RNS Number : 2725Q
CLS Holdings PLC
12 August 2026

**CLS HOLDINGS PLC**

**("CLS", the "Company" or the "Group")**

**ANNOUNCES ITS HALF-YEARLY FINANCIAL REPORT**

**FOR THE SIX MONTHS TO 30 JUNE 2026**

**Progress made with strategic priorities of lettings, sales, refinancings and investments**

CLS is a leading office space specialist and a supportive, progressive and sustainably focused commercial landlord, with a £1.6 billion portfolio in the UK, Germany and France, offering geographical diversification with local presence and knowledge. For the half-year ended 30 June 2026, the Group has delivered the following results:

| | **30 June 2026** | **30 June 2025** | **Change (%)** |
|---|---|---|---|
| EPRA earnings[1] (£m) | 10.9 | 16.1 | (32.3) |
| Statutory (IFRS) loss after tax (£m) | (69.6) | (24.4) | Nm[2] |
| EPRA earnings per share[1] (pence) | 2.7 | 4.0 | (32.5) |
| Statutory (IFRS) earnings per share (pence) | (17.5) | (6.1) | Nm[2] |
| Dividend per share (pence) | - | 1.30 | Nm[2] |
| Total Accounting Return (%) (per share) | (9.5) | (1.3) | Nm[2] |

| | **30 June 2026** | **31 December 2025** | **Change (%)** |
|---|---|---|---|
| EPRA net tangible assets[1] (NTA) per share (pence) | 177.7 | 200.7 | (11.5) |
| Statutory net asset value (NAV) per share (pence) | 164.2 | 186.4 | (11.9) |

[1] *A reconciliation of statutory to alternative performance measures is set out in Note 4 to the condensed Group financial statements*

[2] *Nm = Not meaningful*

Fredrik Widlund, Chief Executive Officer of CLS, commented:

*"The first half reflects the earnings and valuation pressures we set out in our recent Trading Update on 4 August. Our priorities are clear: to focus on the actions within our control and execute them effectively across the portfolio.*

*"Our local teams remain focused on active, asset-by-asset management of our well-located, multi-let offices: leasing vacant space, reducing void costs, progressing disposals and refinancing, and investing selectively where there is clear occupier demand or an opportunity to improve the use of an asset. We have made progress in each of these areas, but there is more work to do. Our focus for the second half is on completing that activity and converting it into improved occupancy and financial flexibility over time. The actions we are taking to strengthen the business over the medium term are positioning CLS for sustainable long-term growth."*

**FINANCIAL HEADLINES**

- EPRA EPS fell 32.5% to 2.7 pence (30 June 2025: 4.0 pence) per share due to lower rental income from asset sales and tenant departures, partly offset by lower administration, property costs and net finance expense from reduced debt levels and borrowing costs.
- Portfolio valuation fell 4.6% in local currency (UK -7.2%, Germany -2.5% and France -3.7%), as a result of a 27 bps property yield expansion and a 1.8% decline in ERVs across the Group
- Statutory loss after tax of £69.6 million (30 June 2025: £24.4 million) primarily due to valuation declines on investment properties of £84.2 million (30 June 2025: £32.3 million decline) partly offset by underlying earnings. This translates to statutory loss per share of 17.5 pence (30 June 2025: 6.1 pence loss).
- EPRA NTA per share fell 11.5% to 177.7 pence (31 December 2025: 200.7 pence) as a result of the decline in property values, further exacerbated by a 1.2% strengthening of Sterling against the Euro. Total accounting return (per share) for the period was -9.5% (31 December 2025: -4.8%).
- Given the importance of reducing leverage and completing the disposal programme, the Board has concluded that it is appropriate to determine the level of distribution at the full year results once the full-year earnings are known. Accordingly, no interim dividend will be paid, and the Board intends to consider a single final dividend for

known. Accordingly, no interim dividend will be paid, and the Board intends to consider a single final dividend for the entirety of 2026 based on full-year earnings, taking into account our dividend policy of a dividend cover of 1.5-3.0x EPRA earnings and UK REIT distribution requirements.

**OPERATIONAL HEADLINES**

- Net rental income decreased by 13.1% to £46.3 million (30 June 2025: £53.3 million) reflecting the combination of a like-for-like decrease of 4.7% due to lease expiries, the majority of which related to block expiries at New Printing House Square in June 2025, German insolvencies in H2 2025, and £201.2 million of disposals since the start of 2025.
- In the first half of 2026, the sales of The Brix in Germany, four flats in London and one floor of our Rhone Alpes property in France were completed for £56.8 million in line with book value. In July 2026, we sold the Columbia building in Bracknell and at 30 June 2026 had entered into an agreement to sell the Clockwork building in London. The sale of Clockwork is expected to complete in the second half of the year.
- We secured contracted rent of £5.7 million in the first half of the year (30 June 2025: £7.5 million) across 57 new lettings and renewals (30 June 2025: 52) with the number of new leases increasing during the period. As a whole, leases were signed at 8.9% below 31 December 2025 estimated rental values. 56 lettings were on average completed in line with ERV, whilst one lease at New Printing House Square was completed below ERV. The one lease at New Printing House Square was agreed ahead of the planned redevelopment in 2029 to reduce void costs. Rent collection rates remain high at 98% of contracted rent due.
- Vacancy was stable at 14.5% (31 December 2025: 14.5%) largely reflecting steady leasing activity across the portfolio and particularly strong progress in France. We are seeing a good level of enquiries for our vacant space and signed a further £1.9 million of leases in July.
- Planning for the redevelopment of Spring Gardens (Citadel Place) continues to progress following submission of the planning application in March this year. The application is now expected to be considered by the Planning Committee in September 2026.
- At New Printing House Square, a pre-application has been submitted for a residential conversion including a proposed self-storage scheme within part of the basement and at Spring Mews we successfully secured planning permission to convert the remaining standalone student accommodation units into serviced apartments.
- In Dortmund, at The Yellow we delivered the second phase of the fit-out works for the new tenant and subsequently agreed terms for additional space. The repositioning of Max Forum in Munich as a life-science hub progressed with several active leasing discussions.
- Our embedded focus on improving the sustainability credentials of our portfolio continues: we achieved a 3% reduction in like-for-like landlord energy usage (31 December 2025: 5.8% reduction) and 88% of our UK portfolio has an Energy Performance Certificate rating of A-C (31 December 2025: 84%).

**FINANCING**

- Net debt fell by £44.2 million during the first half of the year, mainly reflecting our disposal activity. Our loan-to-value (LTV) ratio was 51.6% at 30 June 2026 (31 December 2025: 50.0%) with lower debt levels, more than offset by the decline in portfolio value.
- As at 30 June 2026 57% of our 2026 debt maturities or expiries had been refinanced, extended or repaid. We subsequently received credit approval or agreed terms for a further 32% and we are in discussions on the remaining 11% and are confident to refinance by the end of the year. Our weighted average cost of debt was 3.9% at 30 June 2026 (31 December 2025: 3.8%). The average debt maturity decreased to 3.2 years (31 December 2025: 3.6 years) partly as a result of debt repaid on property sales.
- 72% of debt is at fixed rates and 3% is subject to interest rate caps (31 December 2025: 69% fixed and 7% caps).
- Our balance sheet remains resilient with cash and cash equivalents (including restricted cash) of £35.3 million (31 December 2025: £49.4 million) and undrawn credit facilities of £44.1 million (31 December 2025: £38.0 million).

**OUTLOOK**

- We remain committed to our long-term strategy of owning and actively managing office properties in Europe's three largest economies, while focusing on our near-term priorities of reducing vacancy, strengthening the balance sheet through refinancing and disposals, and investing in our properties.
- Our markets continued to experience modest economic growth and a higher-for-longer interest rate environment, which is affecting occupier decision-making, investment activity and financing costs. However, the outlook is gradually becoming more supportive. Business confidence is improving, and occupiers increasingly accept ongoing uncertainty, and the importance of the office to company identity, culture, and operations remains clear.
- Leasing markets remained stable across our regions, with demand for modern, well-located offices evident, and our leasing pipeline for the second half of the year is encouraging.
- We have continued to make progress with disposals with £75.7 million completed or exchanged, and a further £22.5 million under offer and expect to deliver around £100 million of disposals during the year.
- We have completed or agreed 89% of our refinancing activity for the year, demonstrating the resilience of the secured lending model we have operated for many years and have started to progress on our 2027 debt maturities.
- With near-term earnings under pressure, particularly from asset sales and the departure of our largest tenant, the Board now expects 2026 full year EPS to be in the range of 4.6 to 5.5 pence per share. We continue to make progress against our strategic priorities, supported by our experienced local teams, a well-located portfolio and

improving financial flexibility, and we believe the actions we are taking today position CLS to benefit as market conditions improve.

**-ends-**

**Results presentation**

A presentation for analysts and investors will be held in-person at Panmure Liberum and by webcast on Wednesday 12 August 2026 at 8:30am followed by Q&A. Questions can be submitted online via the webcast.

- Panmure Liberum: Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY
- Webcast: The live webcast will be available here: https://sparklive.lseg.com/CLSHoldings/events/b7b1d8b9-151f-4a73-991b-33d911d9e832/cls-holdings-plc-half-year-results-2026

For further information, please contact:

**CLS Holdings plc**
(LEI: 213800A357TKB2TD9U78)
www.clsholdings.com
Fredrik Widlund, Chief Executive Officer
Patrick Symons, Chief Financial Officer
+44 (0)20 7582 7766

**Panmure Liberum**
Jamie Richards
David Watkins
+44 (0)20 3100 2000

**Berenberg**
Carl Gough
Harry Nicholas
+44 (0)20 3207 7800

**Edelman Smithfield (Financial PR)**
Alex Simmons +44 7970 174 353
Hastings Tarrant +44 7813 407 665
cls@edelmansmithfield.com

**Forward-looking statements**

This document may contain certain 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from those expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of CLS speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except as required by its legal or statutory obligations, the Company does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Information contained in this document relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

# Chief Executive's statement

## Progress made with strategic priorities of lettings, sales, refinancings and investments

**Introduction**

During the first half of the year, we remained focused on actions within our control and made progress against most of our four strategic priorities: reducing vacancy and improving earnings growth; reducing debt through targeted asset sales; refinancing or repaying debt maturities; and investing selectively in our portfolio to unlock additional value.

These priorities are particularly important in the current environment, where modest economic growth and a more cautious interest rate outlook continue to affect occupier decision-making, office investment markets and financing costs. These factors, together with lower income following asset sales, have impacted earnings and full year 2026 earnings are now expected to be lower as announced in our Trading Update on 4 August 2026.

Despite market conditions and lower headline results, in the first six months of the year we saw progress against a number of our priorities, particularly in leasing activity, sales and financing, and overall vacancy remained stable, helping position the portfolio for future earnings growth.

Reduce vacancy and improve earnings growth

Vacancy as 30 June 2026 was stable at 14.5% despite the impact of disposals, reflecting steady leasing activity across the portfolio and particularly strong progress in France.

Reducing vacancy remains our top priority and we are taking an active, asset-by-asset approach to improving occupancy. This will not only generate additional rental income, but also reduce void costs, support valuations and strengthen our refinancing position.

Reduce debt through targeted asset sales

We have made progress with our disposals programme and in the first half of the year, we executed £56.8 million of sales and have exchanged on a further £18.9 million targeted for completion in H2. We have remained disciplined on pricing, with completed disposals achieved at book value.

We remain on track to execute around £100 million of disposals during the year, within our target range, providing additional balance sheet flexibility through lower debt and additional headroom.

The sale of Spring Gardens is progressing well, following delays associated with the local elections. Engagement with the council has been positive, and the proposed development offers clear benefits, including a high level of affordable housing and the revitalisation of a redundant office building.

We are committed to bringing the group Loan-to-Value (LTV) ratio to within the targeted range of between 35% and 45%. At 30 June 2026, our LTV was 51.6% (31 December 2025: 50.0%), reflecting a balance of asset disposals and property value declines during the period.

Successful refinancing or repayment of debt due in 2026

During the period, we refinanced or repaid £113.6 million of debt across four loans including amortisation. Of the £85.7 million due for refinancing in the second half of the year, we have received credit approval or agreed terms for £63.8 million and the remaining £21.9 million is well progressed with lenders.

A notable achievement during the period was the refinancing of Spring Gardens. Despite the complexity created by the upcoming expiry of the National Crime Agency lease and planning permission not yet being in place, we successfully arranged a bridging facility that provides flexibility through to the expected sale of the property which remains on track for 2027.

Investing in our properties to unlock additional value

During the first half of the year, we invested £12.5 million in our portfolio, which included £5.9 million of capex and £6.6 million invested in tenant fit outs ahead of occupation of government tenants on large long-term leases at two of our properties in Germany, both of which increased in value during the period. We adopt a disciplined approach to enhancing our properties by focusing on retaining existing occupiers and reducing vacancy.

We continue to undertake reviews of the portfolio to identify assets where redevelopment or a change of use may deliver the best outcome. For example, following the sale of the student accommodation block, we successfully secured planning permission to convert the remaining standalone student accommodation units into serviced apartments.

**Financial results**

In H1 2026, EPRA EPS fell by 32.5% to 2.7 pence (H1 2025: 4.0 pence), primarily reflecting lower net rental income following disposals completed during 2025, particularly Spring Mews Student, lease expiries including the 2025 block expiry at New Printing House Square, and the impact of the 2025 German insolvencies. This was partially offset by lower finance, administration and other property expenses.

IFRS EPS declined to a loss of 17.5 pence (H1 2025: 6.1 pence loss) reflecting the decline of our portfolio value. These factors contributed to a 11.5% reduction in EPRA NTA to 177.7 pence per share (31 December 2025: 200.7 pence) and a 11.9% reduction in statutory NAV per share to 164.2 pence (31 December 2025: 186.4 pence).

**Dividends**

Given the importance of reducing leverage and completing the disposal programme, the Board has concluded that it is appropriate to determine the level of distribution at the full year results once the full-year earnings are known.

Accordingly, no interim dividend will be paid, and the Board intends to consider a single final dividend for the entirety of 2026 based on full-year earnings, taking into account our dividend policy of a dividend cover of 1.5-3.0x EPRA earnings and UK REIT distribution requirements.

**Property portfolio**

At 30 June 2026, the value of our investment portfolio, including assets held for sale, was £1.6 billion (31 December 2025: £1.7 billion), reflecting disposals during the period as well as a 4.6% decline in value on a constant currency basis. Within this, the UK portfolio fell by 7.2%, Germany fell by 2.5% and France fell by 3.7%.

The lower valuation reflected a softening of property yields, by 27 basis points to an equivalent yield of 6.4% (31 December 2025: 6.1%) and like-for-like ERVs which fell by 1.8% (31 December 2025: 0.1% fall). This was the first valuation of our UK portfolio by Colliers, who took over from Cushman & Wakefield following the RICS changes to mandatory rotation rules in the UK. JLL remains the valuer of the German and French portfolios.

**Asset and property management**

Over the course of the first half, we completed 57 leasing transactions (H1 2025: 52) for a total of £5.7 million (H1 2025: £7.5 million) of annual rent at 8.9% below ERV. Excluding one lease at New Printing House Square, where a three-year lease was agreed, to reduce holding costs, ahead of the planned redevelopment of the property from 2029, lettings were completed in line with ERV. Market vacancy has continued to increase across our markets, and our leasing activity has largely offset expiries and disposals in the period.

