during risk-specific presentations. Examples of these registers are the development risk registers for each building project and the 'tenants on watch' register.

Risk Committee report continued

Digital security risks

We adopt a layered defence approach to cyber security which provides multiple levels of security controls to protect against cyber attacks.

The Group's cyber security framework is subject to regular independent review and testing, the outcomes of which are reported to the Risk Committee. During H1 2025, engagement was sought with a CREST-accredited security consultant for a comprehensive penetration test to be conducted across all of the Group's infrastructure. The scope of this testing included both external and internal assessments and encouragingly, no critical vulnerabilities were identified. We operate a layered defence model that applies multiple, complementary security controls across our technology environment, reducing reliance on any single control and mitigating single points of failure.

Our Security Information and Event Management (SIEM) platform continuously aggregates and analyses telemetry from across our systems and infrastructure, providing real time visibility of security events. This capability is supported by a 24/7 Security Operations Centre (SOC), which proactively monitors for indicators of compromise and anomalous activity. Potential incidents are investigated promptly, and confirmed events are managed in accordance with established incident response playbooks to ensure timely containment, remediation and recovery. To maintain preparedness, we regularly review and update these incident response playbooks and participate in table-top exercises designed to test decision making, escalation processes and recovery arrangements. These activities help ensure that our response capabilities remain effective and aligned to evolving threats. These preventative, detective and responsive controls are complemented by regular vulnerability assessments, independent penetration testing and ongoing control assurance activities. Together, they strengthen our ability to identify emerging risks, minimise potential impact and enhance our overall cyber resilience.

In June 2025, following the publication by RICS on 'Digital Risk in Buildings', the Group commissioned WiredScore to pilot the newly developed Cyber Foundations Assessment at one of its flagship properties. The assessment, conducted through an on-site review supported by documentation, evaluated 16 criteria across four key domains: Governance, Building Systems, Cyber Controls, and System Vulnerabilities. The outcome demonstrated an overall maturity level of 'advanced' across the categories assessed, underscoring the Group's commitment to maintaining high standards of digital resilience within the portfolio. Opportunities for further enhancement identified during the process will be reviewed and considered for application across the wider portfolio.

Key risk indicators

The Committee reviews a dashboard of key risk indicators at each meeting, incorporating information security and cyber risk related KPIs. During the year, an in-depth review was undertaken to ensure the indicators remain forward looking and continue to support the Committee in identifying early warning signs of potential risks or tolerance levels being exceeded.

As part of this review, cyber risk indicators were updated to reflect the evolving threat landscape. A significant enhancement was the introduction of employee risk scores within the Group's security training platform, enabling a data-driven approach to identifying and mitigating potential vulnerabilities among employees. This strengthens the Group's cyber resilience by directing training at employees with the greatest need. Risk scores are derived from engagement with training modules, performance in cyber security assessments, and responses to simulated phishing exercises. Employees identified as higher risk are now monitored with targeted interventions including additional training and phishing simulations where necessary, until their risk levels fall within acceptable thresholds. To reinforce these measures, all employees were required to complete mandatory compliance training during the year, which included a Cyber Security and Data Protection module.

Disaster recovery and business continuity

Derwent London has formal procedures in place for use in the event of an emergency that disrupts normal business operations. These consist of:

Business Continuity Plan (BCP) →	Crisis Management Team (CMT) →	Off-site disaster recovery →	Testing and review
The BCP serves as the centralised repository for the information, tasks and procedures that would be necessary to facilitate Derwent London's decision making process and its timely response to any disruption or prolonged interruption to our normal activities. The aim of the BCP is to enable the recovery of prioritised business operations as soon as practicable.	The CMT is composed of key personnel deemed necessary to assist with the recovery of business. The BCP empowers the CMT to make strategic and effective decisions to support the recovery of business until we are able to return to normal working.	An off-site disaster recovery data centre is available in the event of an emergency, to provide continued access to IT services and data to our staff.	The strength of our business continuity and disaster recovery plans are regularly tested and continually refined to reduce the potential for failure.

Digital strategy risks

As we increase the digitalisation of our business model through our Intelligent Building programme, our potential exposure to digital risks also increases. A cyber attack on our buildings has been identified as a principal risk for the Group, and our key controls to mitigate these risks are detailed on page 107.

Artificial Intelligence (AI)

Technological advancements, particularly in the form of AI, are an emerging risk for the Group (see page 110). While the rapid pace of change offers the potential for efficiency gains across the business, AI can introduce new cyber security vulnerabilities and amplify data privacy concerns. Our Acceptable Use policy has been amended to reference the responsible use of AI and during 2026 we are looking to develop a responsible AI framework based on transparency, security, human oversight and ethical use. We continually review emerging AI tools and platforms to identify those that can safely and meaningfully add value across the business.

Intelligent Building programme

The Derwent London Intelligent Building programme aims to improve building performance through enhanced monitoring, reduced equipment faults, and lower energy use and operational carbon. In 2025, the Executive Committee continued to oversee the programme and received ongoing updates on its progress and impact.

AI is being harnessed to enhance efficiency across our portfolio by improving energy management, predictive maintenance and operational decision making. It enables richer data insight to support design, leasing and customer experience, while automation can free teams to focus on higher-value, creative and strategic work.

Cyber Governance Code

In April 2025 the Cyber Governance Code of Practice (the Code of Practice) was published by the UK Government with the aim of demonstrating to boards how to manage digital risks and how to protect their organisations from cyber attacks. The Code of Practice outlines recommendations across five categories:

- Risk management
- Strategy
- People
- Incident planning, response and recovery
- Assurance and oversight

Following the publication of the Code of Practice, a comprehensive gap analysis was undertaken by the Digital, Innovation and Technology (DIT) team with a discussion held on the timeline to implement the remaining recommendations.

Data protection

Derwent London is perceived as being relatively low risk from a data protection perspective, as the amount of personal data that we hold and process is limited. We have robust procedures in place to safeguard the security and privacy of information entrusted to us. As part of the Committee's key risk indicator schedule, we monitor the number of 'near miss' data breaches and how these have been addressed.

Our procedures ensure that we:

- maintain the confidentiality, integrity and availability of data and safeguard the privacy of our customers and employees, to ensure that the business retains their trust and confidence;
- protect the Group's intellectual property rights, financial interests and competitive edge;
- maintain our reputation and brand value; and
- comply with applicable legal and regulatory requirements.

We operate a Data Protection Steering Committee which meets on a quarterly basis and comprises of Data Protection Champions from each department. Our DIT team routinely conducts supplier information security due diligence assessments as part of the onboarding process for all new suppliers of digital services to help provide assurance on the risk profile of our suppliers and reduce the risk of supply chain attacks. Data Protection Impact Assessments (DPIAs) are also completed for any new projects or changes to processes that involve data processing, to help identify and mitigate any data privacy risks.

Crisis Management Team

Derwent London operates a Crisis Management Team that is comprised of key personnel deemed necessary to assist with the recovery of the business.

During the year, the Group initiated a comprehensive revision of its Business Continuity Plan (BCP) to ensure it remains robust, modern, and aligned with industry best practice. As part of this update, we have introduced a formal Gold-Silver-Bronze (GSB) command structure. This framework provides clear strategic, tactical and operational roles during an incident, enabling more effective decision making and co-ordinated responses across the organisation.

The revised BCP is aligned with our separate building incident response plans and the DIT incident response plan and associated 'playbooks', ensuring that all response procedures are fully integrated and mutually supportive. This unified approach strengthens our overall resilience, enhances clarity during critical events, and ensures consistent communication and leadership throughout any disruption.

25 Savile Row W1

Risk Committee report continued

Risk management structure

The Board

- Overall responsibility for risk management and internal control
- Sets strategic objectives and risk tolerance
- Sets delegation of authority limits for senior management
- Ensures that a healthy purposeful culture has been embedded throughout the organisation (with input from the Executive Directors)
- Agrees the Group's strategy to managing climate change resilience, approving and monitoring progress against our Net Zero Carbon Pathway (with input from the Responsible Business Committee)

Risk Committee

- Reviews the Board's risk registers and determines the nature and extent of the principal and emerging risks facing the Group
- Manages the internal audit process jointly with the Audit Committee
- Works alongside the Board to set risk tolerance levels
- Receives updates on key risk areas and monitors the Group's risk indicators and non-financial controls

Nominations Committee

- Ensures the Board (and its committees) have the correct balance of skills, knowledge and experience
- Ensures that adequate succession plans are in place for the Board, Executive Directors and the wider talent pipeline

Audit Committee

- Reviews the assurance received for the information published in our financial statements and key announcements
- Manages the external audit process and reviews internal audit findings jointly with the Risk Committee
- Monitors the internal financial control arrangements, and satisfies itself that they are functioning effectively, and that corrective action is being taken where necessary

Responsible Business Committee

- Oversees the Group's policies in respect of modern slavery, the protection of human rights, achieving our Net Zero Carbon Pathway, and employee satisfaction and wellbeing etc.
- Monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities
- Monitors the Group's diversity and inclusion initiatives

Remuneration Committee

- Ensures that remuneration and reward arrangements promote long-term sustainable performance and retention of key talent
- Monitors the incentive framework to ensure it does not encourage Executive Directors to operate outside the Board's risk tolerance

In addition to the Risk Committee, the Board's other principal committees manage risks relevant to their areas of responsibility.

Executive Directors, with assistance from the Executive Committee

- Ensures the design and implementation of appropriate risk management and internal control systems that identify the risks facing the Group and enable the Board to make a robust assessment of the principal risks
- Maintains the Group's risk registers
- Manages the Group's risk management procedures
- Reviews the operation and effectiveness of key controls

Heads of Department

- Provides guidance and advice to staff on risk identification and mitigation plans
- Engages with the Executive Directors and senior management to identify risks
- Allocates 'risk managers' and oversees their response
- Risk management is devolved to the appropriate level most capable of identifying and managing the risk

Anti-bribery and corruption

We are committed to the highest standards of ethical conduct and integrity in our business practices and adopt a zero-tolerance approach to bribery and corruption. The Company has assessed the nature and extent of its exposure to bribery and corrupt practices and, overall, considers our residual exposure to be low. To address the risk areas identified, and other risks that may arise from time to time, the Company has established procedures which are designed to prevent bribery and corrupt practices from occurring. An overview of our policies and procedures in this area is contained in the table below.

The greatest potential risk area for Derwent London is in respect of our long supply chains. Our zero-tolerance approach to any form of bribery or corruption is communicated to all of our suppliers, contractors and business partners. Before we enter into a new business relationship, our due diligence procedures determine if a third party has previous convictions under the Bribery Act. All contracts with suppliers or contractors prohibit the payment of bribes, or engaging in any corrupt practice, and we have the right to terminate agreements in the event a bribe is paid or other corrupt practices are undertaken.

Compliance training

The Group operates a compliance training programme which is mandatory for all employees and members of the Board. The Risk Committee oversees the programme, approves the topics to be covered and receives an update on completion rates. The programme covers a range of risk and compliance topics (including anti-bribery and corruption, diversity and inclusion, data protection, fraud and modern slavery).

At the launch of each training topic, an introductory email is sent to participants advising them why the training is important and providing links to further information (including Company policies and guidance notes). The topics covered over the past two years are:

- anti-money laundering;
- modern slavery transparency;
- tackling tax evasion;
- recognising sexual harassment in the workplace;
- fraud and market abuse;
- competition law;
- whistleblowing; and
- cyber security awareness.

The Committee was pleased with the level of engagement from employees with, on average, a c.99.6% completion rate for quarterly compliance training.

Procedures and controls to prevent bribery and corruption	
Corporate hospitality	Hospitality must be reasonable in value, appropriate to the occasion and provided openly and transparently. It must not compromise, nor appear to compromise, the Group nor the business judgement of our staff.
Business gifts	Generally, gifts should not be accepted unless valued at less than £50, are not cash or a cash equivalent (e.g. gift certificate), are appropriate to the circumstances and are not given with the intention of compromising or influencing the party to whom it is being given.
Hospitality and Gift Returns	All staff are required to complete quarterly Hospitality and Gift Returns which document all instances of third party hospitality or gifts (given or received) over that three-month period if the value is in excess of £50 for hospitality and £10 for gifts. The Hospitality and Gift Returns are subject to review by the Risk Committee.
Political donations	The Company strictly prohibits any political donations being made on its behalf.
Charitable donations	Charitable donations are handled by the Sponsorship and Donations Committee. 'Know your client' procedures are applied to charitable organisations to ensure we are dealing with a valid body acting in good faith and with charitable objectives.
Supply Chain Responsibility Standard	Our greatest potential risk area is in respect of our long supply chains. The Supply Chain Responsibility Standard contains the minimum standards we expect from major suppliers (further information is on page 168).
Payments and expenses	All payments made must be warranted, transparent and proper. All payments must be accurately recorded through the normal accounting and financial procedures without any deception or disguise as to the recipient's identity or the purpose of the payment in question. No one approves their own expense claim. All expense claims must be approved by a Director or senior manager.
Facilitation payments	Facilitation payments are bribes and are strictly prohibited.
Conflicts of interest	All conflicts of interest or potential conflicts of interest must be notified to the Company Secretary and a register of such notifications is maintained. The Corporate governance statement on page 124 explains our process for managing potential conflicts.
Training	We provide our employees with guidance notes and regular training on anti-bribery, corruption, fraud, ethical standards and the prevention of the facilitation of tax evasion.
'Speak up' procedures	A confidential hotline is available for staff and suppliers to report concerns anonymously (see page 124).
Fraud prevention	The Company strictly prohibits any type of fraud (see page 148).

Responsible Business Committee report

Madeleine McDougall Chair of the Responsible Business Committee

2026 focus areas

- Deepen understanding of employee needs by reviewing and responding to the 2025 Employee Survey
- Track impact of new 'Rewards and Recognition' initiative and launch new mentor programme
- Receive regular progress updates on the Group's Net Zero Carbon Pathway
- Continue to monitor the Group's community and charitable initiatives
- Monitor the Group's progress on disability and accessibility in line with the Business Disability Forum

Committee membership during 2025

	Independent	Number of meetings	Attendance[1]
Madeleine McDougall	Yes	2	100%
Mark Breuer	Yes	2	100%
Cilla Snowball[2]	Yes	1	100%
Emily Prideaux	No	2	100%
Paul Williams[3]	No	1	50%
Carys Grieve	Employee	2	100%
Amy Hulbert	Employee	2	100%
Bryan Vasquez	Employee	2	100%
William Waples	Employee	2	100%

1 Percentages are based on the meetings entitled to attend for the 12 months ended 31 December 2025.
2 Cilla Snowball stepped down from the Board at the AGM on 16 May 2025.
3 Paul Williams was unable to attend the meeting in May due to his involvement in the Remuneration Policy consultation.

Dear Shareholder,

I am pleased to present a report on the Responsible Business Committee's focus areas and activities during the year. This is my first report as Chair, since succeeding Dame Cilla Snowball on 16 May 2025.

Diversity and inclusion

The Committee continues to be proud of the Group's progress in relation to diversity and inclusion and throughout the year has received regular updates on the activities of the Diversity & Inclusion (D&I) Working Group. For further information see page 170.

A key focus of the D&I Working Group has been the resubmission of the Group's Disability Smart Audit Self-Assessment, completed in June 2025. It was pleasing to see the significant progress that has been made over the last two years and the Group's ongoing commitment to disability and accessibility working in conjunction with the Health, Safety and Accessibility Working Group.

The Board has continued to engage in the importance of diversity through the targets set by the FTSE 350 Women Leaders Review, the Listing Rules and the Parker Review (see page 141). In accordance with the latest Parker Review recommendations, the Board has previously set a challenging target for 15% of the senior management team self-identifying as being of an ethnically diverse background. The Company continues to voluntarily report progress against this target and as at 31 December 2025 8% of senior management self-identify as being of an ethnically diverse background. The target remains sensitive to changes in the composition of senior management and the size of the business.

Our stakeholders

The Committee has continued to receive regular updates on community engagement, with the Group's ongoing commitment to the Community Fund having resulted in 200 projects and initiatives invested in across the portfolio since 2013. The Committee also discussed the ongoing role of ESG through the lens of our occupiers and investors; with an in-depth discussion around the importance of responsible developments, and the growth of the circular economy initiative.

Employee engagement

The sixth biennial employee survey was rolled out during October and received a pleasing 86% response rate. The employee members of the Committee have initiated a series of structured focus groups to engage employees in meaningful dialogue and gathered additional insights. Alongside HR, the employee members will address feedback and drive continuous improvement across the Group during 2026.

Net Zero Carbon Pathway

The Group remains committed to being a net zero carbon business. During the year, the Committee reviewed the significant progress that has been made over the last five years and discussed the longevity of the targets through the updated Net Zero Carbon Pathway, as it is recognised that the Group's responsibility of net zero carbon extends further than 2030 (see pages 69 to 73).

Circular economy

The objective of the circular economy initiative is to reuse and repurpose materials through developments and refurbishments. The Committee has continued to discuss the progress made to date on the circular economy and the benefits being achieved. To further the initiative, a focus for 2026 is to consistently report on the role of the circular economy initiative and better quantify the costs, savings, value and carbon impact being created.

Further engagement

If you wish to discuss any aspect of the Committee's activities, I will be attending the forthcoming AGM on 15 May 2026 and would welcome your questions. I am also available via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** or
Email: **company.secretary@derwentlondon.com**

Madeleine McDougall
Chair of the Responsible Business Committee

25 February 2026

Committee composition and performance

During 2025, our Committee consisted of Madeleine McDougall (Non-Executive Director), Mark Breuer (Chairman), Paul Williams (Chief Executive) and Emily Prideaux (Executive Director) as well as four employee members. At the request of the Committee, members of the Executive Committee, senior management team, other Board members and external advisers were invited to attend all or part of any meeting, as and when appropriate. During the year under review, the Committee held two formal meetings in May and December (2024: two meetings).

The 2025 evaluation of the Board, its committees and individual Directors was externally facilitated by Independent Audit Limited, in accordance with our three-year cycle of evaluations (see page 137). The review raised no significant matters or areas of concern in respect to the operation of the Committee.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in December 2025 and are available on the Company's website at: **www.derwentlondon.com/investors/governance/board-committees**

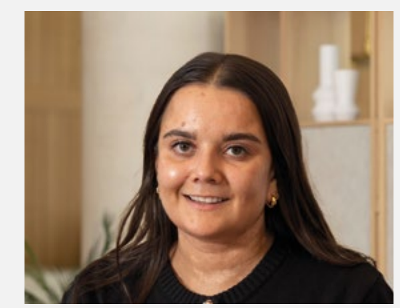
Employees on the Responsible Business Committee

Having employee members on a Board level committee enables the diverse voice of our employees to be brought directly into our boardroom, providing invaluable insight and feedback.

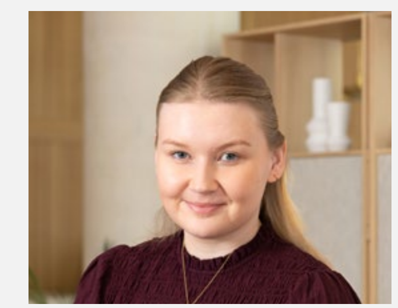
During the year, the employee members were fully engaged in all aspects of the Committee's activities, with regular updates provided on the proposals for, and implementation, of key initiatives. The valuable work of the Committee was communicated to the wider workforce through the issue of two newsletters.

A key focus of the employee members during the year was to respond to the feedback received from the 2024 'pulse survey'. As a result of this, a new initiative was launched with a focus on rewarding employees who have gone above and beyond to achieve the Group's values and to further encourage collaboration. Additionally, the Group's Long Service Policy was reviewed and annual leave entitlements updated for eligible long-serving employees.

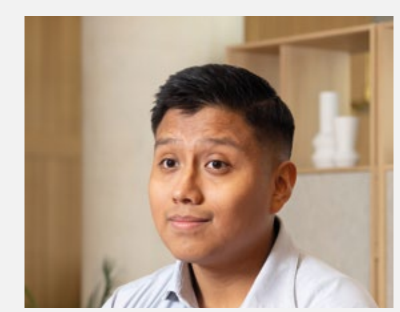
A key focus of the employee members for 2026 will be to respond to the feedback received from the 2025 employee survey and, alongside HR, conduct focus groups to delve deeper into the themes that have arisen.



Carys Grieve
Senior Financial Accountant
Joined Derwent London: 2021
Appointed to the RBC: Q1 2025



Amy Hulbert
Assistant Company Secretary
Joined Derwent London: 2021
Appointed to the RBC: Q1 2025



Bryan Vasquez
Data Lead Analyst
Joined Derwent London: 2022
Appointed to the RBC: Q1 2025

Will Waples
Associate, Asset Manager
Joined Derwent London: 2020
Appointed to the RBC: Q1 2025

Responsible Business Committee report continued

Key activities of the Committee

During 2025, the Committee continued to monitor and have oversight of the responsible business practices of the Group, prioritising employee wellbeing and engagement with key stakeholders.

Responsible business

ESG and diversity and inclusion through the lens of Investors

The Committee reviewed the role of ESG and diversity and inclusion (D&I) from the perspective of UK investors, noting how sustainability is embedded in the Group's processes from development to leasing and portfolio management.

Net Zero Carbon Pathway

The Group continues to recognise its responsibility to commit to net zero carbon and the impact on our occupiers, assets and employees.

During the year, the Committee reviewed the Group's progress to achieve net zero carbon by 2030, and approved the new net zero carbon targets and updated Net Zero Carbon Pathway. The updated Pathway reflects that the Group's commitment does not stop at 2030 and therefore a series of longer term goals have been proposed.

Circular economy

Continued to monitor progress on the circular economy initiative, aimed at extending, reusing and repurposing materials through developments and refurbishments. Further discussion outlined the benefits and outcomes being realised from this initiative.

Supply Chain Responsibility Standard

The Supply Chain Responsibility Standard (the Standard) sets out the principles for environmental, social, ethical and governance expectations within our supply chain. During the year the Standard was reviewed to ensure our expectations are clearly communicated as well as being updated to introduce a confidential reporting line to our existing suppliers as a means to report any concerns of wrongdoing or breaches of the Standard anonymously.

Modern slavery

During the review of the Standard a thorough review was conducted on the modern slavery section to ensure the Group's position on modern slavery is clearly communicated to the supply chain.

2025 marked 10 years since the Modern Slavery Act (the Act) was enacted. The Act has played an important role in raising awareness and driving greater corporate accountability.

44% average retention and reuse on site across completed refurbishments as part of the circular economy initiative

Stakeholder engagement

Occupier engagement

The 'You Hold the Power to Save' occupier campaign was launched in September 2025, with 60% of occupiers having actively engaged during the year.

Employee engagement

A 'meet the Board' event was arranged with employees from across the business on 22 September 2025 as the importance of building relationships and enhancing employee engagement continues to be recognised.

All employees were invited to participate in a new initiative 'lunchtime conversations with the Directors' with the aim of encouraging open informal discussions between our Directors and employees.

Local community engagement

£450,000 has been committed to the Community Fund for three years, shared equally between the Community Fund West and Community Fund East.

During the year, the Committee has continued to receive regular updates on the Group's community initiatives and engagement, including, but not limited to:

- participation in Resurgo's Spear programme, an employment support programme focused on providing 16 to 24 year olds with the vital skills needed to succeed in long-term employment; and
- a new initiative supporting charities by offering space at the DL/Lounges for meetings or events, with £25,000 allocated to fund this initiative.

Sponsorship & Donations Committee

The Sponsorship & Donations Committee ensures that the decisions and commitment to invest in stakeholders and the communities surrounding our buildings is aligned with the Group's values. £350,000 was committed in 2025 with a focus of supporting homeless charities within the portfolio as a key priority.

The Sponsorship & Donations Committee will continue its strong support for communities by ensuring ongoing commitment for vital causes.

86.5% of employees said they were overall satisfied with working at Derwent London

Diversity and inclusion

D&I Working Group

The D&I Working Group focuses on encouraging an inclusive culture that attracts talented individuals and celebrates the diverse voice of all employees.

The D&I Working Group is comprised of 15 members, with four new members welcomed to the D&I Working Group in December.

The importance of D&I has been well communicated across the business through town halls, inductions, and the intranet. Additionally, D&I newsletters were circulated to raise awareness of D&I in the workplace and has covered the following topics:

- Nurturing young talent
- Disability and long-term conditions in the workplace
- Business Disability Forum Self-Assessment
- Supporting parents in the workplace
- 'Understanding Autism' training
- Creating inclusive spaces across our portfolio

Business Disability Forum (BDF)

In June, the Business Disability Forum self-assessment was resubmitted, with a score of 58.39% achieved which is a 27.51% increase from the Group's first self-assessment submission in June 2023.

The Health, Safety and Accessibility Working Group continues to work collaboratively with the D&I Working Group to further the Group's commitment to disability and accessibility.

National Equality Standard

Following the Group's reaccreditation of the National Equality Standard, a 'deep dive' into the experience of a number of volunteer ethnically diverse employees was conducted in June.

Work experience programme

Derwent London continued to operate work experience programmes and in particular supported the EY Foundation's Real Estates Futures programme, offering two candidates a week's work experience as well as support from two mentors for a period of six months.

83% of employees agree that their team provides an inclusive environment where everyone's views are valued

Employees

Employee survey

The sixth biennial employee survey was rolled out to all employees during October and received an 86% response rate. The Committee received an overview of the results and discussed the timetable moving forward to respond to the feedback.

Employee members

The Responsible Business Committee continues to include four employee members in its composition to enable the voice of employees to be heard in the boardroom.

The Committee's employee members continue to play an active and critical role in the Committee's activities and facilitate engagement between the wider workforce and the Board.

Employee initiatives

During the year, a new 'Rewards and Recognition' initiative was rolled out following feedback from the 2024 pulse survey. The initiative aims to recognise employees who have embodied Derwent London's values and to encourage cross-team collaboration.

Additionally, the Group's Long Service Policy was reviewed during the year and resulted in enhancements to annual leave entitlements for eligible long-serving employees.

RBC and D&I newsletters

RBC and D&I newsletters were rolled out across the business throughout the year to ensure employees remain up to date on initiatives, including sharing employee lived experiences around long-term conditions/disabilities.

Health & Wellbeing plan

The 2025 Health & Wellbeing plan included informative sessions on a range of topics:

- Healthcare benefits
- Musculoskeletal health
- Managing anxiety
- Understanding and managing cholesterol

Additionally, all employees were offered one-to-one health checks, which received a positive take-up of 112 employees.

86% response rate on the Group's sixth biennial employee survey

Responsible Business Committee report continued

Supply Chain Responsibility Standard

The primary purpose of the Supply Chain Responsibility Standard (the Standard) is to clearly set out our principles and expectations in terms of the environmental, social, ethical and governance issues which relate to our supply chains. The Standard renews our commitment to ensuring our supply chain remains as engaged as we are in setting the highest standards.

A review of the Standard was conducted to ensure its continued relevance, leading to an updated version issued in 2025. Using a risk-based approach, work was conducted with departments to ensure effective circulation to key suppliers working in our portfolio. The fundamental principles of the Standard are detailed in the table below and a copy is available to view at: **www.derwentlondon.com/responsibility/environmental**

It is our standard practice that all new suppliers must read, acknowledge and adhere to these standards. We conduct risk reviews every two years, focusing on suppliers with an annual spend of over £20,000 and may ask these suppliers to complete a more detailed questionnaire on key risk areas. All responses are reviewed to ensure compliance, and we provide additional support to suppliers if needed to improve their controls.

Responsible payment practices

Responsible payment practices remain an area of important focus for the Group as we are committed to being clear, fair and collaborative with our suppliers. The Fair Payment Code (the Code) replaced the Prompt Payment Code in December 2024, with the new Code intended to set higher standards, and to create a more robust approach to compliance. During the year, the Group completed the application process and achieved the Bronze level accreditation. As the Group continues to enhance its reporting systems, we will have the ability to report upon additional elements required to achieve a higher level accreditation, further demonstrating the Group's commitment to the prompt and fair payment of suppliers.

Supplier whistleblowing line

During the year, significant work has been completed in respect to the new legislation under the Economic Crime and Corporate Transparency Act 2023. Further information is on page 137.

A key element of this is the communication of fraud prevention policies internally and externally. This communication includes the Supply Chain Responsibility Standard where the Group's zero tolerance to fraud is referenced. As a result of this, our whistleblowing reporting line has been extended to enable third parties to also submit any concerns anonymously. The Supply Chain Responsibility Standard was updated to include details of both the third party whistleblowing line as well as requiring suppliers (who are subject to regulatory requirements) to commit to, or have ambitions of, having their own whistleblowing system in place for the reporting of wrongdoing or misconduct.

Network W1

Fundamental principles of the Supply Chain Responsibility Standard

Fundamental principles	Minimum standard
Governance	We will not tolerate any form of fraud, corruption, bribery or anti-competitive behaviour/ actions in our supply chain
Information security and data protection	Suppliers to have a comprehensive set of IT governance policies and procedures that are communicated to all employees through periodic training on data privacy and protection
Employment and labour practices	Suppliers to comply with relevant employee-based legislation
Modern slavery	Suppliers to comply with the Modern Slavery Act 2015
Diversity and inclusion	Suppliers to comply with the Equality Act 2010
Payment practices	To aim to pay our suppliers within 30 days or in accordance with specified contract conditions
Health, safety and wellbeing	Suppliers to annually review their Health and Safety Policy Statement and management systems
Environmental and social	Suppliers to have robust environmental management policies and procedures in place appropriate to the nature and scale of their business

Modern slavery

Preventing modern slavery from all supply chains is vital and we remain committed to eradicating any possibility of modern slavery or human trafficking occurring in our operations.

2025 marked 10 years since the Modern Slavery Act (the Act) was passed. Not only has the Act raised awareness, it has formed the groundwork for continued progress driving businesses to take greater responsibility for their supply chains. To ensure organisations remain progressive, there has been a call for businesses to understand, on a deeper level, how to prevent modern slavery. As a result new statutory guidance has been published, 'Transparency in Supply Chains', with key updates addressing enhanced due diligence, transparency, accountability, an increased focus on supplier collaboration and greater alignment with global standards. In response, we will continue to work with our supply chain to understand how best to work towards continuous improvements in line with the new guidance.

A summary of our key practices to prevent modern slavery is outlined below. Our latest Modern Slavery Statement is available to view on our website: **www.derwentlondon.com/investors/governance/modern-slavery-act**

Risk	The greatest potential risk exists in the supply chains of our construction contractors as well as the property management suppliers and maintenance contractors used in our buildings.
Governance	The Modern Slavery Act 2015 requires companies with an annual turnover of £36m to provide a modern slavery statement. Where legally required, our suppliers publish a modern slavery statement. Regardless of this threshold we encourage all suppliers to adhere to the Act. Suppliers are expected to provide modern slavery training to employees and ensure they have provisions in place for full compliance.
Policies	We have a number of internal policies that promote an ethical culture and expected behaviours in accordance with the Act's objectives.
Engagement	We are clear on our zero-tolerance position and all suppliers have access to Derwent London's latest Modern Slavery Statement. We endeavour to obtain modern slavery statements from all suppliers, where they are bound by the Act. We expect our main contractors to conduct due diligence within their own supply chains to ensure that the risk of modern slavery and human trafficking is mitigated.
Effectiveness	All new starters are required to complete a 'core skills' programme which includes training on modern slavery risks. Ongoing training initiatives and our mandatory compliance training programme ensures that employees are kept up to date with the latest requirements.

Community Fund

Derwent London has a dedicated voluntary Community Fund as part of its ongoing sustainability programme and commitment to developing community engagement (see pages 76 and 77).

The Group has previously received feedback from charities expressing a greater need for certainty and continuity in funding for the longer term. The ongoing economic challenges, particularly faced by small charities and community groups, are recognised by the Group and in response to this feedback, it was agreed to introduce the option for charities to apply for multi-year funding.

The Responsible Business Committee continues to oversee the Group's corporate social responsibility activities and provides updates directly to the Board. Overall, it is pleasing to report that £450,000 has been allocated to the Derwent London Community Fund for the period 2025 to 2027, which reinforces the ongoing commitment to social responsibility.

S.172 factors

C D E

Dende Collective – Community Fund West

Responsible Business Committee report continued

Diversity and inclusion

At Derwent London, having a diverse, highly skilled and talented workforce across all levels is integral to our continued success. We believe that fostering diversity and inclusion not only enriches our culture but drives innovation and creativity by welcoming new ideas and perspectives.

The Diversity & Inclusion Working Group

The Diversity & Inclusion Working Group (the D&I Working Group) consists of 15 members and meets monthly to discuss the progress being made towards the Group's diversity and inclusion vision, strategy and KPIs.

During the year, the Committee received updates from the D&I Working Group on disability and accessibility, wellbeing initiatives, internal communication of D&I, the work experience programme, feedback from the 2025 Employee Survey and actions following the National Equality Standard reaccreditation.

During 2026, the D&I Working Group will focus on:

- launching a new mentoring programme;
- continuing to increase and improve communication around D&I initiatives;
- encouraging employee lived experiences to be shared internally;
- hosting two sessions of the 'lunchtime conversations with the Directors' initiative; and
- continuing to work on the Disability & Accessibility assessment in conjunction with the Business Disability Forum Framework.

2025 D&I Newsletters

Throughout the year, the Group continued to strengthen employee engagement through a series of D&I newsletters. This year a new feature was introduced 'Get to know your colleagues', aimed at encouraging employees to share their experiences and to promote greater understanding across the workforce. Key features included:

Supporting parents in the workplace

Employees shared their experiences of returning to the workplace following periods of maternity leave, offering insights into the challenges and opportunities faced by working parents. In January 2025, the Group introduced a new workplace nursery benefit, enabling eligible employees to pay nursery fees through a salary sacrifice arrangement. The initiative has been positively received by parents from across the business.

'Understanding Autism' training

In partnership with the National Autistic Society, training was delivered to 44 employees. The training was designed to enhance understanding of autism and to equip employees with the skills and awareness to better support autistic colleagues and visitors.

Disability and long-term conditions in the workplace

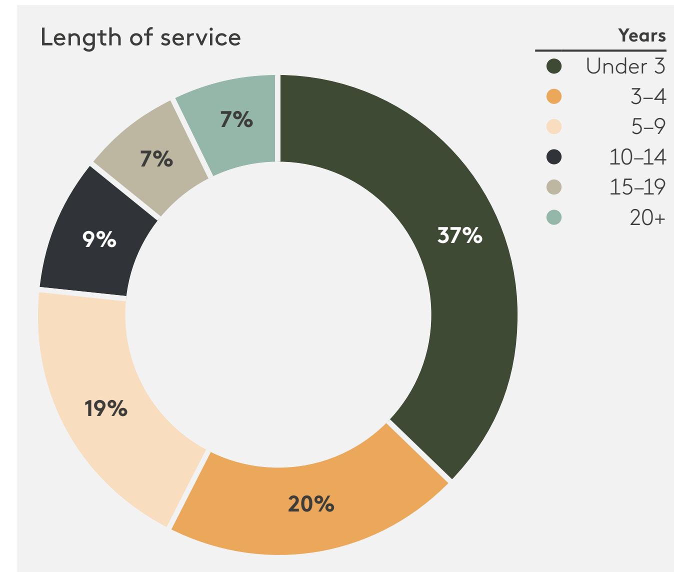
Employees shared their stories relating to disability and long-term conditions, helping to raise awareness and foster a more inclusive and supportive working environment. These contributions encouraged employees to consider the diverse needs of their peers and to adapt to working practices where appropriate.

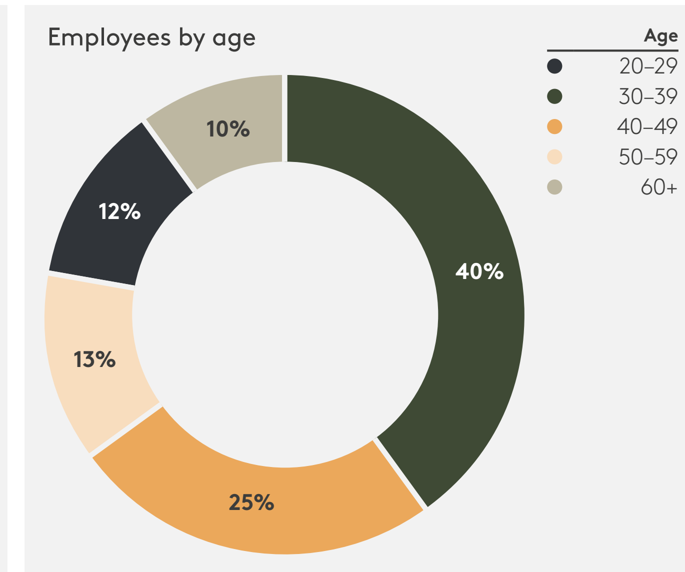
The Board has established clear focus areas which aim to build an inclusive culture that promotes, encourages and celebrates the importance of diversity and inclusion.

Diversity and inclusion focus areas	Actions taken during 2025
Attracting diverse, highly skilled and talented employees	
▪ Tackle any unconscious bias ▪ All shortlists to have due regard for diversity considerations (not limited to gender and ethnicity) ▪ Recruit from a wide pool of talent (including parents returning to work)	▪ Worked with EY following the National Equality Standard reaccreditation, which included speaking to a number of employees through a series of focus groups ▪ Relaunched the recruitment process and guidelines
Retaining the best talent	
▪ Focus on supporting persons returning to work ▪ Promote the importance of health and wellbeing initiatives (one-to-one health checks) ▪ Prioritise training and development and equal opportunities for all, with support of career progression ▪ Ensure open two-way communication	▪ Held core skills workshops, team days and one-to-one coaching ▪ Continued to provide a wellbeing programme, encouraging employees to take proactive measures ▪ Rolled out a 'Rewards and Recognition' initiative to recognise employees who have embodied the Company's values and to encourage cross-team collaboration
Promoting diversity	
▪ Gender balance within our internships and work experience placements ▪ Aim to attract more women to the construction and property industry ▪ Heads of Departments to lead by example demonstrating inclusive leadership qualities	▪ Monitored the trends of joiners and leavers ▪ Increased communication on D&I through newsletters and the Company's intranet ▪ Delved deeper into individuals' experiences and any variances

The Group's composition and diversity

The information below provides a breakdown of our diversity as at 31 December 2025. Further information on the Board's composition is shown on page 141. The variance between genders in response to employee surveys is taken into account by the Remuneration Committee when determining the annual bonus payout for Executive Directors in relation to the staff satisfaction metric (see page 202).





Diversity key performance indicators

53%
of employees are female as at 31 December 2025
(2024: 51%)

37%
of new recruits during 2025 were from an ethnically diverse background
(2024: 36.1%)

56%
of the Executive Committee and its direct reports are women
(2024: 42%)

Gender diversity and ethnic origin[1]

	Total employees[2]		Executive Committee and its direct reports[3]		Board[4]		Senior positions on the Board[5]
	Number	%	Number	%	Number	%	Number
Gender							
Men	96	47%	40	52%	6	60%	3
Women	110	53%	37	48%	4	40%	1
Other	–	–	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–	–	–
	206		77		10		4
Ethnicity							
White British/White Other	150	73%	69	90%	9	90%	4
Mixed/Multiple Ethnic Groups	12	6%	3	4%	–	–	–
Asian/Asian British	26	13%	3	4%	1	10%	–
Black/African/Caribbean/Black British	15	7%	1	1%	–	–	–
Other Ethnic Group	2	1%	1	1%	–	–	–
Not specified/prefer not to say	1	0.5%	0	0%	–	–	–
Total	206		77		10		4

1 The information disclosed, and the format of the table, is prescribed by Listing Rule 9.8.6R(10).
2 Total employees include the Board of Directors.
3 Includes the Executive Committee and its direct reports (excluding administrative and support staff).
4 The Board includes the Chairman, Executive Directors and Non-Executive Directors.
5 Senior positions on the Board include the CEO, CFO, Chairman and Senior Independent Director.

Remuneration Committee report

Sanjeev Sharma Chair of the Remuneration Committee

2026 focus areas

- Approve the remuneration package for the new CEO
- Ensure the 2026 Remuneration Policy is effectively implemented following shareholder approval in May 2026
- Operation of the 2026 annual bonus and grant of 2026 long-term incentive awards
- Continue to keep wider workforce remuneration arrangements under review, taking these into account when considering remuneration arrangements for Executive Directors

Committee membership during 2025

	Independent	Number of meetings	Attendance[1]
Sanjeev Sharma	Yes	7	100%
Lucinda Bell	Yes	7	100%
Helen Gordon	Yes	7	100%

1 Percentages are based on the meetings that each member is entitled to attend for the 12 months ended 31 December 2025.

Annual statement

Dear Shareholder,

As Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our report on Directors' remuneration for 2025. This includes:

- my **Annual statement** as Chair of the Remuneration Committee (pages 172 to 175);
- our new **Directors' Remuneration Policy,** which will be subject to a binding shareholder vote at the 2026 AGM (pages 178 to 187); and
- **the Annual report on remuneration** (pages 188 to 209), describing how the Remuneration Policy has been applied for the year ended 31 December 2025 and how we intend to implement the Policy for 2026.

The Remuneration Committee report (excluding the Remuneration Policy) will be subject to an advisory shareholder vote at the 2026 AGM.

Performance outcomes in 2025

Based on performance against the financial and strategic targets, the incentive outcomes for 2025 were as follows:

- Annual bonus outcome of 55.5% of the maximum opportunity (equivalent to 83.3% of base salary) based on the outcome of the relative total accounting return and total property return performance targets and strategic objectives (see page 201).
- 2023 performance share award outcome of 3.6% of the maximum opportunity. The proportion of the award subject to relative total shareholder return, relative total property return and energy intensity reduction performance targets lapsed in full. The proportion of the award subject to embodied carbon reduction performance targets vested at 71.2% of maximum (see page 203).

The Committee considered the formulaic vesting outcomes against broader perspectives including underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders.

The Group has continued to perform strongly relative to central London office-based real estate peers (the Group's 2025 total property return performance was 5.5% compared to the MSCI Quarterly Central London Offices Total Return Index of 4.8%) in the face of a subdued market and continued economic uncertainty, which is testament to the execution of the strategy over multiple years, the performance and commitment of our executive leadership team and the quality of the portfolio they have assembled.

The Directors recommend a final dividend of 56.0p per ordinary share for the year ended 31 December 2025. When taken together with the interim dividend of 25.5p per ordinary share paid in October 2025, this results in a 1.2% increase in total dividend for the year.

The Committee also recognises that shareholders have been impacted by the Group's absolute share price performance during recent years.

A dedicated section is included within this report which incorporates several disclosures to demonstrate the Committee's belief that remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practice across the wider workforce (see pages 194 to 197). In particular, it is noted that all eligible employees received a bonus for 2025 and 92.5% received a grant under the Employee Share Option Plan in 2025.

No discretion was applied to adjust the formulaic outcome of the annual bonus or performance share awards. With regard to provision 41 of the UK Corporate Governance Code, the Policy operated as intended in terms of Company performance and quantum.

Departures from the Board and treatment of remuneration

Paul Williams, Chief Executive

As announced on 22 January 2026, after 38 years of service, Paul Williams will retire as Chief Executive and Director when a successor has been appointed and is in place. Paul will remain a full-time employee until 21 January 2027 and will assist the Board and the incoming CEO through an orderly transition. He will continue to receive his salary, benefits and pension until that date.

Paul was eligible for a bonus for the year ended 31 December 2025 and will be eligible for a bonus for the year ended 2026. He will not be granted a long-term incentive award in 2026. Paul will be treated as a good leaver in respect of his outstanding deferred bonus awards (which will vest at the normal time) and his outstanding performance share awards, which will be capable of vesting at the normal time subject to performance. Any amounts that vest will be subject to a holding period which ends on the second anniversary of the date that he steps down as CEO.

Paul will also be required to hold shares following his retirement from the Board in accordance with the Group's post-employment shareholding. Further information is set out on page 199.

Nigel George, Executive Director

As announced on 12 August 2025, after 37 years of service, Nigel George will retire and stand down from the Board on 31 March 2026. Nigel will remain a full-time employee until 11 August 2026 and will then continue to support the business as a consultant working on a number of projects expected until March 2028. Nigel will continue to receive his salary, benefits and pension until 11 August 2026.

Nigel was eligible for a bonus for the year ended 31 December 2025 and will be eligible for a bonus for the period 1 January to 11 August 2026. He will not be granted a long-term incentive award in 2026. Nigel will be treated as a good leaver in respect of his outstanding deferred bonus awards (which will vest at the normal time) and his outstanding performance share awards, which will be capable of vesting at the normal time subject to performance and any amounts that vest will be subject to a two-year holding period.

Nigel will also be required to hold shares following his retirement from the Board in accordance with the Group's post-employment shareholding guidelines. Further information is set out on page 199.

Remuneration Policy review

Our current Remuneration Policy, approved by shareholders at the 2023 AGM (with a vote in favour of 95%), is approaching the end of its three-year term. The Committee has undertaken a comprehensive review of the Policy and executive incentive structure, which included extensive consultation with the Company's major shareholders (representing c.70% of the Company's issued share capital) and proxy voting agencies over a six-month period. The Committee is very appreciative of the time taken by shareholders to provide their feedback.

The review was informed by the following objectives:

- The incentive structure should support an effective pay for performance culture, rewarding the delivery of the Group's strategy and strong market outperformance, and promote long-term sustainable decision making throughout the property cycle.
- The total remuneration package should be competitively positioned against the market and, together with the incentive structure, appropriately incentivise Executive Directors, who are highly regarded in the market, and ensure that the Group can attract talented and experienced Executive Directors in the future.
- The incentive structure should address the challenges of operating in a cyclical sector and against the backdrop of continued market uncertainty. In particular, the long-term incentive structure should enable the delivery of stable and competitive reward outcomes, which fairly reflect performance and the ongoing execution of the Group's strategy throughout the cycle, and the experience of shareholders over the longer term.

Proposed change to the long-term incentive structure

The Group has operated a Performance Share Plan for several years for Executive Directors and broader Executive Committee members, and the Committee believes that performance share awards should continue to form a significant part of the incentive structure. Performance share awards support an effective pay for performance culture and maximum vesting can only be achieved for the delivery of strong market outperformance.

The Committee also recognises the importance of long-term incentive structures that, within a cyclical sector, effectively support executives to build up their shareholding, thereby fostering stewardship and promoting the long-term decision making which is critical in our industry, as well as act as an effective retention mechanism. In this regard, the Committee discussed moving from performance share awards to restricted share awards (i.e. a share award which vests subject to continued employment and underpins; and is not subject to performance measures), noting that there are examples of UK real estate companies operating restricted share awards. The Committee concluded that operating only restricted share awards would not be consistent with the Policy review objectives. In particular, the approach would not support a pay for performance culture, nor be in the best interest of shareholders. Instead, after careful consideration, the Committee is proposing to introduce a hybrid long-term incentive structure whereby both performance share and restricted share awards are granted to Executive Directors

Remuneration Committee report continued

Annual Statement continued

and broader Executive Committee members, with the performance share awards forming a significant proportion of the overall long-term incentive potential.

The Committee is mindful that hybrid structures are currently relatively uncommon in the UK, particularly where organisations have limited US exposure. However, the UK remuneration landscape is evolving to allow for more tailored structures, provided that there are clear and demonstrable links to: (i) the business and talent strategy of the company; and (ii) the long-term interests of shareholders. The Committee has approached the review of the long-term incentive structure with this mindset.

The Committee firmly believes that the proposed hybrid structure is the right fit for Derwent London and strikes a balance between:

- continuing to incentivise executives to deliver the Group's strategy and strong market outperformance (via the performance share awards); with
- fostering stewardship and long term decision making by supporting executives to build up their shareholdings, fairly rewarding executives for performance in executing the strategy, and acting as an effective retention mechanism throughout the property cycle (via the restricted share awards).

Award opportunity

The maximum performance share award opportunity under the current policy is 200% of salary. The Committee considers this to be a market competitive performance share award opportunity taking into account Derwent London's size and complexity, and it has therefore been used as a basis for determining the proposed quantum under the hybrid structure.

The Committee also believes that the performance share awards should form a significant proportion of the overall opportunity under the hybrid structure, to continue to support a pay for performance culture.

The following quantum is therefore proposed, in accordance with the Investment Association guidelines:

- Performance share award with a maximum opportunity equal to 150% of salary.
- Restricted share award with an opportunity equal to 25% of salary.
- Meaning an overall maximum opportunity equal to 175% of salary under the hybrid structure.

The restricted share award opportunity has been discounted by 50% compared to the equivalent performance share award opportunity, in line with guidance set out in the Investment Association's Principles of Remuneration and general shareholder expectations.

Performance share award measures

The 2025 performance share award measures (and weightings) are:

- Total shareholder return vs the FTSE 350 Super Sector Real Estate Index (excluding agencies) (50%)
- Total property return vs the MSCI UK All Property Index (40%)
- Embodied carbon reduction (5%)
- Energy intensity reduction (5%)

For 2026, a change to the total property return comparator is proposed from the MSCI UK All Property Index to the MSCI UK All Office Index.

Derwent London is a central London office-focused REIT and therefore the Committee firmly believes that the MSCI UK All Office Index provides closer alignment with our strategic focus and key competitors. In proposing the change in comparator, the Committee has been mindful that:

- Different total property return comparators will continue to apply under the annual bonus (MSCI Central London Office Index) and the performance share awards (MSCI UK All Office Index).
- Executive Directors will continue to be incentivised to outperform the UK real estate market more generally under the annual bonus and the performance share awards. The annual bonus will continue to include a total accounting return performance measure (30% of the award) vs a peer group made up of real estate companies operating across different asset classes and regions. It is proposed that 10% of the performance share awards will continue to be based on environmental performance, which will comprise solely of an embodied carbon reduction measure. This recognises that reducing the embodied carbon of developments will have the greatest positive environmental impact and is fully within Derwent London's control. The performance share awards will continue to include a total shareholder return performance measure (50% of the award) vs a peer group also made up of real estate companies operating across different asset classes and regions.

In summary, the proposed 2026 performance share award measures (and weightings) are:

- Total shareholder return vs the FTSE 350 Super Sector Real Estate Index (excluding agencies) (50%)
- Total property return vs the MSCI UK All Office Index (40%)
- Embodied carbon reduction (10%)

Restricted share award underpins

The vesting of restricted share awards will be subject to underpins that safeguard the financial stability of the business and provide sufficient focus on corporate governance and health and safety responsibilities. If the Committee considers that the underpins have not been met, then it would consider whether it is appropriate to scale back the vesting (including to nil vesting if considered appropriate) of the restricted share awards.

The proposed underpins for the 2026 restricted share awards are as follows:

- No breach of financial covenants.
- Satisfactory underlying performance.
- No material failure in corporate governance or health and safety resulting in significant reputational damage and/or financial loss.

Furthermore, the Committee will have discretion to reduce the vesting level of the restricted share awards (as well as the performance share awards) if it is not reflective of the Group's overall financial or non-financial performance, individual performance, or the experience of shareholders or other stakeholders during the vesting period.

Shareholder feedback

The Committee is pleased with the level of support received for the proposed changes to our Remuneration Policy. Shareholders and proxy voting agencies largely understood the Committee's strategic rationale for introducing such a structure, and were particularly supportive that:

1. the restricted share awards is a modest proportion (c.15%) of the overall long-term incentive potential; and
2. a 50% discount (in terms of conversion from performance share to restricted share awards) is being applied.

During consultation, some shareholders questioned the proposed introduction of a hybrid structure given it is relatively uncommon in the UK and that relative performance measures (total shareholder return and total property return) with the current performance share awards help protect against the cyclical nature of the industry, and asked the Committee to elaborate further on its rationale. The Committee agrees that relative performance measures do, in theory, provide some protection, and performance measures have been considered as part of the Policy review.

As noted above, the Committee is proposing a change to the total property return comparator group. However, relative performance measures are still imperfect and have practical challenges. For example, comparator group selection. Derwent London is a central London office-focused REIT. The total shareholder return and total property return comparator groups used in recent years include real estate companies operating in different geographies across the UK and asset classes, meaning they are impacted by different economic headwinds and tailwinds. This can then adversely impact Derwent London's relative performance against comparator group constituents.

Furthermore, operational and strategic decisions taken by management today are to support long-term sustainable value creation and may not yield immediate shareholder returns or increases in NAV, particularly in a subdued market. The three-year performance period attached to performance share awards, whilst reflective of standard market practice in the UK, can often be misaligned with the longer term nature of Derwent London's strategy.

The Committee therefore strongly believes a hybrid structure, with performance share awards forming a significant proportion of the overall long-term incentive potential, is the right approach for the Group at this time. Furthermore, the proposed restricted share award underpins, the ability to apply discretion to the vesting outcome, and the fact that a significant majority of the long-term incentive structure remains subject to challenging performance targets will ensure that there are appropriate safeguards in place to ensure reward outcomes are aligned to performance and the experience of shareholders.

The initial and closing letters sent to shareholders and proxy voting agencies as part of the consultation process are included on the Company's website at: **www.derwentlondon.com/investors/governance/board-committees**

Implementation in 2026

Base salaries

No increases were made to Executive Directors' base salaries for the year beginning 1 January 2026. Accordingly, Paul Williams' salary will remain at £732,000 and at £564,600 for the other Executive Directors. Base salary increases across the wider workforce were in line with the average inflationary increase of 3.0%. The average actual increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January 2026 was 3.6%.

Annual bonus and long-term incentive

The annual bonus opportunity of 150% of salary and financial metrics (which make up 75% of the award) remain unchanged for 2026. The Committee reviewed the strategic objectives (which make up the remaining 25% of award) and have made some refinements to ensure the objectives remain appropriately aligned with the Group's strategic priorities. The 2026 strategic scorecard will comprise capital recycling, leasing, cost savings, staff satisfaction and health and safety objectives (see page 190).

Subject to shareholder approval of the Remuneration Policy, Executive Directors will be granted performance share and restricted share awards as detailed above. Details of the performance share award measures and restricted share award underpins are set out on page 191.

Non-Executive Chairman and Non-Executive Director fees

No increases were made to the Non-Executive Chairman's fee or the Non-Executive Directors' base fees for the year beginning 1 January 2026. This is consistent with the approach taken for Executive Directors.

Further engagement

I look forward to receiving your support at our 2026 AGM, where I will be available to respond to any questions shareholders may have on this report, the proposed Remuneration Policy, or in relation to any of the Committee's activities. In the meantime, if you would like to discuss any aspect of our Remuneration Policy or incentive framework, please feel free to contact me through the Company Secretary, David Lawler (email: **company.secretary@derwentlondon.com**).

The Directors' remuneration report has been approved by the Board of Directors and signed on its behalf by:

Sanjeev Sharma
Chair of the Remuneration Committee

25 February 2026

Remuneration Committee report continued

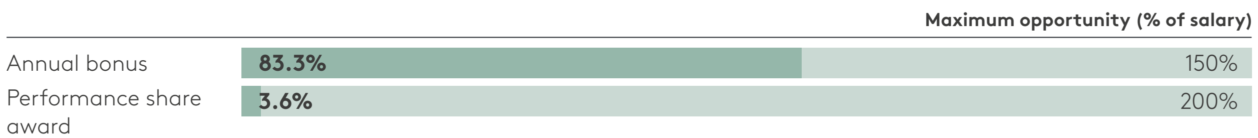
Annual Statement continued

Remuneration at a glance

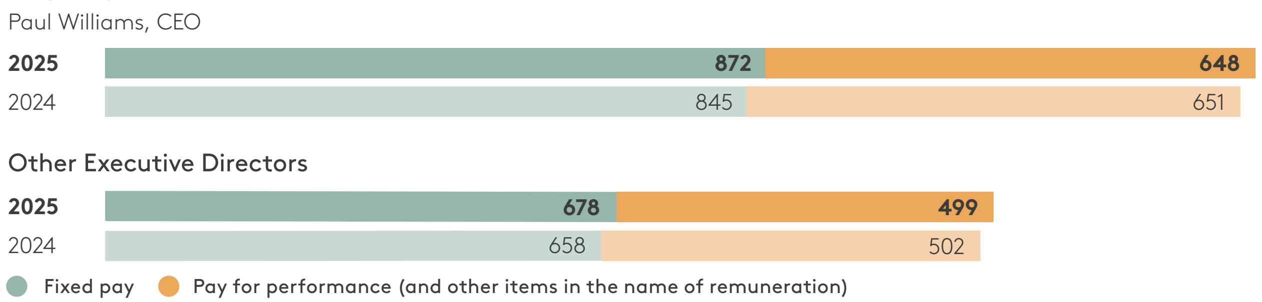
Our Remuneration Policy is designed to be transparent and to promote effective stewardship that is vital to the delivery of the Group's purpose and strategy.

Reward linked to performance

Performance-based remuneration achieved for the year ended 31 December 2025 as a percentage of base salary. Further information on annual bonus and performance share award outcomes is available on pages 201 to 204.



Single figure of remuneration (£'000)



Remuneration Policy summary

Total remuneration

Fixed pay	Variable pay
Base salary Benefits Pension	Annual bonus Long-term incentive Performance-based

Wider stakeholder considerations

The Committee considers pay policies and practices for employees, as well as feedback from key stakeholders, when making remuneration decisions for Executive Directors.

+3.6%
average increase in base salaries for all employees eligible for a pay rise effective from 1 January 2026

16:1
CEO pay ratio at 50th percentile (median) for 2025 (see page 197)

+1.2%
increase in the total dividend (2024 to 2025)

+95%
of votes cast in favour of our revised Remuneration Policy at the 2023 AGM

Remuneration Policy review process

The major focus area of the Committee during the year was the Remuneration Policy review.

Component	2023 Remuneration Policy	2026 Remuneration Policy
Base salary and benefits	Attract and retain high calibre executives.	No change.
Pension	In line with the contributions available for the majority of the wider workforce (currently 15% of salary).	No change.
Annual bonus	Maximum opportunity: 150% of salary	No change.
	At least 75% of bonus based on financial measures with up to 25% based on strategic objectives.	Majority of bonus based on financial measures with remainder based on strategic objectives.
	Any amount earned in excess of 75% of salary is deferred into shares, which are released after three years subject to continued employment.	No change.
LTIP	Performance share award	Performance share and restricted share awards (hybrid)
	Maximum opportunity: 200% of salary	Maximum opportunity: ▪ Performance share award: 150% of salary ▪ Restricted share award: 25% of salary ▪ Restricted share award is discounted by 50% vs performance share award equivalent.
	Performance share award measures reviewed annually reflecting the Group's strategy and metrics relevant to the business.	No change.
		Restricted share plan underpins reviewed annually and designed to safeguard the financial stability of the business and provide sufficient focus on corporate governance and health and safety responsibilities.
	Three-year performance period plus two-year holding period	No change.
Committee discretion	The Committee has discretion to adjust the vesting outcome of annual bonus and LTIP awards if not deemed to reflect appropriately the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders.	No change.
Shareholding guidelines	200% of salary for all executives.	No change.

Directors' Remuneration Policy

The following part of the report sets out the Remuneration Policy for the Group (Policy). This Policy will be put forward to shareholders for their binding approval at the AGM on 15 May 2026 and will apply to payments made from this date. Further details regarding the operation of the Policy for the 2026 financial year can be found on pages 190 to 191.

Changes to the Directors' Remuneration Policy

The Committee has undertaken a comprehensive review of the Policy and executive incentive structure. After careful consideration, the Committee is proposing to introduce a hybrid long-term incentive structure whereby both performance share and restricted share awards are granted to the Executive Directors and broader Executive Committee members, with the performance share awards forming a significant proportion of the overall long-term incentive potential. The Committee's rationale and context for this proposed change is set out on pages 173 to 175. A summary of the proposed changes to the Remuneration Policy and executive incentive structure is set out in the remuneration at a glance section on page 177.

Summary of decision making process

In determining the Policy, the Committee followed a robust process which included discussions on the content of the Policy at seven Remuneration Committee meetings during 2025. The Committee considered input from management and our independent advisers, and consulted with major shareholders, including taking account of the recently published Investment Association guidelines.

Management did not take part in any decision making discussions regarding changes to the Policy or executive remuneration framework in order to avoid any conflicts of interest.

Factoring our stakeholders into our decisions

Engaging with our shareholders

The Committee actively seeks dialogue with shareholders and values their feedback. As part of the Remuneration Policy review, the Committee undertook an extensive consultation with the Company's major shareholders (representing c.70% of the Company's issued share capital) and proxy agencies over a six-month period, and the Committee carefully considered the feedback received as part of its decision making (see page 175, Remuneration Committee Chair's Annual statement). The Committee is very appreciative of the time taken by shareholders to provide their feedback.

On an ongoing basis, any feedback received from shareholders is considered as part of the Committee's annual review of remuneration. The Committee will also discuss voting outcomes at the relevant Committee meeting and will consult with shareholders if and when any significant changes to the way the Remuneration Policy are implemented.

Engaging with our employees

We have an open, collaborative and inclusive management structure and our employees are provided with the means to engage on a range of matters. The Committee considers pay across the Group, as well as any employee feedback, when making decisions on executive remuneration. A dedicated section is included within this report which incorporates several disclosures to demonstrate the Committee's belief that remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practice across the wider workforce (see pages 194 to 197).

Executive Director policy table

The policy table below sets out the key elements of the remuneration package for Executive Directors.

Element	Purpose and link to strategy	How operated	Maximum opportunity	Performance measures
Base salary	To recruit, retain and motivate high calibre executives. Reflects experience and importance to the business.	Normally reviewed annually. Any increase is usually effective from 1 January. Factors taken into account in the review include, but are not limited to: ▪ the role, experience and performance of the individual and the Company; ▪ pay and conditions throughout the business; and ▪ practice in companies with similar business characteristics.	No maximum salary or salary increase, but increases will normally be consistent with the policy applied to the workforce generally (in percentage of salary terms). Increases above this level may be awarded in certain circumstances such as, but not limited to: ▪ where there is a change in role or responsibility; ▪ an Executive Director's development or performance in role (e.g. to align a new hire's salary with the market over time); ▪ where there is a significant change in the size and/or complexity of the Group; and ▪ where there is a significant change in market practice.	A broad assessment of personal and corporate performance is considered as part of the salary review.
Benefits	To provide a market competitive benefits package to help recruit and retain high calibre executives and to support their wellbeing.	Benefits include, but are not limited to, private medical insurance, car and fuel allowance and life assurance. Executive Directors may participate in the Sharesave Plan and any other all-employee plans on the same basis as other employees up to HMRC approved limits. In certain circumstances, the Committee may also approve additional one-off or ongoing allowances or benefits relating to the relocation of an Executive Director as may be required to perform the role. The Committee has the ability to reimburse reasonable business-related expenses and any tax thereon. The Committee may introduce any other benefits if it is considered appropriate to do so.	Whilst there is no prescribed maximum cost of providing benefits, the value of benefits is set at a level which the Committee considers to be appropriate taking into account relevant factors including but not limited to the overall cost to the Company in securing the benefits, individual circumstances, benefits provided to the wider workforce and market practice.	None.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Element	Purpose and link to strategy	How operated	Maximum opportunity	Performance measures
Pension	To provide an appropriate level of retirement benefit.	The Company operates a defined contribution pension scheme. Executive Directors may receive cash payments in lieu of some or all of their contributions where considered appropriate (for example where contributions would exceed either the lifetime or annual contribution limits).	The maximum Company contribution or cash supplement (or a mix of both) for Executive Directors is aligned with the contribution available to the majority of the wider workforce (currently 15% of salary).	None.
Annual bonus	To incentivise the annual delivery of stretching financial targets and strategic goals. Financial performance measures reflect metrics relevant to the business.	Bonus awards are based on performance measures set by the Committee (typically measured over a financial year) against key performance measures and objectives, and continued employment.	Maximum opportunity of up to 150% of salary may be awarded in respect of a financial year. Bonuses up to 75% of salary are paid as cash. Amounts in excess of 75% are normally deferred into shares for three years subject to continued employment. The Committee may decide to pay the entire bonus in cash where the amount to be deferred into shares would, in the opinion of the Committee, be so small it is administratively burdensome to apply deferral. Dividend equivalents may accrue on deferred shares. Such amounts will normally be paid in shares. Malus and clawback provisions apply (see table on page 183). The Committee has discretion to adjust the payment outcome if it is not deemed to reflect the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.	The majority of the annual bonus will normally be based on financial measures with the remainder based on strategic objectives. **Financial measures** Up to 22.5% of each bonus element will be payable for threshold performance, with full payout for maximum performance. No amount is payable for achieving below threshold performance. **Strategic objectives** Vesting will apply on a scale between 0% and 100% based on the Committee's assessment of the extent to which performance against the strategic objectives has been met. Performance measures are reviewed annually reflecting the Group's strategy and metrics relevant to the business.

Element	Purpose and link to strategy	How operated	Maximum opportunity	Performance measures
Performance share awards	To align the long-term interests of the executives with those of the Group's shareholders. To incentivise executives to deliver the Group's strategy and strong market outperformance.	Award of performance shares which vest after three years subject to performance measures set by the Committee and continued employment. Awards will be subject to a two-year post-vesting holding period. Dividend equivalents may accrue on performance shares. Such amounts will normally be paid in shares. Malus and clawback provisions apply (see table on page 183). The Committee has discretion to adjust the vesting outcome if it is not deemed to reflect appropriately the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.	Maximum opportunity of up to 150% of salary may be awarded in respect of a financial year.	Performance measures and their weightings are reviewed annually reflecting the Group's strategy and metrics relevant to the business. Details of the performance measures for the 2026 awards are set out on page 191. Up to 22.5% of each element of an award vests for achieving threshold performance, with full vesting for achieving maximum performance. No award vests for achieving below threshold performance.
Restricted share awards	To align the long-term interests of the executives with those of the Group's shareholders. To support stewardship and long-term decision making.	Award of restricted shares which vest after three years subject to underpins set by the Committee and continued employment. Awards will be subject to a two-year post-vesting holding period. Dividend equivalents may accrue on restricted shares. Such amounts will normally be paid in shares. Malus and clawback provisions apply (see table on page 183). The Committee has discretion to reduce the vesting outcome if it is not deemed to reflect appropriately the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the vesting period.	Maximum opportunity of up to 25% of salary may be awarded in respect of a financial year.	Underpins are reviewed annually. The Committee may reduce the vesting outcome if one or more of the underpins are not achieved. Details of the performance underpins for the 2026 awards are set out on page 191.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Element	Purpose and link to strategy	How operated	Maximum opportunity	Performance measures
Share ownership guidelines	To provide alignment with the long-term interests of shareholders and support stewardship.	Within-employment: Executive Directors are expected to build up and retain a shareholding equal to 200% of salary. Until the shareholding guideline is met, 50% of any deferred bonus awards or performance share awards vesting (net of tax) normally must be retained. Post-employment: Executive Directors who step down from the Board are normally expected to retain a holding in 'guideline shares' equal to: ▪ 200% of salary (or their actual shareholding at the point of stepping down if lower) for the first 12 months following stepping down as an Executive Director. ▪ 100% of salary (or their actual shareholding at the point of stepping down if lower) for the subsequent 12 months. 'Guideline shares' do not include shares that the Executive Director has purchased or which have been acquired pursuant to deferred share awards or performance share awards which vested before 1 January 2020. Unless the Committee determines otherwise, an Executive Director or former Executive Director shall be deemed to have disposed of shares which are not 'guideline shares' before 'guideline shares'. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstance. The number of shares subject to the post-employment shareholding guideline is confirmed to the Executive Director on stepping down from the Board. The Committee will monitor the former Executive Directors' compliance with the guideline. Should the former Executive Director breach compliance, the Committee may reduce any unvested share awards held by the former Executive Director.	n/a	n/a

Information supporting the Policy

Malus and clawback

It is a condition of the grant of any awards that the Executive Directors agree to the terms of the relevant Plan rules and, in particular, the operation of malus and clawback provisions. A summary of our malus and clawback provisions is provided below.

	Malus	Clawback
Annual bonus	To such time as payment is made.	Up to two years following payment.
Deferred bonus	To such time as the award vests.	No clawback provisions apply (as malus provisions apply for three years from the date of award).
Performance share awards	To such time as the award vests.	Up to two years following vesting.
Restricted share awards	To such time as the award vests.	Up to two years following vesting.

The circumstances in which malus and clawback provisions could be applied:

1 Material misstatement of financial results.
2 An error in assessing performance conditions which has led to an overpayment.
3 Serious or gross misconduct.
4 Serious reputational damage.
5 Corporate failure.

A clawback period of two years following payment of an annual bonus and vesting of performance share and restricted share awards is considered appropriate on the basis that:

- it is reasonable to assume that a material misstatement of financial results relating to the performance/vesting period, an error in assessing performance measures or underpins, or an event, act or omission which occurred during the performance/vesting period resulting in serious reputational damage, or corporate failure, would be discovered within a two-year period;
- it is considered a reasonable period to support the enforceability of clawback; and
- it is aligned with market practice across the FTSE 250.

Choice of performance measures

The performance measures used for the annual bonus and performance share awards reflect the short and long-term financial and strategic priorities of the business, and are aligned with performance measures used by our real estate sector peers.

A significant proportion of annual bonus and performance share awards are subject to performance relative to the real estate sector. This helps support an incentive framework whereby Executive Directors may be fairly and equitably rewarded for outperforming peers and delivering shareholder value in a cyclical market. For relative performance measures, performance targets are set each year relative to the real estate comparator group.

For strategic measures, targets are set taking into account the Group's strategic plan. Maximum vesting will only occur for what the Committee considers to be outstanding performance.

The underpins for the restricted share awards are designed to protect the financial stability of the business and provide sufficient focus on governance and health and safety.

Details of the performance measures for the 2026 annual bonus and performance share awards, and underpins for the 2026 restricted share awards are set out on pages 190 and 191.

The Committee retains the ability to adjust or set different performance measures, underpins or targets if events occur (such as a change in strategy, a material acquisition and/or divestment of a Group business or a change in prevailing market conditions) which cause the Committee to determine that the performance measures, underpins and/or targets are no longer appropriate and the amendment is required so that they achieve their original purpose and are not materially less difficult to satisfy.

Share awards may be adjusted in the event of a variation of share capital or a demerger, delisting, special dividend or other event that may affect the Company's share price.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Legacy arrangements

The Committee retains discretion to make any remuneration payment and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) which are outside of the Policy set out here:

- where the terms of the payment were agreed before this Policy came into effect (provided that the terms of the payment were consistent with the shareholder approved Directors' Remuneration Policy (if any) in force at the time they were agreed);
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies), and in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company or such other person; and
- to satisfy contractual arrangements under legacy remuneration arrangements.

For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

The Executive Directors' legacy arrangements include unvested performance share awards (see page 209). Emily Prideaux holds unexercised ESOP options which were granted to her prior to her becoming an Executive Director (see page 209).

Non-Executive Director policy table

The policy table below sets out the key elements of the remuneration package for Non-Executive Directors.

	Operation	Determination of fees
Chairman	The remuneration of the Chairman is set by the Board (excluding the Chairman). The Chairman receives an annual fee. The fee may be paid wholly or partly in cash or Company shares. The Company will pay reasonable expenses incurred by the Non-Executive Chairman and may settle any tax incurred in relation to these. Other benefits may be provided if considered appropriate. The Chairman does not receive a pension or participate in incentive arrangements.	Fees are set taking into account: ▪ the time commitment and responsibilities expected for the roles; ▪ pay and conditions throughout the business; and ▪ practice in companies with similar business characteristics. Fees are normally reviewed annually. Overall fees paid to the Chairman and Non-Executive Directors will remain within the limits set by the Company's Articles of Association.
Non-Executive Directors	The remuneration for Non-Executive Directors is set by the Executive Directors. The fees may be paid wholly or partly in cash or Company shares. Non-Executive Directors receive a base fee plus additional fees for committee chairmanship, committee membership and for the Senior Independent Director. Additional fees may be paid to reflect additional Board or committee responsibilities or time commitment as appropriate. The Company will pay reasonable expenses incurred by the Non-Executive Directors and may settle any tax incurred in relation to these. Other benefits may be provided if considered appropriate. Non-Executive Directors do not receive pension contributions or participate in incentive arrangements.	

Remuneration scenarios for Executive Directors

The Committee aims to provide a significant part of the Executive Directors' total remuneration through variable pay and the adjacent diagrams illustrate the remuneration opportunity provided to the Executive Directors for various indicative levels of performance.

For the purpose of this analysis, the following assumptions have been made:

Minimum performance	▪ Fixed remuneration ▪ 100% of the restricted share awards vest
On-target performance	▪ Fixed remuneration ▪ 50% of the annual bonus is earned ▪ 22.5% of the performance share awards vest ▪ 100% of the restricted share awards vest
Maximum performance	▪ Fixed remuneration ▪ 100% of the annual bonus is earned ▪ 100% of the performance share awards vest ▪ 100% of the restricted share awards vests
Maximum performance + 50% share price growth	▪ As per the maximum performance illustration, but also assumes, for the purposes of the performance share and restricted share awards, that share price increases by 50% over the performance/vesting period

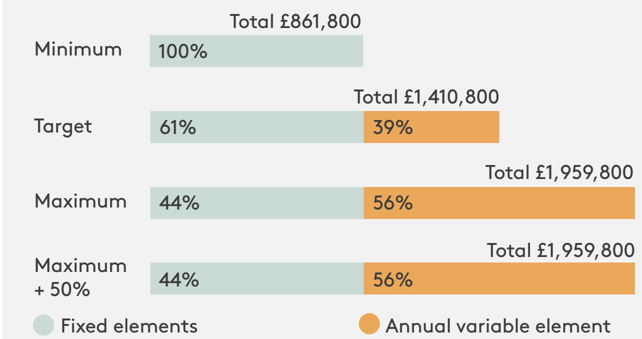
1 'Fixed remuneration' includes salary (which applies from 1 January 2026), pension and other benefits.

2 Pension is based on the salary and pension policy applying from 1 January 2026.

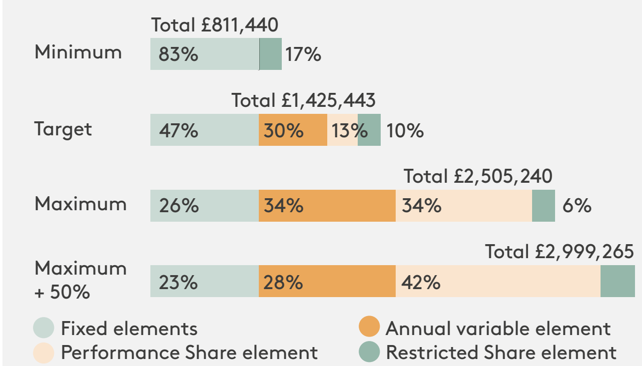
3 LTIP: Paul Williams and Nigel George will not receive an LTIP award in 2026, due to their pending retirements. Therefore, no 2026 LTIP award is included in the diagrams.

4 As Nigel George will resign and stand down on 31 March 2026, his fixed remuneration and annual bonus shown in the diagrams relates to the period 1 January 2026 to 31 March 2026.

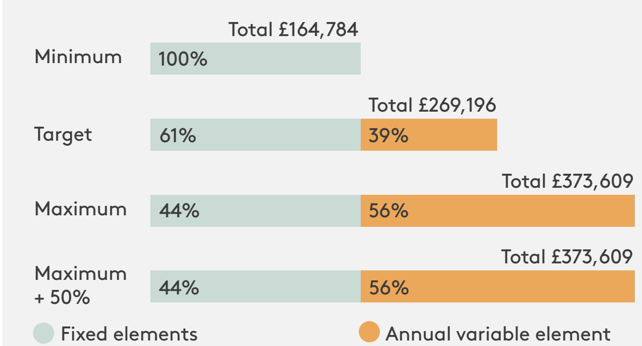
Paul Williams



Damian Wisniewski and Emily Prideaux



Nigel George



Remuneration Committee report continued

Directors' Remuneration Policy continued

Service contracts and compensation for loss of office

Executive Directors' service contracts do not have a fixed expiry date; however, they are terminable either by the Company providing 12 months' notice or by the executive providing six months' notice. Further details are set out below. Executive Directors' service contracts are available to view at the Company's registered office. The principles on which the determination of compensation for loss of office will be approached are set out below.

	Policy
Payments in lieu of notice	Service contracts include a payment in lieu of notice clause which provides that payments may be made based on the value of salary, benefits and pension that would have accrued over the unexpired proportion of the notice period. The Company would normally make a series of monthly payments, or may instead make a lump sum payment. Payments in lieu of notice are subject to mitigation.
Annual bonus	The extent to which any bonus will be paid out will be determined in accordance with the annual bonus plan rules. Executive Directors must normally be in employment on the payment date to receive an annual bonus. However, if an Executive Director leaves as a 'good leaver', the Executive Director will normally be considered for a bonus payment. It is the Committee's policy to ensure that any bonus payment reflects the departing Executive Director's performance. Unless the Committee determines otherwise, any bonus payment will be paid at the usual time following the determination of performance measures and be subject to a pro rata reduction for time served during the performance period.
Deferred bonus shares	The extent to which any unvested awards will vest will be determined in accordance with the deferred bonus plan rules. Unvested awards will normally lapse on cessation of employment. However, if an Executive Director leaves as a 'good leaver', the awards will continue and will normally vest at the normal vesting date. In exceptional circumstances, the Committee may decide that the Executive Director's deferred share awards will vest at the date of cessation of employment.
Performance share and restricted share awards	The extent to which any unvested share awards will vest will be determined in accordance with the Performance Share Plan rules. Unvested awards will normally lapse on cessation of employment. However, if an Executive Director leaves as a 'good leaver', other than by reason of death, their unvested awards will continue and will normally remain capable of vesting at the normal vesting date. To the extent that awards vest, up to a two-year holding period would then normally apply unless the Committee determines otherwise. In exceptional circumstances, the Committee may decide that the Executive Director's awards will vest and be released early at the date of cessation of employment or at some other time. If a participant dies, their unvested award will normally vest (and, in the case of an award subject to a holding period, be released) on the date of their death. In all cases, vesting will depend on the extent to which the performance measures or underpins have been satisfied and will be subject to a pro rata reduction of the awards for time served from the grant date to the date of cessation of employment (although the Committee has discretion to disapply time pro rating if the circumstances warrant it). If an Executive Director leaves for any reason (other than summary dismissal) after an award has vested but before it has been released (i.e. during a holding period), their award will ordinarily continue to be released at the normal release date. In exceptional circumstances, the Committee may decide that the participant's award will be released early at the date of cessation of employment.
Change of control	Deferred bonus shares will vest in full in the event of a change of control or substantial exit. Performance share and restricted share awards will vest early in the event of change of control or substantial exit. The level of vesting will be determined taking into account the extent to which performance measures and underpins are satisfied at the date of the relevant event and, unless the Committee determines otherwise, awards will be pro rated for time served from the grant date to the date of the relevant event.
Other payments	In appropriate circumstances, payments may also be made in respect of items such as accrued holiday, outplacement and legal fees. Awards under the Sharesave Plan may vest and, where relevant, be exercised in the event of cessation of employment or change of control in accordance with the Sharesave Plan rules. The terms applying to any buy-out awards on cessation of employment or change of control would be determined when the award is granted. Such terms would normally be consistent with the principles outlined above. The Committee reserves the right to make payments by way of settlement of any claim arising in connection with the cessation of employment.

'Good leavers' includes: cessation of employment by reason of death, retirement, injury, ill health, disability, redundancy, transfer of employment outside of the Group, or any other reason as determined by the Committee.

Service contracts

Executive Directors' service contracts do not have a fixed expiry date; however, they are terminable either by the Company providing 12 months' notice or by the executive providing six months' notice. Executive Directors may accept a non-executive role at another company with the approval of the Board. The Executive Director is entitled to retain any fees paid for these services.

	Date of service contract
Paul Williams[1]	22 November 2018
Damian Wisniewski	10 July 2019
Nigel George[2]	10 July 2019
Emily Prideaux	26 February 2021

1 Paul Williams will step down from the Board during 2026 once his successor has been appointed and is in place. Further information is set out on page 199.
2 Nigel George will step down as a Director on 31 March 2026. Further information is set out on page 199.

Letters of appointment

The Chairman and Non-Executive Directors do not have service contracts but are appointed for initial three-year terms which thereafter may be extended, subject to re-election, at each AGM. Details are set out in the table below. Further information on Non-Executive Director tenure and recruitment is on pages 139 and 140 of the Nominations Committee report. The Chairman's and Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

	Date of latest appointment letter	Latest appointment letter expiry date
Mark Breuer	3 November 2023	1 February 2027
Helen Gordon	3 November 2023	31 December 2026
Lucinda Bell	7 August 2024	31 December 2027
Sanjeev Sharma	7 August 2024	1 October 2027
Robert Wilkinson	31 May 2024	1 June 2027
Madeleine McDougall	15 October 2024	31 October 2027

Recruitment and promotion policy

The remuneration of a new Executive Director will normally include salary, benefits, pension and participation in the annual bonus and long-term incentive arrangements in accordance with the policy for Executive Directors' remuneration. In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the principles and limits set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Directors' remuneration report for the relevant year.

	Policy
Salary	Salary will be set taking into account the individual's experience and skills, prevailing market rates in companies of comparable size and complexity and internal relativities. Where appropriate the Committee may set the initial salary below the market level (e.g. if the individual has limited PLC board experience or is new to the role), with the intention to make phased pay increases over a number of years, which may be above those of the wider workforce, to achieve the desired market positioning. These increases will be subject to continued development in the role.
Buy-out awards	Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting time frame of forfeited opportunities. When determining any such 'buy-out', the guiding principle would be that awards would generally be on a 'like-for-like' basis unless this is considered by the Committee not to be practical or appropriate. Where possible the buy-out award will be accommodated under the Company's existing incentive plans, but it may be necessary to utilise the exemption provided in the Listing Rules. Shareholders will be informed of any such payments in the following year's Annual report on remuneration.
Maximum level of variable remuneration	The maximum level of variable remuneration which may be granted (excluding buy-out awards) is 325% of salary, which is in line with the current maximum limit under the annual bonus, and performance share and restricted share awards.
Other elements of remuneration	Other elements may be included in the following circumstances: ▪ An interim appointment being made to fill an Executive Director role on a short-term basis. ▪ If exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis. ▪ If an Executive Director is recruited at a time in the year when it would be inappropriate to provide an annual bonus award, performance share and/or restricted share awards for that year. Subject to the limit on variable remuneration set out above, the quantum in respect of the period employed during the year may be transferred to the subsequent year. ▪ If the Executive Director is required to relocate, reasonable relocation, travel and subsistence payments may be provided (either via one-off or ongoing payments or benefits).

In the case of an internal appointment, any ongoing remuneration obligations or variable pay element awarded in respect of the prior role shall be allowed to continue according to its original terms, adjusted as relevant to take into account the appointment.

Fees payable to a newly appointed Chair or Non-Executive Director will be in line with the fee policy in place at the time of appointment.

Remuneration Committee report continued

Annual report on remuneration

(unaudited unless otherwise indicated)

The annual report on remuneration (pages 188 to 209) explains how we have implemented our Remuneration Policy during 2025. The Remuneration Policy in place for the year was approved by shareholders at the 2023 AGM and is available to download from our website at: www.derwentlondon.com/investors/governance/board-committees

Role of the Remuneration Committee

The role of the Committee is to determine and recommend to the Board the Remuneration Policy for Executive Directors, and set the remuneration for the Chairman, Executive Directors and Executive Committee (including the Company Secretary). In doing so, the Committee has due regard for the remuneration arrangements available to the entire workforce and ensures that our Remuneration Policy supports our strategy, the achievement of our purpose, and is aligned with our values. We detail the Group's key remuneration principles, which inform our remuneration structure, in the table below.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in August 2025 and are available on the Company's website.

Structure of the annual report on remuneration

The Committee has structured this report to demonstrate that the remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practices across the wider workforce, mitigating risk and rewarding genuine outperformance. Key sections include:

- Aligning remuneration with our purpose, values and strategy (see page 189)
- Risk management (see page 192)
- Remuneration decisions in context (see page 194)
- Executive Director remuneration in 2025 (see page 198)
- Implementation of proposed Remuneration Policy in 2026 (see pages 190 to 191)

Our remuneration principles

The Committee ensures that the remuneration arrangements for Executive Directors are aligned with our key remuneration principles which are detailed below.