Group vacancy increased from 14.5% at year-end to 14.7% at 31 March 2026 before again reducing down to 14.5% at 30 June 2026. Leasing momentum strengthened through Q2 and continued into July, with a further £1.9 million of leases signed.

On a country basis, the UK, has seen a modest improvement in its vacancy rate since the start of the year, from 18% to 17.8% in the first quarter and thereafter to 17.7% in Q2. In Germany, the vacancy increased from 11.1% at year end to 12.3% in the first quarter and 12.5% in Q2 with the sale of the fully let Brix adding 0.7% to vacancy. In France, we saw strong leasing activity and vacancy reduced from 12.1% at year end to 10.3% in Q1 and 7.7% in Q2.

Our largest single future vacancy is at Spring Gardens, where the National Crime Agency lease is due to expire at the end of September. Given the significance of the departure of our largest tenant and release of the occupied space, EPRA vacancy is expected to increase at year end.

**Balance sheet and financing**

At 30 June 2026, net debt fell by 5.2% to £808.3 million (31 December 2025: £852.5 million), primarily reflecting disposals during the year.

The weighted average cost of debt increased slightly as interest rates increased during the period and cheaper debt associated with disposals was repaid. The weighted average maturity of the debt decreased to 3.2 years (31

December 2025: 3.6 years) partly as a result of long-term debt being repaid on the sale of The Brix.

Our primary leverage indicator is balance sheet loan-to-value (LTV) ratio, and this increased slightly to 51.6% (31 December 2025: 50.0%). This reflected the reduction in the value of the property portfolio, partially offset by lower debt levels. Interest cover (defined as EBITDA divided by net finance costs) was 1.6 times (H1 2025: 1.9 times) reflecting lower net finance costs, following net debt repayments, offset by lower EBITDA.

**Sustainability**

CLS Holdings is committed to becoming a net zero carbon (NZC) business. This year, to ensure the strategic alignment of our approach to decarbonisation and the Group's overall business strategy, we are updating our current NZC Pathway, in line with the Science Based Targets initiative.

To support the delivery of our near term and ultimately, our new long-term NZC targets, we have continued implementing technical and cost-effective NZC projects across all three regions. In 2026, we expect to complete approximately £2 million worth of carbon reduction and energy efficiency projects. In total, these projects will save an estimated 312 tonnes CO2e (tCO2e) per annum. Further to the completion of our heating electrification project at Radius House, Watford, in 2025, this year, we are replacing the gas boiler at Hansaallee in Dusseldorf, with a ground source heat pump (GSHP). The GSHP installation represents one of our largest projects and is expected to achieve annual carbon savings of c.80 tCO2e whilst the total annual energy consumption of the building is expected to decrease by c.30%. Other key projects due to complete by year end include lighting and BMS upgrades across the UK, Germany and France.

Through the delivery of our asset level NZC management plans as well as our Sustainability Strategy, we remain well positioned to meet all regulatory requirements in our geographies. This includes the updated Minimum Energy Efficiency Standards in the UK, Décret Tertiaire in France as well as anticipated changes to national legislation within France and Germany enforced by the recently recast European Performance of Buildings Directive. In addition, CLS expects to maintain its EPRA sBPR Gold award whilst we continue to assess building performance using certification schemes including BREEAM.

**Outlook**

We remain committed to our long-term strategy of owning and actively managing office properties in Europe's three largest economies, while focusing on our near-term priorities of reducing vacancy, strengthening the balance sheet through refinancing and disposals, and investing in our properties.

Our markets continued to experience modest economic growth and a higher-for-longer interest rate environment, which is affecting occupier decision-making, investment activity and financing costs. However, the outlook is gradually becoming more supportive. Business confidence is improving, and occupiers increasingly accept ongoing uncertainty, and the importance of the office to company identity, culture, and operations remains clear.

Leasing markets remained stable across our regions, with demand for modern, well-located offices evident, and our leasing pipeline for the second half of the year is encouraging.

We have continued to make progress with disposals with £75.7 million completed or exchanged, and a further £22.5 million under offer and expect to deliver around £100 million of disposals during the year.

We have completed or agreed 89% of our refinancing activity for the year, demonstrating the resilience of the secured lending model we have operated for many years and have started to progress on our 2027 debt maturities.

With near-term earnings under pressure, particularly from asset sales and the departure of our largest tenant, the Board now expects 2026 full year EPS to be in the range of 4.6 to 5.5 pence per share. We continue to make progress against our strategic priorities, supported by our experienced local teams, a well-located portfolio and improving financial flexibility, and we believe the actions we are taking today position CLS to benefit as market conditions improve.

# Business review

## United Kingdom

### Delivering leasing progress while unlocking development potential

| | 30 June 2026 | 31 December 2025 |
|---|---|---|

| | | |
|---|---|---|
| Value of properties | £628.2m | £677.4m |
| Percentage of Group's property interests | 40% | 40% |
| Number of properties | 33 | 33 |
| Number of tenants | 202 | 203 |
| EPRA vacancy rate | 17.7% | 18.0% |
| Lettable space | 144.7k sqm | 146.9k sqm |
| Government and large companies | 69.4% | 70.4% |
| Weighted average lease length to expiry | 3.5 years | 3.8 years |
| Leases subject to indexation | 31.4% | 30.7% |

The value of the UK portfolio decreased by £49.2 million as a result of: valuation decreases of £49.0 million or 7.2%, disposals of £2.2 million; offset by capex additions of £2.0 million. Spring Gardens recorded the largest valuation decline, with a fall of 11.6%, due to the upcoming expiry of the National Crime Agency lease in September 2026 and the planned disposal of the property. The valuation decline for the rest of the portfolio was primarily driven by a 55 bps outward shift in equivalent yields, reflecting reduced expectations for interest rate cuts and continued caution in office investment markets. During the period, Colliers was appointed as the UK portfolio valuer, replacing Cushman & Wakefield. This is due to the RICS valuer rotation requirements in the UK.

In H1 2026, we signed 14 new leases and five lease extensions, securing £1.6 million of annualised rent at a 27% discount to December 2025 ERVs. This discount was due to a strategic 2,500 sqm letting at New Printing House Square, where leasing is limited to short-term agreements ahead of the June 2029 block expiry at which point a residential conversion is anticipated. In addition to generating rent, this letting is expected to reduce annual holding costs by approximately £1.1 million. Excluding this transaction, UK leases were completed at 1.1% above ERV.

EPRA vacancy decreased from 18.0% at 31 December 2025 to 17.7% at 30 June 2026. The number of new leases increased during the period, while renewals were lower due to fewer expiries and hence less potential extensions. The National Crime Agency lease at Spring Gardens is due to expire in September 2026. As the property is expected to be removed from lettable space following the sale to London Square, the loss of this significant occupied space is expected to increase UK and Group EPRA vacancy by 4.0% and 1.0%, respectively, on a pro-forma basis.

With respect to disposals, we closed on the sale of Columbia House, Bracknell in July and exchanged on the Clockwork Building, Hammersmith with expected completion in Q4 2026 and in line with our strategy of selling properties better suited for alternative uses. We also continued to wind down our residential portfolio with the sale of several flats in Vauxhall in the first half of the year.

Planning for the redevelopment of Spring Gardens (Citadel Place) continues to progress following submission of the planning application in March this year. The application is expected to be considered by the Planning Committee in September 2026, with preparatory site clearance works already planned. At New Printing House Square, a pre-application has been submitted for a residential conversion, alongside initiatives to reduce holding costs and increase income, including a proposed self-storage scheme within part of the basement. Elsewhere in the UK portfolio, we have submitted pre-applications to pursue opportunities to redevelop selected properties or unlock value from underutilised space.

In terms of the UK property market, commercial investment volumes were c.£15 billion in the first half of 2026, a decrease of over 40% on same period in 2025.

Leasing take-up in London in the first half of 2026 was c.510,000 sqm, which was similar to the same period last year, while take-up across the South East office market reached c.120,000 sqm, below last year due to the absence of larger M4 corridor lettings. Vacancy in the London market is now 8.4% and 11.7% in the South East office market.

## Germany

### Positioned to benefit from improving market conditions and public investment

| | **30 June 2026** | **31 December 2025** |
|---|---|---|
| Value of properties | £725.2m | £802.1m |
| Percentage of Group's property interests | 46% | 47% |
| Number of properties | 28 | 29 |
| Number of tenants | 307 | 320 |
| EPRA vacancy rate | 12.5% | 11.1% |
| Lettable space | 304.3k sqm | 323.1k sqm |
| Government and large companies | 45.9% | 55.9% |
| Weighted average lease length to end | 6.0 years | 7.4 years |
| Leases subject to indexation | 73.6% | 76.0% |

| | | |
|---|---|---|
| Leases subject to indexation | 75.0% | 76.0% |

The value of the German portfolio decreased by £76.9 million as a result of: disposals of £52.3 million; a valuation decrease of £19.1 million or 2.5% in local currency; a foreign exchange loss of £8.8 million, partially offset by capex of £3.3 million. The valuation loss was due to yields expanding by an average of 10 bps and ERVs declining by 1.1%.

Vacancy increased to 12.5%, compared with 11.1% at 31 December 2025, due to lease expiries and a disposal during the period. Excluding the disposal of The Brix, which was fully let, vacancy would have increased to 11.8%. Vacancy in the second half of the year is expected to decrease as we are in advanced discussions with several potential new tenants.

In H1 2026, 21 leases were signed, adding £3.0 million of annualised rent at an average of 2.7% above December 2025 ERVs. The most significant transaction was the extension of Deutsche Telekom's 5,900 sqm lease at Georg-Elser-Strasse, Nuremberg. The lease extends a tenant relationship of more than a decade, highlighting the benefits from our long-term occupier relationships.

In May, we completed the £51.9 million sale of The Brix, Essen, a 21,800 sqm office building fully let to the City of Essen. Other disposals are being considered, aligned with our strategic priority to reduce leverage.

During the period, we delivered the second phase of the fit-out works at The Yellow, Dortmund. A further phase has been agreed to accommodate the tenant's requirement for additional space. We have also commenced works associated with the recent lease to the Federal State of North-Rhine Westphalia at Gotic Haus, Dortmund. These projects contributed to valuation increases of approximately 5% at both properties, a result of the value created through targeted investment and leasing activity.

The outlook for the second half of the year is expected to benefit from the German Government's planned economic reforms and increased public investment, including €500 billion of infrastructure spending and €400 billion for defence. Tenant demand is driven by occupiers with upcoming lease expiries in supply-constrained markets, supporting occupier demand for high-quality offices in well-connected locations.

The German commercial property investment market showed increasing momentum in the first half of 2026, and investment volumes increased to c. €12 billion, 20% above the prior year, although still below the five-year average of €20 billion. The office sector recorded a 9% increase in transaction volumes compared with H1 2025 and was once again the largest commercial real estate asset class.

Office take-up in Germany's Top 7 cities totalled 1.3 million sqm in the first half of 2026, broadly unchanged year-on-year. Leasing activity showed further signs of recovery, with demand for larger floorplates complementing continued resilience in the small-unit segment. Vacancy rates across the Top 7 cities ranged from 5.0% in Cologne to 11.8% in Düsseldorf, and market participants expect vacancy levels to peak during 2026.

## France

### Leveraging our strong local platform to reduce vacancy in a challenging market

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Value of properties | £212.5m | £225.3m |
| Percentage of Group's property interests | 14% | 13% |
| Number of properties | 15 | 15 |
| Number of tenants | 157 | 146 |
| EPRA vacancy rate | 7.7% | 12.1% |
| Lettable space | 62.9k sqm | 63.6k sqm |
| Government and major corporates | 57.0% | 56.1% |
| Weighted average lease length to end | 5.0 years | 5.3 years |
| Leases subject to indexation | 100.0% | 100.0% |

The value of the French portfolio decreased by £12.8 million, comprising a £8.2 million valuation decline 3.7% in local currency); a foreign exchange loss of £2.6 million and a disposal of £2.6 million, partly offset by capex of £0.6 million. The valuation decline was driven by yields expanding by 16 bps, reflecting prevailing office investment market conditions in Paris and Lyon.

Vacancy reduced to 7.7% from 12.1% at 31 December 2025, benefiting from strong leasing activity during the first half of 2026. During the period, we signed 14 new leases and three lease renewals, securing £1.1 million of annualised rent. While rents were agreed at an average of 9.7% below December 2025 ERVs, the reduction in void costs is expected to provide an earnings benefit equivalent to approximately 45% of the rent secured.

We achieved letting success across both of our French markets, including new leases to IT companies for 610 sqm at Front de Parc, Lyon, and 530 sqm at Inside, Paris. In addition, existing tenant Estreem extended its lease at Rhône Alpes, Lyon, doubling its occupied area from 530 sqm to 1,050 sqm. These transactions demonstrate our ability to maintain leasing momentum using our local market expertise and well-established tenant relationships.

In May, we completed the sale of one floor comprising 1,070 sqm at Rhône Alpes, Lyon to the co-owner at a premium to the pre-sale valuation.

We continue to invest selectively in projects that improve lettability and enhance tenant amenities. We are on track to meet the Décret Tertiaire 2030 target of reducing energy consumption by 40% for each property in the French portfolio.

French economic growth is expected to remain modest during the second half of 2026, with GDP forecast to increase by approximately 0.8% for the year.

Commercial real estate investment volumes totalled c.€6.6 billion during the first half of 2026, an increase of 14% compared with the prior year period. Activity was concentrated in the second quarter, which accounted for c.€4.6 billion of transaction volume. Nearly half of all H1 2026 transactions occurred in the Paris market.

Office take-up in the Greater Paris region totalled 750,000 sqm in the first half of 2026, which was flat compared to the corresponding period in 2025. Immediate office supply increased to 6.5 million sqm, resulting in a vacancy rate of 11.8% at 30 June 2026.

Despite a challenging economic environment, vacancy across the French portfolio has improved and rent collection remains strong. The portfolio remains well positioned over the longer term, supported by its concentration in France's two largest cities, Paris and Lyon.

# Key data

**Valuation data**

| | Market value of property | Underlying | EPRA net initial yield | EPRA 'topped-up' net initial yield | Equivalent yield |
|---|---|---|---|---|---|
| | (£m) | (%) | (%) | (%) | (%) |
| **UK** | 591.6 | (7.2) | 6.0% | 6.8% | 8.0% |
| **Germany** | 723.5 | (2.5) | 4.4% | 5.0% | 5.4% |
| **France** | 210.9 | (3.7) | 5.1% | 5.8% | 6.4% |
| **Total office portfolio** | **1,526.0** | **(4.6)** | **5.1%** | **5.8%** | **6.4%** |

**Rental data**

| | Lettable space sqm | Contracted rent at 30 June 2026 | ERV of lettable space at 30 June 2026 | Contracted rent subject to indexation | EPRA vacancy rate at 30 June 2026 |
|---|---|---|---|---|---|
| | ('000) | (£m) | (£m) | (%) | (%) |
| **UK** | 144.7 | 46.1 | 53.1 | 31.4 | 17.7 |
| **Germany** | 304.3 | 41.0 | 42.8 | 73.6 | 12.5 |
| **France** | 62.9 | 13.3 | 14.0 | 100.0 | 7.7 |
| **Total office portfolio** | **512.4** | **100.4** | **109.9** | **57.8** | **14.5** |

**Lease data**

| | Average lease length | | Contracted rent of leases expiring in: | | | | ERV of leases expiring in: | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | To | To | | | 3 to 5 | After 5 | Year | | 3 to 5 | After 5 |

| | break | expiry | Year 1 | Year 2 | years | years | 1 | Year 2 | years | years |
|---|---|---|---|---|---|---|---|---|---|---|
| | (years) | (years) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| UK | 2.3 | 3.5 | 17.2 | 5.9 | 11.6 | 11.4 | 14.4 | 5.5 | 12.5 | 11.3 |
| Germany | 5.8 | 6.0 | 4.0 | 8.8 | 12.7 | 15.5 | 4.0 | 7.7 | 11.7 | 14.0 |
| France | 2.3 | 5.0 | 1.2 | 1.8 | 3.2 | 7.1 | 1.1 | 1.8 | 3.0 | 7.0 |
| Total office portfolio | 3.7 | 4.7 | 22.4 | 16.5 | 27.4 | 28.3 | 19.5 | 15.0 | 27.2 | 32.3 |

*Note: The above tables comprise data for our offices in investment properties and properties held for sale (see note 9 and 11). They exclude owner-occupied space, student accommodation and hotel.*

| Tenant sector by Contracted Rent | % |
|---|---|
| Government | 29.3 |
| Commercial & Professional Services | 12.5 |
| Information Technology | 10.1 |
| Consumer Services | 8.0 |
| Consumer Discretionary | 7.4 |
| Industrials | 7.0 |
| Other | 6.5 |
| Health Care | 6.5 |
| Financials | 5.2 |
| Consumer Staples | 4.1 |
| Real Estate | 3.4 |

# Our investor proposition

## Strong and consistent long-term shareholder returns

Set out below are the key tenets of our investment proposition. A fuller description can be found on the inside front cover and page 2-3 of CLS' 2025 Annual Report and Accounts:

| A clear strategy | Active management |
|---|---|
| · Diversified approach | · Experienced in-house capabilities |
| · Focus on multi-let offices | · Secure rents and high occupancy |
| · Selected development schemes | · Interest rate management |

| Strong track record | A focus on sustainability |
|---|---|
| · Disciplined approach to investment | · Responsible profit |
| · Cash-backed progressive dividend | · Strong ESG performance |
| | · Climate risk mitigation |

DIVIDEND POLICY

The Company expects to generate sufficient cash flow to be able to meet the growth requirements of the business, maintain an appropriate level of debt and provide cash returns to shareholders via a dividend.

As announced with our 2024 Full-year results in April 2025, we updated our dividend policy. The Company will maintain a progressive dividend policy, with a dividend cover of 1.5 to 3.0 times EPRA earnings (previously 1.2 to 1.6 times).

ANALYST COVERAGE

We are covered by three brokers which publish regular analyst research: Panmure Liberum; Berenberg and Peel Hunt. Contact details can be found on our website www.clsholdings.com.

2026 INVESTOR ENGAGEMENT

| Events which have taken place | Events which are due to take place |
|---|---|
| **March 2026**<br>Annual Results presentation<br>Annual Results investor calls and meetings | **August 2026**<br>Half-Year Results presentation |
| **May 2026**<br>Annual General Meeting | **August/September 2026**<br>Half-Year Results investor calls and meetings |
| **August 2026**<br>Trading Update | **November 2026**<br>Trading Update |

# Financial review

## RESULTS FOR THE PERIOD

SUMMARY

EPRA net tangible assets (NTA) per share fell by 11.5% to 177.7 pence (31 December 2025: 200.7 pence) and basic net assets per share by 11.9% to 164.2 pence (31 December 2025: 186.4 pence), primarily reflecting the 4.6% like-for-like decline in the valuation of our portfolio.

EPRA earnings per share (EPS) were 2.7 pence (H1 2025: 4.0 pence) whilst the IFRS loss after tax of £69.6 million (H1 2025: £24.4 million loss) generated basic earnings per share of -17.5 pence (H1 2025: -6.1 pence).

The Total Accounting Return per share (the reduction in EPRA NTA plus the dividends paid in the period) was -9.5% (31 December 2025: -4.8%).

CLS uses a number of Alternative Performance Measures (APMs) alongside statutory figures. We believe that these assist in providing stakeholders with additional useful information on the underlying trends, performance and position of the Group. Note 4 gives a full description and reconciliation of our APMs.

INCOME STATEMENT

EPRA profit after tax for the six months ended 30 June 2026 was lower than the same period last year at £10.9 million (H1 2025: £16.1 million), reflecting the impact of £201.2 million of disposals since the start of 2025, partially offset by lower expenses.

Net rental income in H1 2026 of £46.3 million fell by 13.1% (H1 2025: £53.3 million), reflecting the lost income from disposals, including Spring Mews Student in mid-2025, and tenant departures in 2025. Like-for-like net rental income fell 4.7% to £50.8 million due to lease expiries, the majority of which related to block expiries at New Printing House Square in June 2025 and German insolvencies in H2 2025. New leases, including renewals, and indexation added £2.1 million and £0.5 million respectively.

CLS' tenant relationships remain strong and the quality and diversity of our tenant base has continued to be reflected in our rent collection. As in previous years, we collected over 98% of rent in the first six months of the year.

Overall administration and property expenses, excluding amortisation of intangibles, decreased by £1.6 million to £15.7 million (H1 2025: £17.3 million). Administration costs were £0.7 million lower compared with 2025 reflecting actions taken to reduce our cost base. Property expenses were £0.9 million lower as a result of the disposal of Spring Mews Student in mid-2025, offset by increased vacant holding costs.

The valuation of CLS' properties declined by 4.6% on a like-for-like basis as a result of yield expansion in all our markets. The reduction in the value of investment properties was £84.2 million (H1 2025: £32.3 million reduction) with falls in the UK of 7.2%, Germany 2.5% and France 3.7% in local currencies.

Six properties were sold in H1 2026 for an aggregate consideration of £56.8 million. This consideration was in-line with the pre-sale book values but, after costs, resulted in a loss on sale of investment properties before tax of £0.5 million (H1 2025: £6.3 million loss). At period-end, we have classified £44.8 million (31 December 2025: £94.9 million) of assets as being held for sale, recognising that we expect to dispose of these assets in the second half of the year. This does not include Spring Gardens, the current headquarters of the National Crime Agency in Vauxhall, London as the sale is conditional on planning permission being obtained to redevelop the property from offices into residential space.

Net finance costs, excluding movement in derivatives, fell by 3.6% to £18.5 million (H1 2025: £19.2 million) primarily reflecting lower debt, from repayments made on execution of property sales.

A foreign exchange loss of £0.1 million was recognised in the income statement (H1 2025: £0.2 million gain).

The low tax expense primarily reflects our status as a UK REIT which means that we do not pay corporation tax on our property-related profits in our UK business.

The components of the EPRA earnings are as shown below:

| | **30 June 2026 £m** | 30 June 2025 £m |
|---|---|---|
| Revenue | **64.3** | 71.9 |
| Service charges and similar expenses | **(18.0)** | (18.6) |
| Net rental income | **46.3** | 53.3 |
| Administration expenses[1] | **(7.8)** | (8.5) |
| Other property expenses | **(7.9)** | (8.8) |
| Net finance costs[1] | **(18.5)** | (19.2) |
| Foreign exchange (loss)/gain | **(0.1)** | 0.2 |
| Taxation expense[1] | **(1.1)** | (0.9) |
| **EPRA earnings** | **10.9** | 16.1 |
| **EPRA earnings per share** | **2.7p** | 4.0p |

1 Balances include EPRA adjustments; the reconciliation to the IFRS figures can be found in note 4.

EPRA NET TANGIBLE ASSETS AND GEARING

At 30 June 2026, EPRA net tangible assets (NTA) per share were 177.7 pence (31 December 2025: 200.7 pence), a fall of 11.5%. The main reasons for the decrease were property valuation decreases of 4.6% in local currency (20.7 pence per share), cash and scrip dividends paid in the period of 2.3 and 1.7 pence per share respectively, a loss on disposal of investment properties of 0.3 pence per share and a loss of 0.7 pence per share from FX and Other EPRA adjustments. These were partly offset by EPRA earnings of 2.7 pence per share.

The decline in the value of our property portfolio was only partly offset by the reduced level of debt in the business, resulting in a higher balance sheet loan-to-value ratio at 30 June 2026 to 51.6% (31 December 2025: 50.0%). We retain our intention to reduce LTV to between 35% and 45% in the medium-term through disposals and value-enhancing investment. We believe that this LTV range is more appropriate for the business.

CASH FLOW AND NET DEBT

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| Borrowings (£m) | **843.6** | 901.9 |
| Cash and cash equivalents (£m) | **(35.3)** | (49.4) |
| Net debt (£m) | **808.3** | 852.5 |
| EBITDA (£m) | **30.9** | 68.5 |
| Net debt:EBITDA ratio (times) | **12.2** | 12.4 |
| Balance sheet loan-to-value ratio (%) | **51.6** | 50.0 |
| Weighted average cost of debt (%) | **3.9** | 3.8 |
| Interest cover (times) | **1.6** | 1.8 |
| Weighted average unexpired debt (years) | **3.2** | 3.6 |

As at 30 June 2026, the Group's cash and cash equivalents balance (including restricted cash - see note 12) was £35.3 million (31 December 2025: £49.4 million). Available undrawn facilities totalled £27.1 million (31 December 2025: £28.0 million), with a further £17 million unsecured overdraft and uncommitted facilities (31 December 2025: £10 million unsecured overdraft facility) which was undrawn at 30 June 2026. Net cash flow from operating activities, after payment of £18.3 million for financing costs and tax, was £nil (H1 2025: £6.0 million net inflow) was lower primarily as a result of £7.1 million of tenant incentives, particularly in Germany where we are completing substantial fit outs in advance of long-term government leases. In the six months ended 30 June 2026, the Group has paid £7.3 million of the 2025 year-end cash dividend (net of withholding tax of £1.8 million which was paid in July).

Borrowings decreased by £58.3 million to £843.6 million (31 December 2025: £901.9 million) due to the net repayment of loans predominantly from the sale of The Brix in Essen. During the six months ended 30 June 2026, CLS obtained a new revolving credit facility of €57.0 million (£49.1 million at 30 June 2026). The new facility provides access to lower rate Euro denominated debt and has resulted in an increase in available funds compared to the £40.0 million previously available.

The weighted average cost of debt at 30 June 2026 increased marginally to 3.9% (31 December 2025: 3.8%), translating to group interest cover of 1.6 times (H1 2025: 1.9 times).

FINANCING STRATEGY AND COVENANTS

The Group's financing strategy is based substantially on raising secured debt against its properties, whether individually or in multi-property facilities. At Group level, we have a target balance sheet LTV ratio of between 35% and 45%. At 30 June 2026, LTV was 51.6%, a level which we are working to reduce through disposals and investment to enhance the value of our properties.

Most of our properties have debt secured against them. Properties not subject to secured debt at 30 June 2026 totalled £47.2 million (31 December 2025: £64.4 million).

At the start of 2026, the Group had £199.3 million of debt (including £11.8 million of amortisation) across nine loan facilities expiring in 2026. As at 30 June 2026 57% of 2026 maturities had been refinanced, extended or repaid. We have received credit approval or agreed terms for a further 32% and we are in discussions on the remaining 11%. Our average debt maturity decreased to 3.2 years (31 December 2025: 3.6 years) partly as a result of long-term debt being repaid on the sale of The Brix.

CLS' objective remains to keep a high proportion of fixed rate debt but to retain some floating rate debt to provide flexibility to allow early repayments expected from planned disposals without incurring break costs typically associated with fixed rate loans.

At 30 June 2026, 72% of the Group's borrowings were at fixed rates or subject to interest rate swaps, 3% were subject to caps which had been hit and 25% of loans were unhedged.

At 30 June 2026, the Group had 36 loans (26 through SPVs, eight portfolios and two credit facilities) from 25 different lenders. The loans vary in terms of the number and nature of their covenants, although the three most common relate to LTV ratio, interest cover and debt service cover.

On average, across the 36 loans, CLS has between 20% and 31% headroom against these three most common covenants. In the event of an actual or forecast covenant breach, all of the loans have equity cure mechanisms to repair the breach, which allow CLS to either repay part of the loan, substitute property or deposit cash, for the period the loan is in breach after which the cash can be released.

## PRINCIPAL RISKS AND UNCERTAINTIES

A detailed explanation of the principal risks and uncertainties affecting the Group, and the steps it takes to mitigate these risks, can be found on pages 53 to 60 of the annual report and financial statements for the year ended 31 December 2025, which is available at www.clsholdings.com/investors.

The Group's principal risks and uncertainties are grouped into six categories: property; sustainability; business interruption; financing; political and economic; and people. These risks and uncertainties are expected to remain relevant for the remaining six months of the financial year, and these are discussed further below.

The Board has reviewed the risk status of each of the six risk categories, particularly with regard to the ongoing economic and geopolitical risks including: rising interest rates; global political uncertainty; changing trade relations; and conflicts in Ukraine and the Middle East. The overall risk landscape remains heightened although not yet sufficient to alter any of the risk ratings. Both property and financing risks remain as high risks and we continue to monitor vigilantly the risks focused around; vacancy; disposals and loan to value; and refinancings, as well as the accompanying mitigations.

Work continues on testing material controls in advance of the Board's declaration of the effectiveness of these as at 31 December 2026 as prescribed by the Corporate Governance Code.

| Principal risk | Status at year-end | Change since year-end | Commentary |
|---|---|---|---|
| Property | High | No change | The office market continues to be bifurcated. The occupational market remains healthy with tenants seeking out, and paying more for, higher quality offices. CLS is responding by investing in its properties to provide the best offices in our locations as well as divesting properties that no longer align with our long-term strategy. However, the investment market remains sluggish given higher interest rates, valuation uncertainty and lingering concerns about future office demand. In addition, we continue to monitor changes in the regulatory environment, particularly in relation to the Building |

| | | | |
|---|---|---|---|
| | | | changes in the regulatory environment, particularly in relation to the Building Safety Act 2022 which may impact the permitted uses and viability of future schemes. |
| Sustainability | Low | No change | CLS believes that providing sustainable buildings not only accords with regulatory demands but also meets changing office trends. We remain committed to our Sustainability (and wider ESG) Strategy but will keep under review the proposed timing and targets for our Net Zero Carbon Pathway. |
| Business interruption | Low | No change | CLS has continued to invest in cyber security through improved device management and continued migration of our remaining on-premise infrastructure to the cloud. We are in the process of sourcing a managed security operations centre provider to help accelerate security improvements and manage incidents effectively. |
| Financing | High | No change | Financing risk remains high as inflation and interest rates have not reduced, nor are they expected to reduce in the near term. This is reflected in higher interest costs for CLS with some increases in bank margins and lower LTV ratios. Through ongoing selected disposals CLS has made progress towards reducing Group LTV. CLS maintains banking relationships, monitors covenants and engages early with upcoming refinancings. CLS has made significant progress in relation to debt expiring in 2026 to date with the majority either refinanced, credit approved or repaid as planned. |
| Political and economic | Medium | No change | As noted, economic conditions remain challenging with higher interest costs and property valuation declines, and slower growth. These have been mitigated through CLS' high levels of inflation-indexed rent and higher replacement values for existing buildings. Geopolitical risks remain heightened but CLS' diversified business model in Europe's three largest economies provides mitigation. |
| People | Medium | No change | To mitigate people risk, the Group rolled out a new staff survey platform which provides continuous real-time feedback in relation to employee-related matters. The platform's data-driven insights assist line-managers with identifying potential issues such that correcting actions can be taken in a timely manner. |

## GOING CONCERN

The Directors' assessment of going concern uses the same methodology as for the preparation and validation of the year-end going concern (and viability) statement(s) (see pages 61 to 63 of the 2025 Annual Report and Accounts). This assessment uses forecasts that have been adjusted for the impacts of the current economic, property and financing markets. A more detailed description of the approach is set out in note 2 to these condensed Group financial statements.