Attract, retain and motivate	Support an effective pay for performance culture which enables the Company to attract, retain and motivate Executive Directors who have the skills and experience necessary to deliver the Group's purpose.
Clarity and simplicity	Ensure that remuneration arrangements are simple and transparent to key stakeholders and take account of pay policies for the wider workforce.
Alignment to strategy and culture	Align remuneration with the Group's objectives and long-term strategy and reflect our culture through a balanced mix of short and long-term performance-related pay and ensure that performance metrics remain effectively aligned with strategy.
Risk management	Promote long-term sustainable performance through sufficiently stretching performance targets, whilst ensuring that the incentive framework does not encourage Executive Directors to operate outside the Group's risk appetite (see page 103). Further information on risk management within our remuneration structures is on page 192.
Stewardship	Promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. Executive Directors are subject to within-employment and post-employment shareholding guidelines. Once performance share awards and restricted share awards have vested, there is a two-year holding period during which Executive Directors are not able to sell their shares (net of tax) to support sustainable decision making.
Predictability	Details of the maximum potential values that may be earned through the remuneration arrangements are set out in our Remuneration Policy on pages 178 to 187.
Proportionality and fairness	Total remuneration should fairly reflect the performance delivered by the Executive Directors and the Group. The Committee takes into account underlying business performance and the experience of shareholders, employees and other stakeholders when determining vesting outcomes, ensuring that poor performance is not rewarded. The Committee considers the approach to wider workforce pay and policies when determining the Remuneration Policy to ensure that it is appropriate in this context.

Aligning remuneration with our purpose, values and strategy

Remuneration that aligns with our values

Our core values are reflected in our remuneration arrangements in the following ways:

We build long-term relationships	We lead by design	We act with integrity
We seek to create long-term collaborative relationships with our occupiers and employees. The annual bonus contains strategic targets for tenant retention and staff satisfaction. A staff satisfaction metric helps the Committee, and the Board, monitor the wellbeing of the wider workforce and gauge our ability to retain key talent.	Our Remuneration Policy has been designed with key objectives in mind (see page 173) and to reflect our key remuneration principles (see page 188). Incentive arrangements reward genuine outperformance and progress against our strategic objectives, foster stewardship and promote long-term sustainable decision making. The structure of our Remuneration Policy is kept under routine review.	Total remuneration fairly reflects the performance delivered by the Executive Directors and the Group. The Committee takes into account underlying business performance and the experience of shareholders, employees and other stakeholders when determining vesting outcomes, ensuring that poor performance is not rewarded.

Remuneration that supports our strategy and helps us to achieve our purpose

We seek to create above average long-term returns for our shareholders, retain and develop our talented workforce, design 'long-life, low carbon' space, and work towards achieving our net zero carbon ambitions.

Our Remuneration Policy has been designed to support our strategy by aligning our performance-based pay with our strategic objectives and Net Zero Carbon Pathway. We have ESG-related metrics within the annual bonus and long-term incentive.

Our ability to provide above average returns to our shareholders is a substantial element of our performance share awards (see page 204). Our total shareholder return is ranked against the FTSE 350 Super Sector Real Estate Index (excluding agencies) and vesting of this element only occurs if we reach or exceed median. Further information on the rationale for the Committee's chosen strategic performance targets is on page 183.

Environmental	Social	Governance
As delivering on our net zero carbon commitments is a fundamental part of Derwent London's long-term strategy, sustainability performance metrics are included within the Executive Directors' performance share awards.	All employees receive at least the London Living Wage. Our generous benefit package includes a 15% company pension contribution. We continue to invest significantly in our employees to ensure that everyone thrives in their roles, feels valued and supported and has the opportunity of continuous growth and development.	Risk management is factored into the design of our remuneration arrangements and the setting of targets. We seek to ensure fairness and transparency in our disclosures, and voluntarily report on our CEO pay ratio on page 197.

How our KPIs are embedded within the executive remuneration framework

Success against our strategic objectives is measured using a range of financial and non-financial key performance indicators (KPIs), which are largely embedded within the executive remuneration framework as illustrated by the chart below.

KPIs

Financial			Non-financial	
Total accounting return	B		Reversionary percentage	
Total property return[1]	B	P	Development potential	B
Total Shareholder Return (TSR)	P		Tenant retention	B
EPRA Earnings Per Share (EPS)			Void management	B
Gearing & available resources			BREEAM rating	
Interest cover ratio (ICR)			Energy Performance Certificates (EPCs)	
			Energy intensity	P
			Embodied carbon intensity	P
			Accident Frequency Rate (AFR)	B
			Staff satisfaction	B

B Annual bonus P Performance Share Plan

1 Total property return performance for the annual bonus is assessed against the MSCI Quarterly Central London Office Total Return Index (see page 201). From 2026, total property return performance is assessed against the MSCI UK All Office Total Return Index under the performance share awards (see page 203).

Remuneration Committee report continued

Annual report on remuneration continued

Shareholder engagement

We always seek to engage with shareholders when considering material changes to our remuneration policies or practices (see page 178).

	Annual report on remuneration (2025 AGM)		Remuneration Policy (2023 AGM)	
Votes cast in favour	**93.5m**	**98.2%**	91.6m	95.0%
Votes cast against	**1.8m**	**1.8%**	4.8m	5.0%
Total votes cast	**95.3m**	**100%**	96.4m	100%
Votes withheld	**0.5m**		0.0m	

Implementation of Remuneration Policy for 2026

Base salaries

No increases were made to Executive Directors' base salaries for the year beginning 1 January 2026. Accordingly, Paul Williams' salary will remain at £732,000 and at £564,600 for the other Executive Directors. Base salary increases across the wider workforce were in line with the average inflationary increase of 3.0%. The average actual increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January 2026 was 3.6%.

Non-Executive Chairman and Non-Executive Director fees

No increases were made to the Non-Executive Chairman's fee or the Non-Executive Directors' base fees for the year beginning 1 January 2026. This is consistent with the approach taken for Executive Directors.

Non-Executive Chairman and Non-Executive Director fees	2026 fee
Non-Executive Chairman fee	**£289,800**
Base fee	**£59,000**
Audit Committee Chair	**£12,938**
Other Committee Chairs	**£10,350**
Senior Independent Director	**£12,938**
Committee membership	**£5,175**

Benefits and pension

Benefits will continue to include a car allowance, private medical insurance and life assurance. Company pension contribution and/or cash supplement for the Executive Directors remains aligned with the majority of the wider workforce (currently at 15% of salary).

Annual bonus

The maximum bonus potential for Executive Directors for 2026 is 150% of salary. Bonuses are subject to the following performance measures:

Performance measure	Weighting % of bonus	Targets
Total accounting return	30%	Performance measured against a comparator group of real estate companies. The comparator group for 2026 is the same as 2025 with the addition of Grainger plc (see page 201). Targets and amounts vesting for threshold and maximum performance are outlined on page 201.
Total property return	45%	Performance measured against the MSCI Quarterly Central London Offices Total Return Index. Targets and amounts vesting for threshold and maximum performance are outlined on page 201.
Strategic objectives	25%	Specific and measurable objectives relating to capital recycling, leasing, cost management, staff satisfaction and health and safety (accident incident rate). The targets are considered to be commercially sensitive at this point in the year and will be fully disclosed in the 2026 Directors' remuneration report.

Executive Directors will be required to defer any annual bonus earned above 75% of salary into shares for three years.

Long-term incentives

Subject to shareholder approval of the Remuneration Policy, Executive Directors will be granted performance share awards with a maximum potential of 150% of salary and restricted share awards with a potential of 25% of salary. The proposed performance share award targets are as follows:

Measure	Basis of calculation	Weighting of performance share award	Threshold[1]	Maximum
Total shareholder return	Position of the Company's total shareholder return against the total shareholder return of the ranked members of the FTSE 350 Super Sector Real Estate Index (excluding agencies) assessed over the three-year performance period ending 31 December 2028	50%	Median	Upper quartile and above
Total property return	The Company's annualised total property return calculated on a compound annual growth basis relative to the MSCI Quarterly UK All Office Total Return Index assessed over the three-year performance period ending 31 December 2028	40%	At Index	Index +2%
Embodied carbon intensity[2]	Weighted average embodied carbon for all projects during the three-year performance period ending 31 December 2028	10%	600 $kgCO_2e/m^2$	500 $kgCO_2e/m^2$

1 For achieving the threshold performance target, 22.5% of the maximum award will vest.
2 Our embodied carbon performance will be independently assured by an external third party.

The vesting of restricted share awards will be subject to underpins that safeguard the financial stability of the business and provide sufficient focus on corporate governance and health and safety responsibilities. If the Committee considers that the underpins have not been met, then it would consider whether it is appropriate to scale back the vesting (including to nil vesting if considered appropriate) of the restricted share awards.

The proposed underpins are as follows:

- No breach of financial covenants.
- Satisfactory underlying performance.
- No material failure in corporate governance or health and safety resulting in significant reputational damage and/or financial loss.

Furthermore, the Committee will have discretion to reduce the vesting level of the restricted share awards (as well as the performance share awards) if it is not reflective of the Group's overall financial or non-financial performance, individual performance, or the experience of shareholders or other stakeholders during the vesting period.

Remuneration Committee report continued

Annual report on remuneration continued

Risk management

We are transparent about our pay practices which aim to incentivise our employees to achieve our strategy and generate sustainable value for our stakeholders. Risk management is a key remuneration principle and has been incorporated into our Remuneration Policy, principally through:

Stretching performance targets	Malus and clawback provisions	Discretion	Shareholding guidelines
Sufficiently stretching performance targets which promote long-term sustainable performance.	Enables the Committee to recover sums paid, or cancel awards, in specific circumstances[1].	The Committee has the means to apply discretion and judgement to vesting outcomes.	Requirement to build up and retain a shareholding in Derwent London during and post-employment.
Pages 201 and 202	Page 183	Page 204	Pages 182 and 192

1 The Company has not needed to use the malus and clawback provisions in the last five years (including the latest reporting period).

Shareholding guidelines

As at 31 December 2025, all Executive Directors have exceeded the within-employment shareholding guideline, except Emily Prideaux who was appointed an Executive Director from 1 March 2021. Emily Prideaux is working towards achieving the within-employment shareholding guideline.

Executive Directors	Beneficially held shares	2025 salary[1]	% of base salary: Target	% of base salary: Achieved	Value of beneficially held shares[2]
Paul Williams	95,757	732,000	200%	241%	£1,761,929
Damian Wisniewski	71,931	564,600	200%	234%	£1,323,530
Nigel George	105,732	564,600	200%	345%	£1,945,469
Emily Prideaux	6,081	564,600	200%	20%	£111,890

1 The base salaries shown in the table above are as at 31 December 2025. Further information on fixed pay during 2025 is provided on page 200.

2 The value of the Executive Directors' beneficially held shares has been calculated using the average closing share price during the year ended 31 December 2025 of £18.40.

All other employees granted long-term incentive awards are expected to work towards holding shares in Derwent London plc equivalent to 50% of base salary. The share ownership guidelines require Executive Directors and relevant employees to retain at least half of any deferred bonus shares or performance share awards which vest (net of tax) until the guideline is met. Only wholly owned shares will count towards the guideline. There is no shareholding guideline for Non-Executive Directors. Due to the relatively large shareholdings of our Executive Directors, a small change in our share price would have a material impact on their wealth. For example, a 5% drop in our share price would result in a loss of value for our Chief Executive, Paul Williams, equivalent to approximately 12% of his base salary.

Independent advice

The Committee has authority to obtain the advice of external independent remuneration consultants. Deloitte LLP has been appointed as the Committee's principal consultants since July 2018, following a competitive tender process. The Committee has been fully briefed on Deloitte's compliance with the voluntary code of conduct in respect of the provision of remuneration consulting services. During the year under review, Deloitte provided independent assistance to the Committee in respect of, among other things, the following matters:

- Review of the Directors' Remuneration Policy.
- Performance assessment against annual bonus and performance share award targets.
- Benchmarking of Executive Director remuneration.
- Review of an Executive Director's remuneration arrangements on retiring from the Board.
- Market practice and corporate governance updates.

The fees paid to Deloitte for their services to the Committee during the year, based on time and expenses, amounted to £129,840. Separate teams at Deloitte LLP also provided sustainability and health and safety limited assurance under the ISAE 3000 (Revised) Standard for 2024, in addition to corporate tax consultancy services to the Group in 2025. The Committee took this work into account and, due to the nature and extent of the work performed, concluded that it did not impair Deloitte's ability to advise the Committee objectively and free from influence. It is the view of the Committee that the Deloitte engagement team which provides remuneration advice to the Committee does not have connections with Derwent London or its Directors that may impair its independence. The Committee therefore deems Deloitte capable of providing appropriate, objective and independent advice.

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Remuneration Committee report continued

Annual report on remuneration continued

Remuneration decisions in context

The Committee is kept informed of salary increases for the wider workforce, as well as any significant changes in practice or policy, which are taken into consideration when making remuneration decisions for Executive Directors.

The Committee has introduced this dedicated section (pages 194 to 197) which incorporates several disclosures to demonstrate the Committee's belief that remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practices across the wider workforce.

Investing in our employees

We recognise that our employees are our brand ambassadors and vital to the successful delivery of our strategy and long-term business performance. We continue to invest significantly in our employees to ensure that everyone thrives in their roles, feels valued and supported, and has the opportunity of continuous growth and development.

We run a detailed induction programme, hold CEO-led town halls, provide a series of core skills workshops, internal technical workshops, mandatory compliance training and various management and leadership initiatives (including one-to-one and team coaching). In addition, we support and sponsor further professional qualifications and encourage internal and external personal development opportunities wherever possible. This is coupled with six-monthly performance reviews and optional Personal Development Plans, alongside regular dialogues with line managers to discuss performance, identify training requirements and understand individual career aspirations.

We have trained mental health first aiders, an employee assistance programme and occupational health support in place. We encourage proactive self-care and run a series of 'lunch and learn' sessions.

Attracting and developing talent / See page 78

Engaging with our employees

We have an open, collaborative and inclusive management structure and engage regularly with our employees on a variety of issues. We do this through a range of one and two-way channels including appraisals, employee surveys, our intranet site, Company presentations, awaydays and our wellbeing programme.

An engagement section is included within the explanatory booklet of the employee incentive plan, ESOP, which details our remuneration strategy and principles. This section also provides further information on the differences between the executive and employee incentive arrangements.

Our employees are provided with the means to engage on a range of matters. The Committee considers pay across the Group, as well as any employee feedback, when making decisions on executive remuneration.

Employee engagement / See pages 78 and 128

Relative importance of the Company's spend on pay

In order to give shareholders an understanding of how total expenditure on remuneration (for all employees) compares to certain core financial dispersals of the Company, the table below demonstrates the relative importance of the Company's spend on employee pay for the period 2024 to 2025.

£m	2025	2024	% change
Staff costs[1]	**28.3**	29.7	(4.7)%
Distributions to shareholders[2]	**90.9**	89.8	1.2%
Net asset value attributable to equity shareholders[3]	**3,615**	3,540	2.1%

1 Staff costs includes salaries, employer pension contributions, national insurance contributions, benefits and share-based payment expenses relating to equity settled schemes (see note 11 on page 237). Staff costs decreased by 4.7% through 2025, due to a decrease in share-based payment expenses alongside a slightly lower bonus accrual.

2 Distributions to shareholders during the financial year. For 2025, this includes the payment of the 2024 final and 2025 interim dividends.

3 Net asset value attributable to equity shareholders was chosen as it is a key determinant of the Group's total accounting return and is used by management to measure our progress. We base our total accounting return calculation on EPRA net tangible assets (NTA).

Remuneration structure

We value and appreciate our employees and aim to provide market competitive remuneration and benefit packages in order to continue to be seen as an employer of choice. The remuneration structure for our wider workforce is similar to that of our Executive Directors[1] and contains both fixed and performance-based elements (see below).

	Wider workforce	Executive Directors
Base salary	Average inflationary increase for the wider workforce of 3.0% from 1 January 2026. The average actual increase in base salaries for all employees eligible for a pay rise was 3.6%.	No base salary increase from 1 January 2026.
Benefits[2]	All employees (including the Executive Directors) receive: ▪ private medical insurance; ▪ dental care; and ▪ the option of joining a non-contractual healthcare cash plan which offers an affordable way to help with everyday healthcare costs. We also operate: ▪ a Cycle to Work scheme; ▪ an Electric Car Salary Sacrifice Scheme which allows any member of staff to lease a new electric car in a tax efficient way; ▪ a season ticket loan; and ▪ a workplace nursery scheme.	A car allowance is payable to Executive Directors, members of the Executive Committee, Heads of Departments and other senior managers. Other employees may receive a car allowance depending on the nature of their role.
Pension[2]	Receive an employer pension contribution equal to 15% of salary per annum with the option to make additional voluntary contributions (AVCs).	
Life assurance[2]	Employees who opt to participate in the pension scheme also receive: ▪ a lump sum Death in Service insurance benefit of 4x their base annual salary; and ▪ an additional Death in Service pension benefit of one-third of base salary paid to their nominated dependant(s).	
Annual bonus	▪ All employees are enrolled into an annual discretionary bonus scheme ▪ Bonuses are paid via payroll in March ▪ Bonuses are based on individual and Group performance ▪ 100% of our workforce below Board level (not subject to probation) received an annual bonus in 2025	▪ The Executive Directors' discretionary bonus is based on financial and strategic (non-financial) performance targets ▪ Executive Director bonuses in excess of 75% of salary are subject to deferral for three years ▪ Subject to malus and clawback provisions and can be adjusted if payout does not align with the wider stakeholder experience
Long-term incentives	▪ We operate a discretionary ESOP for employees below the Board and Executive Committee ▪ ESOP grants options which are exercisable after three years at a pre-agreed option price ▪ There is no performance conditions attached to the awards except continued employment ▪ In 2025, we granted 410,330 options to eligible employees (see note 12 on page 238)	▪ Subject to shareholder approval of the Remuneration Policy, we will operate performance share and restricted share awards for the Executive Directors and Executive Committee ▪ Performance share awards require the achievement of stretching performance targets over a three-year performance period ▪ Restricted share awards are subject to the satisfaction of underpins that safeguard the financial stability of the business and provide sufficient focus on corporate governance and health and safety responsibilities ▪ Awards are subject to a two-year holding period, shareholding guidelines, and malus and clawback provisions
Sharesave Plan	To encourage Group-wide share ownership, the Company operates an HMRC tax efficient Sharesave Plan which is open to all eligible employees including the Executive Directors. No grant under the Sharesave Plan was made during 2025. Further information on the Derwent London Sharesave Plan is on page 208.	

1 Our Remuneration Policy for Executive Directors, subject to shareholder approval at the 2026 AGM, is on pages 178 to 187. Further information on the remuneration received by Executive Directors during 2025 is on page 198.

2 All benefits are subject to the terms and conditions of the insurance policy in force.

Remuneration Committee report continued

Annual report on remuneration continued

Percentage change in remuneration

The table below shows the annual percentage change in the salary or fees, benefits and annual bonus, for each of the Directors compared to that for an average employee, from 2021 to 2025. The Directors' remuneration used to calculate the percentage change is taken from the 'single figure' table on page 198.

	Executive Directors					Non-Executive Directors						Former Directors
	Average employee[1,2]	Williams P.	Wisniewski D.	George N.	Prideaux E.	Breuer M.	Gordon H.	Bell L.	Sharma S.[6]	Wilkinson R.[7]	McDougall M.[7]	Snowball C.[8]
2024 to 2025												
Salary/fees[5,9]	**+4.7**	**+3.5**	**+3.5**	**+3.5**	**+3.5**	**+3.5**	**+3.5**	**+3.5**	**+7.9**	**+3.5**	**+3.5**	**+3.5**
Benefits[3]	**+5.6**	**(14.8)**	**(14.7)**	**(20.3)**	**1.2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Bonus[4]	**(8.5)**	**(6.3)**	**(6.3)**	**(6.3)**	**(6.3)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2023 to 2024[10]												
Salary/fees	+3.4	+4.0	+4.0	+4.0	+10.8	+12.0	+10.5	+8.4	+13.7	n/a	n/a	+8.8
Benefits	+5.1	(2.2)	+1.7	+5.0	+8.1	–	–	–	–	–	–	–
Bonus	+29.3	+105.8	+105.8	+105.8	+119.2	–	–	–	–	–	–	–
2022 to 2023[10]												
Salary/fees	+2.6	+7.8	+4.0	+4.0	+9.4	–	–	–	–	n/a	n/a	+3.0
Benefits	(1.5)	+7.1	+3.8	+3.6	+1.1	–	–	–	–	–	–	–
Bonus	(27.1)	(59.8)	(61.2)	(61.2)	(59.2)	–	–	–	–	–	–	–
2021 to 2022[10]												
Salary/fees	+1.4	+3.0	+3.0	+3.0	+9.8	–	+10.7	+16.2	+13.5	n/a	n/a	+15.7
Benefits	(9.9)	(7.0)	+1.0	+0.7	+20.0	–	–	–	–	–	–	–
Bonus	(24.5)	+177	+177	+177	+253	–	–	–	–	–	–	–
2020 to 2021[10]												
Salary/fees	+0.3	+2.0	+2.0	+2.0	n/a	n/a	+3.0	–	n/a	n/a	n/a	–
Benefits	(3.7)	(0.2)	(0.2)	(0.0)	n/a	–	–	–	–	–	–	–
Bonus	+22.5	(52.5)	(52.5)	(52.5)	n/a	–	–	–	–	–	–	–

Average employee calculation

1 The movement in the average annual salary is calculated based on the mean employee pay for employees of Derwent London plc on a full-time equivalent basis. The average employee salary increase includes employees who were not eligible for a salary increase (i.e. new joiners and leavers, depending on the date of joining or leaving the Group) and takes into account that new joiners may be recruited at a lower salary than those who had left.

2 The actual average increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January was 3.6% for 2026, 5.9% in 2025 and 6.2% in 2024.

Executive Director benefits and annual bonuses

3 There has been no change in the benefits received by the average employee or the Executive Directors, comprising private medical and life insurance. The reduction in annual cost primarily arises from lower premiums for private medical insurance, following Derwent's transition in 2025 from an age-based medical insurance plan to a more cost-effective claims-based arrangement. Non-Executive Directors and the Chairman did not receive taxable benefits during the relevant years.

4 For further details on the annual bonus see pages 201 and 202.

5 The 3.5% increase was effective from 1 January 2025. Executive Directors did not receive a fee increase for 2026.

Non-Executive Director fees

6 Sanjeev Sharma's percentage change in fee from 2024 to 2025 relates to his appointment as Remuneration Committee Chair, with effect from 10 May 2024.

7 Robert Wilkinson and Madeleine McDougall were appointed as Non-Executive Directors on 1 June 2024 and 1 November 2024, respectively. They received a 3.5% increase in fees, in line with other Directors, from 1 January 2025.

8 Cilla Snowball stepped down from the Board on 16 May 2025. She received her normal fees, including a 3.5% increase effective 1 January 2025, until her leaving date. There was no payment for loss of office in respect of Cilla Snowball's departure.

9 The 3.5% increase was effective from 1 January 2025. Non-Executive Directors did not receive a fee increase for 2026.

Prior year comparisons

10 For information relating to previous financial years, refer to the corresponding page references in earlier annual Reports & Accounts::

- 2023-2024: see 2024 Report & Accounts, page 188
- 2022-2023: see 2023 Report & Accounts, page 186
- 2021-2022: see 2022 Report & Accounts, page 208
- 2020-2021: see 2021 Report & Accounts, page 189

Chief Executive pay ratio

As Derwent London has less than 250 employees, we are not required to disclose the CEO pay ratio. However, given our commitment to high standards of transparency and corporate governance, the Committee considers it appropriate to disclose the CEO pay ratio voluntarily. For the years ended 31 December 2018 to 31 December 2025, the Chief Executive's total remuneration as a ratio against the full-time equivalent remuneration of UK employees is detailed in the table below.

	Employee remuneration[2]		
	Base salary	Total remuneration	CEO pay ratio[3]
Year ended 31 December 2025[1]			
25th percentile	**£50,000**	**£69,137**	**22:1**
50th percentile	**£65,000**	**£92,319**	**16:1**
75th percentile	**£83,000**	**£121,768**	**12:1**
Year ended 31 December 2024			
25th percentile	£50,000	£69,522	22:1
50th percentile	£63,950	£89,208	17:1
75th percentile	£70,323	£126,873	12:1
Year ended 31 December 2023			
25th percentile	£51,750	£63,380	18:1
50th percentile	£58,750	£80,512	14:1
75th percentile	£90,000	£127,822	9:1
Year ended 31 December 2022			
25th percentile	£45,219	£60,909	25:1
50th percentile	£56,000	£81,266	19:1
75th percentile	£80,000	£124,481	12:1
Year ended 31 December 2021			
25th percentile	£48,500	£67,908	19:1
50th percentile	£63,750	£90,289	14:1
75th percentile	£91,750	£143,168	9:1
Year ended 31 December 2020			
25th percentile	£47,000	£62,499	35:1
50th percentile	£64,000	£86,463	26:1
75th percentile	£95,266	£137,452	16:1
Year ended 31 December 2019			
25th percentile	£40,993	£63,211	40:1
50th percentile	£68,462	£89,274	28:1
75th percentile	£67,500	£153,828	17:1
Year ended 31 December 2018			
25th percentile	£45,057	£58,237	38:1
50th percentile	£59,250	£76,842	29:1
75th percentile	£75,000	£148,867	15:1

1 The Chief Executive's remuneration is calculated on the same basis as the single figure of remuneration table on page 198.

2 The workforce comparison is based on the payroll data for the period 1 January to 31 December for all employees (including the Chief Executive but excluding the Non-Executive Directors) and includes salary, employer pension contributions, life assurance and the healthcare cash plan, annual bonuses earned in respect of the year and one-off gains received through the exercise of options granted under the Employee Share Option Plan (see pages 195 and 238).

3 The CEO pay ratio has been rounded to the nearest whole number.

A substantial proportion of the CEO's remuneration is performance-related and delivered in shares. The CEO pay ratio will therefore depend significantly on the CEO's annual bonus and performance share award outcomes and may fluctuate year-on-year. The CEO's total remuneration for 2025 was stable compared to 2024 and as a result the CEO pay ratio has also remained broadly unchanged.

For each year, the Company has calculated the ratio in line with the reporting regulations using 'Method A' (determine total full-time equivalent remuneration for all UK employees for the relevant financial year as at 31 December; rank the data and identify employees whose remuneration places them at the 25th, 50th and 75th percentile). This method was used due to being the most accurate way of calculating the ratio. The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

Remuneration Committee report continued

Annual report on remuneration continued

Executive Directors' remuneration in 2025

Total remuneration (audited)

The table below sets out the remuneration paid to each Director for the financial years ended 31 December 2025 and 31 December 2024 as a single figure. A full breakdown of fixed pay and pay for performance in 2025 can be found on pages 200 to 205.

Executive Directors

	Fixed pay				Pay for performance					
					Bonus					
(£'000)	Salary	Taxable benefits	Pension and life assurance	Subtotal	Cash	Deferred	Performance LTIPs[1]	Subtotal	Other items in the nature of remuneration[2]	Total remuneration
2025										
Paul Williams	**732**	**20**	**120**	**872**	**549**	**61**	**38**	**648**	**–**	**1,520**
Damian Wisniewski	**565**	**21**	**92**	**678**	**423**	**47**	**30**	**500**	**–**	**1,178**
Nigel George	**565**	**19**	**93**	**677**	**423**	**47**	**30**	**500**	**–**	**1,177**
Emily Prideaux	**565**	**21**	**93**	**679**	**423**	**47**	**28**	**498**	**–**	**1,177**
2024										
Paul Williams	707	23	115	845	531	120	–	651	–	1,496
Damian Wisniewski	546	24	89	659	409	93	–	502	1	1,162
Nigel George	546	24	90	660	409	93	–	502	–	1,162
Emily Prideaux	546	20	89	655	409	93	–	502	–	1,157

Non-Executive Directors

	2025			2024		
(£'000)	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total
Mark Breuer	**290**	**–**	**290**	280	–	280
Helen Gordon	**98**	**–**	**98**	95	–	95
Lucinda Bell	**93**	**–**	**93**	90	–	90
Sanjeev Sharma	**90**	**–**	**90**	83	–	83
Robert Wilkinson[3]	**69**	**–**	**69**	39	–	39
Madeleine McDougall[3]	**81**	**–**	**81**	12	–	12
Former Directors						
Cilla Snowball[4]	**34**	**–**	**34**	87	–	87

1 Performance LTIPs for 2025 relate to the 2023 performance share awards for which the performance conditions related to the year ended 31 December 2025. The value is based on an estimate of expected vesting of 3.6% and the average share price over the last three months of the financial year ended 31 December 2025 of £17.24. This amount includes the value of additional shares awarded in respect of dividends equivalent.

2 Included in the column for 'other items in the nature of remuneration' is the grant under the Derwent London Sharesave Plan made on 19 September 2024. These have been calculated based on the middle market share price on the date of grant being £24.76 minus the value of the awards at the option price which was £19.00. Further information on the Derwent London Sharesave Plan is on page 208.

3 Robert Wilkinson and Madeleine McDougall were appointed to the Board on 1 June 2024 and 1 November 2024, respectively. The fees for 2024 shown in the table above are the actual fees paid to them for the periods they were Non-Executive Directors.

4 Cilla Snowball stepped down from the Board on 16 May 2025. The fees for 2025 shown in the table above are the actual fees paid to Cilla Snowball for the period 1 January 2025 to 16 May 2025.

Payments to former Directors and for loss of office (audited)

Paul Williams will retire and step down from the Board when a successor has been appointed and is in place. He will remain a full-time employee until 21 January 2027. The table below discloses the treatment of Paul Williams' remuneration.

Element	Agreed treatment
Salary, benefits and pension	▪ Continue to receive salary, benefits and pension until 21 January 2027. There will be no payment for loss of office.
Annual bonus	▪ Bonus for the year ended 31 December 2025 will be paid in March 2026 based on performance against targets and is detailed on pages 201 and 202. Any amounts in excess of 75% of salary will be deferred into shares in accordance with the Remuneration Policy. ▪ Eligible for a bonus for the period 1 January to 31 December 2026. Any amounts in excess of 75% of salary will be deferred into shares in accordance with the Remuneration Policy.
Outstanding deferred bonus and performance share awards	▪ Treated as a good leaver in respect of his outstanding deferred bonus awards (which will vest at the normal time) and his outstanding performance share awards (which will be capable of vesting at the normal time subject to performance and any amounts that vest will be subject to a holding period which ends on the second anniversary of the date that he steps down as CEO). ▪ Will not be granted a long-term incentive award in 2026.
Post-employment shareholding guidelines	▪ Paul Williams will be subject to the Group's post-employment shareholding guidelines, which restrict the number of shares he may sell within the two-year period following stepping down from the Board (see page 182).

Nigel George will retire and step down from the Board on 31 March 2026. Nigel will remain a full-time employee until 11 August 2026 and will then continue to support the business as a consultant working on a number of projects expected until March 2028. The table below discloses the treatment of Nigel George's remuneration.

Element	Agreed treatment
Salary, benefits and pension	▪ Continue to receive salary, benefits and pension until 11 August 2026. There will be no payment for loss office.
Annual bonus	▪ Bonus for the year ended 31 December 2025 will be paid in March 2026 based on performance against targets and is detailed on pages 201 and 202. Any amounts in excess of 75% of salary will be deferred into shares in accordance with the Remuneration Policy. ▪ Eligible for a bonus for the period 1 January to 11 August 2026. Any amounts in excess of 75% of salary will be deferred into shares in accordance with the Remuneration Policy.
Outstanding deferred bonus and performance share awards	▪ Treated as a good leaver in respect of his outstanding deferred bonus awards (which will vest at the normal time) and his outstanding performance share awards (which will be capable of vesting at the normal time subject to performance and any amounts that vest will be subject to a two-year holding period). ▪ Will not be granted a long-term incentive award in 2026.
Post-employment shareholding guidelines	▪ Nigel George will be subject to the Group's post-employment shareholding guidelines, which restrict the number of shares he may sell within the two-year period following stepping down from the Board (see page 182).

No payments were made to past Directors or in respect of loss of office during 2025.

Remuneration Committee report continued

Annual report on remuneration continued

Fixed pay

Base salaries and fees (audited)

Salaries for the Executive Directors were increased by 3.5% with effect from 1 January 2025. The average inflationary increase for the wider workforce was 3.5%. The average actual increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January 2025 was 5.9%.

With effect from 1 January 2025, Mark Breuer's inclusive Chairman fee was increased by 3.5% to £289,800, in line with the average inflationary increases for the wider workforce. Additionally, with effect from 1 January 2025, the fees payable to the Non-Executive Directors were increased by c.3.5%.

	2025 base salary/fee	2024 base salary/fee
Executive Directors		
Paul Williams	**£732,000**	£707,200
Damian Wisniewski	**£564,600**	£545,500
Nigel George	**£564,600**	£545,500
Emily Prideaux	**£564,600**	£545,500
Non-Executive Directors		
Mark Breuer	**£289,800**	£280,000
Helen Gordon	**£97,825**	£94,500
Lucinda Bell	**£92,650**	£89,500
Sanjeev Sharma[1]	**£90,050**	£83,438
Robert Wilkinson[2]	**£69,350**	£39,282
Madeleine McDougall[2]	**£80,984**	£12,033
Former Directors		
Cilla Snowball[3]	**£33,861**	£87,000

1 From 10 May 2024, Sanjeev Sharma succeeded Claudia Arney as Chair of the Remuneration Committee.

2 Robert Wilkinson and Madeleine McDougall were appointed to the Board on 1 June 2024 and 1 November 2024, respectively. The fees for 2024 shown in the table above are the actual fees paid to them for the periods they were Non-Executive Directors.

3 Cilla Snowball stepped down from the Board on 16 May 2025. The fees for 2025 shown in the table above are the actual fees paid to Cilla Snowball for the period 1 January 2025 to 16 May 2025.

Benefits (audited)

Executive Directors are entitled to a car allowance, fuel allowance, private medical insurance and life assurance. Further details of the taxable benefits paid in 2025 can be found in the table below.

	Car allowance[1]	Private medical insurance	Total 2025 taxable benefits
Executive Directors			
Paul Williams	£16,000	£3,519	**£19,519**
Damian Wisniewski	£16,000	£4,716	**£20,716**
Nigel George	£16,000	£3,393	**£19,393**
Emily Prideaux	£16,000	£4,716	**£20,716**

1 Damian Wisniewski and Emily Prideaux participate in the Electric Car Salary Sacrifice Scheme and as such sacrifice a significant proportion of their car allowance in return for leasing an electric car.

Pension and life assurance (audited)

All of the Executive Directors paid into the Group's defined contribution scheme, being the Fidelity Master Trust pension scheme, with the remainder of their entitlement paid as a cash supplement. No other Directors are accruing benefits under a defined benefit or money purchase pension scheme.

	Paid into defined contribution scheme	Pension cash supplement	Total pension	Life assurance[1]	Total 2025 pension and life assurance
Executive Directors					
Paul Williams	£10,000	**£99,800**	£109,800	£10,104	**£119,904**
Damian Wisniewski	£10,000	**£74,690**	£84,690	£7,793	**£92,483**
Nigel George	£10,000	**£74,690**	£84,690	£8,742	**£93,432**
Emily Prideaux	£10,000	**£74,690**	£84,690	£8,399	**£93,089**

1 There was no change in the life assurance benefits received by the Executive Directors in 2025. The change in the annual cost is due to changes in premiums.

Pay for performance

Annual bonus (audited)

Determination of 2025 annual bonus outcome

The performance measures set for the year under review were a combination of financial-based metrics (worth 75% of the bonus potential) and strategic targets (worth 25% of the bonus potential). The maximum bonus potential for Executive Directors is 150% of salary. Based on actual 2025 performance, the annual bonus payout for Executive Directors is 83.3% of the maximum potential (2024: 61.3%; 2023: 31.0%). Further information is below and available on page 201.

The Committee considered the formulaic performance outcome alongside broader perspectives including: underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders. Points specifically considered are set out in the Chair's Annual statement on pages 172 to 175. The Committee determined that it was not appropriate to apply discretion to adjust the formulaic outcome.

In accordance with our current Remuneration Policy, bonuses of up to 75% of base salary are paid as cash. Amounts in excess of 75% are deferred into shares and released after three years, subject to continued employment. The total bonus for each Executive Director based on performance is therefore:

	Bonus payable as % of salary	Cash bonus payable £'000	Deferred bonus £'000	Deferred bonus % of salary
Executive Directors				
Paul Williams	83.3%	549	61	8.3%
Damian Wisniewski	83.3%	423	47	8.3%
Nigel George	83.3%	423	47	8.3%
Emily Prideaux	83.3%	423	47	8.3%

2025 Annual bonus outcome

Bonus payable for financial-based performance	35.6% out of 75%
Bonus payable for strategic target performance	19.9% out of 25%

Financial-based metrics

Performance measure	Weighting % of bonus	Basis of calculation	Threshold[2] %	Maximum[3] %	Actual %	Payable %
Total accounting return	30.0	Total accounting return versus other major real estate companies[1]	3.6	8.6	**5.0**	**13.2**
Total property return	45.0	Versus the MSCI Quarterly Central London Office Total Return Index	4.8	6.8	**5.5**	**22.4**
Total bonus payable for financial-based metrics						**35.6**

1 The major real estate companies contained in the comparator group for the 2025 annual bonus are: Big Yellow Group plc, The British Land Company plc, CLS Holdings plc, Great Portland Estates plc, Hammerson plc, Helical plc, Landsec plc, LondonMetric Property plc, Segro plc, Shaftesbury Capital plc, Unite Group plc and Workspace Group plc. The comparator group for the 2026 annual bonus will be consistent with that used in 2025, with the addition of Grainger plc.

2 For achieving the threshold performance target, i.e. at the median total return against our sector peers or MSCI Quarterly Central London Offices Total Return Index, 22.5% of the maximum bonus opportunity will become payable.

3 Total accounting return payout accrues on a straight-line basis between the threshold level for median performance and maximum payment for upper quartile performance or better. For total property return, the payout accrues on a straight-line basis between the threshold level for Index performance and maximum payment for Index +2%.

Remuneration Committee report continued

Annual report on remuneration continued

Strategic targets

Performance measure	Link to strategic objectives[1]	Target range[2]	Maximum award	2025 achievement	Proportion awarded for 2025
Void management This is measured by the Group's EPRA vacancy rate for the year calculated as the average of each quarter-end figure.	1 2	10% to 2%	5%	**3.7%**	**3.9%**
Tenant retention This is measured by the percentage of tenants that remain in their space when their lease expires or the space is re-let during the reporting period.	1 2 4	50% to 75%	5%	**71.1%**	**4.2%**
Staff satisfaction Staff surveys are used to assess this measure. In assessing this target the Committee will consider any variance in staff satisfaction scores between genders[3].	3	80% to 90%	4%	**86.5%**	**2.6%**
Accident rate The Group's RIDDOR Accident Frequency Rate (AFR) is calculated based on significant ('Direct') RIDDOR injuries and incidents during the year[4], multiplied by 1,000,000 and divided by 'total work exposure hours'. This target is also conditional on each Executive Director completing, during 2025, an annual health and safety leadership tour[5].	4	4.0 to 1.0	4%	**0.44**	**4.0%**
Portfolio development potential This is measured by the percentage of the Group's portfolio by area where a potential development scheme has been identified, including committed acquisitions[6].	1	35% to 50%	7%	**46.2%**	**5.2%**
			25%		**19.9%**

1 Success against our strategic objectives is measured using our KPIs (see pages 30 to 34) and rewarded through our incentive schemes and annual bonus. The references above show the link between our strategic objectives and our annual bonus targets (further information on our strategic objectives is on pages 26 to 29).

2 Payout accrues on a straight-line basis, between threshold and maximum performance.

3 The variance between genders in response to employee surveys is taken into account by the Committee when determining the payout for staff satisfaction. In 2025, the results showed a 0.4% variance between genders (for those employees who indicated their gender), with female satisfaction being at 91.9% and male satisfaction at 91.5%.

4 The RIDDOR reportable injuries that we capture in our AFR are all HSE-reportable accidents or incidents which result in a fatality or 'specified injuries' (such as fractures, serious burns etc). In addition, we will include all injuries caused to members of the public, where we may have contributed to the causation and where they are taken directly to hospital, and injuries to our employees which result in them being unable to return to work for seven consecutive days. Our key health and safety statistics are available on page 81.

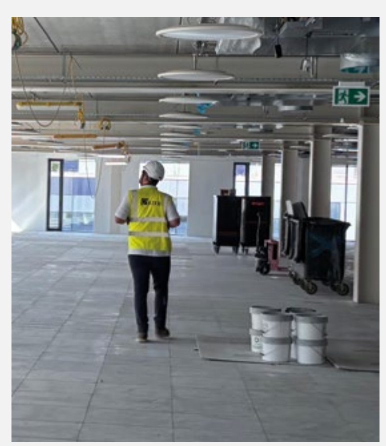
5 All Executive Directors completed health and safety leadership tours during 2025. There were no work-based fatalities during 2025 (see page 81).

6 The target range for portfolio development potential includes Old Street Quarter EC1.

H&S leadership tours

In May 2025, Derwent London's Executive Directors, Health & Safety (H&S) team and several Heads of Department joined the Non-Executive Directors for a visit to the Network W1 construction site, to review progress. The group spent time on site discussing the practical health and safety challenges as the project advances. Andy Turrell, Derwent London's H&S lead manager, outlined the site's health and safety performance to date and spoke about the day-to-day risks managed by our principal contractor, Kier, during the complex construction programme.

A further leadership visit took place in July 2025, when the Chief Executive and the H&S Committee toured the major refurbishment project at 1–2 Stephen Street W1. Hosted by Contrakt, the main contractor, and supported by Derwent London's senior H&S lead manager Phil Styan and project manager John Turner, the visit offered a detailed view of project progress and the specific health and safety risks associated with working within an occupied environment. The site walk enabled senior management to see how these risks are being managed in real time and to reinforce expectations around safe working practices.