The Group is reliant in the Base case and Severe but plausible case upon its ability to both refinance the debt maturing and to complete a number of investment property disposals in the going concern period in challenging market conditions.

Whilst the Directors remain confident that a combination of sufficient refinancings and property disposals will be achieved, the timing and value of both the planned refinancing of facilities falling due within the going concern review period, and planned property disposals, is outside of management's control and consequently a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding this material uncertainty on the going concern assumption, given our track-record and reputation, and the progress made since 31 December 2025 in terms of refinancing, the Directors are confident that the debt falling due for repayment in the going concern period will be refinanced or settled in line with their plans for the reasons set out above, rather than requiring repayment on maturity, or will be extinguished as part of property disposals in the period. Therefore, the Directors continue to adopt the going concern basis in preparing these Group financial statements.

The financial statements do not contain the adjustments that would result if the Group were unable to continue as a going concern.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) the condensed set of financial statements, which has been prepared in accordance with IAS 34 'Interim Financial Reporting' as contained in UK adopted financial standards, gives a true and fair view of the assets, liabilities, financial position and profit of the Group, as required by DTR 4.2.4R;
b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the financial year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board

**Fredrik Widlund** **Patrick Symons**
Chief Executive Officer Chief Financial Officer
11 August 2026

## Group financial statements

### Condensed Group income statement

for the six months ended 30 June 2026

| | Notes | **Six months ended 30 June 2026 £m (unaudited)** | Six months ended 30 June 2025 £m (unaudited) | Year ended 31 December 2025 £m (audited) |
|---|---|---|---|---|
| Revenue | 3 | **64.3** | 71.9 | 139.7 |
| Service charges and similar expenses | 3 | **(18.0)** | (18.6) | (38.4) |
| Net rental income | | **46.3** | 53.3 | 101.3 |
| Administration expenses | | **(8.0)** | (8.7) | (16.4) |
| Other property expenses | | **(7.9)** | (8.8) | (17.3) |
| Non-recurring items[1] | | **-** | (1.3) | (1.7) |
| Operating profit before revaluation and disposals | | **30.4** | 34.5 | 65.9 |
| Net revaluation movements on investment property | 9, 11 | **(84.2)** | (32.3) | (79.2) |
| Net revaluation movements on equity investments | | **(0.1)** | 0.3 | 0.1 |
| Loss on sale of investment property | | **(0.5)** | (6.3) | (10.9) |
| Gain on sale of equity investments | | **0.1** | - | - |
| **Operating loss** | | **(54.3)** | (3.8) | (24.1) |
| Finance income | 5 | **0.3** | 0.7 | 1.1 |
| Finance costs | 6 | **(18.4)** | (21.4) | (39.1) |
| Foreign exchange (loss) / gain | | **(0.1)** | 0.2 | 0.2 |
| **Loss before tax** | | **(72.5)** | (24.3) | (61.9) |
| Taxation | 7 | **2.9** | (0.1) | 11.6 |
| **Loss for the period attributable to equity shareholders** | | **(69.6)** | (24.4) | (50.3) |
| **Basic and diluted earnings per share** | 15 | **(17.5)p** | (6.1)p | (12.6)p |

[1] In 2025, we conducted a review of staffing and financial structuring. This resulted in non-recurring costs including redundancy costs being incurred.

### Condensed Group statement of comprehensive income for the six months ended 30 June 2026

| | Note | **Six months ended 30 June 2026 £m (unaudited)** | Six months ended 30 June 2025 £m (unaudited) | Year ended 31 December 2025 £m (audited) |
|---|---|---|---|---|
| **Loss for the period** | | **(69.6)** | (24.4) | (50.3) |
| **Other comprehensive income/(expense):** | | | | |
| **Items that may be reclassified to profit or loss** | | | | |
| Revaluation of property, plant and equipment | 10 | **0.8** | - | (1.6) |
| Foreign exchange differences | | **(4.6)** | 16.3 | 25.2 |
| Corporation tax on exchange differences | | **-** | - | (0.5) |
| Deferred tax on revaluation of property, plant and equipment | | **(0.1)** | - | 0.7 |
| **Total items that may be reclassified to profit or loss** | | **[illegible]** | 16.3 | 23.8 |

| | | | |
|---|---|---|---|
| Total items that may be reclassified to profit or loss | (3.9) | 16.3 | 23.8 |
| **Total other comprehensive (expense)/income** | **(3.9)** | 16.3 | 23.8 |
| **Total comprehensive expense for the period attributable to equity shareholders** | **(73.5)** | (8.1) | (26.5) |

## Condensed Group balance sheet
at 30 June 2026

| | Notes | **30 June 2026 £m (unaudited)** | 30 June 2025 £m (unaudited) | 31 December 2025 £m (audited) |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Investment properties | 9 | **1,481.2** | 1,518.5 | 1,570.8 |
| Property, plant and equipment | 10 | **41.5** | 42.4 | 40.6 |
| Intangible assets | | **2.6** | 2.7 | 2.6 |
| Equity investments | | **0.7** | 0.9 | 0.8 |
| Derivative financial instruments | | **0.2** | 0.6 | 0.5 |
| | | **1,526.2** | 1,565.1 | 1,615.3 |
| **Current assets** | | | | |
| Trade and other receivables | | **10.0** | 10.6 | 10.5 |
| Current tax | | **-** | - | 0.5 |
| Derivative financial instruments | | **-** | 0.1 | 0.1 |
| Cash and cash equivalents | 12 | **35.3** | 63.9 | 49.4 |
| | | **45.3** | 74.6 | 60.5 |
| Assets held for sale | 11 | **44.8** | 187.0 | 94.9 |
| **Total assets** | | **1,616.3** | 1,826.7 | 1,770.7 |
| **Current liabilities** | | | | |
| Trade and other payables | | **(48.7)** | (54.5) | (57.6) |
| Current tax | | **(1.0)** | (0.8) | - |
| Borrowings | 13 | **(174.1)** | (298.0) | (198.0) |
| | | **(223.8)** | (353.3) | (255.6) |
| **Non-current liabilities** | | | | |
| Deferred tax | | **(60.1)** | (79.0) | (65.4) |
| Borrowings | 13 | **(669.5)** | (625.0) | (703.9) |
| Leasehold liabilities | | **(3.4)** | (3.4) | (3.4) |
| Derivative financial instruments | | **(0.1)** | (0.6) | (0.3) |
| | | **(733.1)** | (708.0) | (773.0) |
| **Total liabilities** | | **(956.9)** | (1,061.3) | (1,028.6) |
| **Net assets** | | **659.4** | 765.4 | 742.1 |
| **Equity** | | | | |
| Share capital | 14 | **11.1** | 11.0 | 11.0 |
| Share premium | | **84.6** | 83.1 | 83.1 |
| Other reserves | | **107.0** | 103.2 | 111.0 |
| Retained earnings | | **456.7** | 568.1 | 537.0 |
| **Total equity** | | **659.4** | 765.4 | 742.1 |

## Condensed Group statement of changes in equity for the six months ended 30 June 2026

| **Unaudited** | **Share capital £m** | **Share premium £m** | **Other reserves £m** | **Retained earnings £m** | **Total £m** |
|---|---|---|---|---|---|
| **At 1 January 2026** | **11.0** | **83.1** | **111.0** | **537.0** | **742.1** |
| **Arising in the six months ended 30 June 2026:** | | | | | |
| **Total comprehensive expense for the period** | **-** | **-** | **(3.9)** | **(69.6)** | **(73.5)** |
| **Share-based payments** | **-** | **-** | **(0.1)** | **-** | **(0.1)** |
| **Dividends to shareholders** | **-** | **-** | **-** | **(9.1)** | **(9.1)** |
| **Scrip dividend related share issue** | **0.1** | **1.5** | **-** | **(1.6)** | **-** |
| **Total changes arising in the period** | **0.1** | **1.5** | **(4.0)** | **(80.3)** | **(82.7)** |
| **At 30 June 2026** | **11.1** | **84.6** | **107.0** | **456.7** | **659.4** |

| Unaudited | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Total £m |
|---|---|---|---|---|---|
| At 1 January 2025 | 11.0 | 83.1 | 86.9 | 603.2 | 784.2 |
| Arising in the six months ended 30 June 2025: | | | | | |
| Total comprehensive income/(expense) for the period | - | - | 16.3 | (24.4) | (8.1) |
| Dividends to shareholders | - | - | - | (10.7) | (10.7) |
| Total changes arising in the period | - | - | 16.3 | (35.1) | (18.8) |
| At 30 June 2025 | 11.0 | 83.1 | 103.2 | 568.1 | 765.4 |

| Audited | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Total £m |
|---|---|---|---|---|---|
| At 1 January 2025 | 11.0 | 83.1 | 86.9 | 603.2 | 784.2 |
| Arising in the year ended 31 December 2025: | | | | | |
| Total comprehensive income/(expense) for the year | - | - | 23.8 | (50.3) | (26.5) |
| Share-based payments | - | - | 0.3 | - | 0.3 |
| Dividends to shareholders | - | - | - | (15.9) | (15.9) |
| Total changes arising in the year | - | - | 24.1 | (66.2) | (42.1) |
| At 31 December 2025 | 11.0 | 83.1 | 111.0 | 537.0 | 742.1 |

**Condensed Group statement of cash flows** for the six months ended 30 June 2026

| | Notes | **30 June 2026 £m (unaudited)** | 30 June 2025 £m (unaudited) | 31 December 2025 £m (audited) |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | 16 | **18.4** | 27.2 | 52.6 |
| Interest received | | **0.3** | 0.7 | 1.1 |
| Interest paid | | **(18.6)** | (19.9) | (37.9) |
| Income tax paid on operating activities | | **(0.1)** | (2.0) | (1.2) |
| **Net cash inflow from operating activities** | | **-** | 6.0 | 14.6 |
| **Cash flows from investing activities** | | | | |
| Capital expenditure on investment properties | | **(10.3)** | (11.2) | (17.3) |
| Proceeds from sale of properties | | **56.6** | 114.6 | 136.7 |
| Income tax paid on sale of properties | | **-** | - | (4.9) |
| Purchases of property, plant and equipment | | **(0.2)** | - | (0.1) |
| Purchase of intangibles | | **(0.1)** | - | (0.2) |
| **Net cash inflow from investing activities** | | **46.0** | 103.4 | 114.2 |
| **Cash flows from financing activities** | | | | |
| Dividends paid | | **(7.3)** | (9.7) | (15.9) |
| Cash received on settlement of derivative financial instrument | | **0.4** | 0.1 | 0.1 |
| Purchase of derivative financial instrument | | **-** | (0.4) | (0.3) |
| Proceeds from borrowings | | **62.3** | 36.6 | 61.2 |
| Transaction costs related to borrowings | | **(1.5)** | (0.5) | (1.5) |
| Repayment of borrowings | | **(113.5)** | (132.8) | (186.5) |
| **Net cash outflow from financing activities** | | **(59.6)** | (106.7) | (142.9) |
| **Cash flow element of net (decrease) / increase in cash and cash equivalents** | | **(13.6)** | 2.7 | (14.1) |
| Foreign exchange (loss) / gain | | **(0.5)** | 0.7 | 3.0 |
| **Net (decrease) / increase in cash and cash equivalents** | | **(14.1)** | 3.4 | (11.1) |
| Cash and cash equivalents at the beginning of the period | | **49.4** | 60.5 | 60.5 |
| **Cash and cash equivalents at the end of the period** | | **35.3** | 63.9 | 49.4 |

## Notes to the condensed Group financial statements 30 June 2026

### 1 BASIS OF PREPARATION

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The results disclosed for the year ended 31 December 2025 are an abridged version of the full accounts for that year, which received an unqualified report from the Auditor, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 but did draw attention to material uncertainty related to going concern without qualifying the Auditor's report, and have been filed with the Registrar of Companies. The annual financial statements of CLS Holdings plc are prepared in accordance with United Kingdom adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). The condensed financial statements included in this half-yearly financial report have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the United Kingdom.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the latest audited annual financial statements. Amendments to IFRSs have become effective for the financial year beginning on 1 January 2026. These new amendments are listed below:

- Amendments to IFRS 9 - Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The adoption of these new standards and amendments to IFRSs did not materially impact the condensed Group financial statements for the six months ended 30 June 2026 and are not expected to materially impact the full year financial statements for the 12 months ended 31 December 2026.

**2 GOING CONCERN - BASIS OF PREPARATION**

**Background**

CLS' strategy and business model include regular secured loan refinancings, and capital deployment and recycling through acquisitions, capital expenditure and disposals. For more than thirty years since CLS listed, the Group has successfully navigated several periods of economic uncertainty, including the recent macroeconomic stresses resulting from global conflict, the subsequent inflationary pressures and transition to a higher interest rate environment.

The Group continues to have very high levels of rent collection and low bad debts, and has a long-term track record in financing and refinancing debt including £113.6 million completed in the six months to 30 June 2026 and a further £63.8 million has been completed or well advanced subsequent to the half-year, whereby term sheets have been obtained or they have reached a first stage credit review.

The Directors note that the Group financial statements for the year ended 31 December 2025 contained disclosure of a Material Uncertainty related to going concern due to the timing and amounts of the planned refinancing of debt and disposals of property being outside of Management's control. In this context the Directors set out their considerations and conclusions in respect of going concern for these financial statements below.

**Going concern period and basis**

The Group's going concern assessment covers the period to 30 September 2027 ("the going concern period"). The period chosen takes into consideration the maturity date of loans totalling £182.6 million that expire by September 2027. The going concern assessment uses the forecast approved by the Board at its May 2026 meeting as the Base case. The assessment also considers a Severe but plausible case. The Directors have considered the period between the date of Board approval and the date of signing the accounts. Based on a review of events since Board approval in May 2026, the Directors conclude that there have been no significant changes since the forecast was approved.

**Forecast cash flows - Base case**

The forecast cash flows prepared for the Base case take account of the Group's principal risks and uncertainties and reflect the challenging economic backdrop. The forecast cashflows have been updated using assumptions regarding forecast forward interest curves, inflation and foreign exchange, and include revenue growth, principally from contractual increases in rent, and increasing cost levels in line with forecast inflation.

The Base case is focussed on the cash and working capital position of the Group throughout the going concern period. In this regard, the Base case assumes continued access to lending facilities in the UK, Germany and France, and specifically that debt facilities of £182.6 million with 11 lenders expiring within the going concern period will be refinanced or extended as expected (£133.4 million) or will be repaid (£49.2 million), some of which are linked to forecast property disposals. The Board acknowledges that these refinancings are not fully within its control; however, they remain confident that refinancings or extensions of these loans will be executed within the required timeframe, having taken into account:

- existing banking relationships and ongoing discussions with the lenders in relation to these refinancings;
- CLS' track record of prior refinancings, particularly in the six months to 30 June 2026 when £113.6 million was successfully repaid, refinanced or extended;
- recent refinancings subsequent to 30 June 2026 that have reached an initial credit committee review stage by lenders, or where term sheets have been obtained, totalling £63.8 million of the £182.6 million noted above; and
- other ongoing discussions with lenders.