Network W1

Outstanding deferred bonus awards

In accordance with our Remuneration Policy, annual bonuses earned in excess of 75% of salary are deferred into shares and released after three years, subject to continued employment. The outstanding deferred bonus awards held by Directors are set out below:

	At grant		During the year (number)							
	Date of award	Market price at date of grant[1] £	Original grant	1 January 2025	Deferred	Released	31 December 2025	Market price at date of release £	Value release £'000	Release date
Executive Directors										
Paul Williams	04/04/2023	23.70	**6,570**	**6,570**	**–**	**–**	**6,570**	–	–	04/04/2026
	26/03/2025	18.29	**6,570**	**–**	**6,570**	**–**	**6,570**	–	–	26/03/2028
			13,140	**6,570**	**6,570**	**–**	**13,140**	–	–	
Damian Wisniewski	04/04/2023	23.70	**5,256**	**5,256**	**–**	**–**	**5,256**	–	–	04/04/2026
	26/03/2025	18.29	**5,067**	**–**	**5,067**	**–**	**5,067**	–	–	26/03/2028
			10,323	**5,256**	**5,067**	**–**	**10,323**	–	–	
Nigel George	04/04/2023	23.70	**5,256**	**5,256**	**–**	**–**	**5,256**	–	–	04/04/2026
	26/03/2025	18.29	**5,067**	**–**	**5,067**	**–**	**5,067**	–	–	26/03/2028
			10,323	**5,256**	**5,067**	**–**	**10,323**	–	–	
Emily Prideaux	04/04/2023	23.70	**4,690**	**4,690**	**–**	**–**	**4,690**	–	–	04/04/2026
	26/03/2025	18.29	**5,067**	**–**	**5,067**	**–**	**5,067**	–	–	26/03/2028
			9,757	**4,690**	**5,067**	**–**	**9,757**	–	–	
Other employees	04/04/2023	23.70	**562**	**562**	**–**	**–**	**562**	–	–	04/04/2026
	26/03/2025	18.29	**322**	**–**	**322**	**–**	**322**	–	–	26/03/2028
			884	**562**	**322**	**–**	**884**	–	–	
Total			**44,427**	**22,334**	**22,093**	**–**	**44,427**	–	–	

1 The share price on the dealing day immediately preceding the grant date.

Performance share awards (audited)

Vesting of performance share awards

The Group granted performance share awards on 14 March 2023. The grant was subject to performance measures over a three-year performance period which ended on 31 December 2025. As shown in the table below, the awards granted in 2023 will vest on 14 March 2026 at 3.6% of maximum opportunity.

Performance measure	Weighting % of award	Basis of calculation[1]	Threshold[2] %	Maximum[3] %	Actual	Estimated vesting
Total shareholder return	50	FTSE 350 Super Sector Real Estate Index	10.5%	29.4%	**(13.6)%**	**Nil**
Total property return	40	MSCI Quarterly UK All Property Total Return Index	3.5%	5.5%	**0.62%**	**Nil**
Embodied carbon	5	Weighted average embodied carbon for all projects	600kg CO_2e/m^2	500kg CO_2e/m^2	**537.2kg CO_2e/m^2**	**71.2%**
Energy intensity	5	Average total electricity and gas consumption	134 kWh/m^2	131 kWh/m^2	**125 kWh/m^2**	**Nil**

1 The constituents of the FTSE 350 Super Sector Real Estate Index (excluding agencies) as at the start of the performance period (i.e. 1 January 2023). The Company's annualised total property return is calculated on a compound annual growth basis over the three-year performance period. Embodied carbon intensity is the weighted average embodied carbon performance for all projects over the three-year performance period. Energy intensity is assessed based on the average energy consumption of the managed portfolio (gas and electricity) over the three-year performance period.

2 For achieving the threshold performance target 22.5% of the maximum award will vest.

3 For total shareholder return (which is calculated based on a three-month weekday average Return Index excluding UK public bank holidays ended on: (1) the day before the performance period start date; and (2) the performance period end date), vesting accrues on a straight-line basis between the threshold level for median performance and maximum level for upper quartile performance. For total property return, vesting accrues on a straight-line basis between the threshold level for Index performance and maximum level for Index +2%. For embodied carbon intensity, vesting accrues on a straight-line basis between the threshold performance target of $600kgCO_2e/m^2$ and maximum performance target of $500kgCO_2e/m^2$. For energy intensity, vesting accrues on a straight-line basis between the threshold performance target of $134kWh/m^2$ and maximum performance target of $131kWh/m^2$.

Remuneration Committee report continued

Annual report on remuneration continued

Vesting of performance share awards continued

The Committee determined that it was not appropriate to apply discretion to adjust the formulaic outcome. Therefore, the vesting for each executive will be:

Executive Director	Number of awards granted	Number of shares vesting based on performance (3.6%)	Dividend equivalents (number of shares)[1]	Total number of shares vesting	Total estimate value of award on vesting (£)
Paul Williams, CEO	55,921	**1,990**	238	2,228	38,411
Damian Wisniewski, CFO	43,133	**1,535**	183	1,718	29,618
Nigel George	43,133	**1,535**	183	1,718	29,618
Emily Prideaux	40,501	**1,441**	172	1,613	27,808

1 In accordance with the PSP rules, the Remuneration Committee has discretion to allow participants to receive the benefit of any dividends paid on vesting shares between the grant date and the vesting date in the form of additional vesting shares.

The value of the vesting awards is based on the average share price over the last three months of the financial year ended 31 December 2025, being £17.24. The estimated value of the vesting awards has been included within the 'single figure' total remuneration table on page 198. The Company's share price was £24.32 at the point of grant. The Remuneration Committee did not consider that it was necessary to exercise discretion in respect of share price fluctuations since grant.

Holding period

In accordance with the PSP rules, vested awards are subject to a two-year holding period whereby at least the after-tax number of vested shares must be retained by the executive for a minimum of two years from the point of vesting. The 2020, 2021 and 2022 grants have been removed from the table below as they each lapsed in full.

Grant	Grant date	Performance period	Vesting date	Holding period	Holding period ceases
2023 Grant	14 March 2023	1 January 2023 to 31 December 2025	14 March 2026	Two years	14 March 2028
2024 Grant	11 March 2024	1 January 2024 to 31 December 2026	11 March 2027	Two years	11 March 2029
2025 Grant	4 March 2025	1 January 2025 to 31 December 2027	4 March 2028	Two years	4 March 2030

Grant of performance share awards

On 4 March 2025, the Committee made an award to Executive Directors on the following basis:

Executive Directors	Number of shares awarded	Face value of award £
Paul Williams	80,750	1,463,998
Damian Wisniewski	62,283	1,129,191
Nigel George	62,283	1,129,191
Emily Prideaux	62,283	1,129,191

Awards were granted as nil-cost options and equivalent to 200% of base salary, with 22.5% of the award vesting at threshold performance. The share price used to determine the level of the awards was the closing share price on the day immediately preceding the grant date of £18.13. The performance period will run over three financial years ending on 31 December 2027 and, dependent upon the achievement of the performance conditions, the awards will vest on 4 March 2028 and will be subject to a two-year holding period as outlined in the table above.

The Committee has discretion to reduce the extent of vesting in the event that it considers that performance against either measure is inconsistent with underlying financial performance and/or the experience of key stakeholders. At least the after-tax number of vested shares must be retained for a minimum holding period of two years. To the extent that awards vest, the Committee has discretion to allow the Executive Directors to receive the benefit of any dividends paid over the vesting period in the form of additional vesting shares.

Grant of performance share awards continued

The balance of performance metrics reflects Derwent London's continued focus on delivering above average long-term returns to shareholders, together with our commitment to sustainability and ambition to be a net zero carbon business by 2030. The performance conditions for the 2025 awards are:

Measure	Basis of calculation	Weighting	Threshold[1]	Maximum
Total shareholder return	Position of the Company's total shareholder return against the total shareholder return of the ranked members of the FTSE 350 Super Sector Real Estate Index (excluding agencies) assessed over the three-year performance period ending 31 December 2027	50%	Median	Upper quartile and above
Total property return	The Company's annualised total property return calculated on a compound annual growth basis relative to the MSCI Quarterly UK All Property Total Return Index assessed over the three-year performance period ending 31 December 2027	40%	At Index	Index +2%
Embodied carbon intensity	Weighted average embodied carbon for all projects during the three-year performance period ending 31 December 2027	5%	600 $kgCO_2e/m^2$	500 $kgCO_2e/m^2$
Energy intensity	Average energy intensity for 2025, 2026 and 2027 assessed based on the electricity and gas consumption across the managed portfolio	5%	121 kWh/m^2	118 kWh/m^2

1 For achieving the threshold performance target, 22.5% of the maximum award will vest.

Remuneration Committee report continued

Annual report on remuneration continued

Outstanding performance share awards

The outstanding performance share awards held by Directors and employees are set out in the table below:

	At grant		During the year (number)							
	Date of award	Market price at date of grant[1] £	1 January 2025	Granted[2]	Vested	Lapsed[4]	31 December 2025[3]	Market price at date of vesting £	Value vested (inclusive of dividend equivalents) £'000	Earliest vesting date
Executive Directors										
Paul Williams	09/03/2022	29.36	**42,942**	**–**	**–**	**(42,942)**	**–**	–	–	09/03/2025
	14/03/2023	24.32	**55,921**	**–**	**–**	**–**	**55,921**	–	–	14/03/2026
	11/03/2024	21.00	**67,352**	**–**	**–**	**–**	**67,352**	–	–	11/03/2027
	04/03/2025	18.13	**–**	**80,750**	**–**	**–**	**80,750**	–	–	06/03/2028
			166,215	**80,750**	**–**	**(42,942)**	**204,023**	–	–	
Damian Wisniewski[5]	09/03/2022	29.36	**34,352**	**–**	**–**	**(34,352)**	**–**	–	–	09/03/2025
	14/03/2023	24.32	**43,133**	**–**	**–**	**–**	**43,133**	–	–	14/03/2026
	11/03/2024	21.00	**51,952**	**–**	**–**	**–**	**51,952**	–	–	11/03/2027
	04/03/2025	18.13	**–**	**62,283**	**–**	**–**	**62,283**	–	–	06/03/2028
			129,437	**62,283**	**–**	**(34,352)**	**157,368**	–	–	
Nigel George	09/03/2022	29.36	**34,352**	**–**	**–**	**(34,352)**	**–**	–	–	09/03/2025
	14/03/2023	24.32	**43,133**	**–**	**–**	**–**	**43,133**	–	–	14/03/2026
	11/03/2024	21.00	**51,952**	**–**	**–**	**–**	**51,952**	–	–	11/03/2027
	04/03/2025	18.13	**–**	**62,283**	**–**	**–**	**62,283**	–	–	06/03/2028
			129,437	**62,283**	**–**	**(34,352)**	**157,368**	–	–	
Emily Prideaux	09/03/2022	29.36	**30,653**	**–**	**–**	**(30,653)**	**–**	–	–	09/03/2025
	14/03/2023	24.32	**40,501**	**–**	**–**	**–**	**40,501**	–	–	14/03/2026
	11/03/2024	21.00	**51,952**	**–**	**–**	**–**	**51,952**	–	–	11/03/2027
	04/03/2025	18.13	**–**	**62,283**	**–**	**–**	**62,283**	–	–	06/03/2028
			123,106	**62,283**	**–**	**(30,653)**	**154,736**	–	–	
Other employees	09/03/2022	29.36	**61,199**	**–**	**–**	**(61,199)**	**–**	–	–	09/03/2025
	14/03/2023	24.32	**116,698**	**–**	**–**	**–**	**116,698**	–	–	14/03/2026
	11/03/2024	21.00	**148,989**	**–**	**–**	**–**	**148,989**	–	–	11/03/2027
	04/03/2025	18.13	**–**	**188,924**	**–**	**–**	**188,924**	–	–	06/03/2028
			326,886	**188,924**	**–**	**(61,199)**	**454,611**	–	–	
Total			**875,081**	**456,523**	**–**	**(203,498)**	**1,128,106**	**–**	**–**	

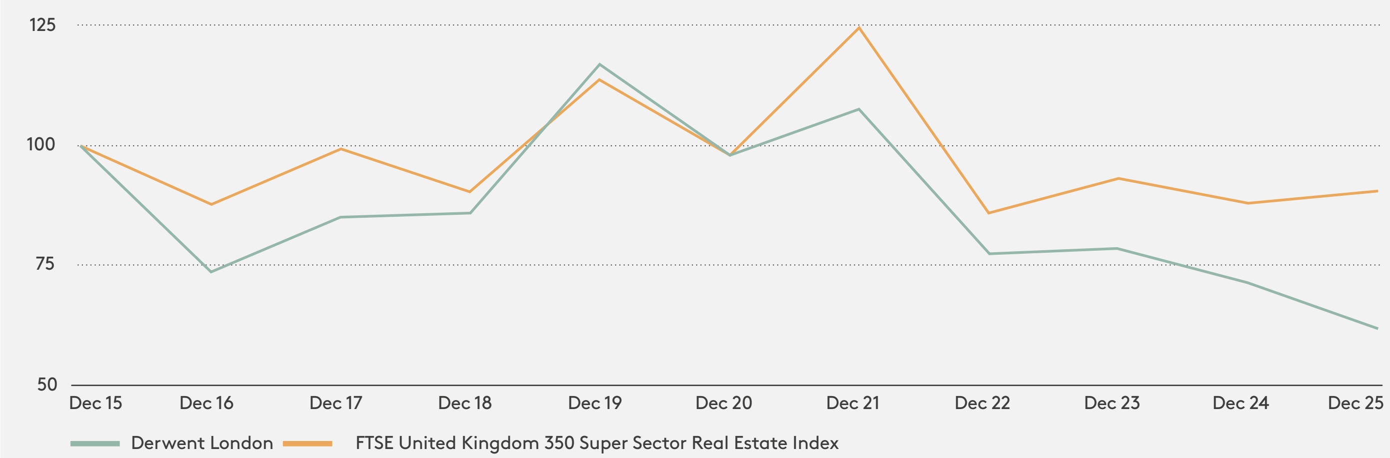
1 The share price on the dealing day immediately preceding the grant date.
2 The performance share awards granted on 4 March 2025 will vest on 4 March 2028. The performance targets attached to these awards are detailed on pages 204 and 205.
3 The performance share awards granted on 11 March 2024 will vest on 11 March 2027. The performance targets attached to these awards are detailed on page 195 of the 2024 Directors' remuneration report.
4 The performance share awards granted on 14 March 2023 will vest at 3.6% on 14 March 2026. Further details are on page 203. The weighted average exercise price of awards that lapsed in 2025 was £nil (2024: £nil).
5 Damian Wisniewski has a vested but unexercised 2019 performance share award of 5,253 shares (see pages 209 and 213).

	31 December 2025	31 December 2024	31 December 2023
Weighted average exercise price of performance share awards	**–**	–	–
Weighted average remaining contracted life of performance share awards	**1.19 years**	1.19 years	1.20 years

Pay for performance comparison

The graph below shows the value on 31 December 2025 of £100 invested in Derwent London on 31 December 2015, compared to that of £100 invested in the FTSE 350 Super Sector Real Estate Index. The other points plotted are the values at intervening financial year ends. This index has been chosen by the Committee as it is considered the most appropriate benchmark against which to assess the relative performance of the Company for this purpose.

Total shareholder return



Source: LSEG Datastream
Note: The total shareholder return chart data is based on the 30-day average over the period 2 December to 31 December for each year.

Remuneration of the Chief Executive

The table below shows the remuneration earned by the Chief Executive over the past 10 years.

Financial year ended	31/12/2016	31/12/2017	31/12/2018	31/12/2019[1,2]		31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Chief Executive	**John Burns**	**John Burns**	**John Burns**	**John Burns**	**Paul Williams**	**Paul Williams**	**Paul Williams**	**Paul Williams**	**Paul Williams**	**Paul Williams**	**Paul Williams**
Total remuneration (single figure) (£'000)	1,403	1,681	2,219	1,399	2,100	2,214	1,238	1,549	1,133	1,496	1,520
Annual bonus (% of maximum)	23.3	53.6	68.5	97.0	97.0	66.3	30.9	83.1	31.0	61.3	55.5
Long-term variable pay (% of maximum)	24.9	26.5	46.0	65.75	65.75	81.6	18.1	0.0	0.0	0.0	3.56

1 Paul Williams' 2019 total remuneration is in respect of his tenure as Chief Executive from 17 May 2019. His salary, bonus and performance share awards were subject to a pro rata time reduction.
2 The annual bonus (% of maximum) and long-term variable pay (% of maximum) for John Burns in 2019 is based on remuneration in the role of the Chief Executive.

Remuneration Committee report continued

Annual report on remuneration continued

Sharesave Plan (audited)

Grant of Sharesave options

To encourage Group-wide share ownership, the Company has operated an HMRC tax efficient Sharesave Plan since the 2018 AGM. No grant was made during 2025.

Outstanding Sharesave options

The outstanding Sharesave options held by Directors and employees are set out in the table below:

	At grant		During the year (number)							
	Date of award	Option price £	1 January 2025	Granted	Exercised	Lapsed	31 December 2025	Maturity date	Market price at date of exercise £	Value of award at exercise £'000
Executive Directors										
	21/09/2022	19.61	**458**	–	–	–	**458**	01/12/2025	–	–
Paul Williams	21/09/2023	14.87	**623**	–	–	–	**623**	01/11/2026	–	–
			1,081	–	–	–	**1,081**		–	–
Damian Wisniewski	21/09/2022	19.61	**458**	–	–	–	**458**	01/12/2025	–	–
	21/09/2023	14.87	**311**	–	–	–	**311**	01/11/2026	–	–
	19/09/2024	19.00	**244**	–	–	–	**244**	01/11/2027	–	–
			1,013	–	–	–	**1,013**		–	–
Nigel George	21/09/2022	19.61	**458**	–	–	–	**458**	01/12/2025	–	–
	21/09/2023	14.87	**623**	–	–	–	**623**	01/11/2026	–	–
			1,081	–	–	–	**1,081**		–	–
Emily Prideaux	21/09/2022	19.61	**458**	–	–	–	**458**	01/11/2025	–	–
	21/09/2023	14.87	**623**	–	–	–	**623**	01/11/2026	–	–
			1,081	–	–	–	**1,081**		–	–
Other employees	21/09/2022	19.61	**21,244**	–	–	**(4,672)**	**16,572**	01/12/2025	–	–
	21/09/2023	14.87	**40,515**	–	–	**(2,516)**	**37,999**	01/11/2026	–	–
	19/09/2024	19.00	**13,851**	–	–	**(3,389)**	**10,462**	01/11/2027	–	–
			75,610	–	–	**(10,577)**	**65,033**			
Total			**79,866**	–	–	**(10,577)**	**69,289**		–	–

1 On 1 December 2025, the options granted on 21 September 2022 became capable of exercise at a price of £19.61 per share.

Directors' interests in shares (audited)

Details of the Directors' (and their connected persons) interests in shares are provided in the table below.

	Number at 31 December 2025					Number at 31 December 2024				
	Beneficially held	Deferred shares	Conditional shares[5]	Share options[6]	Total	Beneficially held	Deferred shares	Conditional shares	Share options	Total
Executive Directors										
Paul Williams[1]	**95,757**	**13,140**	**204,023**	**1,081**	**314,001**	92,921	6,570	166,215	1,081	266,787
Damian Wisniewski[2]	**71,931**	**10,323**	**157,368**	**6,266**	**245,888**	69,095	5,256	129,437	6,266	210,054
Nigel George[3]	**105,732**	**10,323**	**157,368**	**1,081**	**274,504**	100,046	5,256	129,437	1,081	235,820
Emily Prideaux	**6,081**	**9,757**	**154,736**	**1,501**	**172,075**	6,081	4,690	123,106	4,001	137,878
Total	**279,501**	**43,543**	**673,495**	**9,929**	**1,006,468**	268,143	21,772	548,195	12,429	850,539
Non-Executive Directors										
Mark Breuer	**7,000**	–	–	–	**7,000**	7,000	–	–	–	7,000
Helen Gordon[4]	**1,051**	–	–	–	**1,051**	1,009	–	–	–	1,009
Lucinda Bell	**1,000**	–	–	–	**1,000**	1,000	–	–	–	1,000
Sanjeev Sharma	**1,261**	–	–	–	**1,261**	1,261	–	–	–	1,261
Robert Wilkinson	**1,500**	–	–	–	**1,500**	1,500	–	–	–	1,500
Madeleine McDougall	–	–	–	–	–	–	–	–	–	–
Former Directors										
Cilla Snowball	–	–	–	–	–	–	–	–	–	–
Total	**11,812**	–	–	–	**11,812**	11,770	–	–	–	11,770

There have been no other changes to the above interests between 31 December 2025 and 25 February 2026.

1 On 6 March 2025, Paul Williams purchased 2,836 shares at an average share price of £17.63.
2 On 7 March 2025, Damian Wisniewski purchased 2,836 shares at an average share price of £17.49.
3 On 6 March 2025, Nigel George purchased 5,686 shares at an average share price of £17.59.
4 During 2025, Helen Gordon reinvested her dividend to purchase an additional 42 shares.
5 Conditional shares are those which are subject to performance conditions. For further information on the Performance Share Plan see pages 203 to 206.
6 Share options principally relate to the Sharesave Plan (see page 208) and are unvested, except for:
- Damian Wisniewski: Damian's share options also include his vested but unexercised performance share 2019 award (5,253 shares); and
- Emily Prideaux: Emily has 420 outstanding Employee Share Option Plan (ESOP) awards as at 31 December 2025 which were granted in respect of her role prior to being appointed an Executive Director. During 2025, 2,500 ESOP awards (granted in 2015) lapsed.

Managing shareholder dilution

The table below sets out the available dilution capacity for the Company's employee share plans based on the limits set out in the rules of those plans that relate to issuing new shares.

	2025	2024
Total issued share capital as at 31 December	**112.3m**	112.3m
Employee share plan limits (in any consecutive 10-year period):		
Current dilution for all share plans	**3.0%**	2.7%
Headroom relative to 10% limit	**7.0%**	7.3%
5% for executive plans – current dilution for discretionary (executive) plans	**1.4%**	1.3%
Headroom relative to 5% limit	**3.6%**	3.7%

Directors' report

David Lawler Company Secretary

The Directors' report for the financial year ended 31 December 2025 is set out on pages 210 to 214. Additional information, which is incorporated into this Directors' report by reference, including information required in accordance with the Companies Act 2006 and UK Listing Rule 6.6.1, can be located on the following pages:

The Directors present their Report & Accounts and audited financial statements for the year ended 31 December 2025.

This Report & Accounts contains certain forward-looking statements. By their nature, any statements about the future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

Each forward-looking statement speaks only as of the date of that particular statement. No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Nothing in this Report & Accounts should be construed as a profit forecast.

Both the Strategic report and the Directors' report have been drawn up and presented in accordance with and in reliance upon applicable English company law, and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

Corporate governance arrangements

During the year ended 31 December 2025, we have applied the principles and complied with the provisions of good governance contained in the UK Corporate Governance Code 2024 (the Code). Further details on how we have applied the Code can be found in the Governance section on pages 112 to 209. The Code can be found in the standards, codes & policy section of the Financial Reporting Council's website: **www.frc.org.uk**

Amendment of Articles of Association

Unless expressly specified to the contrary in the Company's Articles of Association (the Articles), the Articles may be amended by a special resolution of the Company's shareholders.

Company status and branches

Derwent London plc is a Real Estate Investment Trust (REIT) and the holding company of the Derwent London group of companies, which includes no branches. Derwent London plc is listed in the commercial companies' category of the London Stock Exchange Main Market. Derwent London plc is a public limited company, registered and domiciled in England and Wales (company number 01819699).

Key stakeholders

The long-term success of the Group is dependent on its relationships with its key stakeholders. On pages 128 and 129, we outline the ways in which we have engaged with our key stakeholders to understand their material concerns and factor them into our decision making.

Substantial shareholders

The table below shows the holdings in the Company's issued share capital which had been notified to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The information below was correct at the date of notification. It should be noted that these holdings may have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

	31 December 2025			25 February 2026		
	Direct/ indirect	Number of shares (m)	%	Direct/ indirect	Number of shares (m)	%
Norges Bank	**Direct**	**6.6**	**5.9**	Direct	6.6	5.9
BlackRock Investment Management (UK) Ltd	**Indirect**	**6.0**	**5.4**	Indirect	6.0	5.4
First Eagle Investment Management LLC	**Direct**	**5.7**	**5.1**	Direct	5.7	5.1
Resolution Capital Limited	**Direct**	**5.6**	**5.0**	Direct	5.6	5.0
APG Asset Management N.V.	**Direct**	**5.6**	**5.0**	Direct	5.5	4.9
Ameriprise Financial Inc (Columbia Threadneedle)	**Indirect**	**4.9**	**4.8**	Indirect	4.9	4.8
Lady Jane Rayne	**Direct**	**3.6**	**3.6**	Direct	3.6	3.6
Canada Pension Plan Investment Board	**Direct**	**3.3**	**3.0**	Direct	3.3	3.0
Fidelity International Limited[1]	**–**	**–**	**–**	Indirect	5.8	5.1

1 Notification of TR-1 received 6 February 2026.

Employees

The Board recognises the importance of attracting, developing and retaining the right people. In accordance with best practice, we have employment policies in place which provide equal opportunities for all employees, irrespective of sex, race, colour, disability, sexual orientation, gender identity, religious beliefs or marital status.

Following Dame Cilla Snowball's retirement from the Board on 16 May 2025, Madeleine McDougall became the designated director responsible for gathering the views of the workforce. Further information on the Board's methods for engaging with the workforce is on page 129.

Greenhouse gas emissions

In line with our commitment to transparent and best practice reporting, we have included our Streamlined Energy and Carbon Reporting (SECR) disclosures on pages 74 and 75, which includes our annual GHG (greenhouse gas) emissions footprint and an intensity ratio appropriate for our business, which fulfil the requirements of the Companies Act 2006 (Strategic and Directors' report) Regulations 2013. For further analysis and detail on our GHG emissions, please see our latest Responsibility Report, which can be found at: **www.derwentlondon.com/responsibility/publications**

Directors

The Directors of the Company are set out on pages 118 and 119, all of which were in office during the year under review, except for Dame Cilla Snowball who served on the Board for the period 1 January 2025 to 16 May 2025.

On 22 January 2026, Paul Williams announced his intention to step down as Chief Executive and Director. He will continue in his role until a successor is appointed and has transitioned into the position during 2026.

During the year, Nigel George announced that he will step down as a Director on 31 March 2026. Nigel's current responsibilities will be allocated to the other Executive Directors and therefore it is not the Board's current intention to appoint a replacement.

The Board is required to consist of no fewer than two Directors and not more than 15. Shareholders may vary the minimum and/or maximum number of Directors by passing an ordinary resolution.

Copies of the Executive Directors' service contracts are available to shareholders for inspection at the Company's registered office and at the Annual General Meeting (AGM). Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are set out on pages 172, 186 and 209. A summary of the key elements of the Directors' service contracts is available in the Remuneration Policy report on pages 178 and 187.

Directors' indemnity

The Company maintains appropriate Directors' and Officers' liability insurance cover in respect of any potential legal action brought against its Directors. The Company has also indemnified each Director to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity arrangements were in force throughout the year (and at the date of approval of the financial statements) and are qualifying indemnity provisions under the Companies Act 2006.

Powers of the Directors

Subject to the Company's Articles of Association, the Companies Act 2006 and any directions given by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertakings, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party.

Directors' training and development

Details of the training that has been provided to the Executive and Non-Executive Directors during the year can be found on pages 135, 155, 159 and 163.

Directors' report continued

Appointment and replacement of Directors
Directors may be appointed by ordinary resolution of the shareholders, or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nominations Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested from the Nominations Committee.

Notwithstanding provisions in the Company's Articles of Association, the Board has agreed, in accordance with the Code and in line with previous years, that all of the Directors wishing to continue will retire and, being eligible, offer themselves for re-election by the shareholders at the 2026 AGM.

Significant agreements
There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, except that, under the rules of the Group's share-based remuneration schemes some awards may vest following a change of control.

Some of the Group's banking and financial arrangements are terminable upon a change of control of the Company. As a REIT, a tax charge may be levied on the Company if it makes a distribution to another company which is beneficially entitled to 10% or more of the shares or dividends in the Company or controls 10% or more of the voting rights in the Company (a substantial shareholder), unless the Company has taken reasonable steps to avoid such a distribution being made.

The Company's Articles of Association give the Directors power to take such steps, including the power to:

- identify a substantial shareholder;
- withhold the payment of dividends to a substantial shareholder; and
- require the disposal of shares forming part of a substantial shareholding.

There is no person with whom the Group has a contractual or other arrangement that is essential to the business of the Company.

Annual General Meeting (AGM)
At the 2025 AGM, we were delighted to receive in excess of 90% votes in favour of all resolutions. In total, 85% of our shareholders (issued capital) voted.

The 42nd AGM of Derwent London plc will be held in DL/78 at 78 Charlotte Street, London W1T 4QS on 15 May 2026 at 9.30am. The Notice of Meeting together with explanatory notes is contained in the circular to shareholders that accompanies the Report & Accounts.

Voting
Shareholders will be entitled to vote at a general meeting whether on a show of hands or a poll, as provided in the Companies Act 2006. Voting at the 2026 AGM will be via poll.

Where a proxy is given discretion as to how to vote on a show of hands, this will be treated as an instruction by the relevant shareholder to vote in the way in which the proxy decides to exercise that discretion. This is subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to the Articles of Association.

If more than one joint holder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed first on the register for the share.

In the event we receive 20% or more votes against a recommended resolution at a general meeting, we would announce the actions we intend to take to engage with our shareholders to understand the result in accordance with the Code. We would follow this announcement with a further update within six months of the meeting, with an overview of our shareholders' views on the resolutions and the remedial actions we have taken. All announcements made via RNS are available to shareholders on our website.

To date, the Board has not been required to follow these procedures due to the high level of support received from shareholders.

Restrictions on voting
Unless the Directors decide otherwise, a shareholder cannot attend or vote shares at any general meeting of the Company or upon a poll or exercise any other right conferred by membership in relation to general meetings or polls if they have not paid all amounts relating to those shares which are due at the time of the meeting.

This also applies if they have been served with a restriction notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006.

The Company is not aware of any agreements between shareholders that may result in restrictions on voting rights.

Capital structure
As at 25 February 2026, the Company's issued share capital comprised a single class of 5p ordinary shares (ISIN: GB0002652740) and equalled an amount of £5,614,546.45 divided into 112,290,929 ordinary shares.

The market price of the 5p ordinary shares at 31 December 2025 was £17.39 (2024: £19.59). During the year, they traded in a range between £16.00 and £21.06 (2024: £18.74 and £25.28). Details of the ordinary share capital and shares issued during the year can be found in note 29 to the financial statements.

Derwent London shares held by the Group
As at 31 December 2025, the Group holds 55,093 Derwent London shares in order to deliver vesting awards under the Performance Share Plan (PSP) to participants, allot dividend equivalents as additional vesting shares and deliver deferred bonus shares when the deferral periods expire. Movements on the holding of these shares are detailed below.

	1 January 2025	Acquired	Allotted	Disposal	31 December 2025
Deferred bonus[1]	22,334	22,093	–	–	44,427
Performance Share Plan[2]	10,666	–	–	–	10,666
Total	**33,000**	**22,093**	**–**	**–**	**55,093**
Price (£)		18.29			
Percentage of issued share capital					0%

1 The shares held as at 31 December 2025 include 22,334 and 22,093 deferred bonus shares purchased on 4 April 2023 and 26 March 2025, respectively (see page 203).
2 Includes Damian Wisniewski's vested but unexercised PSP 2019 award (5,253 shares). The remaining balance of 5,413 shares will be used to satisfy future PSP vestings.

Rights and restrictions attaching to shares
Subject to the Articles of Association, the Companies Act 2006 and other shareholders' rights, shares in the Company may be issued with such rights and restrictions as the shareholders may by ordinary resolution decide, or if there is no such resolution, as the Board may decide provided it does not conflict with any resolution passed by the shareholders. These rights and restrictions will apply to the relevant shares as if they were set out in the Articles of Association. Subject to the Articles of Association, the Companies Act 2006 and other shareholders' rights, unissued shares are at the disposal of the Board.

Variation of rights
The rights attached to any class of shares can be amended if approved, either by 75% of shareholders holding the issued shares in that class by amount, or by special resolution passed at a separate meeting of the holders of the relevant class of shares.

Every member and every duly appointed proxy present at a general meeting or class meeting has, upon a show of hands, one vote and every member present in person or by proxy has, upon a poll, one vote for every share held by him or her. No person holds securities in the Company carrying special rights with regard to control of the Company.

Restrictions on transfer of securities in the Company
There are no specific restrictions on the transfer of securities in the Company, which is governed by its Articles of Association and prevailing legislation. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities.

Directors' interests in shares / See page 209

Managing shareholder dilution / See page 209

Results and dividends
The financial statements set out the results of the Group for the financial year ended 31 December 2025 and are shown on pages 226 to 284. The Directors recommend a final dividend of 56.0p per ordinary share for the year ended 31 December 2025. When taken together with the interim dividend of 25.5p per ordinary share paid in October 2025, this results in a total dividend for the year of 81.5p (2024: 80.50p) per ordinary share. Subject to approval by shareholders of the recommended final dividend, the dividend to shareholders for 2025 will total £91.5m. If approved, the Company will pay the final dividend on 29 May 2026 to shareholders on the register of members at 24 April 2026.

PID and non-PID dividends
As a REIT, Derwent London must distribute at least 90% of the Group's income profits from its tax-exempt property rental business by way of a dividend, which is known as a property income distribution (PID). These distributions can be subject to withholding tax at 20%. Dividends from profits of the Group's taxable residual business are non-PID and will be taxed as an ordinary dividend.

Dividend payments
Derwent London plc is committed to reducing its impact on the environment. From October 2025, dividend payments are no longer made by cheque. Receiving dividends by direct payment rather than cheque is more efficient, secure and better for the environment. Further information is contained on our dividend tax vouchers.

Directors' report continued

Disapplication of pre-emption rights

At the 2026 AGM, the Company will seek approval from its shareholders to disapply pre-emption rights in accordance with the Pre-Emption Group's 2022 Statement of Principles.

Special resolutions 17 and 18 will seek authority to:

- disapply pre-emption rights on up to a nominal amount of £561,455 (representing 10% of our issued share capital), with a further disapplication for up to 2 per cent to be used only for the purposes of a follow-on offer; and
- disapply pre-emption rights for an additional 10 per cent for transactions which the Board determines to be either an acquisition or a specified capital investment as defined by the Statement of Principles, with a further disapplication for up to 2 per cent to be used only for the purposes of a follow-on offer.

The Company confirms its intention to comply with the 'letter and spirit' of the Pre-Emption Group's Statement of Principles in respect of the use of the annual disapplication of pre-emption rights.

Powers in relation to the Company issuing or buying back its own shares

At the 2025 AGM, shareholders authorised the Company to allot relevant securities:

(i) up to a nominal amount of £1,871,328; and

(ii) up to a nominal amount of £3,743,218, after deducting from such limit any relevant securities allotted under (i), in connection with an offer by way of a rights issue.

This authority is renewable annually. An ordinary resolution will be proposed at the 2026 AGM to grant a similar authority to allot:

(i) up to a nominal amount of £1,871,328 (being one-third of the issued share capital of the Company); and

(ii) up to a nominal amount of £3,743,218, after deducting from such limit any relevant securities allotted under (i), in connection with an offer by way of a pre-emptive offer, including an offer by way of a rights issue or open offer (being two-thirds of the issued share capital).

A further special resolution will be proposed to renew the Directors' authority to repurchase the Company's ordinary shares in the market. The authority will be limited to a maximum of 11,229,093 ordinary shares and the resolution sets the minimum and maximum prices which may be paid. The Directors will only purchase the Company's shares in the market if they believe it is in the best interests of shareholders generally.

Fixed assets

The Group's portfolio was professionally revalued at 31 December 2025, resulting in a surplus of £67.5m, before accounting adjustments of £10.8m. The portfolio is included in the Group balance sheet at a carrying value of £4,915.0m. Further details are given in note 15 of the financial statements.

Post balance sheet events

Please refer to note 35 of the financial statements for details of post balance sheet events.

Political donations

There were no political donations during 2025 (2024: nil).

Audit exemption

For the year ending 31 December 2025, a number of the Group's wholly owned subsidiaries are entitled to exemption from audit, under section 479A of the Companies Act 2006. We have identified in the table on pages 282 and 283 which subsidiaries intend to utilise the audit exemption. As the ultimate parent of these companies, Derwent London plc has unanimously agreed to the adoption of the exemptions and to the granting of a guarantee in accordance with section 479C of the Companies Act 2006.

Auditor

PricewaterhouseCoopers LLP (PwC) were reappointed in 2024 following a competitive tender process during 2023. PwC has expressed its willingness to continue in office as the Group's external Auditor and, accordingly, resolutions to appoint and authorise the Audit Committee, for and on behalf of the Directors, to determine its remuneration will be proposed at the AGM. These are resolutions 14 and 15 as set out in the Notice of Meeting.

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

The Strategic report and Directors' report have been approved by the Board of Directors and signed by order of the Board by:

David Lawler
Company Secretary

25 February 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report & Accounts 2025 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

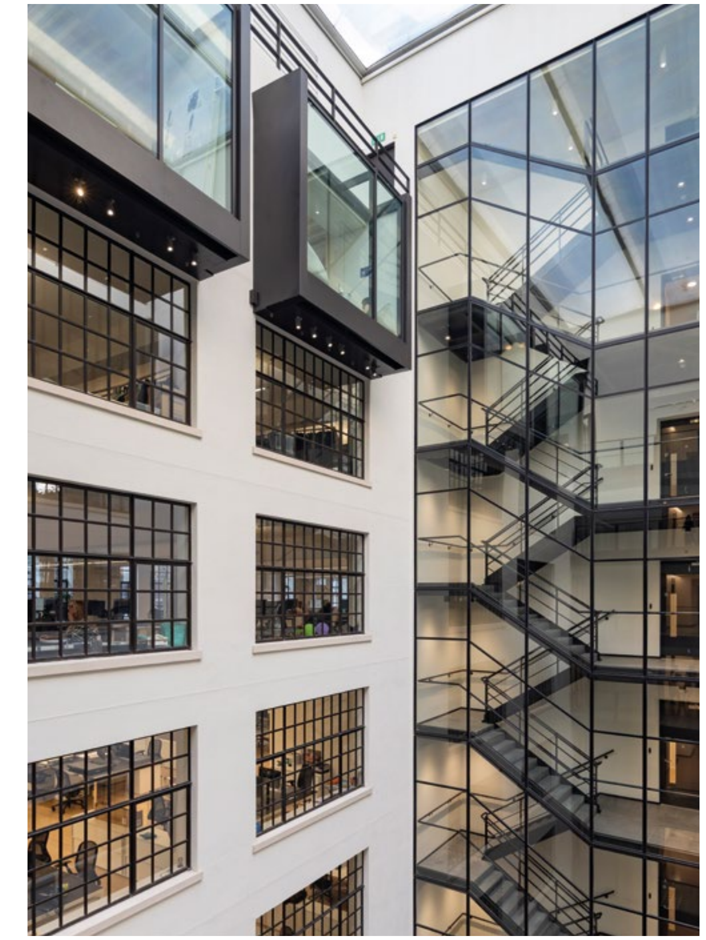
The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy. Each of the Directors, whose names and functions are listed on pages 118 and 119 confirm that, to the best of their knowledge:



Horseferry House SW1

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Paul Williams
Chief Executive

Damian Wisniewski
Chief Financial Officer

25 February 2026

Greencoat & Gorden House SW1

Financial statements

Other information

Independent auditors' report

to the members of Derwent London plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Derwent London plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2025 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts 2025 (the "Annual Report"), which comprise:

- the consolidated balance sheet as at 31 December 2025;
- the company balance sheet as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the company statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 9 to the consolidated financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the group, the accounting processes and controls, and the industry in which the group operates.
- The group's properties are spread across a number of statutory entities, with the group financial statements being a consolidation of these entities and the company. All work was carried out by the group audit team.

Key audit matters

- Valuation of investment properties (group)
- Valuation of investments in and loans to subsidiaries (company)

Materiality

- Overall group materiality: £52.9 million (2024: £52.1 million) based on 1% of Total assets.
- Overall company materiality: £47.6 million (2024: £45.7 million) based on 1% of Total assets.
- Performance materiality: £39.6 million (2024: £39.1 million) (group) and £35.7 million (2024: £34.3 million) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

Taxation, which was a key audit matter last year, is no longer included because of the limited history of findings, with respect to the group's compliance with the UK REIT regime. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (group) Refer to the Audit Committee report (Significant financial judgements, key assumptions and estimates), note 3 (Significant judgements, key assumptions and estimates) and note 15 (Property portfolio) to the consolidated financial statements. The group's property portfolio totals £4,915.0 million (2024: £4,860.5 million) and is comprised of investment property, owner-occupied and trading property. The group's property portfolio principally consists of offices and commercial space within central London. The remainder of the portfolio represents a retail park, farming woodland and strategic residential development land in Scotland. Valuations are carried out by third party valuers (the 'Valuers') in accordance with the current edition of the Royal Institution of Chartered Surveyors ('RICS') Valuation – Global Standards, International Accounting Standard 40 (Investment Property) and International Financial Reporting Standard 13 (Fair Value Measurement). There are significant judgements and estimates to be made in relation to the valuation of the group's property portfolio. Where available, the valuations take into account evidence of market transactions for properties and locations comparable to those of the group. The property portfolio mainly features office accommodation and includes: ▪ Investment properties: These are existing properties that are currently let. They are valued using the income capitalisation method. ▪ Development properties: These are properties currently under construction or identified for future development. They have a different risk and investment profile to the standing investments. These are valued using the residual appraisal method (i.e. by estimating the fair value of the completed project using the income capitalisation method less estimated costs to completion and a risk premium). ▪ Trading properties: These are properties being developed for sale and are held at the lower of cost and net realisable value. ▪ Owner-occupied property: Property occupied by the group is presented as part of Property, plant and equipment. It is stated at its revalued amount, which is determined in the same manner as investment properties.	Given the inherent subjectivity involved in the valuation of the property portfolio, and therefore the need for deep market knowledge when determining the most appropriate assumptions and the technicalities of valuation methodology, we engaged our internal valuation experts to assist us in our audit of this matter. **Assessing group's external Valuers' expertise and objectivity** The Valuers used by the group are Knight Frank. They are a well-known firm, with sufficient experience of the group's market. We assessed the competence and capabilities of the Valuers and verified their qualifications by discussing the scope of their work and reviewing the terms of their engagements for unusual terms or fee arrangements. Based on this work, we are satisfied that the Valuers remain objective and competent and that the scope of their work was appropriate. **Testing the valuations assumptions and capital movement** We obtained details of each property held by the group and set an expected range for yield and capital value movement, determined by reference to published benchmarks and using our experience and knowledge of the market. We obtained and read the Valuers' valuation reports covering all of the group's investment properties and confirmed that the valuation approach was in accordance with RICS standards. We held meetings with management and the Valuers, at which the valuations and the key assumptions therein were discussed. We focused on the largest properties, development properties, and any outliers (where the year-on-year capital value or yield were out of line with our range of assumptions developed using externally published market data for the relevant sector). For these properties, we obtained the additional evidence used in arriving at the final valuations and assessing the appropriateness of the assumptions as applied. Furthermore, we challenged the Valuers as to the extent to which recent market transactions and expected rental values which they made use of in deriving their valuations took into account the impact of climate change and related ESG considerations. Specifically, we challenged the Valuers on their consideration of any Energy Performance Certificate related costs identified by management and how that was reflected within the underlying property valuations.