The Base case includes property disposals in the going concern period in line with the Group's business model and the forecast cash flows approved by the Board in May 2026. The Board acknowledges that property disposals are not fully within its control; however, they are confident these transactions will be completed within the going concern period, based on their history of achieving disposals (with disposals of £56.8 million achieved in the six months to 30 June 2026). The value of the properties available for disposal is in excess of the value of the debt maturing during the going concern period.

The Group's financing arrangements, which utilise ring-fenced property loans, contain Loan to Value ('LTV'), Interest Cover Ratio ('ICR') and Debt Service Coverage Ratio ('DSCR') covenants. In the Base case, minimal cure payments have been forecast given that the Group expects to maintain its compliance with the covenant requirements.

The near-term impacts of climate change risks within the going concern period are expected to be immaterial following an assessment of potential significant inflation resulting from climate change, in the context of increased property and administrative costs, as part of the reverse stress testing performed by CLS. Furthermore, the forecast cash flows prepared for the Base case include all necessary capital expenditure to meet the minimum energy efficiency standards required in the countries where CLS operates.

**Forecast cash flows - Severe but plausible case**

A Severe but plausible case has been assessed which has been produced by flexing key assumptions further including: lower rents, increased service charges, higher property and administration expenses, falling property values and higher interest rates.

These flexed assumptions are more severe than CLS experienced during the 2007-2009 global financial crisis and other downturns such as that experienced in 2020-2022 during the Covid-19 pandemic. A key assumption in this scenario is a further reduction to the Base case in property values of 10% until September 2027, impacting forecast refinancings, sales and cash cures. This is in addition to the reduction experienced of 4.6% until half year and cumulative c.28% decline from 30 June 2022 to 30 June 2026.

Assumptions around refinancing and investment property disposals are adjusted to incorporate the higher interest rates and lower property values noted above. A reduction in property values of 10% results in additional cure payments of £6.0 million being necessary for the Group to remain in compliance with its covenant requirements. The assumptions of lower rents and increased expenses would result in only a negligible increase in ICR and DSCR cure payments.

Due to the severity of the assumptions used in this scenario, which is Severe but plausible and therefore not remote, the liquidity of the Group is exhausted even after putting in place controllable mitigating actions as set out below.

**Mitigating actions**

In the Severe but plausible case, CLS is assumed to take mitigating actions including depositing cash to equity cure covenant shortfalls under the facilities, scaling back uncommitted capital expenditure (specifically where reductions do not affect tenant revenue streams over the going concern period) and reducing the dividend to the Property Income Distribution required under the UK REIT rules as well as drawing the available £37.1 million of its existing £87.0 million revolving credit, overdraft and uncommitted facilities. If needed, further disposals could be considered as there are no sale restrictions on CLS' £1.6 billion of properties, albeit the timing and the amount of these potential disposals are not in the Group's control.

Additionally, the Directors note that the loans that require refinancing in the going concern period are all through ring-fenced SPV borrower structures. Accordingly, in extremis, the lender could enforce their security on an individual property with no claim on the rest of the Group's assets apart from certain limited guarantees and limited recourse security granted by the Company and certain Group companies.

**Material uncertainty related to going concern**

As described above, the Group is reliant in the Base case and Severe but plausible case upon its ability to both refinance the debt maturing and to complete a number of investment property disposals in the going concern period in challenging market conditions.

Whilst the Directors remain confident that a combination of sufficient refinancings and property disposals will be achieved, the timing and value of both the planned refinancing of facilities falling due within the going concern review period, and planned property disposals, is outside of Management's control and consequently a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding this material uncertainty on the going concern assumption, given our track-record and reputation, the Directors are confident that the debt falling due for repayment in the going concern period will be refinanced or settled in line with their plans for the reasons set out above, rather than requiring repayment on maturity, or will be extinguished as part of property disposals in the period. In extremis, the loans requiring refinancing are all through ring-fenced SPV structures, save for certain limited guarantees and limited recourse security granted by the Company and certain other Group companies. Therefore, the Directors continue to adopt the going concern basis in preparing these Group financial statements.

The financial statements do not contain the adjustments that would result if the Group and Company were unable to continue as a going concern.

**3 SEGMENT INFORMATION**

Each property represents an operating segment which the Group aggregates into two reporting segments with similar characteristics - investment properties and other investments. Other investments comprise the hotel at Spring Mews and other small corporate investments. Central administration relates to the operating costs of the Group's headquarters and are not allocated to any reporting segment. The Group manages the investment properties division on a geographical basis due to its size and geographical diversity. Consequently, the Group's principal reporting segments are:

Investment properties: United Kingdom
Germany
France
Other investments

The Group's results for the six months ended 30 June 2026 by operating segment were as follows:

| | Investment properties | | | | | |
|---|---|---|---|---|---|---|
| | **United Kingdom £m** | **Germany £m** | **France £m** | **Other investments £m** | **Central administration £m** | **Total £m** |
| **Rental income** | **21.3** | **17.8** | **5.9** | **-** | **-** | **45.0** |
| **Other property-related income** | **1.8** | **0.1** | **-** | **2.7** | **-** | **4.6** |
| **Service charge income** | **7.0** | **5.5** | **2.2** | **-** | **-** | **14.7** |
| **Revenue** | **30.1** | **23.4** | **8.1** | **2.7** | **-** | **64.3** |
| **Service charges and similar expenses** | **(8.4)** | **(6.9)** | **(2.7)** | **-** | **-** | **(18.0)** |
| **Net rental income** | **21.7** | **16.5** | **5.4** | **2.7** | **-** | **46.3** |
| **Administration expenses** | **(3.7)** | **(1.5)** | **(0.7)** | **-** | **(2.1)** | **(8.0)** |
| **Other property expenses** | **(3.9)** | **(2.0)** | **(0.3)** | **(1.7)** | **-** | **(7.9)** |
| **Operating profit before revaluation and disposals** | **14.1** | **13.0** | **4.4** | **1.0** | **(2.1)** | **30.4** |
| **Net revaluation movements on investment property** | **(51.0)** | **(24.8)** | **(8.4)** | **-** | **-** | **(84.2)** |
| **Net revaluation movements on equity investments** | **-** | **-** | **-** | **(0.1)** | **-** | **(0.1)** |
| **Loss on sale of investment property** | **(0.1)** | **(0.4)** | **-** | **-** | **-** | **(0.5)** |
| **Gain on sale of equity instruments** | **-** | **-** | **-** | **0.1** | **-** | **0.1** |
| **Segment operating (loss)/profit** | **(37.0)** | **(12.2)** | **(4.0)** | **1.0** | **(2.1)** | **(54.3)** |
| **Finance income** | **0.2** | **-** | **-** | **0.1** | **-** | **0.3** |
| **Finance costs** | **(7.5)** | **(6.6)** | **(2.4)** | **-** | **(1.9)** | **(18.4)** |
| **Foreign exchange loss** | **-** | **-** | **-** | **(0.1)** | **-** | **(0.1)** |
| **Segment (loss)/profit before tax** | **(44.3)** | **(18.8)** | **(6.4)** | **1.0** | **(4.0)** | **(72.5)** |

3 SEGMENT INFORMATION (continued)

The Group's results for the six months ended 30 June 2025 by operating segment were as follows:

| | Investment properties | | | | | |
|---|---|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Other investments £m | Central administration £m | Total £m |
| Rental income | 22.7 | 19.1 | 6.3 | - | - | 48.1 |
| Other property-related income | 4.9 | - | 0.1 | 2.8 | - | 7.8 |
| Service charge income | 8.1 | 5.4 | 2.5 | - | - | 16.0 |
| Revenue | 35.7 | 24.5 | 8.9 | 2.8 | - | 71.9 |
| Service charges and similar expenses | (9.0) | (6.7) | (2.9) | -- | - | (18.6) |
| Net rental income | 26.7 | 17.8 | 6.0 | 2.8 | - | 53.3 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Administration expenses | (3.9) | (1.5) | (0.8) | - | (2.5) | (8.7) |
| Other property expenses | (4.2) | (2.5) | (0.3) | (1.8) | - | (8.8) |
| Non-recurring items[1] | (0.2) | - | - | - | (1.1) | (1.3) |
| Operating profit before revaluation and disposals | 18.4 | 13.8 | 4.9 | 1.0 | (3.6) | 34.5 |
| Net revaluation movements on investment property | (15.9) | (8.2) | (8.2) | - | - | (32.3) |
| Net revaluation movements on equity investments | - | - | - | 0.3 | - | 0.3 |
| Loss on sale of investment property | (3.0) | (3.3) | - | - | - | (6.3) |
| Segment operating (loss)/profit | (0.5) | 2.3 | (3.3) | 1.3 | (3.6) | (3.8) |
| Finance income | 0.6 | - | - | 0.1 | - | 0.7 |
| Finance costs | (11.9) | (7.0) | (2.4) | - | (0.1) | (21.4) |
| Foreign exchange gain | - | - | - | 0.2 | - | 0.2 |
| Segment (loss)/profit before tax | (11.8) | (4.7) | (5.7) | 1.6 | (3.7) | (24.3) |

The Group's results for the year ended 31 December 2025 were as follows:

| | Investment properties | | | | | |
|---|---|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Other investments £m | Central administration £m | Total £m |
| Rental income | 44.2 | 38.3 | 12.3 | - | - | 94.8 |
| Other property-related income | 7.1 | 1.1 | 0.2 | 6.0 | - | 14.4 |
| Service charge income | 14.9 | 10.8 | 4.8 | - | - | 30.5 |
| Revenue | 66.2 | 50.2 | 17.3 | 6.0 | - | 139.7 |
| Service charges and similar expenses | (18.4) | (14.4) | (5.6) | - | - | (38.4) |
| Net rental income | 47.8 | 35.8 | 11.7 | 6.0 | - | 101.3 |
| Administration expenses | (7.2) | (2.9) | (1.2) | (0.1) | (5.0) | (16.4) |
| Other property expenses | (8.0) | (5.3) | (0.3) | (3.7) | - | (17.3) |
| Non-recurring items[1] | (0.3) | (0.1) | (0.3) | - | (1.0) | (1.7) |
| Operating profit before revaluation and disposals | 32.3 | 27.5 | 9.9 | 2.2 | (6.0) | 65.9 |
| Net revaluation movements on investment property | (35.4) | (33.4) | (10.4) | - | - | (79.2) |
| Net revaluation movements on equity investments | - | - | - | 0.1 | - | 0.1 |
| Loss on sale of investment property | (3.0) | (4.9) | (3.0) | - | - | (10.9) |
| Segment operating (loss)/profit | (6.1) | (10.8) | (3.5) | 2.3 | (6.0) | (24.1) |
| Finance income | 0.9 | - | - | 0.2 | - | 1.1 |
| Finance costs | (19.9) | (13.5) | (4.5) | (1.2) | - | (39.1) |
| Foreign exchange gain | - | - | - | 0.2 | - | 0.2 |
| Segment (loss)/profit before tax | (25.1) | (24.3) | (8.0) | 1.5 | (6.0) | (61.9) |

[1] During the year ended 31 December 2025, we conducted a review of staffing and financial structuring. This resulted in non-recurring costs including redundancy costs being incurred.

3 SEGMENT INFORMATION (continued)

SEGMENT ASSETS AND LIABILITIES

| | Assets | | | Liabilities | | | Capital expenditure | | |
|---|---|---|---|---|---|---|---|---|---|
| | **30 June 2026 £m** | 30 June 2025 £m | 31 Dec 2025 £m | **30 June 2026 £m** | 30 June 2025 £m | 31 Dec 2025 £m | **30 June 2026 £m** | 30 June 2025 £m | 31 Dec 2025 £m |
| *Investment properties* | | | | | | | | | |
| United Kingdom | **625.0** | 702.4 | 688.4 | **383.1** | 418.2 | 409.3 | **2.0** | 2.6 | 4.8 |
| Germany | **738.6** | 836.5 | 813.0 | **418.9** | 478.7 | 457.3 | **3.3** | 2.7 | 5.4 |
| France | **217.1** | 235.2 | 230.5 | **150.8** | 160.6 | 158.6 | **0.6** | 2.1 | 4.1 |
| *Other investments* | | | | | | | | | |
| | **35.6** | 52.6 | 38.8 | **4.1** | 3.8 | 3.4 | **-** | - | - |
| | **1,616.3** | 1,826.7 | 1,770.7 | **956.9** | 1,061.3 | 1,028.6 | **5.9** | 7.4 | 14.3 |

**4 ALTERNATIVE PERFORMANCE MEASURES ("APMs")**

Alternative Performance Measures ("APMs") should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

**Introduction**
The Group has applied the October 2015 European Securities and Markets Authority ("ESMA") guidelines on APMs and the October 2021 Financial Reporting Council ("FRC") thematic review of APMs in these results, whilst noting the International Organization of Securities Commissions ("IOSCO") 2016 guidance and ESMA's December 2019 report on the use of APMs. An APM is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

**Overview of our use of APMs**
The Directors believe that APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs assist our stakeholder users of the accounts, particularly equity and debt investors, through the comparability of information across the European real estate sector. APMs are used by the Directors and management, both internally and externally, for performance analysis, strategic planning, reporting and incentive setting purposes.

and incentive-setting purposes.

APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including peers in the real estate industry. There are two sets of APMs which we utilise (European Public Real Estate Association ("EPRA") APMs and similar CLS APMs) which are reconciled where possible to statutory measures on the following pages.

***1. EPRA APMs***

CLS monitors the Group's financial performance using APMs which are EPRA measures as these are a set of standard disclosures for the property industry and thus aid comparability for our stakeholder users. CLS considers the two measures below to be the most relevant as we believe that these will continue to reflect the long-term nature of our property investments most accurately:

- EPRA earnings; and
- EPRA net tangible asset value ("NTA").

Whilst CLS primarily uses the measures referred to above, we have also disclosed other EPRA metrics being:

- EPRA net realisable value ("NRV");
- EPRA net development value ("NDV");
- EPRA net initial yield;
- EPRA 'topped-up' net initial yield;
- EPRA vacancy;
- EPRA capital expenditure;
- EPRA cost ratios;
- EPRA LTV; and
- EPRA like-for-like gross rental income growth.

***2. Other APMs***

CLS uses a number of other APMs, many of which are commonly used by industry peers:

- Total Accounting Return;
- Net debt and gearing;
- Balance sheet loan-to-value;
- Administration cost ratio;
- Dividend cover; and
- Interest cover.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

Set out below is a reconciliation of the APMs used in these results to the statutory measures.