Independent auditors' report continued

to the members of Derwent London plc

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (group) continued The most significant estimates affecting the valuation included yields and estimated rental value ("ERV") growth (as described in note 15 of the consolidated financial statements). For development projects, other assumptions included costs to completion and risk premium assumptions are also factored into the valuation. The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuations when aggregated could result in material misstatement, is why we have given specific audit focus and attention to this area.	**Information and standing data** We tested the data inputs underpinning the investment property valuation for a sample of properties, including rental income, acquisitions and capital expenditure, by agreeing the inputs to the underlying property records held by the group to assess the reliability, completeness and accuracy of the underlying data used by the Valuers. The underlying property records were assessed for reliability by obtaining signed and approved lease contracts or sale/purchase contracts and by inspecting approved third party invoices and tracing back to bank statements on a sample basis. For development properties, we agreed the costs to date included within development appraisals to quantity surveyor reports and capitalised expenditure was tested on a sample basis to invoices. We agreed the total forecasted cost of upgrading buildings to Energy Performance Certificate B to a third party report commissioned by the group. We also challenged the valuer on the profit on cost assumptions used as this reflects the risk premium of the development property. We have no matters to report in respect of this work.
Valuation of investments in and loans to subsidiaries (company) Refer to notes vi (Investments) and vii (Receivables) to the company financial statements. The company has investments in subsidiaries of £2,621.4 million (2024: £2,578.3 million) and loans to subsidiaries of £2,093.3 million (2024: £1,920.4 million) as at 31 December 2025. This is following the recognition of an impairment of £7.7 million and a reversal of impairment of £40.8 million (2024: impairment of £27.5 million and reversal of impairment of £28.0 million)) on investments in subsidiaries and an expected credit loss impairment of £nil (2024: £nil) recognised on loans to subsidiaries in the year. The company's accounting policy for investments and loans is to hold them at cost less any impairment. Impairment of the loans is calculated in accordance with International Financial Reporting Standard 9 (Financial Instruments). Investments in subsidiaries are assessed for impairment in line with International Accounting Standard 36 (Impairment of Assets). Given the inherent judgement and complexity in assessing both the carrying value of a subsidiary company and the expected credit loss of intercompany receivables, this was identified as a key audit matter.	We obtained management's impairment assessment for the recoverability of investments in and loans to subsidiaries as at 31 December 2025. We assessed the accounting policy for investments and loans to subsidiaries to ensure they were compliant with FRS 101 "Reduced Disclosure Framework". We verified that the methodology used by management in arriving at the carrying value of each subsidiary, and the expected credit loss for intercompany receivables, was compliant with FRS 101. We identified the key judgement within the requirement for impairment of both the investments and loans to subsidiaries to be the underlying valuation of investment property held by the subsidiaries. For details of our procedures over investment property valuations please refer to the group key audit matter above. We have no matters to report in respect of this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group's properties are spread across a number of statutory entities, with the group financial statements being a consolidation of these entities and the company. All work was carried out by the group audit team.

The impact of climate risk on our audit

In planning our audit, we made enquiries with management to understand the extent of the potential impact of climate change risk on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact. We particularly considered how climate change risks would impact the assumptions made in the valuation of investment properties as explained in our key audit matter above. We also considered the consistency of the disclosures in relation to climate change made within the Annual Report, the financial statements and the knowledge obtained from our audit. We assessed the consideration of the cost of delivering the group's climate change and sustainability strategy within the going concern and viability forecasts.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£52.9 million (2024: £52.1 million).	£47.6 million (2024: £45.7 million).
How we determined it	1% of Total assets	1% of Total assets
Rationale for benchmark applied	The primary measurement attribute of the group is the carrying value of property investments. On this basis, we set an overall group materiality level based on total assets.	The primary measurement attribute of the company is the carrying value of investments in subsidiaries. On this basis, we set an overall company materiality level based on total assets. For purposes of the group audit, we capped the overall materiality for the company to be 90% of the group overall materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £39.6 million (2024: £39.1 million) for the group financial statements and £35.7 million (2024: £34.3 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £2.6 million (group audit) (2024: £2.6 million) and £2.4 million (company audit) (2024: £2.3 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent auditors’ report continued

to the members of Derwent London plc

Conclusions relating to going concern

Our evaluation of the directors’ assessment of the group’s and the company’s ability to continue to adopt the going concern basis of accounting included:

- Agreed the underlying cash flow projections to Board approved forecast and assess how this forecast is compiled;
- Considered management’s forecasting accuracy by comparing how the forecast made in the prior period compares to the actual performance in the year;
- Tested the integrity of the underlying formulas and calculations within the going concern and cash flow models;
- Understood and assessed the appropriateness of the key assumptions used in the base case and in the severe but plausible downside scenarios, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Performed sample testing over the data and information of the properties used in the forecast made by management to the supporting documents to gain comfort over the accuracy of the data and information;
- Assessed the consideration of the cost of delivering the group’s climate change and sustainability strategy within the underlying going concern and viability forecasts;
- Evaluated whether the directors’ conclusion, that sufficient liquidity and covenant headroom existed to continue trading operationally throughout the going concern period under the base and severe but plausible scenarios, is appropriate; and
- Reviewed the disclosures provided relating to the going concern basis of preparation and found that these provided an explanation of the directors’ assessment that was consistent with the evidence we obtained.

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

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group’s and the company’s ability to continue as a going concern.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors’ report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors’ report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors’ report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors’ report.

Directors’ remuneration

In our opinion, the part of the Remuneration Committee report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors’ statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company’s compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors’ confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors’ statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group’s and company’s ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors’ explanation as to their assessment of the group’s and company’s prospects, the period this assessment covers and why the period is appropriate; and
- The directors’ statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors’ statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors’ process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors’ statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group’s and company’s position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors’ statement relating to the company’s compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Independent auditors' report continued

to the members of Derwent London plc

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Real Estate Investment Trust (REIT) status Part 12 of the Corporation Tax Act 2010 and the UK regulatory principles, such as those governed by the Listings Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management, including the Company Secretary, as well as those charged with governance, over their consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding and evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the reports made by internal audit;
- Assessment of matters reported through the group's whistleblowing helpline and the results of management's investigation of such matters where relevant;
- Review of REIT tax compliance with the involvement of our tax specialists in the audit;
- Procedures relating to the valuation of investment properties described in the related key audit matter above;
- Reviewing relevant meeting minutes, including those of the Board of Directors, Risk Committee and the Audit Committee; and
- Identifying and testing journal entries, in particular any journal entries posted with unexpected account combinations and post close entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Remuneration Committee report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2014. Our uninterrupted engagement covers twelve financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Allan McGrath (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 February 2026

Consolidated income statement
for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Gross property and other income	5	**406.3**	276.9
Net property and other income	5	**199.6**	198.3
Administrative expenses		**(39.1)**	(41.1)
Revaluation surplus/(deficit)	15	**52.2**	(2.7)
(Loss)/profit on disposal	6	**(2.2)**	1.9
Profit from operations		**210.5**	156.4
Finance income	7	**2.1**	0.3
Finance costs	7	**(50.5)**	(39.9)
Movement in fair value of derivative financial instruments		**(0.6)**	(2.3)
Share of results of joint ventures	8	**–**	1.5
Profit before tax	9	**161.5**	116.0
Tax charge	14	**(0.4)**	(0.1)
Profit for the year		**161.1**	115.9
Basic earnings per share	37	**143.53p**	103.24p
Diluted earnings per share	37	**143.51p**	102.93p

The notes on pages 231 to 275 form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Profit for the year		**161.1**	115.9
Actuarial losses on defined benefit pension scheme	13	**–**	(0.4)
Revaluation surplus of owner-occupied property	15	**4.5**	2.9
Deferred tax charge on revaluation	28	**(1.1)**	(0.6)
Other comprehensive income that will not be reclassified to profit or loss		**3.4**	1.9
Total comprehensive income relating to the year		**164.5**	117.8

The notes on pages 231 to 275 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Investment property	15	**4,828.6**	4,670.1
Property, plant and equipment	16	**68.1**	52.0
Pension scheme surplus	13	**1.8**	1.8
Other receivables	19	**203.2**	201.0
		5,101.7	4,924.9
Current assets			
Trading property	15	**32.9**	115.7
Trading stock	17	**–**	17.5
Trade and other receivables	20	**46.7**	57.8
Derivative financial instruments	24	**–**	0.6
Corporation tax asset		**0.7**	0.4
Cash and cash equivalents	32	**131.7**	71.4
		212.0	263.4
Non-current assets held for sale	21	**–**	25.7
Total assets		**5,313.7**	5,214.0
Current liabilities			
Borrowings	24	**231.6**	194.1
Leasehold liabilities	24	**0.5**	0.4
Trade and other payables	22	**168.0**	174.7
Provisions	23	**0.1**	0.2
		400.2	369.4
Non-current liabilities			
Borrowings	24	**1,255.0**	1,269.4
Leasehold liabilities	24	**40.5**	34.2
Provisions	23	**0.4**	0.4
Deferred tax	28	**2.3**	0.8
		1,298.2	1,304.8
Total liabilities		**1,698.4**	1,674.2
Total net assets		**3,615.3**	3,539.8
Equity			
Share capital	29	**5.6**	5.6
Share premium	30	**196.6**	196.6
Other reserves	30	**947.3**	943.2
Retained earnings	30	**2,465.8**	2,394.4
Total equity		**3,615.3**	3,539.8

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2026.

Paul Williams
Chief Executive

Damian Wisniewski
Chief Financial Officer

The notes on pages 231 to 275 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Share capital £m	Share premium £m	Other reserves[1] £m	Retained earnings £m	Total equity £m
At 1 January 2025	5.6	196.6	943.2	2,394.4	3,539.8
Profit for the year	–	–	–	161.1	161.1
Other comprehensive income	–	–	3.4	–	3.4
Share-based payments	–	–	0.7	1.2	1.9
Dividends paid	–	–	–	(90.9)	(90.9)
At 31 December 2025	**5.6**	**196.6**	**947.3**	**2,465.8**	**3,615.3**
At 1 January 2024	5.6	196.6	939.3	2,367.3	3,508.8
Profit for the year	–	–	–	115.9	115.9
Other comprehensive income/(expense)	–	–	2.3	(0.4)	1.9
Share-based payments	–	–	1.6	1.4	3.0
Dividends paid	–	–	–	(89.8)	(89.8)
At 31 December 2024	5.6	196.6	943.2	2,394.4	3,539.8

1 See note 30.

Consolidated cash flow statement

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Operating activities			
Cash generated from operations	27	**272.5**	102.6
Interest received		**1.3**	0.3
Interest and other finance costs paid		**(45.5)**	(38.3)
Tax paid in respect of operating activities		**(0.3)**	–
Net cash from operating activities		**228.0**	64.6
Investing activities			
Acquisition of properties		**(13.7)**	(47.0)
Capital expenditure[1]		**(149.1)**	(139.9)
Disposal of investment properties		**79.1**	85.5
Purchase of property, plant and equipment		**(10.0)**	(1.6)
Indirect taxes (paid)/received in respect of investing activities		**(3.0)**	1.1
Net cash used in investing activities		**(96.7)**	(101.9)
Financing activities			
Proceeds of bond issue		**247.9**	–
Net movement in revolving bank loans	26	**(110.5)**	26.5
Drawdown of term bank loans	26	**82.5**	182.5
Payment of arrangement fees		**(3.9)**	(0.7)
Repayment of other loan		**(20.0)**	–
Repayment of secured loan		**–**	(83.0)
Repayment of unsecured convertible bond		**(175.0)**	–
Settlement of derivative		**(1.2)**	–
Dividends paid	31	**(90.8)**	(89.6)
Net cash (used in)/from financing activities		**(71.0)**	35.7
Increase/(decrease) in cash and cash equivalents in the year		**60.3**	(1.6)
Cash and cash equivalents at the beginning of the year	32	**71.4**	73.0
Cash and cash equivalents at the end of the year	32	**131.7**	71.4

1 Finance costs of £14.1m (2024: £11.2m) are included in capital expenditure (see note 7).

The notes on pages 231 to 275 form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2025

1 Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards, (the “applicable framework”), and have been prepared in accordance with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, the revaluation of property, plant and equipment, assets held for sale, pension scheme, and financial assets and liabilities held at fair value through profit and loss.

These financial statements have been presented in Pounds Sterling, which is the functional currency of the Group, to the nearest million.

The financial statements of Derwent London plc (the “Company”) have been prepared under FRS 101 and can be found on pages 276 to 283.

As with most other UK property companies and real estate investment trusts (‘REITs’), the Group presents many of its financial measures in accordance with the guidance criteria issued by the European Public Real Estate Association (‘EPRA’). These measures, which provide consistency across the sector, are all derived from the IFRS figures in note 37.

Going concern

The Board continues to adopt the going concern basis in preparing these consolidated financial statements. In considering this requirement, the Directors have taken into account the following:

- The Group’s latest rolling forecast for the next two years, in particular the cash flows, borrowings and undrawn facilities, including the ‘severe but plausible’ downside case.
- The headroom under the Group’s financial covenants.
- The risks included on the Group’s risk register that could impact on the Group’s liquidity and solvency over the 12 months from the date of signing of these consolidated financial statements.
- The risks on the Group’s risk register that could be a threat to the Group’s business model and capital adequacy.

The Directors have considered the relatively long-term and predictable nature of the income receivable under the tenant leases, the Group’s year-end loan-to-value ratio for 2025 of 29.4%, the interest cover ratio of 306%, the £627m total of undrawn facilities and cash and the fact that the average maturity of borrowings was 4.2 years at 31 December 2025. In the latter part of the year, the gradual easing of cost inflation and interest rates has been considered. The likely impact of climate change has been incorporated into the Group’s forecasts which have also taken account of a programme of EPC upgrades across the portfolio. Based on the year end position, rental income would need to decline by 53% and property values would need to fall by 51% before breaching its financial covenants.

In February 2026, £55m of US private placement notes were repaid upon maturity. These notes, together with the £175m 6.5% secured bonds maturing in March 2026, are classified as current liabilities as at 31 December 2025. This has resulted in the Group being in a net current liabilities position. However, the Group has significant liquidity to fund its ongoing operations and, as noted above, has access to £627m of available undrawn facilities and cash as at 31 December 2025. Additionally, in January 2026, the Group’s £82.5m unsecured term loan, originally due to mature in February 2027, was extended by one year to February 2028. This provides the Directors with a reasonable expectation that the Group will be able to meet these current liabilities as they fall due.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these consolidated financial statements and, therefore, the Directors continue to adopt the going concern basis in their preparation.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

2 Changes in accounting policies

The principal accounting policies are described in note 40 and are consistent with those applied in the Group's financial statements for the year to 31 December 2024, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year as shown below.

New standards adopted during the year

The following standards, amendments and interpretations were effective for the first time for the Group's current accounting period and had no material impact on the financial statements.

IAS 21 (amended) – Lack of Exchangeability.

Standards in issue but not yet effective

The following standards, amendments and interpretations were in issue at the date of approval of these financial statements but were not yet effective for the current accounting period and have not been adopted early. Based on the Group's current circumstances the Directors do not anticipate that their adoption in future periods will have a material impact on the financial statements of the Group.

IFRS 7 and IFRS 9 (amended) – Classification and Measurement of Financial Instruments;

IFRS 7 and IFRS 9 (amended) – Contracts referencing Nature-dependent Electricity;

IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

IFRS 18 – Presentation and Disclosure in Financial Statements was in issue at the date of approval of these financial statements but not yet effective for the current reporting period and has not been adopted early. This standard will impact the presentation of individual line items within the Group's consolidated financial statements, including related disclosures. The standard will be applied for reporting periods beginning on or after 1 January 2027 and will also apply to comparative information. The Directors are currently assessing the detailed implications.

3 Significant judgements, key assumptions and estimates

The preparation of financial statements in accordance with the applicable framework requires the use of certain significant accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The Group's significant accounting policies are stated in note 40. Not all of these accounting policies require management to make difficult, subjective or complex judgements or estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on these consolidated financial statements.

Significant judgement

Compliance with the REIT taxation regime

As a REIT, the Group benefits from tax advantages. Income and chargeable gains on the qualifying property rental business are exempt from corporation tax. Income that does not qualify as property income within the REIT rules is subject to corporation tax in the normal way. There are a number of tests that are applied annually, and in relation to forecasts, to ensure the Group remains well within the limits allowed within those tests. The Group met all the criteria in 2025 in each case, thereby ensuring its REIT status is maintained. The Directors intend that the Group should continue as a REIT for the foreseeable future.

Key source of estimation uncertainty

Property portfolio valuation

The Group uses the valuation carried out by external valuers as the fair value of its property portfolio. The valuation considers a range of assumptions including future rental income, investment yields, anticipated outgoings and maintenance costs, future development expenditure and appropriate discount rates. The external valuers also make reference to market evidence of transaction prices for similar properties and take into account the impact of climate change and related environmental, social and governance considerations. More information is provided in note 15, including sensitivity disclosures.

4 Segmental information

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal financial reports about components of the Group that are regularly reviewed by the chief operating decision makers (which in the Group's case are the four Executive Directors who are assisted by the other 13 members of the Executive Committee) in order to allocate resources to the segments and to assess their performance.

The internal financial reports received by the Group's Executive Committee contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the financial statements. These internal financial reports include IFRS figures but also report non-IFRS figures for the EPRA earnings and net asset value. Reconciliations of each of these figures to their statutory equivalents are detailed in note 37. Additionally, information is provided to the Executive Committee showing gross property income and property valuation by individual property. Therefore, for the purposes of IFRS 8, each individual property is considered to be a separate operating segment in that its performance is monitored individually.

The Group's property portfolio includes investment property, owner-occupied property and trading property and comprised 96% office buildings[1] by value at 31 December 2025 (2024: 95%). The Directors consider that these individual properties have similar economic characteristics and therefore have been aggregated into a single reportable segment. The remaining 4% (2024: 5%) represented a mixture of retail, residential and light industrial properties, as well as land, each of which is de minimis in its own right and below the quantitative threshold in aggregate. Therefore, in the view of the Directors, there is one reportable segment under the provisions of IFRS 8.

All of the Group's properties are based in the UK. No geographical grouping is contained in any of the internal financial reports provided to the Group's Executive Committee and, therefore, no geographical segmental analysis is required by IFRS 8. However, geographical analysis is included in the tables below to provide users with additional information regarding the areas contained in the Strategic report. The majority of the Group's properties are located in London (West End central, West End borders/other and City borders), with the remainder in Scotland (Provincial).

1 Some office buildings have an ancillary element such as retail or residential.

Gross property income

	2025			2024		
	Office buildings £m	Other £m	Total £m	Office buildings £m	Other £m	Total £m
West End central	**130.2**	**2.1**	**132.3**	126.9	2.2	129.1
West End borders/other	**14.6**	**–**	**14.6**	17.0	–	17.0
City borders	**66.5**	**0.8**	**67.3**	66.3	0.7	67.0
Provincial	**–**	**4.4**	**4.4**	–	4.5	4.5
Gross property income (excl. joint venture)	**211.3**	**7.3**	**218.6**	210.2	7.4	217.6
Share of joint venture gross property income[1]	**–**	**–**	**–**	1.9	–	1.9
	211.3	**7.3**	**218.6**	212.1	7.4	219.5

1 See note 8 for further details.

A reconciliation of gross property income to gross property and other income is given in note 5.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

4 Segmental information continued

Property portfolio

	2025			2024		
	Office buildings £m	Other £m	Total £m	Office buildings £m	Other £m	Total £m
Carrying value						
West End central	**3,298.3**	**81.6**	**3,379.9**	3,172.5	164.3	3,336.8
West End borders/other	**262.9**	**–**	**262.9**	288.8	–	288.8
City borders	**1,153.0**	**6.2**	**1,159.2**	1,136.5	6.1	1,142.6
Provincial	**–**	**113.0**	**113.0**	–	92.3	92.3
	4,714.2	**200.8**	**4,915.0**	4,597.8	262.7	4,860.5
Fair value						
West End central	**3,445.3**	**82.5**	**3,527.8**	3,307.7	165.4	3,473.1
West End borders/other	**273.2**	**–**	**273.2**	301.7	–	301.7
City borders	**1,172.5**	**6.2**	**1,178.7**	1,167.3	6.1	1,173.4
Provincial	**–**	**114.2**	**114.2**	–	92.9	92.9
	4,891.0	**202.9**	**5,093.9**	4,776.7	264.4	5,041.1

A reconciliation between the fair value and carrying value of the portfolio is set out in note 15.

5 Property and other income

	2025 £m	2024 £m
Gross rental income	**218.3**	214.8
Surrender premiums received	**0.3**	2.7
Other property income	**–**	0.1
Gross property income	**218.6**	217.6
Trading property sales proceeds[1]	**118.1**	3.7
Trading stock sales proceeds[1]	**17.8**	–
Service charge income[1]	**46.9**	50.5
Other income[1]	**4.9**	5.1
Gross property and other income	**406.3**	276.9
Gross rental income	**218.3**	214.8
Movement in impairment of receivables	**(0.5)**	(0.2)
Movement in impairment of prepayments	**(1.4)**	(0.2)
Service charge income[1]	**46.9**	50.5
Service charge expenses	**(53.5)**	(57.1)
	(6.6)	(6.6)
Property costs	**(19.8)**	(18.2)
Net rental income	**190.0**	189.6
Trading property sales proceeds[1]	**118.1**	3.7
Trading property cost of sales	**(113.9)**	(3.7)
Profit on trading property disposals	**4.2**	–
Trading stock sales proceeds[1]	**17.8**	–
Trading stock cost of sales	**(17.8)**	–
Result on trading stock disposals	**–**	–
Other property income	**–**	0.1
Other income[1]	**4.9**	5.1
Net surrender premiums received	**0.3**	2.7
Dilapidation receipts	**0.2**	0.8
Net property and other income	**199.6**	198.3

1 In line with IFRS 15 Revenue from Contracts with Customers, the Group recognised a total of £187.7m (2024: £59.3m) of other income, trading property sales proceeds, trading stock sales proceeds and service charge income within Gross property and other income.

Gross rental income includes £3.7m (2024: £6.3m) relating to rents recognised in advance of cash receipts. It also includes £0.5m (2024: £0.4m) received in relation to DL/Lounges. Other income includes £0.6m (2024: £0.5m) received from customer services. Property costs includes £2.9m (2024: £2.9m) in relation to DL/Lounges and customer services. It also includes amounts in relation to non-recoverable service charge costs associated with vacant units during periods of refurbishment.

In 2025, the Group disposed of all its trading stock which was sold under development agreements to the freeholder upon completion.

Trading property sales proceeds relates to the sale of 24 residential apartments for £115.8m and the affordable residential units for £2.3m.

In October 2024, the Group acquired the remaining 50% interest of the Derwent Lazari Baker Street Limited Partnership. From that point forward, the results were consolidated in the table above. See note 8 for further details.

6 (Loss)/profit on disposal

	2025 £m	2024 £m
Investment property		
Gross disposal proceeds	**80.2**	87.5
Costs of disposal	**(1.6)**	(0.7)
Net disposal proceeds	**78.6**	86.8
Carrying value	**(76.9)**	(79.3)
Adjustment for lease costs and rents recognised in advance	**(3.9)**	(5.4)
(Loss)/profit on disposal of investment property	**(2.2)**	2.1
Artwork		
Gross disposal proceeds	**–**	–
Costs of disposal	**–**	(0.2)
Net disposal proceeds	**–**	(0.2)
Carrying value	**–**	–
Loss on disposal of artwork	**–**	(0.2)
(Loss)/profit on disposal of investment property and artwork	**(2.2)**	1.9

Included within gross disposal proceeds for 2025 is £26.0m relating to the disposal of the Group's freehold interest in 4&10 Pentonville Road N1 in January 2025, and £54.1m relating to the disposal of the Group's freehold interest in Francis House SW1 in October 2025.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

7 Finance income and finance costs

	2025 £m	2024 £m
Finance income		
Net interest received on defined benefit pension scheme asset	**0.1**	0.1
Bank interest receivable	**2.0**	0.2
Finance income	**2.1**	0.3
Finance costs		
Bank loans	**(15.0)**	(6.1)
Non-utilisation fees	**(2.3)**	(1.9)
Unsecured convertible bonds	**(1.8)**	(4.0)
Unsecured green bonds	**(6.7)**	(6.7)
Unsecured bonds	**(7.6)**	–
Secured bonds	**(11.4)**	(11.4)
Unsecured private placement notes	**(15.6)**	(15.6)
Secured loan	**–**	(2.7)
Amortisation of issue and arrangement costs	**(2.8)**	(2.6)
Amortisation of the fair value of the secured bonds	**1.7**	1.6
Obligations under headleases	**(1.7)**	(1.3)
Settlement of derivative financial instrument	**(1.2)**	–
Other	**(0.2)**	(0.4)
Gross finance costs	**(64.6)**	(51.1)
Less: interest capitalised	**14.1**	11.2
Finance costs	**(50.5)**	(39.9)

Finance costs of £14.1m (2024: £11.2m) have been capitalised on development projects including trading stock and trading properties, in accordance with IAS 23 Borrowing Costs, using the Group's average cost of borrowings during each quarter. Total finance costs paid to 31 December 2025 were £59.6m (2024: £49.5m) of which £14.1m (2024: £11.2m) out of a total of £149.1m (2024: £139.9m) was included in capital expenditure on the property portfolio in the Group cash flow statement under investing activities.

Prior to the issue of the £250m unsecured bonds in June 2025 (see note 24 for more information) the Group entered into derivative contracts to hedge against movements in UK government bond yields during the period between launch and pricing of the bond. As hedge accounting was not applied, the resulting loss on settlement of the derivative financial instrument of £1.2m has been recognised in finance costs. This is included in the Group cash flow statement under financing activities.

8 Share of results of joint ventures

	2025 £m	2024 £m
Net property income	**–**	1.9
Administrative expenses	**–**	(0.1)
Revaluation surplus	**–**	7.3
Share of result of underlying joint ventures	**–**	9.1
Impairment of additional deferred consideration (see note 18)	**–**	(7.6)
Group share of results of joint ventures	**–**	1.5

In October 2024, the Group acquired the remaining 50% interest of the Derwent Lazari Baker Street Limited Partnership. From this point forward, the results were consolidated into the results of the Group.

9 Profit before tax

	2025 £m	2024 £m
This is arrived at after charging:		
Depreciation	**0.8**	1.0
Rent payable under headleases	**1.9**	1.5
Auditor's remuneration		
Audit – Group	**0.6**	0.6
Audit – subsidiaries	**–**	0.1
Non-audit fees	**0.3**	0.2

In 2025, audit fees for the Group were £600,940 (2024: £572,650) and for the subsidiaries £43,220 (2024: £101,325). Non-audit fees in 2025 included the review of the interim results £76,986 (2024: £74,025), green finance assurance £40,000 (2024: £40,000), sustainability assurance £93,200 (2024: £nil), audit related assurance services £70,000 (2024: £71,000) and other non-audit services £1,350 (2024: £nil).

10 Directors' emoluments

	2025 £m	2024 £m
Remuneration for management services	**4.7**	4.6
Post-employment benefits	**0.4**	0.4
	5.1	5.0
National insurance contributions	**0.8**	0.7
	5.9	5.7

An amount of £0.8m (2024: £1.2m) attributable to the Directors is included within share-based payments expense of £2.0m (2024: £3.1m) relating to equity-settled schemes in note 11. This is in accordance with IFRS 2 Share-based Payment.

Details of the Directors' remuneration awards under the long-term incentive plan and options held by the Directors under the Group share option schemes are given on pages 203 to 209 of the report of the Remuneration Committee. The only key management personnel are the Directors.

11 Employees

	2025 £m	2024 £m
Staff costs, including those of Directors:		
Wages and salaries	**19.6**	20.2
Social security costs	**3.6**	3.4
Other pension costs	**3.1**	3.0
Share-based payments expense relating to equity-settled schemes	**2.0**	3.1
	28.3	29.7

Employee related costs of £2.7m (2024: £2.5m) are capitalised within interest capitalisation and staff costs in note 15 and another £2.7m (2024: £2.7m) is included within service charge expense.

The monthly average number of employees in the Group during the year, excluding Directors, was 193 (2024: 185). Of the Group's employees, there were 69 (2024: 64) whose costs were recharged or partially recharged to tenants via service charges.

Notes to the consolidated financial statements continued
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12 Share-based payments

Details of the options held by Directors under the Performance Share Plan (PSP) are given in the report of the Remuneration Committee on page 206.

Equity-settled option scheme

The Employee Share Option Plan ('ESOP') is designed to incentivise and retain eligible employees. The ESOP is separate to the PSP disclosed in the report of the Remuneration Committee. The Directors are not entitled to any awards under the ESOP.

Year of grant	Exercise price £	Adjusted exercise price[1] £	Outstanding at 1 January	Movement in options: Granted	Movement in options: Exercised	Movement in options: Lapsed	Outstanding at 31 December
For the year to 31 December 2025							
2015	34.65	33.23	24,541	–	–	(24,541)	–
2016	31.20	29.93	26,196	–	–	(3,342)	22,854
2017	28.93	27.75	54,063	–	–	(9,557)	44,506
2018	30.29	29.57	72,787	–	–	(14,575)	58,212
2019	32.43	32.43	92,075	–	–	(19,132)	72,943
2020	30.02	30.02	120,547	–	–	(17,772)	102,775
2021	33.28	33.28	151,275	–	–	(22,223)	129,052
2022	31.10	31.10	201,290	–	–	(25,890)	175,400
2023	22.86	22.86	276,017	–	–	(28,017)	248,000
2024	21.00	21.00	341,095	–	–	(32,902)	308,193
2025	17.83	17.83	–	410,330	–	(32,630)	377,700
			1,359,886	**410,330**	**–**	**(230,581)**	**1,539,635**
For the year to 31 December 2024							
2014	27.39	26.27	11,474	–	–	(11,474)	–
2015	34.65	33.23	26,625	–	–	(2,084)	24,541
2016	31.20	29.93	29,041	–	–	(2,845)	26,196
2017	28.93	27.75	57,668	–	–	(3,605)	54,063
2018	30.29	29.57	78,531	–	–	(5,744)	72,787
2019	32.43	32.43	100,515	–	–	(8,440)	92,075
2020	30.02	30.02	136,186	–	–	(15,639)	120,547
2021	33.28	33.28	165,629	–	–	(14,354)	151,275
2022	31.10	31.10	223,000	–	–	(21,710)	201,290
2023	22.86	22.86	324,850	–	–	(48,833)	276,017
2024	21.00	21.00	–	380,200	–	(39,105)	341,095
			1,153,519	380,200	–	(173,833)	1,359,886

	31 December 2025	31 December 2024	1 January 2024
Number of shares:			
Exercisable	**605,742**	541,484	440,040
Non-exercisable	**933,893**	818,402	713,479
Weighted average exercise price of share options:			
Exercisable	**£31.14**	£31.24	£30.33
Non-exercisable	**£20.21**	£24.11	£27.86
Weighted average remaining contracted life of share options:			
Exercisable	**4.33 years**	4.35 years	4.53 years
Non-exercisable	**8.36 years**	8.40 years	8.47 years
Weighted average exercise price of share options that lapsed:			
Exercisable	**£31.49**	£30.35	£30.31
Non-exercisable	**£20.45**	£23.83	£30.58

1 In 2018, following the payment of the special dividend of 75 pence per share, the Remuneration Committee exercised their discretion and adjusted the number of outstanding unapproved 'B' options and their option price, to ensure participants were not disadvantaged by the payment to shareholders of the special dividend.

The weighted average share price at which options were exercised during 2025 was £nil (2024: £nil).

The weighted average fair value of options granted during 2025 was £4.42 (2024: £5.61).

The following information is relevant in the determination of the fair value of the options granted during 2025 and 2024 under the equity-settled employee share plan operated by the Group.

	2025	2024
Option pricing model used	**Binomial lattice**	Binomial lattice
Risk free interest rate	**4.1%**	4.1%
Volatility	**30.0%**	31.0%
Dividend yield	**4.5%**	3.4%

For both the 2025 and 2024 grants, additional assumptions have been made that there is no employee turnover and 50% of employees exercise early when the share options are 20% in the money and 50% of employees exercise early when the share options are 100% in the money.

The volatility assumption, measured as the standard deviation of expected share price returns, is based on a statistical analysis of daily prices over the last four years.

Save As You Earn scheme

The Save As You Earn ('SAYE') plan is designed to allow employees (including Directors) to purchase shares in the Company in a tax efficient manner. The SAYE plan is an HMRC approved scheme. Employees can participate on an annual basis and save up to £250 per month per grant. Further details are given in the report of the Remuneration Committee on page 208.

13 Pension costs

The Group operates both a defined contribution scheme and a defined benefit scheme. The latter was acquired as part of the acquisition of London Merchant Securities plc in 2007 and is closed to new members. All new employees are entitled to join the defined contribution scheme. The assets of the pension schemes are held separately from those of Group companies.

Defined contribution plan

The total expense relating to this plan in the current year was £2.6m (2024: £2.3m).

Defined benefit plan

The Group sponsors the scheme which is a funded defined benefit arrangement. This is a separate trustee-administered fund holding the pension scheme assets to meet long-term pension liabilities for past employees. The Scheme closed to future benefit accrual on 31 July 2019. The level of retirement benefit is principally based on basic salary at the last scheme anniversary of employment prior to leaving active service and increases at 5% pa in deferment.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. It is policy that one third of all trustees should be nominated by the members.

A full actuarial valuation was carried out as at 31 October 2022 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the scheme is agreed between the Group and the trustees in line with those requirements. The funding valuation requires the surplus/deficit to be calculated using prudent actuarial assumptions, as opposed to best estimate assumptions required for pensions accounting purposes.

The 2022 actuarial valuation showed a deficit of £2.8m. The Group agreed with the trustees that it will aim to eliminate the deficit over a period of 3 years and 2 months from 31 October 2022 by three payments of £1.4m payable by 31 December 2022, 31 December 2023 and the final contribution by 31 December 2026. In addition, the Group has agreed with the trustees that the Group will meet expenses of running the scheme and levies to the Pension Protection Fund separately. The estimated amount of total employer contributions expected to be paid to the scheme during the year to 31 December 2026 is £1.4m (31 December 2025 actual: £nil).

For the purposes of IAS 19 the actuarial valuation as at 31 October 2022, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2025.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

13 Pension costs continued

Amounts included in the balance sheet

	2025 £m	2024 £m
Fair value of plan assets	**34.7**	35.2
Present value of defined benefit obligation	**(32.9)**	(33.4)
Net asset	**1.8**	1.8

The present value of the scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out by the scheme. The value calculated in this way is reflected in the net asset in the balance sheet as shown above.

All actuarial gains and losses are recognised in the year in which they occur in the Group Statement of Comprehensive income.

Reconciliation of the impact of the asset ceiling
We have considered the application of IFRIC 14 and deemed it to have no material effect on the IAS 19 figures.

Reconciliation of the opening and closing present value of the defined benefit obligation

	2025 £m	2024 £m
At 1 January	**33.4**	37.6
Interest cost	**1.7**	1.6
Actuarial losses/(gains) due to changes in financial assumptions	**0.5**	(3.3)
Benefits paid, death in service premiums and expenses	**(2.7)**	(2.5)
At 31 December	**32.9**	33.4

There have been no scheme amendments, curtailments or settlements in the year.

Reconciliation of opening and closing values of the fair value of plan assets

	2025 £m	2024 £m
At 1 January	**35.2**	39.6
Interest income	**1.8**	1.7
Gain/(loss) on plan assets (excluding amounts included in interest income)	**0.4**	(3.7)
Benefits paid, death in service premiums and expenses	**(2.7)**	(2.5)
Other	**–**	0.1
At 31 December	**34.7**	35.2

The actual return on the plan assets including interest income over the year was a gain of £2.2m (2024: loss of £2.0m).

Defined benefit income recognised in the income statement

	2025 £m	2024 £m
Net interest income	**(0.1)**	(0.1)
Defined benefit income recognised in the income statement	**(0.1)**	(0.1)

Amounts recognised in other comprehensive income

	2025 £m	2024 £m
Gain/(loss) on plan assets (excluding amounts recognised in net interest cost)	**0.4**	(3.7)
(Loss)/gain from changes in the financial assumptions underlying the present value of the defined benefit obligation	**(0.4)**	3.3
Total loss recognised in other comprehensive income	**–**	(0.4)

Fair value of plan assets

	2025 £m	2024 £m
LDI	**12.1**	12.0
Other	**(0.1)**	0.1
Insured assets	**22.7**	23.1
Total assets	**34.7**	35.2

The scheme's assets are held exclusively within instruments that are valued with inputs other than quoted prices in active markets, but which are observable, with the exception of the holdings in insurance policies and the trustee's bank account. The insured assets have been set equal to the value of the insured liabilities but before allowance has been made for the impact of equalising benefits for the different effects of Guaranteed Minimum Pensions for males and females.

The scheme does not invest directly in property occupied by the Group or in financial securities issued by the Group.

It is the policy of the trustees and the Group to review the investment strategy at the time of each funding valuation. The trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the plan investment strategy are illustrated by the asset allocation at 31 December 2025.

Significant actuarial assumptions

	2025 %	2024 %
Discount rate	**5.4**	5.4
Inflation (RPI)	**n/a**	n/a
Salary increases	**n/a**	n/a

The mortality assumptions adopted at 31 December 2025 are 85% of the standard tables S3NXA_L, year of birth, no age rating for males and females, projected using CMI 2024 converging to 1.25% p.a. These imply the following life expectancies:

Life expectancy at age 65

	Years
Male retiring in 2025	24.8
Female retiring in 2025	26.4
Male retiring in 2045	26.0
Female retiring in 2045	27.7

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation

	Change in assumption	Change in liabilities
Discount rate	Decrease of 0.25% p.a	Increase by 2.0%
Rate of mortality	Increase in life expectancy of one year	Increase by 5.0%

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The average duration of the defined benefit obligation at the year ended 31 December 2025 is 10 years (2024: 11 years) for the scheme as a whole or 18 years (2024: 18 years) when only considering non-insured members.

The scheme typically exposes the Group to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk. A decrease in corporate bond yields or an increase in life expectancy would result in an increase to the scheme's liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in the income statement. This effect would be partially offset by an increase in the value of the scheme's LDI and gilt holdings.

The best estimate of contributions to be paid by the Group to the plan for the year commencing 1 January 2026 is £1.4m.

Notes to the consolidated financial statements continued
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14 Tax charge

	2025 £m	2024 £m
Corporation tax		
UK corporation tax and income tax in respect of results for the year	**–**	–
Corporation tax charge	**–**	–
Deferred tax		
Origination and reversal of temporary differences	**0.4**	0.1
Deferred tax charge	**0.4**	0.1
Tax charge	**0.4**	0.1

A deferred tax charge of £0.4m has passed through the Group income statement (2024: charge of £0.1m). More information regarding deferred tax can be found in note 28.

The main rate of corporation tax for 2025 was 25.0% (2024: 25.0%). The difference between the main rate and the tax charge for the Group are explained below:

	2025 £m	2024 £m
Profit before tax	**161.5**	116.0
Expected tax charge based on the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	**40.4**	29.0
Difference between tax and accounting profit on disposals	**1.3**	(2.1)
REIT exempt income	**(19.4)**	(23.7)
Revaluation (surplus)/deficit attributable to REIT properties	**(13.7)**	1.2
Expenses and fair value adjustments not allowable for tax purposes	**1.9**	3.6
Capital allowances	**(10.5)**	(8.2)
Other differences	**0.4**	0.3
Tax charge	**0.4**	0.1

15 Property portfolio

	Freehold £m	Leasehold £m	Total investment property £m	Owner-occupied property £m	Assets held for sale £m	Trading property £m	Total property portfolio £m
Carrying value							
At 1 January 2025	3,209.7	1,460.4	4,670.1	49.0	25.7	115.7	4,860.5
Acquisitions	0.2	5.8	6.0	–	–	–	6.0
Capital expenditure	92.9	38.5	131.4	–	–	24.7	156.1
Interest capitalisation and staff costs	7.4	6.8	14.2	–	–	2.3	16.5
Additions	100.5	51.1	151.6	–	–	27.0	178.6
Disposals	(51.2)	–	(51.2)	–	(25.7)	(109.8)	(186.7)
Revaluation	57.3	(5.1)	52.2	4.5	–	–	56.7
Movement in grossing up of headlease liabilities	–	5.9	5.9	–	–	–	5.9
At 31 December 2025	**3,316.3**	**1,512.3**	**4,828.6**	**53.5**	**–**	**32.9**	**4,915.0**
At 1 January 2024	3,280.5	1,270.9	4,551.4	46.1	–	60.0	4,657.5
Acquisitions	–	47.0	47.0	–	–	–	47.0
Capital expenditure	82.0	42.8	124.8	–	–	57.3	182.1
Interest capitalisation and staff costs	3.4	7.5	10.9	–	–	2.0	12.9
Additions	85.4	97.3	182.7	–	–	59.3	242.0
Disposals	(78.7)	(0.6)	(79.3)	–	–	(3.6)	(82.9)
Transfer from joint venture	–	44.4	44.4	–	–	–	44.4
Transfers	(25.7)	–	(25.7)	–	25.7	–	–
Revaluation	(51.8)	49.1	(2.7)	2.9	–	–	0.2
Movement in grossing up of headlease liabilities	–	(0.7)	(0.7)	–	–	–	(0.7)
At 31 December 2024	3,209.7	1,460.4	4,670.1	49.0	25.7	115.7	4,860.5
Adjustments from fair value to carrying value							
At 31 December 2025							
Fair value	**3,472.0**	**1,535.1**	**5,007.1**	**53.5**	**–**	**33.3**	**5,093.9**
Revaluation of trading property	–	–	–	–	–	(0.4)	(0.4)
Lease incentives and costs included in receivables	(155.7)	(61.8)	(217.5)	–	–	–	(217.5)
Grossing up of headlease liabilities	–	39.0	39.0	–	–	–	39.0
Carrying value	**3,316.3**	**1,512.3**	**4,828.6**	**53.5**	**–**	**32.9**	**4,915.0**
At 31 December 2024							
Fair value	3,374.1	1,475.7	4,849.8	49.0	26.0	116.3	5,041.1
Selling costs relating to assets held for sale	–	–	–	–	(0.3)	–	(0.3)
Revaluation of trading property	–	–	–	–	–	(0.6)	(0.6)
Lease incentives and costs included in receivables	(164.4)	(48.4)	(212.8)	–	–	–	(212.8)
Grossing up of headlease liabilities	–	33.1	33.1	–	–	–	33.1
Carrying value	3,209.7	1,460.4	4,670.1	49.0	25.7	115.7	4,860.5

The property portfolio is subject to semi-annual external valuations and was revalued at 31 December 2025 by external valuers on the basis of fair value in accordance with The RICS Valuation – Professional Standards, which takes account of the properties' highest and best use. When considering the highest and best use of a property, the external valuers will consider its existing and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the external valuers will consider the costs and the likelihood of achieving and implementing this change in arriving at the property valuation. There were no such instances during either 2025 or 2024.

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15 Property portfolio continued

The external valuations for the portfolio at 31 December 2025 were carried out by Knight Frank LLP.

Knight Frank valued the portfolio at £5,093.9m (2024: £5,041.1m). Of the properties revalued, £53.5m (2024: £49.0m) relating to owner-occupied property was included within property, plant and equipment and £33.3m (2024: £116.3m) was in relation to trading property.

The total fees, including the fee for this assignment, earned by Knight Frank (or other companies forming part of the same group of companies within the UK) from the Group is less than 5.0% of their total UK revenues.

Staff and associated costs directly attributable to the management of major schemes are capitalised, based on the proportion of time spent on each relevant scheme.

In October 2024, the Group acquired the remaining 50% interest of the Derwent Lazari Baker Street Partnership (the 'joint venture') from Lazari Investments Limited ('Lazari'). Following the acquisition, the Group's 50% interest in the joint venture was consolidated into the Group's property portfolio.

Net zero carbon and EPC compliance

The Group published its pathway to net zero carbon in July 2020 and has set 2030 as its target date to achieve this. £88.9m (year to 31 December 2024: £123.9m) of eligible 'green' capital expenditure, in accordance with the Group's Green Finance Framework, was incurred in the year to 31 December 2025 on the major developments at 80 Charlotte Street W1, 1 Soho Place W1, The Featherstone Building EC1, 25 Baker Street W1 and Network W1. In addition, the Group continues to hold carbon credits to support certain externally validated green projects to offset embodied carbon.

To quantify one of the impacts of climate change on the valuation, an independent third-party assessment was carried out in 2021 to estimate the cost of EPC upgrades across the portfolio. Following a review of the latest scope changes in building regulation, subsequent inflation, disposals, and work carried out to date, the estimated amount was £73.7m at the end of 2025. Of this amount, a specific deduction of £31m was included in the 31 December 2025 external valuation. In addition, further amounts have been allowed for in the expected costs of future refurbishment projects. Any committed capital expenditure has been included in note 33.

Reconciliation of revaluation surplus/(deficit)

	2025 £m	2024 £m
Total revaluation surplus/(deficit)	**67.5**	(1.8)
Less:		
Lease incentives and costs	**(8.7)**	(7.2)
Assets held for sale selling costs	**–**	(0.3)
Trading property revaluation adjustment	**(2.0)**	9.1
Other	**(0.1)**	0.4
IFRS revaluation surplus	**56.7**	0.2
Reported in the:		
Revaluation surplus/(deficit)	**52.2**	(2.7)
Group income statement	**52.2**	(2.7)
Group statement of comprehensive income	**4.5**	2.9
	56.7	0.2

Valuation process

The valuation reports produced by the external valuers are based on information provided by the Group such as current rents, terms and conditions of lease agreements, service charges and capital expenditure. This information is derived from the Group's financial and property management systems and is subject to the Group's overall control environment. In addition, the valuation reports are based on assumptions and valuation models used by the external valuers. The assumptions are typically market related, such as yields and discount rates, and are based on their professional judgement and market observation and take into account the impact of climate change and related environmental, social and governance considerations. Each property is considered a separate asset class based on the unique nature, characteristics and risks of the property.

Members of the Group's investments team, who report to the Executive Director responsible for the valuation process, verify all major inputs to the external valuation reports, assess the individual property valuation changes from the prior year valuation report and hold discussions with the external valuers. When this process is complete, the valuation report is recommended to the Audit Committee, which considers it as part of its overall responsibilities.

Valuation techniques

The fair value of the property portfolio has been determined using an income capitalisation technique, whereby contracted and market rental values are capitalised with a market capitalisation rate. The resulting valuations are cross-checked against the equivalent yields and the fair market values per square foot derived from comparable recent market transactions on arm's length terms.

For properties under construction, the fair value is calculated by estimating the fair value of the completed property using the income capitalisation technique less estimated costs to completion and a risk premium.

These techniques are consistent with the principles in IFRS 13 Fair Value Measurement and use significant unobservable inputs such that the fair value measurement of each property within the portfolio has been classified as Level 3 in the fair value hierarchy.

There were no transfers between levels in the fair value hierarchy during either 2025 or 2024.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to a gain of £52.2m (2024: loss of £2.7m) and are presented in the Group income statement in the line item 'revaluation surplus/(deficit)'. The revaluation surplus for the owner-occupied property of £4.5m (2024: surplus of £2.9m) was included within the Group statement of comprehensive income.

All gains and losses recorded in profit or loss in 2025 and 2024 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 31 December 2025 and 31 December 2024, respectively.

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for the year ended 31 December 2025

15 Property portfolio continued

Quantitative information about fair value measurement using unobservable inputs (Level 3)

At 31 December 2025	West End central	West End borders/other	City borders	Provincial commercial	Provincial land	Total
Valuation technique	Income capitalisation	Income capitalisation	Income capitalisation	Income capitalisation	Income capitalisation	
Fair value (£m)	3,527.8	273.2	1,178.7	74.5	39.7	5,093.9
Area ('000 sq ft)	2,966	377	1,564	351	–	5,258
Range of unobservable inputs[1]:						
Gross ERV (per sq ft pa)						
Minimum	£35	£25	£22	£nil	n/a[2]	
Maximum	£123	£59	£75	£16	n/a[2]	
Weighted average	£76	£51	£58	£16	n/a[2]	
Net initial yield						
Minimum	2.3%	2.0%	3.8%	2.9%	0.0%	
Maximum	9.4%	7.0%	7.3%	2.9%	2.4%	
Weighted average	2.9%	6.2%	5.2%	2.9%	2.4%	
Reversionary yield						
Minimum	3.2%	4.4%	3.3%	6.9%	0.0%	
Maximum	9.6%	6.9%	8.7%	6.9%	2.4%	
Weighted average	5.5%	6.6%	7.0%	6.9%	2.4%	
True equivalent yield (EPRA basis)						
Minimum	3.2%	4.2%	5.2%	7.0%	0.0%	
Maximum	7.6%	7.3%	7.6%	7.0%	0.0%	
Weighted average	5.3%	6.9%	6.3%	7.0%	0.0%	

At 31 December 2024						
Valuation technique	Income capitalisation	Income capitalisation	Income capitalisation	Income capitalisation	Income capitalisation	
Fair value (£m)	3,473.1	301.7	1,173.4	53.9	39.0	5,041.1
Area ('000 sq ft)	3,040	429	1,562	325	–	5,356
Range of unobservable inputs[1]:						
Gross ERV (per sq ft pa)						
Minimum	£32	£24	£38	£nil	n/a[2]	
Maximum	£118	£59	£75	£15	n/a[2]	
Weighted average	£69	£52	£57	£15	n/a[2]	
Net initial yield						
Minimum	3.1%	2.5%	3.3%	7.0%	0.0%	
Maximum	9.9%	6.8%	6.9%	7.0%	1.4%	
Weighted average	3.1%	5.6%	5.2%	7.0%	1.4%	
Reversionary yield						
Minimum	3.2%	4.8%	3.3%	6.9%	0.0%	
Maximum	9.7%	11.4%	8.3%	6.9%	1.4%	
Weighted average	5.4%	6.9%	6.9%	6.9%	1.4%	
True equivalent yield (EPRA basis)						
Minimum	3.2%	4.4%	5.3%	7.2%	0.0%	
Maximum	6.6%	7.1%	6.9%	7.2%	0.0%	
Weighted average	5.3%	6.8%	6.3%	7.2%	0.0%	

1 Costs to complete are not deemed a significant unobservable input by virtue of the high percentage that is already fixed.
2 There is no calculation of gross ERV per sq ft pa. The land totals 5,500 acres.

Sensitivity of measurement to variations in the significant unobservable inputs

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

Unobservable input	Impact on fair value measurement of significant increase in input	Impact on fair value measurement of significant decrease in input
Gross ERV	Increase	Decrease
Net initial yield	Decrease	Increase
Reversionary yield	Decrease	Increase
True equivalent yield	Decrease	Increase

There are inter-relationships between these inputs as they are partially determined by market conditions. An increase in the reversionary yield may accompany an increase in gross ERV and would mitigate its impact on the fair value measurement.

A sensitivity analysis was performed to ascertain the impact on the fair value of a 25 basis point shift in true equivalent yield and a £2.50 per sq ft shift in ERV on the property valuations. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the tables below:

	West End central £m	West End borders/ other £m	City borders £m	Provincial commercial £m	Total £m
At 31 December 2025					
True equivalent yield					
+25bp	(125.8)	(9.6)	(44.8)	(2.6)	(181.2)
- 25bp	138.2	10.3	48.5	2.8	197.8
ERV					
+£2.50 psf	116.8	13.4	51.2	10.5	197.2
- £2.50 psf	(116.8)	(13.4)	(51.2)	(10.5)	(197.2)
At 31 December 2024[1]					
True equivalent yield					
+25bp	(127.1)	(10.7)	(44.6)	(1.8)	(182.6)
- 25bp	139.7	11.5	48.2	1.9	199.3
ERV					
+£2.50 psf	102.9	14.4	51.6	8.9	179.2
- £2.50 psf	(102.9)	(14.4)	(51.6)	(8.9)	(179.2)

1 These amounts have been re-presented from percentages to pound sterling (£).

Historical cost

	2025 £m	2024 £m
Investment property	3,856.1	3,746.4
Owner-occupied property	19.6	19.6
Assets held for sale	–	28.8
Trading property	42.9	132.9
Total property portfolio	3,918.6	3,927.7

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for the year ended 31 December 2025

16 Property, plant and equipment

	Owner-occupied property £m	Solar park £m	Other £m	Total £m
At 1 January 2025	49.0	–	3.0	52.0
Additions	–	9.7	0.2	9.9
Depreciation	–	–	(0.8)	(0.8)
Transfers	–	2.5	–	2.5
Revaluation	4.5	–	–	4.5
At 31 December 2025	**53.5**	**12.2**	**2.4**	**68.1**
At 1 January 2024	46.1	–	3.8	49.9
Additions	–	–	0.3	0.3
Depreciation	–	–	(1.0)	(1.0)
Revaluation	2.9	–	(0.1)	2.8
At 31 December 2024	49.0	–	3.0	52.0
Net book value				
Cost or valuation	53.5	12.2	9.6	75.3
Accumulated depreciation	–	–	(7.2)	(7.2)
At 31 December 2025	**53.5**	**12.2**	**2.4**	**68.1**
Net book value				
Cost or valuation	49.0	–	9.4	58.4
Accumulated depreciation	–	–	(6.4)	(6.4)
At 31 December 2024	49.0	–	3.0	52.0

'Solar park' at 31 December 2025 represents £12.2m of expenditure in relation to the Group's c.100 acre, 18.4MW solar park in Scotland. Of the total £12.2m of costs, £2.5m was transferred in the period from prepayments as the costs now meet the criteria for recognition within Property, plant and equipment (see note 20). Planning consent for this project was received in June 2023 with completion anticipated in 2026.

Artwork £0.7m (2024: £0.7m) is included within 'Other' and is periodically valued by Bonhams on the basis of fair value using their extensive market knowledge. The latest valuation was carried out in December 2024. In accordance with IFRS 13 Fair Value Measurement, the artwork is deemed to be classified as Level 3.

17 Trading stock

	2025 £m	2024 £m
Trading stock	**17.8**	17.5
Disposals (see note 5)	**(17.8)**	–
Trading stock	**–**	17.5

Trading stock related to capitalised development expenditure incurred which was due to be transferred under development agreements to the freeholder upon completion. This was included in trading stock, as opposed to trading property, as the Group did not have an ownership interest in the property.

In 2025, upon completion, the trading stock was disposed of to the freeholder.

18 Investments

At 31 December 2025, the Group had a 50% interest in two (2024: two) joint venture vehicles, Dorrington Derwent Holdings Limited and Primister Limited.

In October 2024, the Group acquired the remaining 50% interest of the Derwent Lazari Baker Street Partnership from Lazari Investments Limited, which was accounted for as an asset acquisition. This resulted in full ownership of the assets and liabilities of the partnership.

	2025 £m	2024 £m
At 1 January	–	35.8
Deferred consideration and fees on initial formation of joint venture	–	7.6
Revaluation surplus	–	7.3
Other profit from operations	–	1.8
Transfer to investment property (see note 15)	–	(44.4)
Transfer to assets and liabilities	–	(0.5)
Impairment of additional deferred consideration	–	(7.6)
At 31 December	–	–

The Group's share of its investments in joint ventures is represented by the following amounts in the underlying joint venture entities.

	2025		2024	
	Joint ventures £m	Group share £m	Joint ventures £m	Group share £m
Net property income	–	–	3.8	1.9
Administrative expenses	–	–	(0.3)	(0.1)
Revaluation surplus	–	–	14.6	7.3
Share of results of underlying joint ventures	–	–	18.1	9.1
Impairment of additional deferred consideration		–		(7.6)
Group share of results of joint ventures		–		1.5

19 Other receivables (non-current)

	2025 £m	2024 £m
Rents recognised in advance	**176.9**	173.6
Initial direct letting costs	**14.3**	14.4
Prepayments	**12.0**	13.0
Other receivables	**203.2**	201.0

Other receivables includes £176.9m (2024: £173.6m) after impairments relating to rents recognised in advance as a result of spreading tenant lease incentives over the expected terms of their respective leases. This includes rent-free and reduced rent periods, capital contributions in lieu of rent-free periods and contracted rent uplifts. In addition, £14.3m (2024: £14.4m) relates to the spreading effect of the initial direct costs of letting over the same term. Together with £26.3m (2024: £24.8m), which was included as accrued income within trade and other receivables (see note 20), these amounts totalled £217.5m at 31 December 2025 (2024: £212.8m).

Prepayments represent £12.0m (2024: £13.0m) of costs incurred in relation to Old Street Quarter EC1. This was after a £2.2m (2024: £0.8m) impairment in accordance with IAS 36 Impairment of Assets. In May 2022, the Group entered into a conditional contract to acquire the freehold of Old Street Quarter island site. The site is being sold by Moorfields Eye Hospital NHS Foundation Trust and UCL, together the Oriel joint initiative ("Oriel"). Completion is subject to delivery by Oriel of a new hospital and subsequent vacant possession of the site, which is anticipated no earlier than late 2027. At that point, the site and the prepaid design and planning costs incurred will be included in investment property, subject to semi-annual external valuations.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

19 Other receivables (non-current) continued

The total movement in tenant lease incentives is shown below:

	2025 £m	2024 £m
At 1 January	**195.6**	194.1
Amounts taken to income statement	**3.7**	6.3
Capital incentives granted	**5.6**	–
Movement in lease incentive impairment	**(0.1)**	0.3
Disposal of investment properties	**(4.2)**	(4.9)
Write off to bad debt	**(0.4)**	(0.2)
	200.2	195.6
Amounts included in trade and other receivables (see note 20)	**(23.3)**	(22.0)
At 31 December	**176.9**	173.6

20 Trade and other receivables

	2025 £m	2024 £m
Trade receivables	**4.4**	13.3
Other receivables	**1.0**	3.2
Prepayments[1]	**13.8**	15.4
Accrued income		
Rents recognised in advance	**23.3**	22.0
Initial direct letting costs	**3.0**	2.8
Other	**1.2**	1.1
	46.7	57.8

1 In 2025, £2.5m in relation to the Group's solar park on its Scottish land, was transferred to 'Solar park' within Property, plant and equipment (see note 16).

	2025 £m	2024 £m
Trade receivables are split as follows:		
less than three months due	**4.2**	12.9
between three and six months due	**0.2**	0.2
between six and twelve months due	**–**	0.2
	4.4	13.3

Trade receivables are stated net of impairment.

The Group has £4.1m (2024: £4.6m) of provision for bad debts as shown below. £1.7m (2024: £2.4m) is included in trade receivables, £0.4m (2024: £0.4m) in accrued income and £2.0m (2024: £1.8m) in prepayments and accrued income within other receivables (non-current) (note 19).

	2025 £m	2024 £m
Provision for bad debts		
At 1 January	**4.6**	4.6
Trade receivables provision	**0.1**	0.7
Lease incentive provision	**0.4**	(0.4)
Service charge provision	**0.1**	(0.2)
Released	**(1.1)**	(0.1)
At 31 December	**4.1**	4.6
The provision for bad debts is split as follows:		
less than three months due	**0.5**	0.9
between three and six months due	**0.2**	0.5
between six and twelve months due	**0.5**	0.5
over twelve months due	**2.9**	2.7
	4.1	4.6

21 Non-current assets held for sale

	2025 £m	2024 £m
Transferred from investment properties (see note 15)	**–**	25.7
	–	25.7

In January 2025, the Group completed the disposal of its freehold interest in 4 & 10 Pentonville N1, disclosed as a non-current asset held for sale as at December 2024.

22 Trade and other payables

	2025 £m	2024 £m
Trade payables	**8.0**	0.6
Other payables	**1.0**	3.6
Other taxes	**1.2**	7.3
Accruals	**56.2**	57.2
Deferred income	**47.0**	50.0
Tenant rent deposits	**29.3**	27.9
Service charge balances	**25.3**	28.1
	168.0	174.7

Deferred income primarily relates to rents received in advance.

23 Provisions

	2025 £m	2024 £m
At 1 January	**0.6**	0.4
Provided in the income statement	**(0.1)**	0.2
At 31 December	**0.5**	0.6
Due within one year	**0.1**	0.2
Due after one year	**0.4**	0.4
	0.5	0.6

The provisions in the Group relate to national insurance that is payable on gains made by employees on the exercise of share options granted to them. The eventual liability to national insurance is dependent on:

- the market price of the Company's shares at the date of exercise;
- the number of equity share options that are exercised; and
- the prevailing rate of national insurance at the date of exercise.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

24 Net debt and derivative financial instruments

	2025 £m	2024 £m
Current liabilities		
Other loans	**–**	20.0
6.5% secured bonds	**176.6**	–
2.68% unsecured private placement notes	**55.0**	–
1.5% unsecured convertible bonds	**–**	174.1
	231.6	194.1
Non-current liabilities		
6.5% secured bonds	**–**	178.1
1.875% unsecured green bonds	**347.6**	347.2
5.25% unsecured bonds	**247.5**	–
2.68% unsecured private placement notes	**–**	54.9
3.46% unsecured private placement notes	**29.9**	29.9
4.41% unsecured private placement notes	**24.9**	24.9
2.87% unsecured private placement notes	**92.8**	92.8
2.97% unsecured private placement notes	**49.9**	49.9
3.57% unsecured private placement notes	**74.8**	74.8
3.09% unsecured private placement notes	**51.8**	51.8
4.68% unsecured private placement notes	**74.6**	74.6
Unsecured bank loans	**261.2**	290.5
	1,255.0	1,269.4
Borrowings	**1,486.6**	1,463.5
Leasehold liabilities – current	**0.5**	0.4
Leasehold liabilities – non-current	**40.5**	34.2
Derivative financial instruments – current	**–**	(0.6)
Gross debt	**1,527.6**	1,497.5
Reconciliation to net debt:		
Gross debt	**1,527.6**	1,497.5
Derivative financial instruments	**–**	0.6
Cash at bank excluding restricted cash (see note 32)	**(77.2)**	(15.4)
Net debt	**1,450.4**	1,482.7

1.5% unsecured convertible bonds 2025
In June 2025, the Group's 1.5% unsecured convertible bonds matured and were repaid, without any conversion to equity.

6.5% secured bonds 2026
As a result of the acquisition of London Merchant Securities plc in 2007, the secured bonds 2026 were included at fair value less unamortised issue costs. This difference between fair value at acquisition and principal value is being amortised through the income statement. The fair value at 31 December 2025 was determined by the ask-price of £100.40 per £100 (2024: £100.99 per £100), representing Level 1 fair value measurement. The carrying value at 31 December 2025 was £176.6m (2024: £178.1m).

1.875% unsecured green bonds 2031
In November 2021, the Group issued £350m of green bonds on a 10-year term maturing in 2031. The unsecured instrument pays a coupon of 1.875% and the effective interest rate is 1.934%. This represents an issue discount of £1.8m. The unsecured green bonds 2031 are accounted for at amortised cost. The fair value at 31 December 2025 was determined by the ask-price of £85.23 per £100 (2024: £80.36 per £100), representing Level 1 fair value measurement. The carrying value at 31 December 2025 was £347.6m (2024: £347.2m). The £350m green bonds are used to fund qualifying 'green' expenditure in accordance with the Group's Green Finance Framework.

5.25% unsecured bonds 2032
In June 2025, the Group issued £250m of unsecured bonds on a 7-year term maturing in 2032. The unsecured instrument pays a coupon of 5.25% and the effective interest rate is 5.338%. This represents an issue discount of £1.3m. The unsecured bonds were initially recognised at fair value, net of the unamortised discount and issue costs of £0.8m, and are subsequently measured at amortised cost. The fair value at 31 December 2025 was determined by the ask-price of £102.08 per £100, representing Level 1 fair value measurement. The carrying value at 31 December 2025 was £247.5m.

2.68% unsecured private placement notes 2026, 2.87% unsecured private placement notes 2029, 2.97% unsecured private placement notes 2031 and 3.09% unsecured private placement notes 2034
In October 2018, the Group arranged unsecured private placement notes, comprising £55m for 7 years, £93m for 10 years, £50m for 12 years and £52m for 15 years. The funds were drawn on 31 January 2019. The fair values were determined by discounting the contractual cash flows by the replacement rate. The replacement rate is the sum of the current underlying Gilt rate plus the market implied margin. These represent Level 2 fair value measurement. The carrying values at 31 December 2025 were £55.0m (2024: £54.9m), £92.8m (2024: £92.8m), £49.9m (2024: £49.9m) and £51.8m (2024: £51.8m), respectively.

3.46% unsecured private placement notes 2028 and 3.57% unsecured private placement notes 2031
In February 2016, the Group arranged unsecured private placement notes, comprising £30m for 12 years and £75m for 15 years. The funds were drawn on 4 May 2016. The fair values were determined by discounting the contractual cash flows by the replacement rate. The replacement rate is the sum of the current underlying Gilt rate plus the market implied margin. These represent Level 2 fair value measurement. The carrying values at 31 December 2025 were £29.9m (2024: £29.9m) and £74.8m (2024: £74.8m), respectively.

4.41% unsecured private placement notes 2029 and 4.68% unsecured private placement notes 2034
In November 2013, the Group arranged unsecured private placement notes, comprising £25m for 15 years and £75m for 20 years. The funds were drawn on 8 January 2014. The fair values were determined by discounting the contractual cash flows by the replacement rate. The replacement rate is the sum of the current underlying Gilt rate plus the market implied margin. These represent Level 2 fair value measurement. The carrying values at 31 December 2025 were £24.9m (2024: £24.9m) and £74.6m (2024: £74.6m), respectively.

Unsecured bank loans
In June 2024, the Group signed an agreement for an unsecured term loan facility of £100m. The loan is for a three-year term and has two one-year extension options. In June 2025, the Group exercised the first extension option.

In December 2024, the Group signed an agreement for an unsecured facility of £115m, consisting of an £82.5m term loan and £32.5m revolving credit facility (RCF). The facility is for an initial two-year term and has two one-year extension options. In December 2025, the Group exercised the first extension option. The £32.5m RCF was cancelled in July 2025.

In February 2025, the Group signed an agreement for an unsecured facility of £115m, consisting of an £82.5m term loan and £32.5m revolving credit facility (RCF). The facility is for an initial two-year term and has a one-year extension option. The £32.5m RCF was cancelled in July 2025.

In July 2025, the Group amended and extended its principal £450m unsecured RCF, which was due to expire in October 2026. The facility, signed with the Group's core relationship banks, is structured as an initial four-year term with two one-year extension options. The facility is due to expire in July 2029.

Unsecured bank borrowings are accounted for at amortised cost. At 31 December 2025, there was £nil (2024: £110.5m) drawn on the RCFs, £265.0m (2024: £182.5m) drawn on term loans and the combined unamortised arrangement fees were £3.8m (2024: £2.5m), resulting in the carrying value being £261.2m (2024: £290.5m).

As all main corporate facilities were refinanced or amended recently, the fair values of the Group's bank loans are deemed to be approximately the same as their carrying amount, after adjusting for the unamortised arrangement fees, and represent Level 2 fair value measurement.

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24 Net debt and derivative financial instruments continued

Undrawn committed bank facilities – maturity profile

	< 1 year £m	1 to 2 years £m	2 to 3 years £m	3 to 4 years £m	4 to 5 years £m	> 5 years £m	Total £m
At 31 December 2025	**–**	**100.0**	**–**	**450.0**	**–**	**–**	**550.0**
At 31 December 2024	–	395.5	76.5	–	–	–	472.0

Other loans

At 31 December 2024, other loans consisted of a £20m interest-free loan from a third party providing development consultancy services on the residential element of the 25 Baker Street W1 development. This was fully repaid in 2025. The agreement provides for a profit share on completion of the sales which, under IFRS 9 Financial Instruments, has been deemed to have a carrying value of £nil at 31 December 2025 (2024: £nil). The carrying value of the loan at 31 December 2025 was £nil (2024: £20.0m).

Derivative financial instruments

At 31 December 2024, the derivative financial instruments consisted of interest rate swaps. The fair values of the Group's outstanding interest rate swaps were estimated using the mid-point of the yield curves prevailing on the reporting date and represented the net present value of the differences between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates. These represented Level 2 fair value measurement. These were fully settled in the year.

During 2025, the Group entered into derivative contracts to hedge against movements in UK government bond yields in relation to the issuance of the £250m unsecured bonds in June 2025. These were fully settled on pricing of the bond.

	Group		
	Principal £m	Weighted average interest rate %	Average life Years
At 31 December 2025			
Interest rate swaps	–	–	–
At 31 December 2024			
Interest rate swaps	75.0	1.36	0.3

Secured and unsecured debt

	2025 £m	2024 £m
Secured		
6.5% secured bonds	**176.6**	178.1
	176.6	178.1
Unsecured		
5.25% unsecured bonds	**247.5**	–
1.5% unsecured convertible bonds	**–**	174.1
1.875% unsecured green bonds	**347.6**	347.2
Unsecured private placement notes	**453.7**	453.6
Unsecured bank loans	**261.2**	290.5
Other loans	**–**	20.0
	1,310.0	1,285.4
Borrowings	**1,486.6**	1,463.5

As at 31 December 2025, the Group's secured bonds 2026 were secured by a floating charge over a number of the Group's subsidiary companies which contained £339.9m (2024: £376.3m) of the Group's properties.

Fixed interest rate and hedged debt

At 31 December 2025, the Group's fixed rate debt included the unsecured bonds, the unsecured green bonds, the secured bonds and the unsecured private placement notes. At 31 December 2024, the Group's fixed rate and hedged debt included the unsecured convertible bonds, the unsecured green bonds, the secured bonds, the unsecured private placement notes and other loans.

Interest rate exposure

After taking into account the various interest rate hedging instruments entered into by the Group, the interest rate exposure of the Group's borrowings were:

	Floating rate £m	Hedged £m	Fixed rate £m	Borrowings £m	Weighted average interest rate[1] %	Weighted average life Years
At 31 December 2025						
5.25% unsecured bonds	–	–	247.5	247.5	5.25	6.4
6.5% secured bonds	–	–	176.6	176.6	6.50	0.2
1.875% unsecured green bonds	–	–	347.6	347.6	1.88	5.9
Unsecured private placement notes	–	–	453.7	453.7	3.42	4.6
Unsecured bank loans	261.2	–	–	261.2	5.17	1.9
	261.2	**–**	**1,225.4**	**1,486.6**	**4.06**	**4.2**
At 31 December 2024						
1.5% unsecured convertible bonds	–	–	174.1	174.1	2.30	0.4
6.5% secured bonds	–	–	178.1	178.1	6.50	1.2
1.875% unsecured green bonds	–	–	347.2	347.2	1.88	6.9
Unsecured private placement notes	–	–	453.6	453.6	3.42	5.6
Unsecured bank loans	216.1	74.4	–	290.5	4.81	2.2
Other loans[2]	–	–	20.0	20.0	–	–
	216.1	74.4	1,173.0	1,463.5	3.53	4.0

1 The weighted average interest rates are based on the nominal amounts of the debt facilities.

2 Other loans shown above are interest free and have no fixed repayment date. For further detail, see Other loans section above.

Contractual undiscounted cash outflows

IFRS 7 Financial Instruments: Disclosure, requires disclosure of the maturity of the Group's remaining contractual financial liabilities. The tables below show the contractual undiscounted cash outflows arising from the Group's gross debt.

	< 1 year £m	1 to 2 years £m	2 to 3 years £m	3 to 4 years £m	4 to 5 years £m	> 5 years £m	Total £m
At 31 December 2025							
5.25% unsecured bonds	–	–	–	–	–	250.0	250.0
6.5% secured bonds	175.0	–	–	–	–	–	175.0
1.875% unsecured green bonds	–	–	–	–	–	350.0	350.0
Unsecured private placement notes	55.0	–	30.0	118.0	–	252.0	455.0
Unsecured bank loans	–	165.0	100.0	–	–	–	265.0
Total on maturity	230.0	165.0	130.0	118.0	–	852.0	1,495.0
Leasehold liabilities	2.0	2.0	2.0	2.0	2.0	254.0	264.0
Interest on borrowings	48.6	42.7	35.5	29.2	29.0	40.9	225.9
Gross loan commitments	**280.6**	**209.7**	**167.5**	**149.2**	**31.0**	**1,146.9**	**1,984.9**
At 31 December 2024							
1.5% unsecured convertible bonds	175.0	–	–	–	–	–	175.0
6.5% secured bonds	–	175.0	–	–	–	–	175.0
1.875% unsecured green bonds	–	–	–	–	–	350.0	350.0
Unsecured private placement notes	–	55.0	–	30.0	118.0	252.0	455.0
Unsecured bank loans	–	169.5	123.5	–	–	–	293.0
Other loans	20.0	–	–	–	–	–	20.0
Total on maturity	195.0	399.5	123.5	30.0	118.0	602.0	1,468.0
Leasehold liabilities	1.7	1.8	1.8	1.8	1.6	208.6	217.3
Interest on borrowings	50.7	37.4	24.1	20.0	16.1	15.8	164.1
Effect of interest rate swaps	(0.8)	–	–	–	–	–	(0.8)
Gross loan commitments	246.6	438.7	149.4	51.8	135.7	826.4	1,848.6

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

24 Net debt and derivative financial instruments continued

Reconciliation to borrowings:

		Adjustments				
	Gross loan commitments £m	Interest on gross debt £m	Effect of interest rate swaps £m	Leasehold liabilities £m	Non-cash amortisation £m	Borrowings £m
At 31 December 2025						
Maturing in:						
< 1 year	280.6	(48.6)	–	(2.0)	1.6	231.6
1 to 2 years	209.7	(42.7)	–	(2.0)	(0.8)	164.2
2 to 3 years	167.5	(35.5)	–	(2.0)	(0.5)	129.5
3 to 4 years	149.2	(29.2)	–	(2.0)	(3.0)	115.0
4 to 5 years	31.0	(29.0)	–	(2.0)	–	–
> 5 years	1,146.9	(40.9)	–	(254.0)	(5.7)	846.3
	1,984.9	**(225.9)**	**–**	**(264.0)**	**(8.4)**	**1,486.6**
At 31 December 2024						
Maturing in:						
< 1 year	246.6	(50.7)	0.8	(1.7)	–	195.0
1 to 2 years	438.7	(37.4)	–	(1.8)	(1.8)	397.7
2 to 3 years	149.4	(24.1)	–	(1.8)	(1.9)	121.6
3 to 4 years	51.8	(20.0)	–	(1.8)	3.0	33.0
4 to 5 years	135.7	(16.1)	–	(1.6)	(0.3)	117.7
> 5 years	826.4	(15.8)	–	(208.6)	(3.5)	598.5
	1,848.6	(164.1)	0.8	(217.3)	(4.5)	1,463.5

Financial instruments – risk management

The Group is exposed to a range of financial risks through its activities, in particular credit risk, market risk and liquidity risk. These risks arise naturally from the Group's use of financial instruments in managing a large, London-focused property portfolio, and the Group's framework for identifying, assessing and managing such risks remains well established. Further quantitative information in respect of these risks is presented throughout these financial statements, with additional disclosures required under IFRS 7 provided on pages 100 to 111.

While the overall risk profile has not changed materially from the prior year, the environment in which the Group operates continues to evolve. The Group's approach therefore reflects both prevailing market conditions and its long-term strategic priorities.

Financial instrument risk arises mainly from the Group's use of trade receivables, accrued income relating to lease incentives, cash deposits, trade and other payables, floating rate bank facilities, private placement notes, secured and unsecured bonds and interest rate derivatives. The Board is responsible for setting the overarching risk management objectives, with day-to-day monitoring and implementation delegated to the executive management team. The objective continues to be the conservative management of risk while maintaining the flexibility required to pursue value-accretive development and investment opportunities.

Credit risk

Credit risk principally arises from amounts owed by tenants, reflecting the Group's position as a major central London landlord. It is the Group's policy to assess the creditworthiness of prospective tenants before entering into lease contracts. The Board's Credit Committee assesses each new tenant, drawing on financial statements, external ratings where available and, in some cases, forecast information and bank or trade references. Where appropriate, the Group may seek a rent deposit or guarantee. Existing tenant exposure is reviewed periodically, with additional focus on sectors experiencing structural pressures or where creditworthiness may be more variable. The Group has historically experienced low levels of tenant default, reflecting the strength of its tenant base and the effectiveness of its credit assessment and monitoring processes.

While the Group operates predominantly in central London and is therefore exposed to some geographical concentration risk, this is mitigated by the broad range of tenants across multiple industry sectors. In accordance with IFRS 9, trade receivables are assessed using an expected credit loss model, while lease incentive receivables are reviewed under IAS 36.

Credit risk arising from cash balances is controlled by depositing funds only with institutions that meet minimum investment-grade criteria and by keeping maturities short. Across all financial assets, the carrying amounts recognised in the balance sheet represent the maximum exposure to credit risk.

Market risk

Market risk principally reflects the Group's exposure to movements in interest rates, given its mix of fixed and floating-rate funding. The Group regularly monitors its interest rate exposure and performs sensitivity analysis to assess the potential effect of reasonably possible shifts in interest rates on profit and net assets. A 50-basis point shift in interest rates would result in an increase or decrease in profit or loss and net assets of £1.3m (2024: £1.1m).

It is the Group's policy to maintain a significant proportion of expected borrowings at fixed rates, typically in the range of 60% to 85%, achieved through a combination of fixed-rate debt and floating-to-fixed interest rate swaps. At 31 December 2025, 82% of the Group's debt was fixed (2024: 85%), in line with policy.

From time to time, when preparing for a public bond issuance, the Group may also make use of gilt locks to effectively hedge movements in the underlying gilt yield between launch and pricing, thereby providing certainty over the coupon payable on the forthcoming issuance. This forms part of the Group's broader interest rate risk management strategy and complements the use of interest rate swaps and fixed-rate funding.

All variable-rate borrowings continued to be denominated in Sterling. When raising new long-term funding, the Group generally prefers fixed-rate structures to support cashflow predictability and capital planning.

Liquidity risk

Liquidity risk arises from the need to meet the Group's financial obligations as they fall due, including interest payments, scheduled loan repayments and working capital requirements of the business.

The Group manages liquidity risk by maintaining appropriate headroom on its committed revolving bank facilities and by spreading debt maturity dates across a range of lenders. Cash flows and projected loan balances are monitored regularly by the executive management team as part of the Group's forecasting process, with forward-looking assessments covering a range of scenarios, including downside cases.

The Group also supports liquidity stability by fixing interest rates (and therefore cash flows) on a substantial portion of long-term borrowings. At the balance sheet date, the Group's projections indicated that it held sufficient liquidity to meet its obligations under all reasonably foreseeable scenarios.

Capital management

The Group's capital structure comprises equity and net debt. Consistent with the strategy applied in recent years, the principal objectives of capital management are to ensure the Group remains financially robust and efficient, while being able to continue as a going concern.

Capital is monitored using key measures such as NAV gearing, loan-to-value ratio, interest cover and net debt/EBITDA, all of which are defined within the list of definitions on pages 290 to 293 and are derived in note 39 to the financial statements.

The Group also maintains significant uncharged property, reflecting its predominantly unsecured financing structure. At 31 December 2025, there was £4.8bn (2024: £4.7bn) of uncharged property. This provides flexibility to raise some future secured finance if required and supports a diversified approach to funding. Adjustments to the capital structure are considered in the context of market conditions, financial covenants and the Group's future development and acquisition plans. Potential actions include varying dividend levels (within REIT rules), returning capital to shareholders, issuing or redeeming debt or disposing of assets to reduce gearing.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

25 Financial assets and liabilities and fair values

Categories of financial assets and liabilities

	Fair value through profit and loss £m	Financial assets held at amortised cost £m	Financial liabilities held at amortised cost £m	Total carrying value £m
Financial assets				
Cash and cash equivalents	–	131.7	–	131.7
Other assets – current	–	6.6	–	6.6
	–	138.3	–	138.3
Financial liabilities				
5.25% unsecured bonds	–	–	(247.5)	(247.5)
6.5% secured bonds	–	–	(176.6)	(176.6)
1.875% unsecured green bonds	–	–	(347.6)	(347.6)
Unsecured private placement notes	–	–	(453.7)	(453.7)
Bank borrowings due after one year	–	–	(261.2)	(261.2)
Leasehold liabilities	–	–	(41.0)	(41.0)
Other liabilities – current	–	–	(119.8)	(119.8)
	–	–	(1,647.4)	(1,647.4)
At 31 December 2025	**–**	**138.3**	**(1,647.4)**	**(1,509.1)**
Financial assets				
Cash and cash equivalents	–	71.4	–	71.4
Other assets – current	–	17.6	–	17.6
	–	89.0	–	89.0
Financial liabilities				
1.5% unsecured convertible bonds	–	–	(174.1)	(174.1)
6.5% secured bonds	–	–	(178.1)	(178.1)
1.875% unsecured green bonds	–	–	(347.2)	(347.2)
Unsecured private placement notes	–	–	(453.6)	(453.6)
Bank borrowings due after one year	–	–	(290.5)	(290.5)
Other loans	–	–	(20.0)	(20.0)
Leasehold liabilities	–	–	(34.6)	(34.6)
Derivative financial instruments	0.6	–	–	0.6
Other liabilities – current	–	–	(117.4)	(117.4)
	0.6	–	(1,615.5)	(1,614.9)
At 31 December 2024	0.6	89.0	(1,615.5)	(1,525.9)

Reconciliation of net financial assets and liabilities to gross debt:

	2025 £m	2024 £m
Net financial assets and liabilities	**(1,509.1)**	(1,525.9)
Other assets – current	**(6.6)**	(17.6)
Other liabilities – current	**119.8**	117.4
Cash and cash equivalents	**(131.7)**	(71.4)
Gross debt	**(1,527.6)**	(1,497.5)

Fair value measurement

The table below shows the fair values, where applicable, of borrowings and derivative financial instruments held by the Group, together with a reconciliation to net financial assets and liabilities. Details of inputs and valuation methods used to derive the fair values are shown in note 24.

	Group		
	Carrying value £m	Fair value £m	Fair value hierarchy
At 31 December 2025			
5.25% unsecured bonds	(247.5)	(255.2)	Level 1
6.5% secured bonds	(176.6)	(175.7)	Level 1
1.875% unsecured green bonds	(347.6)	(298.3)	Level 1
Unsecured private placement notes	(453.7)	(404.2)	Level 2
Bank borrowings due after one year	(261.2)	(265.0)	Level 2
	(1,486.6)	(1,398.4)	
Amounts not fair valued:			
Cash and cash equivalents	131.7		
Other assets – current	6.6		
Leasehold liabilities	(41.0)		
Other liabilities – current	(119.8)		
Net financial assets and liabilities	**(1,509.1)**		
At 31 December 2024			
1.5% unsecured convertible bonds	(174.1)	(171.6)	Level 1
6.5% secured bonds	(178.1)	(176.7)	Level 1
1.875% unsecured green bonds	(347.2)	(281.2)	Level 1
Unsecured private placement notes	(453.6)	(391.3)	Level 2
Bank borrowings due after one year	(290.5)	(293.0)	Level 2
Other loans	(20.0)	(20.0)	Level 2
Derivative financial instruments	0.6	0.6	Level 2
	(1,462.9)	(1,333.2)	
Amounts not fair valued:			
Cash and cash equivalents	71.4		
Other assets – current	17.6		
Leasehold liabilities	(34.6)		
Other liabilities – current	(117.4)		
Net financial assets and liabilities	(1,525.9)		

The fair values of the following financial assets and liabilities are the same as their carrying values:

- Cash and cash equivalents.
- Trade receivables, other receivables and accrued income included within trade and other receivables.
- Trade payables, other payables and accruals included within trade and other payables.
- Leasehold liabilities.

There have been no transfers between levels in either 2025 or 2024.

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26 Net debt to cash flow reconciliation

Net debt reconciliation

The table below shows net debt movement during the year as a result of cash flows and other non-cash movements.

			Non-cash changes						
	2024 £m	Cash flows £m	Impact of issue and arrangement costs £m	Other £m	Fair value adjustments £m	Additions £m	Unwind of discount £m	Transfer from non-current to current £m	2025 £m
Current liabilities									
Borrowings	194.1	(195.0)	0.1	(0.1)	–	–	0.9	231.6	**231.6**
Leasehold liabilities	0.4	–	–	–	–	0.1	–	–	**0.5**
Non-current liabilities									
Borrowings	1,269.4	214.8	2.7	0.3	(0.6)	–	–	(231.6)	**1,255.0**
Leasehold liabilities	34.2	–	–	–	-	6.6	(0.3)	–	**40.5**
Total liabilities from financing activities	1,498.1	19.8	2.8	0.2	(0.6)	6.7	0.6	–	**1,527.6**
Cash at bank[1]	(15.4)	(61.8)	–	–	–	–	–	–	**(77.2)**
Net debt	1,482.7	(42.0)	2.8	0.2	(0.6)	6.7	0.6	–	**1,450.4**

1 Cash at bank excluding restricted cash (see note 32).

27 Cash generated from operations

The table below shows the reconciliation of cash generated from operations.