***1) EPRA APMs***

| **For use in earnings per share calculations** | **30 June 2026 Number** | 30 June 2025 Number | 31 December 2025 Number |
|---|---|---|---|
| Weighted average number of ordinary shares in circulation | **398,834,380** | 398,056,562 | 398,083,875 |
| Diluted number of ordinary shares | **408,740,729** | 402,916,907 | 404,492,426 |
| **For use in net asset per share calculations** | | | |
| Number of ordinary shares in circulation at period end | **401,469,166** | 398,110,742 | 398,110,742 |

**i) EPRA Earnings**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Loss for the period | **(69.6)** | (24.4) | (50.3) |
| Non-recurring items[1] | **-** | 1.3 | 1.7 |
| Net revaluation movement on investment property | **84.2** | 32.3 | 79.2 |
| Deferred taxation thereon | **(4.5)** | (1.9) | (15.9) |
| Net revaluation movement on equity investments | **0.1** | (0.3) | (0.1) |
| Loss on sale of investment property | **0.5** | 6.3 | 10.9 |
| Current tax thereon | **0.5** | 1.1 | 3.1 |
| Movement in fair value of derivative financial instruments | **(0.4)** | 1.5 | 1.3 |
| Gain on sale of equity investments | **(0.1)** | - | - |
| Amortisation of intangible assets | **0.2** | 0.2 | 0.3 |
| **EPRA earnings** | **10.9** | 16.1 | 30.2 |
| | | | |
| **Basic and diluted earnings per share** | **(17.5)p** | (6.1)p | (12.6)p |
| | | | |
| **EPRA earnings per share** | **2.7p** | 4.0p | 7.6p |

[1] During the year ended 31 December 2025, we conducted a review of staffing and financial structuring. This resulted in non-recurring costs including redundancy costs being incurred.

**ii) Net asset value measures**

| **30 June 2026** | **IFRS NAV £m** | **EPRA NTA £m** | **EPRA NRV £m** | **EPRA NDV £m** |
|---|---|---|---|---|
| **IFRS net assets** | **659.4** | **659.4** | **659.4** | **659.4** |
| **Other intangibles** | **-** | **(2.6)** | **-** | **-** |
| **Fair value of fixed interest debt** | **-** | **-** | **-** | **38.3** |

| | | | | |
|---|---|---|---|---|
| **Fair value of fixed interest debt** | | | | **[illegible]** |
| **Tax thereon** | **-** | **-** | **-** | **(1.0)** |
| **Deferred tax on revaluation surplus** | **-** | **60.7** | **60.7** | **-** |
| **Adjustment for short-term disposals** | **-** | **(3.9)** | **-** | **-** |
| **Fair value of financial instruments** | **-** | **(0.1)** | **(0.1)** | **-** |
| **Purchasers' costs[1]** | **-** | **-** | **123.0** | **-** |
| | **659.4** | **713.5** | **843.0** | **696.7** |
| **Per share** | **164.2p** | **177.7p** | **210.0p** | **173.5p** |

[1] Purchasers costs have been calculated using the regional market rates.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

| 30 June 2025 | IFRS NAV £m | EPRA NTA £m | EPRA NRV £m | EPRA NDV £m |
|---|---|---|---|---|
| IFRS net assets | 765.4 | 765.4 | 765.4 | 765.4 |
| Other intangibles | - | (2.7) | - | - |
| Fair value of fixed interest debt | - | - | - | 40.3 |
| Tax thereon | - | - | - | (1.3) |
| Deferred tax on revaluation surplus | - | 79.7 | 79.7 | - |
| Adjustment for short-term disposals | - | (8.1) | - | - |
| Fair value of financial instruments | - | (0.1) | (0.1) | - |
| Purchasers' costs | - | - | 118.7 | - |
| | 765.4 | 834.2 | 963.7 | 804.4 |
| Per share | 192.3p | 209.5p | 242.1p | 202.1p |

| 31 December 2025 | IFRS NAV £m | EPRA NTA £m | EPRA NRV £m | EPRA NDV £m |
|---|---|---|---|---|
| IFRS net assets | 742.1 | 742.1 | 742.1 | 742.1 |
| Other intangibles | - | (2.6) | - | - |
| Fair value of fixed interest debt | - | - | - | 37.6 |
| Tax thereon | - | - | - | (1.1) |
| Deferred tax on revaluation surplus | - | 65.8 | 65.8 | - |
| Adjustment for short-term disposals | - | (5.9) | - | - |
| Fair value of financial instruments | - | (0.3) | (0.3) | - |
| Purchasers' costs | - | - | 122.6 | - |
| | 742.1 | 799.1 | 930.2 | 778.6 |
| Per share | 186.4p | 200.7p | 233.7p | 195.6p |

**iii) Yield**

*EPRA Net Initial Yield ("NIY")*
EPRA NIY is calculated as the annualised rental income based on the cash rents passing at the balance sheet date less non-recoverable property operating expenses, divided by the gross market value of the property (excluding those that are under development, held as PPE or occupied by CLS).

| | **Six months ended 30 June 2026** | | | |
|---|---|---|---|---|
| | **United Kingdom £m** | **Germany £m** | **France £m** | **Total £m** |
| Rent passing | **40.9** | **36.4** | **11.6** | **88.9** |
| Adjusted for properties in development | **(0.1)** | - | - | **(0.1)** |
| Forecast non-recoverable service charge | **(3.7)** | **(3.4)** | **(0.7)** | **(7.8)** |
| **Annualised net rents (A)** | **37.1** | **33.0** | **10.9** | **81.0** |
| Property portfolio[1] | **591.6** | **723.5** | **210.9** | **1,526.1** |
| Adjusted for properties in development | **(7.9)** | **(20.8)** | **(8.8)** | **(37.5)** |
| Purchasers' costs at 6.8% | **39.7** | **47.8** | **13.7** | **101.2** |
| **Property portfolio valuation including purchasers' costs (B)** | **623.5** | **750.5** | **215.8** | **1,589.8** |
| **EPRA NIY (A/B)** | **6.0%** | **4.4%** | **5.1%** | **5.1%** |

[1] The above table comprise data of the investment properties and properties held for sale. They exclude owner-occupied, student accommodation and hotel.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

| | Six months ended 30 June 2025 | | | |
|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Total £m |
| Rent passing | 39.2 | 42.3 | 12.9 | 94.4 |
| Adjusted for properties in development | (0.1) | - | - | (0.1) |
| Forecast non-recoverable service charge | (3.7) | (2.5) | (0.3) | (6.5) |
| Annualised net rents (A) | 35.4 | 39.8 | 12.6 | 87.8 |
| Property portfolio[1] | 655.3 | 822.0 | 228.2 | 1,705.5 |
| Adjusted for properties in development | (11.4) | (1.7) | (8.6) | (21.7) |
| Purchasers' costs at 6.8% | 43.8 | 55.8 | 14.9 | 114.5 |

| | | | | |
|---|---|---|---|---|
| Property portfolio valuation including purchasers' costs (B) | 687.7 | 876.1 | 234.5 | 1,798.3 |
| EPRA NIY (A/B) | 5.1% | 4.5% | 5.4% | 4.9% |

| | Year ended 31 December 2025 | | | |
|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Total £m |
| Rent passing | 40.2 | 39.1 | 11.8 | 91.1 |
| Adjusted for properties in development | (0.1) | - | - | (0.1) |
| Forecast non-recoverable service charge | (2.8) | (3.6) | (1.0) | (7.4) |
| Annualised net rents (A) | 37.3 | 35.5 | 10.8 | 83.6 |
| Property portfolio[1] | 641.7 | 800.4 | 223.6 | 1,665.7 |
| Adjusted for properties in development | (10.7) | (1.7) | (9.9) | (22.3) |
| Purchasers' costs at 6.8% | 42.9 | 54.3 | 14.5 | 111.7 |
| Property portfolio valuation including purchasers' costs (B) | 673.9 | 853.0 | 228.2 | 1,755.1 |
| EPRA NIY (A/B) | 5.5% | 4.2% | 4.7% | 4.8% |

*EPRA 'topped-up' NIY*

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

| | **Six months ended 30 June 2026** | | | |
|---|---|---|---|---|
| | **United Kingdom £m** | **Germany £m** | **France £m** | **Total £m** |
| Contracted rent | **46.1** | **41.2** | **13.3** | **100.6** |
| Adjusted for properties in development | **(0.1)** | - | - | **(0.1)** |
| Forecast non-recoverable service charge | **(3.7)** | **(3.4)** | **(0.7)** | **(7.8)** |
| **'Topped-up' annualised net rents (A)** | **42.3** | **37.8** | **12.6** | **92.7** |
| Property portfolio[1] | **591.6** | **723.5** | **210.9** | **1,526.0** |
| Adjusted for properties in development | **(7.9)** | **(20.8)** | **(8.8)** | **(37.5)** |
| Purchasers' costs at 6.8% | **39.7** | **47.8** | **13.7** | **101.2** |
| **Property portfolio valuation including purchasers' costs (B)** | **623.5** | **750.5** | **215.8** | **1,589.8** |
| **EPRA 'topped-up' NIY (A/B)** | **6.8%** | **5.0%** | **5.8%** | **5.8%** |

[1] The above table comprise data of the investment properties and properties held for sale. They exclude owner-occupied, student accommodation and hotel.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

| | Six months ended 30 June 2025 | | | |
|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Total £m |
| Contracted rent | 45.8 | 44.9 | 13.8 | 104.5 |
| Adjusted for properties in development | (0.1) | - | - | (0.1) |
| Forecast non-recoverable service charge | (3.7) | (2.5) | (0.3) | (6.5) |
| 'Topped-up' annualised net rents (A) | 42.0 | 42.4 | 13.5 | 97.9 |
| Property portfolio | 655.3 | 822.0 | 228.2 | 1,705.5 |
| Adjusted for properties in development | (11.4) | (1.7) | (8.6) | (21.7) |
| Purchasers' costs at 6.8% | 43.8 | 55.8 | 14.9 | 114.5 |
| Property portfolio valuation including purchasers' costs (B) | 687.7 | 876.1 | 234.5 | 1,798.3 |
| EPRA 'topped-up' NIY (A/B) | 6.1% | 4.8% | 5.8% | 5.4% |

| | Year ended 31 December 2025 | | | |
|---|---|---|---|---|
| | United Kingdom £m | Germany £m | France £m | Total £m |
| Contracted rent | 47.4 | 45.7 | 13.1 | 106.2 |
| Adjusted for properties in development | (0.1) | - | - | (0.1) |
| Forecast non-recoverable service charge | (2.8) | (3.6) | (1.0) | (7.4) |
| Annualised net rents (A) | 44.5 | 42.1 | 12.1 | 98.7 |
| Property portfolio | 641.7 | 800.4 | 223.6 | 1,665.7 |
| Adjusted for properties in development | (10.7) | (1.7) | (9.9) | (22.3) |
| Purchasers' costs at 6.8% | 42.9 | 54.3 | 14.5 | 111.7 |
| Property portfolio valuation including purchasers' costs (B) | 673.9 | 853.0 | 228.2 | 1,755.1 |
| EPRA NIY (A/B) | 6.6% | 4.9% | 5.3% | 5.6% |

**iv) EPRA vacancy**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| ERV of vacant space (A) | **15.9** | 17.6 | 16.8 |
| ERV of let space | **94.0** | 98.7 | 98.7 |
| ERV of lettable space (B) | **109.9** | 116.3 | 115.5 |
| | | | |
| **EPRA vacancy rate (A/B)** | **14.5%** | 15.1% | 14.5% |

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

**v) EPRA capital expenditure**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Acquisitions | **-** | - | - |
| Amounts spent on the completed investment property portfolio | | | |
| Creation of incremental space | **-** | - | - |
| Creation of no incremental space | **5.9** | 7.4 | 14.3 |
| **EPRA capital expenditure** | **5.9** | 7.4 | 14.3 |
| Conversion from accrual to cash basis | **4.4** | 3.8 | 3.0 |
| **EPRA capital expenditure on a cash basis** | **10.3** | 11.2 | 17.3 |

**vi) EPRA cost ratios**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Administration expenses | **8.0** | 8.7 | 16.4 |
| Other expenses | **7.9** | 8.8 | 17.3 |
| Less: investment segment and student operating costs | **(1.8)** | (3.0) | (5.0) |
| | **14.1** | 14.5 | 28.7 |
| Net service charge costs | **3.3** | 2.6 | 7.9 |
| Service charge costs recovered through rents but not separately invoiced | **-** | (0.3) | (0.3) |
| Dilapidations receipts | **(1.1)** | (0.9) | (2.1) |
| EPRA costs (including direct vacancy costs) (A) | **16.3** | 15.9 | 34.2 |
| Direct vacancy costs | **(7.0)** | (6.1) | (13.1) |
| EPRA costs (excluding direct vacancy costs) (B) | **9.3** | 9.8 | 21.1 |
| | | | |
| Gross rental income | **45.0** | 48.1 | 94.8 |
| Service charge components of gross rental income | **-** | (0.3) | (0.3) |
| EPRA gross rental income (C) | **45.0** | 47.8 | 94.5 |
| | | | |
| **EPRA cost ratio (including direct vacancy costs) (A/C)** | **36.2%** | 33.3% | 36.2% |
| | | | |
| **EPRA cost ratio (excluding direct vacancy costs) (B/C)** | **20.7%** | 20.5% | 22.3% |

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

**vii) EPRA LTV**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Borrowings from financial institutions | **843.6** | 923.0 | 901.9 |
| Net payables | **39.7** | 44.7 | 46.6 |
| Cash and cash equivalents | **(35.3)** | (63.9) | (49.4) |
| **Net debt (A)** | **848.0** | 903.8 | 899.1 |
| | | | |
| Properties held as property, plant and equipment | **39.9** | 40.7 | 39.1 |
| Investment properties | **1,481.2** | 1,518.5 | 1,570.8 |
| Properties held for sale | **44.8** | 187.0 | 94.9 |
| Financial assets - equity investments | **0.7** | 0.9 | 0.8 |
| **Total property value (B)** | **1,565.6** | 1,747.1 | 1,705.6 |
| | | | |
| **EPRA LTV (A/B)** | **54.2%** | 51.7% | 52.7% |

**viii) EPRA like-for-like gross rental income growth**

viii) EPRA like-for-like gross rental income growth

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 | Year ended 31 December 2025 |
|---|---|---|---|
| **(Decrease)/increase in gross rental income (%)** | **(5.2)** | (4.8) | (6.5) |
| **(Decrease)/increase in gross rental income (£m)** | **(2.4)** | (2.4) | (6.5) |

***2) Other APMs***

***i) Total Accounting Return (per share)***

| | Six months ended 30 June 2026 Pence | Six months ended 30 June 2025 Pence | Year ended 31 December 2025 Pence |
|---|---|---|---|
| EPRA closing net tangible assets | **177.7** | 209.5 | 200.7 |
| Scrip dividend dilution in NTA per share in the period | **1.7** | - | - |
| EPRA closing net tangible assets - rebased to reflect scrip dividends in the period | **179.4** | 209.5 | 200.7 |
| Add back: prior year final dividend paid[1] | **2.3** | 2.7 | 2.7 |
| Add back: interim dividend paid | - | - | 1.3 |
| Less: EPRA opening net tangible assets (A) | **(200.7)** | (215.0) | (215.0) |
| Return before dividends (B) | **(19.0)** | (2.8) | (10.3) |
| **Total Accounting Return (NTA) (B/-A)** | **(9.5)%** | (1.3)% | (4.8)% |

[1] The 2024 final dividend was 2.68 pence but has been rounded to 2.7 pence for the purpose of this note.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

***ii) Net debt and gearing***

| | Notes | Six months ended 30 June 2026 £m | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|---|
| Borrowings short-term | 13 | **174.1** | 298.0 | 198.0 |
| Borrowings long-term | 13 | **669.5** | 625.0 | 703.9 |
| Add back: unamortised issue costs | 13 | **4.5** | 3.7 | 3.9 |
| Gross debt | 13 | **848.1** | 926.7 | 905.8 |
| Cash and cash equivalents | 12 | **(35.3)** | (63.9) | (49.4) |
| **Net debt (A)** | | **812.8** | 862.8 | 856.4 |
| **Net assets (B)** | | **659.4** | 765.4 | 742.1 |
| **Net gearing (A/B)** | | **123.3%** | 112.7% | 115.4% |

***iii) Balance sheet loan-to-value***

| | Notes | Six months ended 30 June 2026 £m | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|---|
| Borrowings short-term | 13 | **174.1** | 298.0 | 198.0 |
| Borrowings long-term | 13 | **669.5** | 625.0 | 703.9 |
| Less: cash and cash equivalents | 12 | **(35.3)** | (63.9) | (49.4) |
| **Net debt (A)** | | **808.3** | 859.1 | 852.5 |
| Investment properties | 9 | **1,481.2** | 1,518.5 | 1,570.8 |
| Properties in plant, property and equipment | 8 | **39.9** | 40.7 | 39.1 |
| Properties held for sale | 11 | **44.8** | 187.0 | 94.9 |
| **Total property portfolio (B)** | | **1,565.9** | 1,746.2 | 1,704.8 |
| **Balance sheet loan-to-value (A/B)** | | **51.6%** | 49.2% | 50.0% |

***iv) Dividend cover***

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 | Year ended 31 December 2025 |
|---|---|---|---|

| | £m | £m | £m |
|---|---|---|---|
| Interim dividend[1] | - | 5.2 | 5.2 |
| Final dividend | - | - | 10.7 |
| **Total dividend (A)** | - | 5.2 | 15.9 |
| **EPRA earnings (B)** | **10.9** | 16.1 | 30.2 |
| **Dividend cover (B/A) (times)** | **n/a** | 3.10 | 1.90 |

[1] The 30 June 2026 amount represents the proposed interim 2026 dividend.