	2025 £m	2024 £m
Profit from operations	**210.5**	156.4
Adjustment for non-cash items:		
Revaluation (surplus)/deficit	**(52.2)**	2.7
Depreciation	**0.8**	1.0
Lease incentive/cost spreading	**(4.3)**	(6.8)
Share-based payments	**2.0**	3.1
Ground rent adjustment	**0.5**	0.7
Adjustment for other items:		
Loss/(profit) on disposal	**2.2**	(1.9)
Profit on disposal of trading property and trading stock	**(4.2)**	–
Changes in working capital:		
Decrease/(increase) in receivables balance	**7.3**	(8.8)
Increase in payables balance	**5.4**	9.5
Decrease/(increase) in trading property and trading stock	**104.5**	(53.3)
Cash generated from operations	**272.5**	102.6

Cash generated from operations included £115.8m (2024: £3.6m) cash inflows from disposal of trading properties and £17.8m cash inflows (2024: £nil) in relation to disposals of trading stock. It also included £12.1m (2024: £43.0m) cash outflows in relation to expenditure on trading properties and £0.6m (2024: £9.8m) cash outflows in relation to expenditure on trading stock.

28 Deferred tax

	Revaluation £m	Other £m	Total £m
At 1 January 2025	3.5	(2.7)	0.8
Charged to the income statement	(0.1)	0.5	0.4
Charged to other comprehensive income	1.1	–	1.1
At 31 December 2025	**4.5**	**(2.2)**	**2.3**
At 1 January 2024	2.8	(2.7)	0.1
Charged to the income statement	0.1	–	0.1
Charged to other comprehensive income	0.6	–	0.6
At 31 December 2024	3.5	(2.7)	0.8

Deferred tax on the balance sheet revaluation is calculated on the basis of the chargeable gains that would crystallise on the sale of the property portfolio at each balance sheet date. The calculation takes account of any available indexation on the historical cost of the properties. Due to the Group's REIT status, deferred tax is only provided at each balance sheet date on properties outside the REIT regime.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences where the Directors believe it is probable that these assets will be recovered.

29 Share capital

The movement in the number of 5p ordinary shares in issue is shown in the table below:

Number of shares in issue fully paid	2025	2024
At 1 January and 31 December	**112,290,929**	112,290,929

The number of outstanding share options and other share awards granted are disclosed in the report of the Remuneration Committee and note 12.

30 Reserves

The following describes the nature and purpose of each reserve within shareholders' equity:

Reserve		Description and purpose
Share premium		Amount subscribed for share capital in excess of nominal value less directly attributable issue costs.
Other reserves:	Merger	Premium on the issue of shares as equity consideration for the acquisition of London Merchant Securities plc (LMS).
	Revaluation	Revaluation of the owner-occupied property and the associated deferred tax.
	Other	Equity portion of the convertible bonds for the Group and intercompany loans for the Company. Fair value of equity instruments granted but not yet exercised under share-based payments.
Retained earnings		Cumulative net gains and losses recognised in the Group income statement together with other items such as dividends.

Other reserves	2025 £m	2024 £m
Merger reserve	**910.5**	910.5
Revaluation reserve	**18.8**	15.4
Equity portion of the convertible bonds	**7.5**	7.5
Fair value of equity instruments under share-based payments	**10.5**	9.8
	947.3	943.2

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31 Dividend

	Payment date	Dividend per share PID p	Non-PID p	Total p	2025 £m	2024 £m
Current year						
2025 final dividend[1]	29 May 2026	40.00	16.00	56.00	**–**	–
2025 interim dividend	10 October 2025	25.50	–	25.50	**28.6**	–
		65.50	16.00	81.50	**28.6**	–
Prior year						
2024 final dividend	30 May 2025	45.50	10.00	55.50	**62.3**	–
2024 interim dividend	11 October 2024	25.00	–	25.00	**–**	28.1
		70.50	10.00	80.50	**62.3**	28.1
2023 final dividend	31 May 2024	39.00	16.00	55.00	**–**	61.7
Dividends as reported in the Group statement of changes in equity					**90.9**	89.8
2025 interim dividend withholding tax	14 January 2026				**(4.0)**	–
2024 interim dividend withholding tax	14 January 2025				**3.9**	(3.9)
2023 interim dividend withholding tax	12 January 2024				**–**	3.7
Dividends paid as reported in the Consolidated cash flow statement					**90.8**	89.6

1 Subject to shareholder approval at the AGM on 15 May 2026.

32 Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank	**77.2**	15.4
Cash held in restricted accounts		
Tenant rent deposits	**29.3**	27.9
Service charge balances	**25.2**	28.1
	131.7	71.4

33 Capital commitments and contingent liabilities

Contracts for capital expenditure entered into by the Group at 31 December 2025 and not provided for in the accounts relating to the construction, development or enhancement of the Group's investment properties amounted to £85.5m (2024: £101.0m), whilst that relating to the Group's trading properties amounted to £7.6m (2024: £29.3m). At 31 December 2025 and 31 December 2024, there were no material contractual obligations for the purchase, repair or maintenance of investment or trading properties.

In May 2022, the Group entered into a conditional contract to acquire the freehold of Old Street Quarter island site. The site is being sold by Moorfields Eye Hospital NHS Foundation Trust and UCL, together the Oriel joint initiative ("Oriel"). Consideration for the site has been agreed as £239m before costs. Completion is subject to delivery by Oriel of a new hospital and subsequent vacant possession of the site, which is anticipated no earlier than late 2027. In addition to the note 19 disclosure of the impairment assessment under IAS 36 Impairment of Assets for costs incurred to date, the conditional contract has also been assessed under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and it has been determined that no adjustments are required to the year end financial statements. This will continue to be monitored through to completion of the acquisition of the site.

34 Leases

	2025 £m	2024 £m
Operating lease receipts		
Minimum lease receipts under non-cancellable operating leases to be received:		
not later than one year	**198.3**	207.8
later than one year and not later than five years	**668.4**	634.9
later than five years	**760.5**	698.1
	1,627.2	1,540.8

	2025 £m	2024 £m
Headlease obligations		
Minimum lease payments under headleases that fall due:		
not later than one year	**2.0**	1.7
later than one year and not later than five years	**8.0**	7.0
later than five years	**254.0**	208.6
	264.0	217.3
Future contingent rent payable on headleases	**0.2**	–
Future finance charges on headleases	**(223.2)**	(182.7)
Present value of headlease liabilities	**41.0**	34.6
Present value of minimum headlease obligations:		
not later than one year	**0.5**	0.4
later than one year and not later than five years	**1.9**	1.9
later than five years	**38.6**	32.3
	41.0	34.6

The Group has approximately 640 leases granted to its tenants. These vary depending on the individual tenant and the respective property and demise but typically are let for a term of five to 20 years, at a market rent with provisions to review to market rent every five years. Standard lease provisions include service charge payments and recovery of other direct costs. The weighted average lease length of the leases commencing during 2025 was 7.4 years (2024: 5.4 years). Of these leases, on a weighted average basis, 62% (2024: 73%) included a rent free or half rent period.

35 Post balance sheet events

In January 2026, the Group exercised its option to extend the £82.5m unsecured term loan, originally set to mature in February 2027, by one year to February 2028.

In February 2026, £55m of US private placement notes were repaid upon maturity.

In February 2026, the Group exchanged on the disposal of its freehold interest in 80 Tottenham Court Road, W1 for £32.6m before costs.

36 Related party disclosure

Details of Directors' remuneration are given in the report of the Remuneration Committee on pages 172 to 209 and note 10. Details of transactions with joint ventures are shown in note 18. A full list of subsidiaries and joint ventures is given in note xiii of the Company financial statements.

There have been no related party transactions for the year ended 31 December 2025 that have materially affected the financial position or performance of the Group.

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37 EPRA performance measures and core recommendations

Unaudited unless stated otherwise.

As with most other UK property companies and REITs, the Group presents many of its financial measures in accordance with the guidance criteria issued by the EPRA. These measures, which provide consistency across the sector, are all derived from the IFRS figures. A summary of our EPRA performance measures is set out in the table below.

Summary table of EPRA performance measures

	2025		2024	
		Pence per share p		Pence per share p
EPRA earnings (audited)	**£110.4m**	**98.36**	£119.5m	106.45
EPRA Net Tangible Assets (audited)	**£3,619.8m**	**3,225**	£3,545.0m	3,149
EPRA Net Disposal Value (audited)	**£3,706.2m**	**3,302**	£3,671.4m	3,261
EPRA Net Reinstatement Value (audited)	**£3,968.4m**	**3,535**	£3,889.5m	3,455
EPRA Cost Ratio (including direct vacancy costs)	**27.3%**		27.0%	
EPRA Cost Ratio (excluding direct vacancy costs)	**22.4%**		21.7%	
EPRA Net Initial Yield	**4.0%**		4.3%	
EPRA 'topped-up' Net Initial Yield	**5.1%**		5.2%	
EPRA Vacancy Rate	**4.1%**		3.1%	

The definition of these measures can be found on pages 290 and 291.

Number of shares

	Earnings per share		Net asset value per share	
	Weighted average		At 31 December	
	2025 Audited '000	2024 Audited '000	2025 Audited '000	2024 Audited '000
For use in basic measures	**112,241**	112,258	**112,236**	112,258
Dilutive effect of share-based payments	**13**	342	**12**	323
For use in diluted measures	**112,254**	112,600	**112,248**	112,581

For the year ended 31 December 2024, the Group did not recognise the dilutive impact of the conversion of the £175m unsecured convertible bonds 2025 ('1.5% convertible bonds 2025') on its earnings per share (EPS) or net asset value (NAV) per share metrics as, based on the share price at the end of that year, the bonds were not expected to convert. In 2025, the £175m unsecured convertible bonds 2025 ('1.5% convertible bonds 2025') were repaid in full with no share conversion, resulting in no dilutive impact on the Group's earnings per share (EPS) or net asset value (NAV) per share metrics.

The following tables set out reconciliations between the IFRS and EPRA earnings for the year and earnings per share. The adjustments made between the figures are as follows:

A – Disposal of investment and trading property (including the Group's share in joint ventures), and associated tax.

B – Revaluation movement on investment property, in joint ventures and other interests and associated deferred tax.

C – Fair value movement and termination income relating to derivative financial instruments.

D – Non-operating and exceptional items.

Earnings and earnings per share (audited)

		Adjustments				
	IFRS £m	A £m	B £m	C £m	D £m	EPRA basis £m
Year ended 31 December 2025						
Net property and other income	199.6	(4.2)	1.4	–	–	196.8
Total administrative expenses	(39.1)	–	–	–	0.4	(38.7)
Revaluation surplus	52.2	–	(52.2)	–	–	–
Loss on disposal	(2.2)	2.2	–	–	–	–
Net finance costs	(48.4)	–	–	1.2	–	(47.2)
Movement in fair value of derivative financial instruments	(0.6)	–	–	0.6	–	–
Profit before tax	161.5	(2.0)	(50.8)	1.8	0.4	110.9
Tax charge	(0.4)	–	(0.1)	–	–	(0.5)
Profit for the year	161.1	(2.0)	(50.9)	1.8	0.4	110.4
Earnings attributable to equity shareholders	**161.1**	**(2.0)**	**(50.9)**	**1.8**	**0.4**	**110.4**
Earnings per share	**143.53p**					**98.36p**
Diluted earnings per share	143.51p					98.35p

In addition to EPRA earnings per share, an adjusted earnings per share is presented below to add back the profit from the disposal of the trading properties (see note 5), following the sale of the residential apartments at 100 George Street W1, which are excluded from EPRA earnings.

	£m
Earnings attributable to equity shareholders	110.4
Profits from the disposal of trading properties	4.2
Adjusted earnings attributable to equity shareholders	114.6
Adjusted earnings per share	**102.10p**

During the year, the Group commenced an IT transformation project to implement a new finance system. In accordance with EPRA Best Practices Recommendations (September 2024), the associated costs have been excluded from EPRA earnings per share.

		Adjustments				
	IFRS £m	A £m	B £m	C £m	D £m	EPRA basis £m
Year ended 31 December 2024						
Net property and other income	198.3	–	0.2	–	–	198.5
Total administrative expenses	(41.1)	–	–	–	–	(41.1)
Revaluation deficit	(2.7)	–	2.7	–	–	–
Profit on disposal	1.9	(1.9)	–	–	–	–
Net finance costs	(39.6)	–	–	–	–	(39.6)
Movement in fair value of derivative financial instruments	(2.3)	–	–	2.3	–	–
Share of results of joint ventures	1.5	–	0.3	–	–	–
Profit before tax	116.0	(1.9)	3.2	2.3	–	119.6
Tax charge	(0.1)	–	–	–	–	(0.1)
Profit for the year	115.9	(1.9)	3.2	2.3	–	119.5
Earnings attributable to equity shareholders	115.9	(1.9)	3.2	2.3	–	119.5
Earnings per share	103.24p					106.45p
Diluted earnings per share	102.93p					106.13p

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

37 EPRA performance measures and core recommendations continued

EPRA Net Asset Value metrics (audited)

	2025 £m	2024 £m
Net assets attributable to equity shareholders	**3,615.3**	3,539.8
Adjustment for:		
Revaluation of trading properties	**0.4**	0.6
Deferred tax on revaluation surplus[1]	**2.3**	1.8
Fair value of derivative financial instruments	**–**	(0.6)
Fair value adjustment to secured bonds	**1.8**	3.4
EPRA Net Tangible Assets	**3,619.8**	3,545.0
Per share measure – diluted	**3,225p**	3,149p
Net assets attributable to equity shareholders	**3,615.3**	3,539.8
Adjustment for:		
Revaluation of trading properties	**0.4**	0.6
Fair value adjustment to secured bonds	**1.8**	3.4
Mark-to-market of fixed rate debt	**96.6**	133.6
Unamortised issue and arrangement costs	**(7.9)**	(6.0)
EPRA Net Disposal Value	**3,706.2**	3,671.4
Per share measure – diluted	**3,302p**	3,261p
Net assets attributable to equity shareholders	**3,615.3**	3,539.8
Adjustment for:		
Revaluation of trading properties	**0.4**	0.6
Deferred tax on revaluation surplus	**4.5**	3.5
Fair value of derivative financial instruments	**–**	(0.6)
Fair value adjustment to secured bonds	**1.8**	3.4
Purchasers' costs[2]	**346.4**	342.8
EPRA Net Reinstatement Value	**3,968.4**	3,889.5
Per share measure – diluted	**3,535p**	3,455p

1 Only 50% of the deferred tax on the revaluation surplus is excluded.
2 Includes Stamp Duty Land Tax. Total costs assumed to be 6.8% of the portfolio's fair value.

Cost ratio

	2025 £m	2024 £m
Administrative expenses	**39.1**	41.1
Write-off/impairment of receivables	**0.5**	0.2
Other property costs	**17.9**	16.7
Dilapidation receipts	**(0.2)**	(0.8)
Net service charge costs	**6.6**	5.3
Management fees received less estimated profit element	**(4.9)**	(5.1)
Share of joint ventures' expenses	**–**	0.3
EPRA costs (including direct vacancy costs) (A)	**59.0**	57.7
Direct vacancy costs	**(10.5)**	(11.3)
EPRA costs (excluding direct vacancy costs) (B)	**48.5**	46.4
Gross rental income	**218.3**	214.8
Ground rent	**(1.9)**	(1.5)
Service charge components of rental income	**–**	(1.3)
Share of joint ventures' rental income less ground rent	**–**	2.0
Adjusted gross rental income (C)	**216.4**	214.0
EPRA cost ratio (including direct vacancy costs) (A/C)	**27.3%**	27.0%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	**22.4%**	21.7%

In addition to the two EPRA cost ratios, the Group has calculated an additional cost ratio based on its property portfolio fair value to recognise the 'total return' nature of the Group's activities.

	2025 £m	2024 £m
Property portfolio at fair value (D)	**5,093.9**	5,041.1
Portfolio cost ratio (A/D)	**1.2%**	1.1%

Net Initial Yield and 'topped-up' Net Initial Yield

	2025 £m	2024 £m
Property portfolio	**5,093.9**	5,041.1
Less non-EPRA properties[1]	**(781.6)**	(696.0)
Completed property portfolio	**4,312.3**	4,345.1
Allowance for:		
Estimated purchasers' costs	**293.2**	295.5
EPRA property portfolio valuation (A)	**4,605.5**	4,640.6
Annualised contracted rental income, net of ground rents[2]	**194.8**	204.3
Less non-EPRA properties[1]	**(5.4)**	(0.7)
Add outstanding rent reviews	**–**	0.7
Less estimate of non-recoverable expenses	**(6.1)**	(5.6)
	(11.5)	(5.6)
Current income net of non-recoverable expenses (B)	**183.3**	198.7
Contractual rental increases across the portfolio	**53.5**	42.2
Contractual rental increases across the EPRA portfolio	**53.5**	42.2
'Topped-up' net annualised rent (C)	**236.8**	240.9
EPRA net initial yield (B/A)	**4.0%**	4.3%
EPRA 'topped-up' net initial yield (C/A)	**5.1%**	5.2%

1 In accordance with EPRA best practice guidelines, deductions are made for development properties, land and long-dated reversions.
2 The 2024 figure has been re-presented with no change to the EPRA net initial yield.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

37 EPRA performance measures and core recommendations continued

Vacancy rate

	2025 £m	2024 £m
Annualised estimated rental value of vacant premises	**11.3**	8.4
Portfolio estimated rental value	**339.5**	324.3
Less non-EPRA properties[1]	**(62.4)**	(49.7)
	277.1	274.6
EPRA vacancy rate	**4.1%**	3.1%

1 In accordance with EPRA best practice guidelines, deductions are made for development properties, land and long-dated reversions.

Like-for-like rental growth

	Like-for-like portfolio £m	Other £m	Total £m
2025			
Gross rental income	**188.4**	**31.2**	**219.6**
Other property expenditure	**(19.5)**	**(6.9)**	**(26.4)**
Write-off/impairment of receivables	**–**	**(0.5)**	**(0.5)**
Impairment included in prepayments (see note 19)	**–**	**(1.4)**	**(1.4)**
Net rental income	**168.9**	**22.4**	**191.3**
Other	**5.2**	**4.4**	**9.6**
Net property and other income	**174.1**	**26.8**	**200.9**
2024			
Gross rental income	183.9	29.6	213.5
Other property expenditure	(16.9)	(6.6)	(23.5)
Write-off/impairment of receivables	(0.4)	0.2	(0.2)
Impairment included in prepayments (see note 19)	–	(0.2)	(0.2)
Net rental income	166.6	23.0	189.6
Other	5.4	3.3	8.7
Net property and other income	172.0	26.3	198.3
Change based on:			
Gross rental income	2.4%		2.9%
Net rental income	1.4%		0.9%
Net property and other income	1.2%		1.3%

Property-related capital expenditure

	2025			2024		
	Group (excl. Joint ventures) £m	Joint ventures (50% share) £m	Total Group £m	Group (excl. Joint ventures) £m	Joint ventures (50% share) £m	Total Group £m
Acquisitions	**6.0**	**–**	**6.0**	47.0	–	47.0
Development	**129.8**	**–**	**129.8**	136.2	3.3	139.5
Investment properties						
Incremental lettable space	**0.3**	**–**	**0.3**	2.5	–	2.5
No incremental lettable space	**26.4**	**–**	**26.4**	45.3	–	45.3
Tenant incentives	**2.3**	**–**	**2.3**	0.3	–	0.3
Capitalised interest	**13.8**	**–**	**13.8**	10.7	–	10.7
Total capital expenditure	**178.6**	**–**	**178.6**	242.0	3.3	245.3
Conversion from accrual to cash basis	**2.5**	**–**	**2.5**	(12.1)	–	(12.1)
Total capital expenditure on a cash basis	**181.1**	**–**	**181.1**	229.9	3.3	233.2

38 Total accounting return

	2025 p	2024 p
EPRA Net Tangible Assets on a diluted basis		
At end of year	**3,225**	3,149
At start of year	**(3,149)**	(3,129)
Increase	**76**	20
Dividend per share	**81**	80
Increase including dividend	**157**	100
Total accounting return	**5.0%**	3.2%

39 Gearing and interest cover

NAV gearing

	2025 £m	2024 £m
Net debt	**1,450.4**	1,482.7
Net assets	**3,615.3**	3,539.8
NAV gearing	**40.1%**	41.9%

Loan-to-value ratio

	2025 £m	2024 £m
Group loan-to-value ratio		
Net debt	**1,450.4**	1,482.7
Fair value adjustment of secured bonds	**(1.8)**	(3.4)
Unamortised discount on unsecured bonds	**2.3**	1.3
Unamortised issue and arrangement costs	**7.9**	6.0
Leasehold liabilities	**(41.0)**	(34.6)
Drawn debt net of cash (A)	**1,417.8**	1,452.0
Fair value of property portfolio (B)	**5,093.9**	5,041.1
Loan-to-value ratio (A/B)	**27.8%**	28.8%
EPRA loan-to-value ratio		
Drawn debt net of cash (A)	**1,417.8**	1,452.0
Debt with equity characteristics	**–**	(20.0)
Adjustment for hybrid debt instruments	**–**	0.6
Net payables adjustment	**81.2**	72.7
Adjusted debt (C)	**1,499.0**	1,505.3
Fair value of property portfolio (B)	**5,093.9**	5,041.1
EPRA loan-to-value ratio (C/B)	**29.4%**	29.9%

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

39 Gearing and interest cover continued

Net interest cover ratio

	2025 £m	2024 £m
Group net interest cover ratio		
Net property and other income	**199.6**	198.3
Adjustments for:		
Other income	**(4.9)**	(5.1)
Other property income		(0.1)
Surrender premiums received	**(0.3)**	(2.7)
Profit on disposal of trading properties	**(4.2)**	–
Adjusted net property income	**190.2**	190.4
Finance income	**(2.1)**	(0.3)
Finance costs	**50.5**	39.9
	48.4	39.6
Adjustments for:		
Finance income	**2.1**	0.3
Other finance costs	**(1.4)**	(0.4)
Amortisation of fair value adjustment to secured bonds	**1.7**	1.6
Amortisation of issue and arrangement costs	**(2.8)**	(2.6)
Finance costs capitalised	**14.1**	11.2
Net interest payable	**62.1**	49.7
Group net interest cover ratio	**306%**	383%
Proportionally consolidated net interest cover ratio		
Adjusted net property income	**190.2**	190.4
Share of joint ventures' net property income	**–**	1.9
Adjusted net property income including share of joint ventures	**190.2**	192.3
Net interest payable	**62.1**	49.7
Proportionally consolidated net interest cover ratio	**306%**	387%

Net debt to EBITDA

	2025 £m	2024 £m
Net debt (A)	**1,450.4**	1,482.7
Profit for the year	**161.1**	115.9
Add back: tax charge	**0.4**	0.1
Profit before tax	**161.5**	116.0
Add back: net finance charges	**48.4**	39.6
Add back: movement in fair value of derivative financial instruments	**0.6**	2.3
	210.5	157.9
Add back: loss/(profit) on disposal	**2.2**	(1.9)
Add back: revaluation (surplus)/deficit	**(52.2)**	2.7
Add back: share of joint venture revaluation movement/impairment (note 8)	**–**	0.3
Add back: depreciation	**0.8**	1.0
Add back: IT transformation project costs	**0.4**	–
EBITDA (B)	**161.7**	160.0
Net debt to EBITDA (A/B)	**9.0**	9.3

40 Material accounting policies

Basis of consolidation

The Group financial statements incorporate the financial statements of Derwent London plc and all of its subsidiaries, together with the Group's share of the results of its joint ventures.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Interests in joint ventures are accounted for using the equity method of accounting as permitted by IFRS 11 Joint Arrangements, and following the procedures for this method set out in IAS 28 Investments in Associates and Joint Ventures. The equity method requires the Group's share of the joint venture's post-tax profit or loss for the year to be presented separately in the income statement and the Group's share of the joint venture's net assets to be presented separately in the balance sheet.

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

Gross property income

Gross property income arises from two main sources:

(i) **Rental income** – This arises from operating leases granted to tenants. An operating lease is a lease other than a finance lease. A finance lease is one whereby substantially all the risks and rewards of ownership are passed to the lessee.

Rental income is recognised in the Group income statement on a straight-line basis over the term of the lease in accordance with IFRS 16 Leases. This includes the effect of lease incentives given to tenants, which are normally in the form of rent-free or half rent periods or capital contributions in lieu of rent-free periods, and the effect of contracted rent uplifts and payments received from tenants on the grant of leases. Where the total consideration due under a lease is modified, the revised total amount due under the lease is recognised on a straight-line basis over the remaining term of the lease. Where rent demanded is forgiven for periods that have passed, these amounts are assessed under IFRS 9 and written off. Where rent is forgiven for future periods, this is considered a lease modification and spread on a straight-line basis over the remaining lease term in accordance with IFRS 16.

For income from property leased out under a finance lease, a lease receivable asset is recognised in the balance sheet at an amount equal to the net investment in the lease, as defined in IFRS 16 Leases. Minimum lease payments receivable, again defined in IFRS 16, are apportioned between finance income and the reduction of the outstanding lease receivable so as to produce a constant periodic rate of return on the remaining net investment in the lease. Contingent rents, being the difference between the rent currently receivable and the minimum lease payments when the net investment in the lease was originally calculated, are recognised in property income in the years in which they are receivable.

(ii) **Surrender premiums** – Payments received from tenants to surrender their lease obligations are recognised immediately in the Group income statement. In circumstances where surrender payments received relate to specific periods, they are deferred and recognised in those periods.

Other income

Other income consists of commissions, fees charged to tenants for the management of certain Group properties, administration services provided to joint ventures and customer services. Other income is recognised in the Group income statement in accordance with the delivery of services as required by IFRS 15 Revenue from Contracts with Customers.

Service charges

Service charge income relates to expenditure that is directly recoverable from tenants, excluding management fees which are included in 'other income'. Service charge income is recognised as revenue in the period to which it relates as required by IFRS 15 Revenue from Contracts with Customers.

Notes to the consolidated financial statements continued
for the year ended 31 December 2025

40 Material accounting policies continued

Expenses

(i) **Lease payments** – For leasehold investment properties held, a right of use asset is recognised at commencement date of the lease within the investment property carrying value. The initial cost includes the lease liabilities recognised, initial direct costs incurred and any lease payments made at commencement adjusted for any lease incentives received. In addition, a corresponding lease liability is also included on the balance sheet. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining lease liability.

(ii) **Dilapidations** – Dilapidation monies received from tenants in respect of their lease obligations are recognised immediately in the Group income statement, unless they relate to future capital expenditure. In the latter case, where the costs are considered to be recoverable they are capitalised as part of the carrying value of the property.

(iii) **Reverse surrender premiums** – Payments made to tenants to surrender their lease obligations are charged directly to the Group income statement unless the payment is to enable the probable redevelopment of a property. In the latter case, where the costs are considered to be recoverable, they are capitalised as part of the carrying value of the property.

(iv) **Other property expenditure** – Vacant property costs and other property costs are expensed in the year to which they relate, with the exception of the initial direct costs incurred in negotiating and arranging leases which are, in accordance with IFRS 16 Leases, added to the carrying value of the relevant property and recognised as an expense over the lease term on the same basis as the lease income.

Employee benefits

(i) Share-based remuneration

Equity-settled – The Company operates a long-term incentive plan and share option scheme. The fair value of the conditional awards of shares granted under the long-term incentive plan and the options granted under the share option scheme are determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. At each reporting date, the non-market based performance criteria of the long-term incentive plan are reconsidered and the expense is revised as necessary. In respect of the share option scheme, the fair value of the options granted is calculated using a binomial lattice pricing model.

(ii) Pensions

(a) **Defined contribution plans** – Obligations for contributions to defined contribution pension plans are recognised as an expense in the Group income statement in the period to which they relate.

(b) **Defined benefit plans** – The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Any actuarial gain or loss in the period is recognised in full in the Group statement of comprehensive income.

Business combinations

Business combinations are accounted for under the acquisition method. Any excess of the purchase price of business combinations over the fair value of the assets, liabilities and contingent liabilities acquired and resulting deferred tax thereon is recognised as goodwill. Any discount is credited to the Group income statement in the period of acquisition. Goodwill is recognised as an asset and reviewed for impairment. Any impairment is recognised immediately in the Group income statement and is not subsequently reversed. Any residual goodwill is reviewed annually for impairment.

Investment property

(i) **Valuation** – Investment properties are those that are held either to earn rental income or for capital appreciation or both, including those that are undergoing redevelopment. Investment properties are measured initially at cost, including related transaction costs. After initial recognition, they are carried in the Group balance sheet at fair value adjusted for the carrying value of leasehold interests and lease incentive and letting cost receivables. Fair value is the price that would be received to sell an investment property in an orderly transaction between market participants at the measurement date. The valuation is undertaken by independent valuers who hold recognised and relevant professional qualifications and have recent experience in the locations and categories of properties being valued.

Surpluses or deficits resulting from changes in the fair value of investment property are reported in the Group income statement in the year in which they arise.

The Group leases out investment properties under operating leases with rents generally payable monthly or quarterly. The Group is exposed to changes in the residual value of properties at the end of current lease agreements, and mitigates this risk by actively managing its tenant mix in order to maximise the weighted average lease term, minimise vacancies across the portfolio and maximise exposure to tenants with strong financial characteristics. The Group also grants lease incentives to encourage high quality tenants to remain in properties for longer lease terms.

(ii) **Capital expenditure** – Capital expenditure, being costs directly attributable to the redevelopment or refurbishment of an investment property, up to the point of it being completed for its intended use, are capitalised in the carrying value of that property. In addition, in accordance with IAS 23 Borrowing Costs, finance costs that are directly attributable to such expenditure are capitalised using the Group's average cost of borrowings during each quarter.

Certain internal staff and associated costs directly attributable to the major development and refurbishment schemes are also capitalised based on the proportion of time spent on the relevant scheme. These costs are capitalised from the date the Group determines it is probable that the development will progress until the date of practical completion.

(iii) **Disposal** – Properties are treated as disposed when the Group transfers the significant risks and rewards of ownership to the buyer. Generally this would occur on completion of contract. On disposal, any gain or loss is calculated as the difference between the net disposal proceeds and the carrying value at the last year end plus subsequent capitalised expenditure during the year. Where the net disposal proceeds have yet to be finalised at the balance sheet date, the proceeds recognised reflect the Directors' best estimate of the amounts expected to be received. Any contingent consideration is recognised at fair value at the balance sheet date. The fair value is calculated using future discounted cash flows based on expected outcomes with estimated probabilities taking account of the risk and uncertainty of each input.

(iv) **Development** – When the Group begins to redevelop an existing investment property for continued use as an investment property or acquires a property with the subsequent intention of developing as an investment property, the property is classified as an investment property and is accounted for as such. When the Group begins to redevelop an existing investment property with a view to sale, the property is transferred to trading properties and held as a current asset. The property is remeasured to fair value as at the date of transfer with any gain or loss being taken to the income statement. The remeasured amount becomes the deemed cost at which the property is then carried in trading properties.

Trading property and trading stock

Trading property relates to property being developed for sale. Trading stock relates to development expenditure which is due to be disposed of to third parties under development agreements. In accordance with IAS 2 Inventories, trading property and trading stock are held at the lower of cost and net realisable value. Proceeds from sale are recognised in the Group's income statement when title has been transferred to the purchaser as required by IFRS 15 Revenue from Contracts with Customers.

Prepayment (non-current)

Acquisition and capital expenditure costs incurred in advance of ownership of a property are initially included as a prepayment in the Group's balance sheet and measured at cost. This asset is then tested for impairment under IAS 36 Impairment of Assets. On completion of the purchase, the asset will be transferred to either investment property or trading property as appropriate.

Property, plant and equipment

(i) **Owner-occupied property** – Owner-occupied property is stated at its revalued amount, which is determined in the same manner as investment property. It is depreciated over its remaining useful life (40 years) with the depreciation included in administrative expenses. On revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the property concerned, and the net amount restated to the revalued amount. Subsequent depreciation charges are adjusted based on the revalued amount for each property. Any difference between the depreciation charge on the revalued amount and that which would have been charged under historic cost is transferred, net of any related deferred tax, between the revaluation reserve and retained earnings as the property is utilised. Surpluses or deficits resulting from changes in the fair value are reported in the Group statement of comprehensive income. The land element of the property is not depreciated.

(ii) **Solar park** – The Solar park is carried at cost, including directly attributable construction and development expenditure. As the asset is not yet ready for use, no depreciation is charged.

(iii) **Other** – Plant and equipment is depreciated at a rate of between 10% and 25% per annum which is calculated to write off the cost, less estimated residual value of the individual assets, over their expected useful lives. Artwork is stated at revalued amounts on the basis of open market value.

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40 Material accounting policies continued

Investments
Investments in joint ventures, being those entities over whose activities the Group has joint control, as established by contractual agreement, are included in the Group's balance sheet at cost together with the Group's share of post-acquisition reserves, on a net equity basis. Investments in subsidiaries and joint ventures are included in the Company's balance sheet at the lower of cost and recoverable amount. Any impairment is recognised immediately in the income statement.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met if the sale is highly probable, the asset is available for immediate sale in its present condition, being actively marketed and management is committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In accordance with IFRS 5, non-current assets, including related liabilities, classified as held for sale are measured at the lower of carrying value and fair value less costs of disposal.

Financial assets
(i) **Cash and cash equivalents** – Cash at bank comprises cash in hand and on-demand deposits. Cash at bank comprises short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Tenant rent deposits are subject to contractual restrictions and meet the definition of 'cash and cash equivalents' under IAS 7 and are recognised as restricted cash.

Cash collected on behalf of tenants to fund service charges of properties in the portfolio meet the definition of 'cash and cash equivalents' under IAS 7 and are recognised as restricted cash.

(ii) **Trade receivables** – Trade receivables are recognised and carried at the original transaction value. This balance is subject to impairment testing under IFRS 9 using the forward-looking, simplified approach to the expected credit loss model.

Lease incentive receivables
In accordance with IFRS 16, rental income is recognised in the Group income statement on a straight-line basis over the term of the lease. This includes the effect of lease incentives given to tenants (in the form of rent-free periods, half rent periods or capital contributions in lieu of rent-free periods) and any contracted rental uplifts granted at lease inception. The result is included within accrued income in the balance sheet. This balance is subject to impairment testing under IAS 36.

Financial liabilities
(i) **Bank loans and fixed rate loans** – Bank loans and fixed rate loans are included as financial liabilities on the balance sheets at amortised cost. Interest payable is expensed as a finance cost in the year to which it relates.

Where there has been a change to the terms of a debt agreement, such as the applicable interest rate or benchmark rate, this is assessed under IFRS 9 using quantitative and qualitative assessments to determine if the debt modification is considered substantial enough to be deemed an extinguishment. It is common for loan facilities agreements to include extension options which extend the loan maturity out by one year. When these options are exercised as per the agreement, with no changes to other terms, this is deemed to be a modification of the loan and not an extinguishment.

(ii) **Non-convertible bonds** – These are included as a financial liability on the balance sheet net of the unamortised discount and costs on issue. The difference between this carrying value and the redemption value is recognised in the Group income statement over the life of the bond on an effective interest basis. Interest payable to bond holders is expensed in the year to which it relates.

(iii) **Convertible bonds** – The fair value of the liability component of a convertible bond is determined using the market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects and is not subsequently re-measured. Issue costs are apportioned between the liability and the equity components of the convertible bonds based on their carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity. The issue costs apportioned to the liability are amortised over the life of the bond. The issue costs apportioned to equity are not amortised.

(iv) **Finance lease liabilities** – Finance lease liabilities arise for those investment properties held under a leasehold interest and accounted for as investment property. The liability is initially calculated as the present value of the minimum lease payments, reducing in subsequent years by the apportionment of payments to the lessor, as described above under the heading for lease payments.

(v) **Interest rate derivatives** – The Group uses derivative financial instruments to manage the interest rate risk associated with the financing of the Group's business. No trading in financial instruments is undertaken.

At each reporting date, these interest rate derivatives are measured at fair value, being the estimated amount that the Group would receive or pay to terminate the agreement at the balance sheet date, taking into account current interest rates and the current credit rating of the counterparties. The gain or loss at each fair value remeasurement is recognised in the Group income statement because the Group does not apply hedge accounting.

(vi) **Trade payables** – Trade payables are recognised and carried at the original transaction value.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In respect of the deferred tax on the revaluation surplus, this is calculated on the basis of the chargeable gains that would crystallise on the sale of the investment portfolio as at the reporting date. The calculation takes account of available indexation on the historical cost of the properties.

Deferred tax is calculated at the tax rates that are expected to apply in the period, based on Acts substantially enacted at the year end, when the liability is settled or the asset is realised. Deferred tax is included in profit or loss for the period, except when it relates to items recognised in other comprehensive income or directly in equity.

Cash flow
Transactions in the cash flow statement under operating, investing and financing activities have been prepared net of value added tax in order to reflect the true cash inflows and outflows of the Group.

Dividends
Dividends payable on the ordinary share capital are recognised in the year in which they are declared.

Company balance sheet

as at 31 December 2025

Registered No. 1819699

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment		**15.2**	17.1
Investments	vi	**2,621.4**	2,578.3
Receivables: amounts falling due after more than one year	vii	**2,093.3**	1,920.4
Deferred tax	x	**0.7**	0.8
Pension scheme surplus	v	**1.8**	1.8
		4,732.4	4,518.4
Current assets			
Receivables: amounts falling due within one year	vii	**29.8**	33.4
Derivative financial instruments	ix	**–**	0.6
Corporation tax asset		**0.6**	0.3
Cash and cash equivalents		**84.5**	20.7
		114.9	55.0
Total assets		**4,847.3**	4,573.4
Current liabilities			
Borrowings	ix	**55.0**	174.1
Leasehold liabilities	ix	**1.4**	1.3
Payables: amounts falling due within one year	viii	**1,756.1**	1,615.5
Provisions		**0.1**	0.2
		1,812.6	1,791.1
Non-current liabilities			
Borrowings	ix	**1,255.0**	1,091.3
Leasehold liabilities	ix	**17.5**	19.0
Provisions		**0.4**	0.4
		1,272.9	1,110.7
Total liabilities		**3,085.5**	2,901.8
Total net assets		**1,761.8**	1,671.6
Equity			
Share capital	xi	**5.6**	5.6
Share premium		**196.6**	196.6
Other reserves		**928.5**	927.8
Retained earnings		**631.1**	541.6
Total equity		**1,761.8**	1,671.6

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2026.

Paul Williams
Chief Executive

Damian Wisniewski
Chief Financial Officer

The notes on pages 278 to 283 form part of these financial statements.

Company statement of changes in equity

for the year ended 31 December 2025

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2025	5.6	196.6	927.8	541.6	1,671.6
Profit for the year	–	–	–	179.2	179.2
Share-based payments	–	–	0.7	1.2	1.9
Dividends paid	–	–	–	(90.9)	(90.9)
At 31 December 2025	**5.6**	**196.6**	**928.5**	**631.1**	**1,761.8**
At 1 January 2024	5.6	196.6	926.2	304.1	1,432.5
Profit for the year	–	–	–	326.3	326.3
Other comprehensive expense	–	–	–	(0.4)	(0.4)
Share-based payments	–	–	1.6	1.4	3.0
Dividends paid	–	–	–	(89.8)	(89.8)
At 31 December 2024	5.6	196.6	927.8	541.6	1,671.6

Notes to the company financial statements

for the year ended 31 December 2025

i Basis of preparation

Derwent London plc is a public limited company, limited by shares, incorporated, domiciled and registered in England in the United Kingdom under the Companies Act. The address of the registered office is given on the back cover.

Consolidated financial statements are on pages 226 to 230.

The Company has prepared its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis under the historical cost convention, except for the revaluation of derivatives which are measured at fair value. The Company has applied the recognition, measurement, and presentation requirements of UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

As permitted by FRS 101, the exemptions that have been applied in preparation of these financial statements are as follows:

- A cash flow statement and related notes have not been presented in line with IAS 7 Statement of Cash Flows.
- Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective have not been provided, in line with paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Disclosures in respect of transactions with wholly-owned subsidiaries have not been made in line with IAS 24 Related Party Disclosures.
- Disclosures required by paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: Disclosures have not been made.
- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined), have not been presented.
- Disclosures under paragraphs 17 and 18A of IAS 24 Related Party Disclosures to disclose key management personnel compensation have not been presented.
- The requirements of paragraphs 10(f); 40A to 40D; and 134 to 136 of IAS 1 Presentation of Financial Statements are no longer required.

Going concern

The Company balance sheet shows a net current liability position of £1,697.7m, primarily as a result of amounts owed to subsidiaries of £1,733.4m being classified as current liabilities. The subsidiaries are all under common control in the Group, and the balances are not due to external counterparties. Although they are repayable on demand, there is no intention or expectation for them to be called or repaid within the next 12 months. The net current liability position also results from the £55m of debt facilities that reach maturity within the next 12 months. As at 31 December 2025, the Company had access to £627m of available undrawn facilities and cash to meet current liabilities as they fall due. Additionally, in January 2026, the Company's £82.5m unsecured term loan, originally due to mature in February 2027, was extended by one year to February 2028. This provides the Directors with a reasonable expectation that the Company will be able to meet these current liabilities as they fall due.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements and, therefore, the Directors continue to adopt the going concern basis in their preparation.

ii Accounting policies

The principal accounting policies are described in the Group's note 40 and are consistent with those applied in the Company's financial statements for the year ended 31 December 2024, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year as shown below.

New standards adopted during the year

The following standards, amendments and interpretations were effective for the first time for the Company's current accounting period. They did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

IAS 21 (amended) – Lack of Exchangeability.

iii Profit for the year attributable to members of Derwent London plc

Company retained earnings includes a profit of £179.2m (2024: £326.3m) for the year. The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The employees of the Company include the Directors and the Company Secretary. Full disclosure of the Directors' remuneration can be found on pages 172 to 209.

iv Employees

Employee costs for the year include wages and salaries of £19.6m (2024: £20.5m), social security costs of £3.2m (2024: £3.1m), pension costs of £2.8m (2024: £2.7m) and share-based payment expenses relating to equity-settled schemes of £2.0m (2024: £3.1m). Details of the Executive Directors' remuneration are disclosed in the Directors' remuneration report on pages 172 to 209.