4 ALTERNATIVE PERFORMANCE MEASURES ("APMs") (continued)

***v) Interest cover***

| | Notes | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|---|
| Net rental income | 3 | **46.3** | 53.3 | 101.3 |
| Administration expenses | 3 | **(8.0)** | (8.7) | (16.4) |
| Other property expenses | 3 | **(7.9)** | (8.8) | (17.3) |
| **Group revenue less costs (A)** | | **30.4** | 35.8 | 67.6 |
| | | | | |
| Finance income (excluding derivatives and dividend income) | 5 | **0.3** | 0.7 | 1.1 |
| Finance costs (excluding derivatives) | 6 | **(18.8)** | (19.9) | (37.8) |
| **Net interest (B)** | | **(18.5)** | (19.2) | (36.7) |
| | | | | |
| **Interest cover (-A/B) (times)** | | **1.64** | 1.86 | 1.84 |

***vi) Administration cost ratio***

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Administration expenses | **8.0** | 8.7 | 16.4 |
| Less: Other investment segment | **-** | - | (0.1) |
| Underlying administration expenses (A) | **8.0** | 8.7 | 16.3 |
| | | | |
| Net rental income (B) | **46.3** | 53.3 | 101.3 |
| | | | |
| **Administration cost ratio (A/B)** | **17.3%** | 16.3% | 16.1% |

**5 FINANCE INCOME**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Interest income on bank deposits | **0.3** | 0.7 | 1.1 |

**6 FINANCE COSTS**

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Interest expense | | | |
| Secured bank loans and facilities | **17.8** | 19.1 | 36.3 |
| Amortisation of loan issue costs | **1.0** | 0.8 | 1.5 |
| Total interest costs | **18.8** | 19.9 | 37.8 |
| Movement in fair value of derivative financial instruments | **(0.4)** | 1.5 | 1.3 |
| Total finance costs | **18.4** | 21.4 | 39.1 |

**7 TAXATION**

| **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|

| | £m | £m | £m |
|---|---|---|---|
| Deferred tax | | | |
| Origination and reversal of temporary differences | **(4.7)** | (1.9) | (15.8) |
| | **(4.7)** | (1.9) | (15.8) |
| Current tax | **1.8** | 2.0 | 4.2 |
| **Tax (credit) / charge** | **(2.9)** | 0.1 | (11.6) |

Tax for the six months ended 30 June 2026 has been recorded at an effective rate of 4.1% (six months ended 30 June 2025: 0.4%; year ended 31 December 2025: 18.6%), representing the best estimate of the average annual effective tax rate expected for the full year adjusted for the tax effect of one-off items, applied to the pre-tax income of the six month period.

**8 PROPERTY PORTFOLIO**

| | **Notes** | **United Kingdom £m** | **Germany £m** | **France £m** | **Total £m** |
|---|---|---|---|---|---|
| **Investment property** | **9** | **569.3** | **701.0** | **210.9** | **1,481.2** |
| **Property held as property, plant and equipment[1]** | **10** | **36.6** | **1.7** | **1.6** | **39.9** |
| **Properties held for sale** | **11** | **22.3** | **22.5** | **-** | **44.8** |
| **Property portfolio at 30 June 2026** | | **628.2** | **725.2** | **212.5** | **1,565.9** |

| | **Notes** | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|---|
| Investment property | **9** | 622.0 | 675.2 | 221.3 | 1,518.5 |
| Property held as property, plant and equipment[1] | **10** | 37.4 | 1.6 | 1.7 | 40.7 |
| Properties held for sale | **11** | 33.3 | 146.8 | 6.9 | 187.0 |
| Property portfolio at 30 June 2025 | | 692.7 | 823.6 | 229.9 | 1,746.2 |

| | **Notes** | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|---|
| Investment property | **9** | 635.4 | 711.8 | 223.6 | 1,570.8 |
| Property held as property, plant and equipment[1] | **10** | 35.7 | 1.7 | 1.7 | 39.1 |
| Properties held for sale | **11** | 6.3 | 88.6 | - | 94.9 |
| Property portfolio at 31 December 2025 | | 677.4 | 802.1 | 225.3 | 1,704.8 |

[1] The total balance excludes fixtures and fittings of £1.6 million (30 June 2025: £1.7 million; 31 December 2025: £1.5 million) as shown in note 10.

The property portfolio which comprises investment properties detailed in note 9, the hotel and owner-occupied property detailed in note 10 and properties held for sale detailed in note 11 was revalued at 30 June 2026 to its fair value. Valuations were based on current prices in an active market for all properties. The property valuations were carried out by external independent valuers as follows:

| | **30 June 2026** | | | 30 June 2025 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Investment property £m** | **Other property £m** | **Property portfolio £m** | Investment property £m | Other property £m | Property portfolio £m | Investment property £m | Other property £m | Property portfolio £m |
| Cushman and Wakefield | **-** | **-** | **-** | 622.0 | 70.7 | 692.7 | 635.4 | 42.0 | 677.4 |
| Colliers | **569.3** | **58.9** | **628.2** | - | - | - | - | - | - |
| Jones Lang LaSalle | **911.9** | **3.3** | **915.2** | 896.5 | 157.0 | 1,053.5 | 935.4 | 3.4 | 938.8 |
| Directors' valuation[1] | **-** | **22.5** | **22.5** | - | - | - | - | 88.6 | 88.6 |
| | **1,481.2** | **84.7** | **1,565.9** | 1,518.5 | 227.7 | 1,746.2 | 1,570.8 | 134.0 | 1,704.8 |

[1] The Directors' valuation as at 30 June 2026 includes one property (31 December 2025: four properties) in Germany which has been classified as held for sale. The value has been determined with reference to the third-party letters of intent to purchase the properties. Refer to note 12 for further details.

The total fees, including the fees for this assignment, earned by each of the valuers from the Group is less than 5% of their total revenues in each jurisdiction. See note 9 and note 10 for details on valuation technique and fair value measurement.

**9 INVESTMENT PROPERTIES**

| | **United Kingdom £m** | **Germany £m** | **France £m** | **Total £m** |
|---|---|---|---|---|
| **At 1 January 2026** | **635.4** | **711.8** | **223.6** | **1,570.8** |
| **Capital expenditure** | **2.0** | **3.3** | **0.6** | **5.9** |
| **Disposals** | **-** | **-** | **(2.6)** | **(2.6)** |
| **Net revaluation movement** | **(50.3)** | **(22.7)** | **(8.4)** | **(81.4)** |
| **Lease incentive adjustments** | **1.1** | **5.7** | **0.3** | **7.1** |
| **Exchange rate variances** | **-** | **(8.5)** | **(2.6)** | **(11.1)** |
| [illegible] | [illegible] | [illegible] | | [illegible] |

| | | | | |
|---|---|---|---|---|
| **Transfer to properties held for sale** | **(18.9)** | **11.4** | **-** | **(7.5)** |
| **At 30 June 2026** | **569.3** | **701.0** | **210.9** | **1,481.2** |

| | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|
| At 1 January 2025 | 657.0 | 793.6 | 225.9 | 1,676.5 |
| Capital expenditure | 2.6 | 2.7 | 2.1 | 7.4 |
| Net revaluation movement | (15.8) | (8.3) | (8.2) | (32.3) |
| Lease incentive adjustments | 0.1 | 4.5 | 0.1 | 4.7 |
| Exchange rate variances | - | 29.5 | 8.3 | 37.8 |
| Transfer to properties held for sale | (21.9) | (146.8) | (6.9) | (175.6) |
| At 30 June 2025 | 622.0 | 675.2 | 221.3 | 1,518.5 |

| | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|
| At 1 January 2025 | 657.0 | 793.6 | 225.9 | 1,676.5 |
| Capital expenditure | 4.8 | 5.4 | 4.1 | 14.3 |
| Disposals | - | (18.3) | (7.9) | (26.2) |
| Net revaluation movement | (35.4) | (33.4) | (10.4) | (79.2) |
| Lease incentives adjustments | 4.5 | 11.4 | - | 15.9 |
| Exchange rate variances | - | 41.7 | 11.9 | 53.6 |
| Transfer from/(to) properties held for sale | 4.5 | (88.6) | - | (84.1) |
| At 31 December 2025 | 635.4 | 711.8 | 223.6 | 1,570.8 |

Investment properties include leasehold properties with a carrying value of £59.5 million (30 June 2025: £41.0 million; 31 December 2025: £61.9 million).

Interest capitalised within capital expenditure in the period amounted to £nil (30 June 2025: £nil; 31 December 2025: £0.2 million).

**Valuation process**
The Group's property portfolio, other than one property categorised as held for sale, was valued by independent external valuers on the basis of fair value using information provided to them 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 property management systems and is subject to the Group's overall control environment. 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 professional judgement and market evidence of transactions for similar properties on arm's length terms. The valuations are prepared in accordance with RICS Valuation - Global standards.

9 INVESTMENT PROPERTIES (continued)

Each Country Head, who reports to the Chief Executive Officer, verifies all major inputs to the external valuation reports, assesses the individual property valuation changes from the prior year valuation report and holds discussions with the external valuers. When the process is complete, the valuation report is recommended to the Audit Committee and the Board, which considers it as part of its overall responsibilities.

**Valuation techniques**
The fair value of the property portfolio (excluding ongoing developments, see below) has been determined using the following approaches, which are consistent with valuation methodologies in their respective countries, and are in accordance with RICS Valuation - Global Standards:

| | |
|---|---|
| United Kingdom: | an income capitalisation approach whereby contracted and market rental values are capitalised with a market capitalisation rate |
| Germany: | a 10 year discounted cash flow model with an assumed exit thereafter |
| France: | both the market capitalisation approach and a 10 year discounted cash flow approach |

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. Other factors taken into account in the valuations include the tenure of the property, tenancy details, and ground and structural conditions.

Ongoing developments are valued under the 'residual method' of valuation, which is the same method as the income capitalisation approach to valuation described above, with a deduction for all costs necessary to complete the development, including a notional finance cost, together with a further allowance for remaining risk. As the development approaches completion, the valuer may consider the income capitalisation approach to be more appropriate.

All valuations have considered the environmental, social and governance credentials of the properties and the potential cost of improving them to local regulatory standards along with the broader potential impact of climate change.

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 any of the Levels in the fair value hierarchy during either 2026 or 2025. The Group determines whether transfers have occurred between levels in the fair value hierarchy by re-assessing categorisation at the end of each reporting period.

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 loss of £84.2 million (30 June 2025: £32.3 million; 31 December 2025: £79.2 million) and are presented in the income statement in the line item 'Net revaluation movements on investment property'. The revaluation gain for the property, plant and equipment of £0.8 million (30 June 2025: £nil; 31 December 2025: £1.6 million loss) was included within the revaluation reserve via other comprehensive income.

All gains and losses recorded in profit or loss in 2026 and 2025 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 30 June 2026, 30 June 2025 and 31 December 2025.

9 INVESTMENT PROPERTIES (continued)

**Quantitative information about fair value measurement using unobservable inputs (Level 3)**

| | ERV | | | | | |
|---|---|---|---|---|---|---|
| | Average £ per sq. ft | | | Range £ per sq. ft | | |
| | **30-Jun-26** | 30-Jun-25 | 31-Dec-25 | **30-Jun-26** | 30-Jun-25 | 31-Dec-25 |
| UK | **39.99** | 37.37 | 37.99 | **10.00 - 58.07** | 10.00 - 52.72 | 10.00 - 56.55 |
| Germany | **13.43** | 14.47 | 14.28 | **9.60 - 21.32** | 9.57 - 28.62 | 9.72 - 29.07 |
| France | **21.72** | 22.93 | 23.47 | **14.40 - 46.81** | 12.86 - 47.00 | 13.06 - 47.73 |

| | Equivalent yield | | | | | |
|---|---|---|---|---|---|---|
| | Average % | | | Range % | | |
| | **30-Jun-26** | 30-Jun-25 | 31-Dec-25 | **30-Jun-26** | 30-Jun-25 | 31-Dec-25 |
| UK | **7.99** | 7.55 | 7.56 | **6.36 - 12.03** | 6.23 - 10.04 | 6.16 - 10.05 |
| Germany | **5.37** | 5.39 | 5.32 | **4.70 - 6.70** | 4.65 - 6.40 | 4.40 - 6.55 |
| France | **6.36** | 6.12 | 6.21 | **4.80 - 8.40** | 4.80 - 7.75 | 4.80 - 8.00 |

**Sensitivity of measurement to variations in the significant unobservable inputs**

All other factors remaining constant, an increase in estimated rental value "ERV" would increase valuations, whilst an increase in the equivalent yield would result in a fall in value, and vice versa. 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 ERV and would mitigate its impact on the fair value measurement.

A decrease in the equivalent yield by 25 basis points would result in an increase in the fair value of the Group's investment property by £68.1 million (30 June 2025: £70.7 million; 31 December 2025: £69.0 million) whilst a 25 basis point increase would reduce the fair value by £68.1 million (30 June 2025: £69.8 million; 31 December 2025: £68.3 million). A decrease in the ERV by 5% would result in a decrease in the fair value of the Group's investment property by £69.3 million (30 June 2025: £68.8 million; 31 December 2025: £64.5 million) whilst an increase in the ERV by 5% would result in an increase in the fair value of the Group's investment property by £63.0 million (30 June 2025: £64.1 million; 31 December 2025: £59.4 million).