The monthly average number of employees in the Company during the year, excluding Directors, was 154 (2024: 146).

v Pension

The Company operates both a defined contribution scheme and a defined benefit scheme and details are set out in note 13 of the consolidated financial statements.

vi Investments

	Subsidiaries £m
At 1 January 2024	2,189.8
Additions	390.0
Repayment of capital	(2.0)
Reversal of impairment[1]	28.0
Impairment[1]	(27.5)
At 31 December 2024	2,578.3
Additions	10.1
Disposals	(0.1)
Reversal of impairment	40.8
Impairment	(7.7)
At 31 December 2025	**2,621.4**

1 The numbers have been re-presented to be consistent with the current year presentation. This had no impact on the total for 31 December 2024.

At 31 December 2025, the carrying values of the investment in wholly owned subsidiaries were reviewed in accordance with IAS 36 Impairment of Assets on both a 'value in use' and 'fair value less costs to sell' basis. The Company's accounting policy is to carry investments in subsidiary undertakings at the lower of cost and recoverable amount and recognise any impairment, or reversal thereof, in the income statement. As a result, the Company recognised a net impairment reversal of £33.1m (2024: net impairment reversal of £0.5m). This was due to property revaluation surpluses charged to the income statement in a number of the property investment subsidiaries held directly or indirectly by the Company. Investment properties are held by the property investment subsidiaries with any surpluses or deficits on revaluation being reported in the income statement of those subsidiaries. The Group uses the valuation carried out by external valuers as the fair value of its property portfolio. See note 3 of the consolidated financial statements for further details.

Notes to the company financial statements continued
for the year ended 31 December 2025

vii Receivables

	2025 £m	2024 £m
Amounts falling due within one year:		
Other receivables	**1.0**	3.7
Prepayments	**5.6**	4.1
Accrued income		
Other	**23.2**	25.6
	29.8	33.4

	2025 £m	2024 £m
Amounts falling due after more than one year:		
Amounts owed by subsidiaries	**2,093.3**	1,920.4
	2,093.3	1,920.4

Amounts owed by subsidiaries in the Company are unsecured, have no fixed date of repayment and are repayable on demand, however, there is no intention or expectation for them to be paid within the next 12 months. Interest is charged at a rate dependent on the Group's overall debt funding cost for the year. For the year ended 31 December 2025, interest was charged at 4.44% (2024: 3.90%). These balances have been considered as part of the full expected credit loss assessment under IFRS 9 and no impairments were determined to be required (2024: £nil).

viii Payables

	2025 £m	2024 £m
Amounts falling due within one year:		
Amounts owed to subsidiaries	**1,733.4**	1,593.3
Taxation and social security	**0.6**	0.5
Trade payables	**0.7**	–
Other payables	**0.3**	0.9
Accruals	**21.0**	20.7
Deferred income	**0.1**	0.1
	1,756.1	1,615.5

Amounts owed to subsidiaries in the Company are unsecured, have no fixed date of repayment and are repayable on demand, however, there is no intention or expectation for them to be paid within the next 12 months. Interest is charged at a rate dependent on the Group's overall debt funding cost for the year. For the year ended 31 December 2025, interest was charged at 4.44% (2024: 3.90%).

ix Net debt

	2025 £m	2024 £m
5.25% unsecured bonds	**247.5**	–
1.875% unsecured green bonds	**347.6**	347.2
Unsecured private placement notes	**453.7**	453.6
Unsecured bank loans	**261.2**	290.5
Intercompany loan	**–**	174.1
	1,310.0	1,265.4
Borrowings	**1,310.0**	1,265.4
Leasehold liabilities – current	**1.4**	1.3
Leasehold liabilities – non-current	**17.5**	19.0
Derivative financial instruments – current	**–**	(0.6)
Derivative financial instruments – non-current	**–**	–
Gross debt	**1,328.9**	1,285.1
Reconciliation to net debt:		
Gross debt	**1,328.9**	1,285.1
Derivative financial instruments	**–**	0.6
Cash at bank excluding restricted cash	**(76.3)**	(12.9)
Net debt	**1,252.6**	1,272.8

Reconciliation to borrowings:

		Adjustments				
	Gross loan commitments £m	Interest on gross debt £m	Effect of interest rate swaps £m	Leasehold liabilities £m	Non-cash amortisation £m	Borrowings £m
At 31 December 2025						
Maturing in:						
< 1 year	103.4	(46.3)	–	(2.1)	–	55.0
1 to 2 years	209.8	(42.7)	–	(2.1)	(0.8)	164.2
2 to 3 years	167.6	(35.5)	–	(2.1)	(0.5)	129.5
3 to 4 years	149.3	(29.2)	–	(2.1)	(3.0)	115.0
4 to 5 years	31.1	(29.0)	–	(2.1)	–	–
> 5 years	905.5	(40.9)	–	(12.6)	(5.7)	846.3
	1,566.7	**(223.6)**	**–**	**(23.1)**	**(10.0)**	**1,310.0**
At 31 December 2024						
Maturing in:						
< 1 year	215.6	(39.3)	0.8	(2.1)	–	175.0
1 to 2 years	261.7	(35.1)	–	(2.1)	(1.8)	222.7
2 to 3 years	149.7	(24.1)	–	(2.1)	(1.9)	121.6
3 to 4 years	52.1	(20.0)	–	(2.1)	(0.1)	29.9
4 to 5 years	136.2	(16.1)	–	(2.1)	(0.3)	117.7
> 5 years	632.5	(15.8)	–	(14.7)	(3.5)	598.5
	1,447.8	(150.4)	0.8	(25.2)	(7.6)	1,265.4

Notes to the company financial statements continued
for the year ended 31 December 2025

x Deferred tax

	Other £m	Total £m
At 1 January 2025	**0.8**	**0.8**
Charged to the income statement	**(0.1)**	**(0.1)**
At 31 December 2025	**0.7**	**0.7**
At 1 January 2024	2.6	2.6
Charged to the income statement	(1.8)	(1.8)
At 31 December 2024	0.8	0.8

Deferred tax assets have been recognised in respect of short term timing differences where the Directors believe it is probable that these assets will be recovered. The deferred tax asset at the balance sheet date primarily relates to temporary differences arising from the Company's share based payment schemes and the IFRS 16 transitional adjustment recognised on adoption of the leasing standard.

xi Share capital

The movement in the number of 5p ordinary shares in issue is shown in the table below:

Number of shares in issue fully paid	2025	2024
At 1 January and 31 December	**112,290,929**	112,290,929

xii Post balance sheet events

In January 2026, the Company exercised its option to extend the £82.5m unsecured term loan, originally set to mature in February 2027, by one year to February 2028.

In February 2026, £55m of US private placement notes were repaid upon maturity.

xiii List of subsidiaries and joint ventures

A full list of subsidiaries and joint ventures as at 31 December 2025 is set out below.

Audit exemption taken for subsidiaries

Certain UK subsidiaries are exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act. These subsidiaries are identified in the table below (superscript/footnote 2):

	Company number	Ownership[3]	Principal activity
Subsidiaries			
Asta Commercial Limited[2]	09644973	100%	Property investment
BBR Property Limited[1]	08486476	100%	Dormant
Caledonian Properties Limited[2]	00669924	100%	Property investment
Caledonian Property Estates Limited[2]	07412270	100%	Property investment
Caledonian Property Investments Limited[2]	00669923	100%	Property investment
Carlton Construction & Development Company Limited	00538216	100%	Dormant
Central London Commercial Estates Limited[2]	00656914	100%	Property investment
Charlotte Apartments Limited[2]	09642563	100%	Property investment
80 Charlotte Street Limited[1,2]	10579271	100%	Property investment
Derwent Asset Management Limited[1,2]	07325387	100%	Property management
Derwent Central Cross Limited[1,2]	07320070	100%	Property investment
Derwent Henry Wood Limited[1,2]	07412653	100%	Property investment
Derwent London 50 Baker Street Limited	13644777	100%	Property investment
Derwent London Angel Building Limited[2]	13247175	100%	Property investment
Derwent London AD Limited[1]	13227143	100%	Dormant
Derwent London Asta Limited[2]	09643005	100%	Property trading
Derwent London Baker Street Limited	00806862	100%	Property investment
Derwent London BH Limited[1,2]	13136439	100%	Property investment
Derwent London Blackfriars Limited[1,2]	13655681	100%	Property investment
Derwent London Brixton Limited[1,2]	12405614	100%	Property investment
Derwent London BSP Limited[2]	13635308	100%	Property investment
Derwent London Development Services Limited[1]	09850541	100%	Development services
Derwent London Euston Road Limited[1,2]	13136412	100%	Property investment
Derwent London Farringdon Limited[1,2]	09310500	100%	Property investment
Derwent London Featherstone Limited[1,2]	11296132	100%	Property investment
Derwent London Gallery Limited[1,2]	12752908	100%	Property investment
Derwent London George Street Limited[1]	13034088	100%	Property trading
Derwent London Green Energy Limited[1,2]	12824452	100%	Energy production
Derwent London Greencoat Limited[1,2]	16250221	100%	Property investment
Derwent London Holden House Limited[1]	11325906	100%	Property investment
Derwent London Holford Works Limited[1,2]	13302967	100%	Property investment
Derwent London Horseferry Limited[1,2]	13136399	100%	Property investment
Derwent London KSW Limited[1,2]	08802313	100%	Property investment
Derwent London Member Services Limited[1,2]	14958936	100%	Events & catering services
Derwent London No.5 Limited[1,2]	13906854	100%	Property investment
Derwent London No.7 Limited[1,2]	16230405	100%	Property investment
Derwent London Network Limited[1]	14009618	100%	Property investment
Derwent London Oliver's Yard Limited[1,2]	10775826	100%	Property investment
Derwent London Page Street (Nominee) Limited	07540717	100%	Dormant
Derwent London Page Street Limited[1,2]	07540699	100%	Property investment
Derwent London Savile Row Limited[1,2]	12902975	100%	Property investment
Derwent London White Chapel Limited[1,2]	13136446	100%	Property investment
Derwent London White Collar Limited[1,2]	13136415	100%	Property investment
Derwent London Whitfield Street Limited[1,2]	10775868	100%	Property investment
Derwent Valley Central Limited[1]	00205226	100%	Property investment
Derwent Valley Employee Trust Limited[1,2]	04177132	100%	Employee trust
Derwent Valley Finance Limited[2]	05622597	100%	Investment holding
Derwent Valley Limited	00445037	100%	Holding company
Derwent Valley London Limited[1]	00229333	100%	Property investment
Derwent Valley Property Developments Limited[1]	02148266	100%	Property investment
Derwent Valley Property Investments Limited[1,2]	01885847	100%	Property investment
Derwent Valley Property Trading Limited[1,2]	03087749	100%	Property trading
Derwent Valley Railway Company[1]		100%	Dormant
Derwent Valley West End Limited[1,2]	02035801	100%	Property investment
Kensington Commercial Property Investments Limited[2]	00590078	100%	Property investment
LMS (City Road) Limited[2]	05642456	100%	Property investment
LMS Finance Limited[2]	05622669	100%	Investment holding
LMS Offices Limited[2]	05308784	100%	Property investment
London Merchant Securities Limited[1,2]	00007064	100%	Holding company
Old Street Quarter Limited[1,2]	16827608	100%	Property investment
The New River Company Limited[2]	00085094	100%	Property investment
Urbanfirst Limited[2]	02213216	100%	Investment holding
West London & Suburban Property Investments Limited[2]	00538148	100%	Property investment
Joint ventures			
Dorrington Derwent Holdings Limited	02355611	50%	Holding company
Dorrington Derwent Investments Limited	02359387	50%	Investment company
Primister Limited[4]	02068292	50%	Property investment

1 Indicates subsidiary undertakings held directly.
2 Exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act.
3 All holdings are of ordinary shares.
4 Unaudited.

The Company controls 50% of the voting rights of its joint ventures, which are accounted for and disclosed in accordance with IFRS 11 Joint Arrangements.

All of the entities above are incorporated and domiciled in England and Wales. In addition, all the entities are registered at 25 Savile Row, London, W1S 2ER, with the exception of:

- Dorrington Derwent Holdings Limited and Dorrington Derwent Investments Limited, which are registered at 16 Hans Road, London, SW3 1RT;
- Primister Limited, which is registered at Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

Ten-year summary
(unaudited)

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m
Income statement										
Gross property income	**218.6**	217.6	212.9	208.4	200.9	205.2	192.7	196.0	172.2	156.0
Net property income and other income	**199.6**	198.3	190.5	194.6	187.2	183.5	182.6	185.9	164.8	149.2
(Loss)/profit on disposal of properties and investments	**(2.2)**	1.9	1.2	25.6	10.4	1.7	13.8	5.2	50.3	7.5
Profit/(loss) before tax	**161.5**	116.0	(475.9)	(279.5)	252.5	(83.0)	280.6	221.6	314.8	54.5
Earnings and dividend per share										
EPRA earnings	**110.4**	119.5	114.5	119.7	121.7	109.6	115.1	126.1	105.0	85.7
EPRA earnings per share (p)	**98.36**	106.45	101.97	106.62	108.53	97.93	103.09	113.07	94.23	76.99
Dividend paid (p)	**81.00**	80.00	79.00	77.50	75.45	73.45	67.75	136.50	107.83	44.66
Interim/final dividend for the year (p)	**81.50**	80.50	79.50	78.50	76.50	74.45	72.45	65.85	59.73	52.36
Special dividend paid (p)	**–**	–	–	–	–	–	–	–	75.00	52.00
Net asset value										
Net assets	**3,615.3**	3,539.8	3,508.8	4,075.5	4,441.8	4,315.1	4,476.9	4,263.4	4,193.2	3,999.4
Net asset value per share (p) – undiluted	**3,221**	3,153	3,125	3,629	3,959	3,808	3,956	3,767	3,703	3,530
EPRA NTA per share (p) – diluted	**3,225**	3,149	3,129	3,632	3,959	3,812	3,957	3,775	3,714	3,550
EPRA NDV per share (p) – diluted	**3,302**	3,261	3,243	3,768	3,884	3,682	3,847	3,696	3,617	3,450
EPRA NRV per share (p) – diluted	**3,535**	3,455	3,423	3,956	4,301	4,138	4,290	4,092	4,011	3,852
Total accounting return (%)	**5.0**	3.2	(11.7)	(6.3)	5.8	(1.8)	6.6	5.3	7.7	1.7
Property portfolio										
Property portfolio at fair value[1]	**5,093.9**	5,041.1	4,844.7	5,321.8	5,646.3	5,355.5	5,475.2	5,190.7	4,850.3	4,942.7
Revaluation surplus/(deficit)	**56.7**	0.2	(585.4)	(421.4)	134.8	(194.3)	154.6	84.1	149.7	(42.6)
Cash flow statement										
Net cash from operating activities	**228.0**	64.6	97.0	111.4	125.7	115.9	97.1	115.2	83.5	77.7
Net cash (used in)/from investing activities	**(96.7)**	(101.9)	(98.0)	(51.7)	(182.6)	(92.5)	(44.3)	(209.1)	284.0	(9.5)
Net cash (used in)/from financing activities	**(71.0)**	35.7	(2.6)	(88.6)	74.7	(27.2)	(16.6)	25.2	(298.2)	(57.0)
Gearing and debt										
Net debt	**1,450.4**	1,482.7	1,356.8	1,257.2	1,251.5	1,049.1	981.6	956.9	657.9	904.8
NAV gearing (%)	**40.1**	41.9	38.7	30.8	28.2	24.3	21.9	22.4	15.7	22.6
Loan-to-value ratio (%)[2]	**29.4**	29.9	27.9	23.9	22.3	18.4	16.9	17.2	13.2	17.7
Net interest cover ratio (%)	**306**	387	414	423	464	446	462	491	454	370

1 Excludes share of joint ventures.
2 Presented on an EPRA basis since 2021.

A list of definitions is provided on pages 290 to 293.

EPRA summary
(unaudited)

EPRA Performance Measures

EPRA measure	Definition	2025	2024
EPRA Earnings	Earnings from operational activities	**£110.4m**	£119.5m
EPRA undiluted earnings per share	EPRA earnings divided by the weighted average number of ordinary shares in issue during the financial year	**98.36p**	106.45p
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax	**£3,619.8m**	£3,545.0m
EPRA diluted NTA per share	EPRA NTA divided by the number of ordinary shares in issue at the financial year end adjusted to include the effects of potential dilutive shares issuable under the Group's share option schemes and the convertible bonds	**3,225p**	3,149p
EPRA Net Disposal Value (NDV)	Represent the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax	**£3,706.2m**	£3,671.4m
EPRA diluted NDV per share	EPRA NDV divided by the number of ordinary shares in issue at the financial year end adjusted to include the effects of potential dilutive shares issuable under the Group's share option schemes and the convertible bonds	**3,302p**	3,261p
EPRA Net Reinstatement Value (NRV)	NAV adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded	**£3,968.4m**	£3,889.5m
EPRA diluted NRV per share	EPRA NRV divided by the number of ordinary shares in issue at the financial year end adjusted to include the effects of potential dilutive shares issuable under the Group's share option schemes and the convertible bonds	**3,535p**	3,455p
EPRA cost ratio (including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income	**27.3%**	27.0%
EPRA net initial yield	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 EPRA property portfolio, increased by estimated purchasers' costs	**4.0%**	4.3%
EPRA 'topped-up' net initial yield	This measure 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 stepped rents)	**5.1%**	5.2%
EPRA vacancy rate	Estimated rental value (ERV) of immediately available space divided by the ERV of the EPRA portfolio	**4.1%**	3.1%
EPRA loan-to-value ratio	Debt divided by the property value. Debt is equal to drawn facilities less cash, adjusted with equity characteristics, adding back the equity portion of hybrid debt instruments and including net payables if applicable. Property value is equal to the fair value of the property portfolio including net receivables if applicable	**29.4%**	29.9%

EPRA summary continued
(unaudited)

EPRA Sustainability Performance Measures

Environmental Sustainability Performance Measures

EPRA measure	Definition	2025	2024
Landlord Grid electricity consumption	Electricity use across our managed portfolio (landlord/common areas) – annual kWh	**12,923,059**	12,759,561[1]
Onsite renewable electricity consumption	Electricity use across our managed portfolio (onsite renewables) – annual kWh	**99,602**	86,136
DL Occupied Grid electricity consumption	Electricity use across our managed portfolio (landlord occupied areas) – annual kWh	**297,756**	304,790[1]
Tenant Grid electricity consumption	Electricity use across our total managed portfolio (tenant occupied areas) – annual kWh	**25,324,570**	25,713,301
Total electricity consumption	**Electricity use across our total managed portfolio**	**38,644,986**	38,863,483
Like-for-like landlord grid electricity consumption	Energy use across our like-for-like portfolio (landlord/common areas) – annual kWh	**12,624,571**	12,503,107[1]
Like for Like Onsite renewable electricity consumption	Electricity use across our like for like portfolio (onsite renewables) – annual kWh	**99,602**	86,136
Like for Like DL Occupied grid electricity consumption	Electricity use across our like for like portfolio (landlord occupied areas) – annual kWh	**297,756**	304,790[1]
Like for Like Tenant grid electricity consumption	Electricity use across our like for like portfolio (tenant occupied areas) – annual kWh	**24,309,067**	24,792,896[1]
Total like for like electricity consumption	**Electricity use across our like for like portfolio**	**36,933,638**	37,296,004[1]
Total fuel consumption	Fuel use (gas, oil, biomass) across our managed portfolio (landlord/common areas) – annual kWh	**10,099,638**	12,981,252
Like-for-like total fuel consumption	Fuel use (gas, oil, biomass) use across our like-for-like portfolio (landlord/common areas) – annual kWh	**9,900,093**	12,618,394[1]
Building energy intensity	Energy use across our total managed portfolio (landlord/common areas) – kWh per m^2	**60**	66
Building energy intensity	Energy use across our total managed portfolio (landlord & tenants) – kWh per m^2	**125**	137
Total direct greenhouse gas (GHG) emissions	Total managed portfolio emissions (landlord influenced portfolio emissions); a total of gas Scope 1 emissions – annual metric tonnes CO_2e	**2,126**	2,736
Total indirect greenhouse gas (GHG) emissions	Total managed portfolio emissions (landlord influenced portfolio emissions); Scope 2 energy-use – annual metric tonnes CO_2e	**2,340**	2,705
Like-for-like total direct greenhouse gas (GHG) emissions	Like-for-like emissions (landlord influenced portfolio emissions, building related only); Scope 1 energy-use – annual metric tonnes CO_2e	**2,089**	2,670[1]
Like-for-like total indirect greenhouse gas (GHG) emissions	Like-for-like emissions (landlord influenced portfolio emissions, building related only); Scope 2 energy-use – annual metric tonnes CO_2e	**2,217**	2,571[1]
Greenhouse gas (GHG) intensity from building energy consumption	Intensity (Scopes 1 & 2) per m^2 – $kgCO_2e/m^2$/year	**11**	14[1]
Greenhouse gas (GHG) intensity from building energy consumption	Intensity (Scopes 1 & 2) per m^2/£m fair market value	**877**	1,079[1]
Greenhouse gas (GHG) intensity from building energy consumption	Intensity (Scopes 1 & 2) per m^2/£m turnover	**23**	25
Total water consumption (water withdrawn from municipal supplies)	Water use across our total managed portfolio (excluding retail consumption) – annual m^3	**188,649**	193,029[1]
Like-for-like total water consumption (water withdrawn from municipal supplies)	Water use across our like-for-like portfolio (excluding retail consumption) – annual m^3	**181,946**	180,037[1]
Building water intensity	Water use across our total managed portfolio (excluding retail consumption) – m^3/m^2/year	**0.47**	0.47
Total weight of waste by disposal route	Waste generated across our total managed portfolio – annual metric tonnes and proportion by disposal route	**2,481**	2,463
Like-for-like total weight of waste by disposal route	Waste generated across our like-for-like portfolio – annual metric tonnes and proportion by disposal route	**2,367**	2,406[1]

Social Performance Measures

Diversity-Emp Employee gender diversity (% of employees)	Percentage of male and female employees in the organisation's governance bodies (committee or boards responsible for the strategic guidance of the organisation)	2025 Report & Accounts page 171
Diversity-Pay Gender pay ratio	Ratio of the basic salary and/or remuneration of men to women. As we have less than 250 employees we are not obliged by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to disclose our gender pay gap information	As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to disclose our gender pay information
Emp-Turnover Employee turnover and retention (total number and rate)	Total number and rate of new employee hires and employee turnover during the reporting period	2025 Report & Accounts page 78
H&S-Emp Employee H&S (injury rate, absentee rate and no. of work-related fatalities)	Occupational health and safety performance with relation to direct employees	2025 Report & Accounts page 81
H&S-Asset Asset H&S assessments (% of assets)	Proportion of assets controlled for which health and safety impacts have been reviewed or assessed for compliance or improvement	2025 Report & Accounts pages 80 to 81
H&S-Comp Asset H&S compliance (no. of incidents)	Any incidents of non-compliance with regulations and/or voluntary standards concerning the health and safety impacts of assets assessed during the reporting period	2025 Report & Accounts page 81
Comty-Eng Community engagement, impact assessments and development programmes	Percentage of assets under operational control that have implemented local community engagement, impact assessments and/or development programmes	2025 Report & Accounts pages 76 to 77

Governance Performance Measures

Gov-Board Composition of the highest governance body (total no.)	Number of executive board members, number of independent/non-executive board members, average tenure of the governance body and number of independent/non-executive board members with competencies relating to environmental and social topics	2025 Report & Accounts pages 118, 138 to 141
Gov-Selec Process for nominating and selecting the highest governance body	Nomination and selection process for the highest governance body and its members, and the criteria used to guide the nomination and selection process	2025 Report & Accounts pages 138 to 141
Gov-Col Process for managing conflicts of interest	Process for the highest governance body to ensure conflicts of interest are avoided and managed	2025 Report & Accounts pages 124 and 134

1 2024 figures have been restated. Please refer to the Environment Basis of Reporting in the 2025 Responsibility Report for further details.

Principal properties

(unaudited)

	Value banding £m	Offices (O), Retail/ restaurant (R), Residential (Re), Industrial (I), Leisure (L)	Freehold (F), Leasehold (L)	BREEAM Rating	Approximate net area sq ft
West End (75%)					
80 Charlotte Street W1	300+	O/R/Re	F	Excellent	336,500
Angel Building, 407 St. John Street EC1	200–300	O/R	F	Excellent	268,300
1-2 Stephen Street & Tottenham Court Walk W1	200–300	O/R/L	F	Very Good	267,100
Brunel Building, 2 Canalside Walk W2	300+	O/R	F	Excellent, Outstanding	243,400
25 Baker Street W1	300+	O/R/Re	L	Outstanding, Excellent	229,000
1 Soho Place W1	300+	O/R	L	Very Good, Outstanding	225,900
250 Euston Road NW1	100–200	O	F		165,900
Horseferry House, Horseferry Road SW1	100–200	O	F		162,700
Network, 10 Howland Street W1	200–300	O/R	F	Outstanding*	141,200
Greencoat and Gordon House, Francis Street SW1	50–100	O	F	Excellent**	138,300
Holden House, 54-68 Oxford Street W1	50–100	O/R	F	Outstanding**	133,500
1 Page Street SW1	50–100	O	F	Excellent	127,800
50 Baker Street W1	100–200	O/R	L	Outstanding**	122,000
90 Whitfield Street W1	100–200	O/R/Re	F		103,500
Henry Wood House, 3-7 Langham Place W1	50–100	O/R/L	L		79,800
Middlesex House, 34-42 Cleveland Street W1	50–100	O	F		65,400
Blue Star House, 234-244 Stockwell Road SW9	25–50	O/R	F		53,400
Charlotte Building, 17 Gresse Street W1	25–50	O	L		47,200
88-94 Tottenham Court Road W1	25–50	O/R	F		45,900
3-10 Rathbone Place W1	25–50	O/R/Re/L	L/F		45,400
80-85 Tottenham Court Road W1	25–50	O/R	F		44,500
25 Savile Row W1	100–200	O/R	F	Very Good	43,000
Holford Works, Cruikshank Street WC1	0–25	O/I	F		42,500
60 Whitfield Street W1	50–100	O	F		37,300
6-8 Greencoat Place SW1	25–50	O	F		32,400
43 and 45-51 Whitfield Street W1	25–50	O	F		29,000
171-174 Tottenham Court Road W1	0–25	O/R	F		15,800
401 St. John Street EC1	0–25	O	F		12,300
1-5 Maple Place W1	0–25	O	F		11,400
76-78 Charlotte Street W1	0–25	O	F		11,300
19-23 Fitzroy Street W1	0–25	O	F		8,100
50 Oxford Street W1[1]	0–25	O/R	F		6,100

	Value banding £m	Offices (O), Retail/ restaurant (R), Residential (Re), Industrial (I), Leisure (L)	Freehold (F), Leasehold (L)	BREEAM Rating	Approximate net area sq ft
City: Borders (23%)					
White Collar Factory, Old Street Yard EC1	200–300	O/R/Re	F	Outstanding, Excellent, Very Good	294,400
The White Chapel Building E1	100–200	O/L	F		271,300
Tea Building, 56 Shoreditch High Street E1	100–200	O/R/L	F		269,500
1 Oliver's Yard EC1	100–200	O/R	F		182,300
20 Farringdon Road EC1	100–200	O/R/L	L		167,000
The Featherstone Building, 66 City Road EC1	100–200	O/R	F	Outstanding	124,000
88 Rosebery Avenue EC1	50–100	O	F		98,500
Morelands, 5-27 Old Street EC1	50–100	O/R	L		87,400
230 Blackfriars Road SE1	25–50	O	L		59,800
Provincial (2%)					
Strathkelvin Retail Park, Bishopbriggs, Glasgow	50–100	R/L	F		351,800
Land, Bishopbriggs, Glasgow	25–50	–	F		5,500 acres

1 Includes 36-38 and 42-44 Hanway Street W1. * On-track for Post Completion target. ** Design stage target ( ) Percentages weighted by valuation.

List of definitions

(unaudited)

Better Buildings Partnership (BBP)

The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.

Building Research Establishment Environmental Assessment Method (BREEAM)

An environmental impact assessment method for non-domestic buildings. Performance is measured across a series of ratings – Good, Very Good, Excellent and Outstanding.

Capital return

The annual valuation movement arising on the Group's portfolio expressed as a percentage return on the valuation at the beginning of the year adjusted for acquisitions and capital expenditure.

Carbon emissions Scopes 1, 2 and 3

Scope 1 – direct emissions;
Scope 2 – indirect emissions; and
Scope 3 – other indirect emissions.

CDP

The CDP is an organisation which works with shareholders and listed companies to facilitate the disclosure and reporting of climate change data and information.

Company Voluntary Arrangement (CVA)

An insolvency procedure allowing a company with debt problems or that is insolvent to reach a voluntary agreement with its creditors to repay its debt over a fixed period.

Department for Environment, Food and Rural Affairs (DEFRA)

The government department responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the United Kingdom.

Diluted figures

Reported results adjusted to include the effects of potential dilutive shares issuable under the Group's share option schemes and the convertible bonds.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

Earnings/earnings per share (EPS)

Earnings represent the profit or loss for the year attributable to equity shareholders and are divided by the weighted average number of ordinary shares in issue during the financial year to arrive at earnings per share.

Energy Performance Certificate (EPC)

An EPC is an asset rating detailing how energy efficient a building is, rated by carbon dioxide emission on a scale of A-G, where an A rating is the most energy efficient. They are legally required for any building that is to be put on the market for sale or rent.

Estimated rental value (ERV)

This is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

European Public Real Estate Association (EPRA)

A not-for-profit association with a membership of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors. EPRA's Best Practices Recommendations includes guidelines for the calculation of the following performance measures which the Group has adopted.

EPRA earnings per share

Earnings from operational activities.

EPRA Loan-To-Value (LTV)

Debt divided by the property value. Debt is equal to drawn facilities less cash, adjusted with equity characteristics, adding back the equity portion of hybrid debt instruments and including net payables if applicable. Property value is equal to the fair value of the property portfolio including net receivables if applicable.

EPRA Net Reinstatement Value (NRV) per share

NAV adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded.

EPRA Net Tangible Assets (NTA) per share

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

EPRA Net Disposal Value (NDV) per share

Represent the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

EPRA capital expenditure

The total expenditure incurred on the acquisition, enhancement, and development of investment properties. This can include amounts spent on any investment properties under construction or related development projects, as well as the amounts spent on the completed (operational) investment property portfolio. Capitalised finance costs included in the financial statements are also presented within this total. The costs are presented on both an accrual and a cash basis, for both the Group and the proportionate share of joint ventures.

EPRA Cost Ratio (including direct vacancy costs)

EPRA costs as a percentage of gross rental income less ground rent (including share of joint venture gross rental income less ground rent). EPRA costs include administrative expenses, other property costs, net service charge costs and the share of joint ventures' overheads and operating expenses (net of any service charge costs), adjusted for service charge costs recovered through rents and management fees.

EPRA Cost Ratio (excluding direct vacancy costs)

Calculated as above, but with an adjustment to exclude direct vacancy costs.

EPRA Net Initial Yield (NIY)

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 EPRA property portfolio, increased by estimated purchasers' costs.

EPRA 'topped-up' Net Initial Yield

This measure 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 stepped rents).

EPRA vacancy rate

Estimated rental value (ERV) of immediately available space divided by the ERV of the EPRA portfolio.

In addition, the Group has adopted the following recommendation for investment property reporting.

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 properties held for development in either year and properties acquired or disposed of in either year.

Fair value adjustment

An accounting adjustment to change the book value of an asset or liability to its market value.

Global Real Estate Sustainability Benchmark (GRESB)

The Global Real Estate Sustainability Benchmark is an initiative set up to assess the environmental and social performance of public and private real estate investments and allow investors to understand their performance.

Ground rent

The rent payable by the Group for its leasehold properties. Under IFRS, a liability is recognised using the discounted payments due. Fixed lease payments made are allocated between the interest payable and the reduction in the outstanding liability. Any variable payments are recognised in the income statement in the period to which it relates.

Headroom

This is the amount left to draw under the Group's loan facilities (i.e. the total loan facilities less amounts already drawn).

Interest rate swap

A financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are generally used by the Group to convert floating rate debt to fixed rates.

ISS-Oekom

ISS-Oekom is an ESG rating service that provides corporate and country ESG research and ratings that enables its clients to identify material social and environmental risks and opportunities.

Key Performance Indicators (KPIs)

Activities and behaviours, aligned to both business objectives and individual goals, against which the performance of the Group is annually assessed. Performance measured against them is referenced in the Annual Report.

Leadership in Energy and Environmental Design (LEED)

LEED is a US-based environmental impact assessment method for buildings. Performance is measured across a series of ratings – Certified, Silver, Gold and Platinum.

Lease incentives

Any incentive offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free or half rent period, stepped rents, or a cash contribution to fit-out or similar costs.

Loan-to-value ratio (LTV)

Drawn debt net of cash divided by the fair value of the property portfolio. Drawn debt is equal to drawn facilities less unrestricted cash and the unamortised equity element of the convertible bonds.

Mark-to-market

The difference between the book value of an asset or liability and its market value.

MSCI Inc. (MSCI)

MSCI Inc. is a company that produces independent benchmarks of property returns. The Group measures its performance against both the Central London Offices Index and the UK All Property Index.

National Australian Built Environment Rating System (NABERS)

This is a building performance rating system which provides an energy performance benchmark using a simple star rating system on a 1 to 6 scale. This helps property owners understand and communicate a building's performance versus other similar buildings to occupiers. Ratings are validated on an annual basis.

NAV gearing

Net debt divided by net assets.

Net assets per share or net asset value (NAV)

Equity shareholders' funds divided by the number of ordinary shares in issue at the balance sheet date.

Net debt

Borrowings plus bank overdraft less unrestricted cash and cash equivalents.

Net debt to EBITDA

Net debt to EBITDA is the ratio of gross debt less unrestricted cash to earnings before interest, tax, depreciation and

List of definitions continued
(unaudited)

amortisation (EBITDA).

Net effective rent
Net effective rent is the actual rental income a landlord receives after adjusting for all concessions, incentives, and rental uplifts over the term of the lease, spread over the full lease term. It reflects the true economic value of a lease.

Net interest cover ratio
Net property income, excluding all non-core items divided by interest payable on borrowings and non-utilisation fees.

Property income distribution (PID)
Dividends from profits of the Group's tax-exempt property rental business under the REIT regulations.

Non-PID
Dividends from profits of the Group's taxable residual business.

Real Estate Investment Trust (REIT)
The UK Real Estate Investment Trust ('REIT') regime was launched on 1 January 2007. On 1 July 2007, Derwent London plc elected to convert to REIT status.

The REIT legislation was introduced to provide a structure which closely mirrors the tax outcomes of direct ownership in property and removes tax inequalities between different real estate investors. It provides a liquid and publicly available vehicle which opens the property market to a wide range of investors.

A REIT is exempt from corporation tax on qualifying income and gains of its property rental business providing various conditions are met. It remains subject to corporation tax on non-exempt income and gains e.g. interest income, trading activity and development fees.

REITs must distribute at least 90% of the Group's income profits from its tax exempt property rental business, by way of dividend, known as a property income distribution (PID). These distributions can be subject to withholding tax at 20%.

If the Group distributes profits from the non-tax exempt business, the distribution will be taxed as an ordinary dividend in the hands of the investors (non-PID).

Rent reviews
Rent reviews take place at intervals agreed in the lease (typically every five years) and their purpose is usually to adjust the rent to the current market level at the review date. For upwards only rent reviews, the rent will either remain at the same level or increase (if market rents are higher) at the review date.

Renewable Energy Guarantees of Origin (REGO)
The REGO scheme administered by Ofgem provides transparency to consumers about the proportion of electricity that suppliers source/provide from renewable generation.

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs)
The regulations place a legal duty on employers to report work-related deaths, major injuries or over-three-day injuries, work related diseases and dangerous occurrences (near miss accidents) to the Health and Safety Executive.

Reversion
The reversion is the amount by which ERV is higher than the rent roll of a property or portfolio. The reversion is derived from contractual rental increases, rent reviews, lease renewals and the letting of space that is vacant and available to occupy or under development or refurbishment.

Science Based Target initiative (SBTi)
The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses and approves companies' targets. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

Scrip dividend
Derwent London plc sometimes offers its shareholders the opportunity to receive dividends in the form of shares instead of cash. This is known as a scrip dividend.

Streamlined energy and carbon reporting (SECR)
The SECR regulations were introduced in April 2019 and require companies incorporated in the UK to undertake enhanced disclosures of their energy and carbon emissions in their financial reporting.

Task Force on Climate-related Financial Disclosures (TCFD)
Set up by the Financial Stability Board (FSB) in response to the G20 Finance Ministers and Central Bank Governors request for greater levels of decision-useful, climate-related information; the TCFD was asked to develop climate-related disclosures that could promote more informed investment, credit (or lending), and insurance underwriting decisions. In turn, this would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

'Topped-up' rent
Annualised rents generated by the portfolio plus rent contracted from expiry of rent-free periods and uplifts agreed at the balance sheet date.

Total property return (TPR)
Total property return is a performance measure calculated by the MSCI and defined in the MSCI Global Methodology Standards for Real Estate Investment as "the percentage value change plus net income accrual, relative to the capital employed."

Total accounting return (TAR)
The movement in EPRA Net Tangible Assets per share on a diluted basis between the beginning and the end of each financial year plus the dividend per share paid during the year expressed as a percentage of the EPRA Net Tangible Assets per share on a diluted basis at the beginning of the year.

Total shareholder return (TSR)
The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the year, expressed as a percentage of the share price at the beginning of the year.

Transmission and distribution (T&D)
The emissions associated with the transmission and distribution losses in the grid from the transportation of electricity from its generation source.

Underlying portfolio
Properties that have been held for the whole of the year (i.e. excluding any acquisitions or disposals made during the year).

Underlying valuation increase/decrease
The valuation increase/decrease on the underlying portfolio.

Yields

Net initial yield
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 by estimated purchasers' costs.

Reversionary yield
The anticipated yield to which the net initial yield will rise once the rent reaches the estimated rental values.

True equivalent yield
The constant capitalisation rate which, if applied to all cash flows from the portfolio, including current rent, reversions to valuers' estimated rental value and such items as voids and expenditures, equates to the valuation having taken into account notional purchasers' costs. Rent is assumed to be received quarterly in advance.

Yield shift
A movement in the yield of a property asset, or like-for-like portfolio, over a given year. Yield compression is a commonly-used term for a reduction in yields.

Shareholder information

Shareholder enquiries

Our Registrar

Enquiries relating to shareholders, such as queries concerning notification of change of address, dividend payments and lost share certificates, should be made to the Company's registrar, Equiniti (EQ).

The Company has a share account, management and dealing facility for all shareholders via Equiniti Limited. This offers shareholders secure access to their account details held on the share register, to amend address information and payment instructions directly, as well as providing a simple and convenient way of buying and selling the Company's ordinary shares. For internet services visit: **www.shareview.co.uk**

The Shareview Dealing service is also available by telephone on +44 (0) 3456 037 037 between 8.00am and 4.30pm, Monday to Friday (excluding public holidays in England and Wales).

Company information

As at 25 February 2026, the Company's issued share capital consisted of 112,290,929 ordinary shares of 5 pence each with voting rights (ISIN: GB0002652740).

Derwent London plc is listed in the commercial companies' category of the London Stock Exchange Main Market. Derwent London plc is a public limited company, registered and domiciled in England and Wales (company number 01819699).

Shareholder security

Unsolicited calls and correspondence targeting shareholders are on the rise. Shareholders should verify any unsolicited communication with the Financial Conduct Authority (FCA) using the FCA's Warning List and website: **www.fca.org.uk/consumers**. We advise shareholders to remain cautious before sharing personal information or transferring funds and to report suspicious activity to the FCA.

2026 financial and dividend calendar

Our forthcoming financial and dividend calendar for 2026 is provided in the tables below. These dates are provisional and subject to change. For up to date information, refer to the financial calendar on our corporate website at: **www.derwentlondon.com/investors/calendar**

Financial calendar

Final results announced	26 February
Q1 Business update	12 May
Annual General Meeting	15 May
Interim results announced	6 August
Q3 Business update	5 November

Dividend calendar

	2025 Final dividend	2026 Interim dividend
Ex-dividend date	23 April	3 September
Record date	24 April	4 September
Dividend paid	29 May	9 October

Dividend payments

Derwent London plc is committed to reducing its impact on the environment. From October 2025, dividend payments are no longer made by cheque. Receiving dividends by direct payment rather than cheque is quicker, more secure and better for the environment. Further information is contained on our dividend tax vouchers.

Annual General Meeting (AGM)

The AGM of Derwent London plc will be held in DL/78 at 78 Charlotte Street, London W1T 4QS on 15 May 2026 at 9.30am. The Notice of Meeting together with explanatory notes is contained in the circular to shareholders that accompanies the Report & Accounts.

Useful contact information:

Equiniti (EQ)

Aspect House
Lancing Business Park
Lancing
West Sussex
BN99 6DA
United Kingdom

Equiniti general shareholder helpline:

Calling from the UK: **0371 384 2192**
Calling from overseas: **+44 (0) 371 384 2192**

Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales)

Derwent London plc

David Lawler
Company Secretary
Telephone: **+44 (0)20 7659 3000**
Email: **company.secretary@derwentlondon.com**

Robert Duncan
Head of Investor Relations & Strategic Planning
Telephone: **+44 (0)20 7659 3000**
Email: **ir@derwentlondon.com**

Awards and recognition

Derwent London won numerous awards for its achievements and buildings in 2025, a sample of which are shown below.

Corporate

EPRA BPR
Gold Award 2025

RoSPA
Gold Award 2025

European Brand Awards
Strongest Brand UK - Developers Office 2025

Real Estate insider Awards
Most Innovative Office-Focused REIT London 2025

Teenage Cancer Trust's Altogether Unstoppable Awards
Special Recognition Winner

Sustainability

Greenstar status
'A' rated public disclosure (100/100), Development 5 Star (98/100), Standing Investments 4 Star (86/100)

CDP 2025
Climate Change: A-rating

EPRA Sustainability BPR
Gold Award 2025

ISS Oekom
Prime status C+

Chartered Governance Awards
Audit Disclosure of the Year

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