Where the Group leases out its investment property under operating leases the duration is typically three years or more. No material variable contingent rents have been recognised in the current or prior periods.

Although not a key valuation assumption, in the absence of a financial instruments note and disclosure on foreign exchange risk, the table below shows how the investment property values would be impacted by a 5% movement in the sterling/euro exchange rate at 30 June 2026.

| | **£m** |
|---|---|
| 5% increase in value of sterling against the euro | **(43.4)** |
| 5% fall in value of sterling against the euro | **48.0** |

**10 PROPERTY, PLANT AND EQUIPMENT**

| | **30 June 2026 £m** | 30 June 2025 £m | 31 December 2025 £m |
|---|---|---|---|
| Hotel | **29.5** | 31.0 | 29.3 |
| Owner-occupied property | **10.4** | 9.7 | 9.8 |
| Fixtures and fittings | **1.6** | 1.7 | 1.5 |
| **Total** | **41.5** | 42.4 | 40.6 |

| | **Hotel £m** | **Owner-occupied property £m** | **Fixtures and fittings £m** | **Total £m** |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2026 | **29.3** | **9.8** | **4.0** | **43.1** |
| Additions | **-** | **-** | **0.2** | **0.2** |
| Revaluation | **0.2** | **0.6** | **-** | **0.8** |
| **At 30 June 2026** | **29.5** | **10.4** | **4.2** | **44.1** |

| | | | | |
|---|---|---|---|---|
| **Comprising:** | | | | |
| **At cost** | **-** | **-** | **4.2** | **4.2** |
| **At valuation** | **29.5** | **10.4** | **-** | **39.9** |
| | **29.5** | **10.4** | **4.2** | **44.1** |
| **Accumulated depreciation and impairment** | | | | |
| At 1 January 2026 | **-** | **-** | **(2.5)** | **(2.5)** |
| Depreciation charge | **-** | **-** | **(0.1)** | **(0.1)** |
| **At 30 June 2026** | **-** | **-** | **(2.6)** | **(2.6)** |
| **Net book value** | | | | |
| **At 30 June 2026** | **29.5** | **10.4** | **1.6** | **41.5** |
| At 31 December 2025 | 29.3 | 9.8 | 1.5 | 40.6 |

**Valuation techniques**

The fair values of the hotel and owner-occupied property have been determined using the following approach in accordance with International Valuation Standards:

| | |
|---|---|
| Hotel: | a 10-year discounted cash flow model with an assumed exit thereafter. The projected EBITDA in the 11th year is capitalised at a market yield before being brought back to present day values |
| Owner - occupied property: | an income capitalisation approach whereby contracted and market rental values are capitalised with a market capitalisation rate |

This technique is consistent with the principles in IFRS 13 Fair Value Measurement and use significant unobservable inputs such that the fair value measurement of the hotel within the portfolio has been classified as Level 3 in the fair value hierarchy.

## 11 ASSETS HELD FOR SALE

| | **United Kingdom £m** | **Germany £m** | **France £m** | **Total £m** |
|---|---|---|---|---|
| **At 1 January 2026** | **6.3** | **88.6** | **-** | **94.9** |
| **Disposals** | **(2.2)** | **(52.3)** | **-** | **(54.5)** |
| **Transfer from/(to) investment property** | **18.9** | **(11.4)** | **-** | **7.5** |
| **Revaluation** | **(0.7)** | **(2.1)** | **-** | **(2.8)** |
| **Exchange rate variances** | **-** | **(0.3)** | **-** | **(0.3)** |
| **At 30 June 2026** | **22.3** | **22.5**[1] | **-** | **44.8** |

[1] A Directors' valuation of one property in Germany classified as held for sale has been adopted. The valuation reflects letters of intent to purchase these properties by third parties. The Directors believe this is the best indication of fair value as it is representative of an arm's length transaction.

The balance above comprises 4 properties (31 Dec 2025: 6 properties; 30 June 2025: 7 properties) that at 30 June 2026 were being marketed for sale and are expected to be disposed of within 12 months via an open market process. The properties are situated in the UK and Germany. The Directors expect that the sale proceeds achieved to be similar to their carrying amounts.

| | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|
| At 1 January 2025 | 112.5 | 20.5 | - | 133.0 |
| Disposals | (101.1) | (20.5) | - | (121.6) |
| Transfer from investment property | 21.9 | 146.8 | 6.9 | 175.6 |
| Exchange rate variances | - | - | - | - |
| At 30 June 2025 | 33.3 | 146.8 | 6.9 | 187.0 |

| | United Kingdom £m | Germany £m | France £m | Total £m |
|---|---|---|---|---|
| At 1 January 2025 | 112.5 | 20.5 | - | 133.0 |
| Disposals | (101.7) | (20.5) | - | (122.2) |
| Transfer (to)/from investment property | (4.5) | 88.6[1] | - | 84.1 |
| Exchange rate variances | - | - | - | - |
| At 31 December 2025 | 6.3 | 88.6 | - | 94.9 |

[1] A Directors' valuation of four properties in Germany classified as held for sale has been adopted. The valuation reflects letters of intent to purchase these properties by third parties. The Directors believe this is the best indication of fair value as it is representative of an arm's length transaction.

### 12 CASH AND CASH EQUIVALENTS

| | **Six months ended 30 June 2026 £m** | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Cash at bank | **35.3** | 63.9 | 49.4 |

At 30 June 2026, cash at bank included £28.4 million (31 Dec 2025: £39.2 million; 30 June 2025: £42.6 million) which was restricted by a third-party charge. £10.0 million of the restricted cash related to tenant deposits (31 Dec 2025: £10.1 million; 30 June 2025: £10.2 million).

### 13 BORROWINGS

MATURITY PROFILE

The maturity profile of the carrying amount of the Group's borrowings was as follows:

| **At 30 June 2026** | **Secured bank loans £m** |
|---|---|
| **Maturing in:** | |
| **Within one year or on demand** | **176.3** |
| **One to two years** | **201.4** |
| **Two to five years** | **323.4** |
| **More than five years** | **147.0** |
| | **848.1** |
| **Unamortised issue costs** | **(4.5)** |
| **Borrowings** | **843.6** |
| **Due within one year** | **174.1** |
| **Due after one year** | **669.5** |

At the year ended 31 December 2025, £199.3 million of borrowings were due for repayment within one year and £136.0 million was due within one to two years including unamortised issue costs (see 2025 Annual Report and Accounts, note 19). During the six months ended 30 June 2026, CLS has refinanced or repaid £113.6 million.

| At 30 June 2025 | Secured bank loans £m |
|---|---|
| Maturing in: | |
| Within one year or on demand | 299.2 |
| One to two years | 109.3 |
| Two to five years | 271.5 |
| More than five years | 246.7 |
| | 926.7 |
| Unamortised issue costs | (3.7) |
| Borrowings | 923.0 |
| Due within one year | 298.0 |
| Due after one year | 625.0 |

| At 31 December 2025 | Secured bank loans £m |
|---|---|
| Maturing in: | |
| Within one year or on demand | 199.3 |
| One to two years | 136.0 |
| Two to five years | 386.7 |
| More than five years | 183.8 |
| | 905.8 |
| Unamortised issue costs | (3.9) |
| Borrowings | 901.9 |
| Due within one year | 198.0 |
| Due after one year | 703.9 |

13 BORROWINGS (continued)

FAIR VALUES

The carrying amounts and fair values of the Group's borrowings are as follows:

| | Carrying amounts | | Fair values | |
|---|---|---|---|---|
| | | 31 December | | 31 December |

| | 30 June 2026 £m | 30 June 2025 £m | 2025 £m | 30 June 2026 £m | 30 June 2025 £m | 2025 £m |
|---|---|---|---|---|---|---|
| Current borrowings | **174.1** | 298.0 | 198.0 | **174.1** | 298.0 | 198.0 |
| Non-current borrowings | **669.5** | 625.0 | 703.9 | **670.2** | 628.0 | 705.3 |
| | **843.6** | 923.0 | 901.9 | **844.3** | 926.0 | 903.3 |

The valuation methods used to measure the fair values of the Group's fixed rate borrowings were derived from inputs which were either observable as prices or derived from prices taken from Bloomberg (Level 2).

The Group had the following committed facilities available at period end:

| | 30 June 2026 £m | 30 June 2025 £m | 31 December 2025 £m |
|---|---|---|---|
| Floating rate | | | |
| - Expiring within one year | **-** | 70.0 | 70.0 |
| - Expiring after one year[1] | **79.1** | - | - |
| | **79.1** | 70.0 | 70.0 |

[1] £30.0 million of the facility expiring after one year and available as at 30 June 2026 was secured by selected UK properties (31 December 2025: £30.0 million; 30 June 2025: £30.0 million of facilities expiring within one year).

As at 30 June 2026, amounts drawn under the facilities above were £52.0 million (31 December 2025: £42.0 million). In addition to the above committed facilities, at 30 June 2026, the Group had a £17.0 million unsecured overdraft and uncommitted facilities available (31 December 2025: £10.0 million unsecured overdraft facility).

**14 SHARE CAPITAL**

| | Number of shares authorised, issued and fully paid | | | | | |
|---|---|---|---|---|---|---|
| | Ordinary shares in circulation | Treasury shares | Total ordinary shares | Ordinary shares in circulation £m | Treasury shares £m | Total ordinary shares £m |
| At 1 January 2025 | 397,410,268 | 41,367,512 | 438,777,780 | 9.9 | 1.1 | 11.0 |
| Issue of shares | 700,474 | (700,474) | - | - | - | - |
| At 30 June 2025 and 31 December 2025 | 398,110,742 | 40,667,038 | 438,777,780 | 9.9 | 1.1 | 11.0 |
| Issue of shares | 3,358,424 | - | 3,358,424 | 0.1 | - | 0.1 |
| **At 30 June 2026** | **401,469,166** | **40,667,038** | **442,136,204** | 10.0 | 1.1 | 11.1 |

On 22 May 2026, 3,358,424 shares were issued as a result of the scrip dividend take-up by shareholders. These shares were issued at 2.5 pence per share, leading to the £0.1 million increase in share capital.

**15 EARNINGS PER SHARE**

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the period.

| | 30 June 2026 Number | 30 June 2025 Number | 31 December 2025 Number |
|---|---|---|---|
| **Weighted average number of ordinary shares in circulation** | **398,834,380** | 398,056,562 | 398,083,875 |
| **Number of ordinary shares in circulation at period end** | **401,469,166** | 398,110,742 | 398,110,742 |

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The diluted earnings per share does not assume conversion of potential ordinary shares that would have an antidilutive effect on earnings per share. The diluted loss per share for the period to 30 June 2026 was restricted to a loss of 17.5 pence per share, as the loss per share cannot be reduced by dilution in accordance with IAS 33 Earnings Per Share.

The Group has one type of dilutive potential ordinary shares, being: unvested shares granted under the Long Term Incentive Plan (LTIP) for executive directors and senior management. The issue of these unvested shares is contingent upon satisfying specified conditions such as length of service and company performance.

| **LTIP** | 30 June 2026 Number | 30 June 2025 Number | 31 December 2025 Number |
|---|---|---|---|
| **Total potential dilutive shares** | **9,906,349** | 6,892,410 | 6,408,551 |

**16 CASH GENERATED FROM OPERATIONS**

| | Six months ended 30 June 2026 £m | Six months ended 30 June 2025 £m | Year ended 31 December 2025 £m |
|---|---|---|---|
| Operating loss | **(54.3)** | (3.8) | (24.1) |
| Adjustments for: | | | |
| Net movements on revaluation of investment properties | **84.2** | 32.3 | 79.2 |
| Net movements on revaluation of equity investments | **0.1** | (0.3) | (0.1) |
| Depreciation and amortisation | **0.3** | 0.3 | 0.8 |
| Loss on sale of investment property | **0.5** | 6.3 | 10.9 |
| Lease incentive debtor adjustments | **(7.1)** | (4.7) | (15.9) |
| Share-based payments | **(0.1)** | - | 0.3 |
| Gain from sale of equity instruments | **0.1** | | |

| | | | |
|---|---|---|---|
| Gain from sale of equity instruments | **0.1** | - | - |
| Changes in working capital: | | | |
| Decrease in receivables | **0.7** | 3.2 | 3.3 |
| Decrease in payables | **(5.8)** | (6.1) | (1.8) |
| **Cash generated from operations** | **18.4** | 27.2 | 52.6 |

**17 RELATED PARTY TRANSACTIONS**

There have been no material changes in the related party transactions described in the last annual report, other than those disclosed elsewhere in this condensed set of financial statements.

**18 POST BALANCE SHEET EVENTS**

There were no material events after 30 June 2026 which have a bearing on the understanding of the financial statements and require disclosure.

## GLOSSARY

**Administration cost ratio**
Recurring administration expenses of the investment property operating segment expressed as a percentage of net rental income.

**Balance sheet loan-to-value (LTV)**
Net debt expressed as a percentage of property assets (including Assets Held for Sale).

**Building Research Establishment Environmental Assessment Method (BREEAM)**
An environmental impact assessment method for non-domestic buildings. Their standards cover new construction, properties in use as well as refurbishment and fit-out. BREEAM In-Use enables property investors, owners, managers and occupiers to determine and drive sustainable improvements in the operational performance of their buildings. It provides sustainability benchmarking and assurance for all building types and assesses performance in a number of areas; management, health & wellbeing, energy, transport, water, resources, resilience, land use & ecology, and pollution. Performance is measured across a series of ratings; Good, Very Good, Excellent and Outstanding.

**Carbon emissions Scopes 1, 2 and 3**
Scope 1 - direct emissions;
Scope 2 - indirect emissions; and
Scope 3 - other indirect emissions.

**CDP**
CDP, formerly known as the Carbon Disclosure Project, assesses the ESG performance of all major companies worldwide and aids comparability between organisations to allow the investor community to assess the carbon and climate change risk of each company.

**Contracted rent**
Annual contracted rental income after any rent-free periods have expired.

**Dividend cover**
The ratio of EPRA earnings over the dividend paid to shareholders.

**Earnings before interest, tax, depreciation and amortisation (EBITDA)**
Operating profit before revaluation and disposals and before interest and tax, adding back depreciation and amortisation charges and adjusting for non-recurring items.

**Earnings per share**
Profit for the year attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue in the period.

**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.

**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 capital expenditure**
Investment property acquisitions and expenditure split between amounts used for the creation of additional lettable area ("incremental lettable space") and enhancing existing space ("no incremental space") both on an accrual and cash basis.

**EPRA cost ratio**
Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income. A measure to enable meaningful measurement of the changes in a company's operating costs.

**EPRA earnings per share (EPS)**
Earnings from operational activities. A measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.

**EPRA like-for-like rental growth**
Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.

**EPRA LTV**

The aim of EPRA LTV is to assess the gearing of the shareholder equity within a real estate company by adjusting IFRS reporting. The main overarching concepts are: any capital which is not equity is considered as debt irrespective of its IFRS classification; it is calculated on proportional consolidation; and assets are included at fair value and net debt at nominal value.

**EPRA net disposal value (NDV)**
Represents 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 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 property portfolio, including estimated purchasers' costs.

**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.

**EPRA net tangible assets (NTA)**
Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

**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 step rents).

**EPRA vacancy rate**

Estimated rental value (ERV) of immediately available space divided by the ERV of the lettable portfolio.

**Estimated rental value (ERV)**

The market rental value of lettable space as estimated by the Group's valuers.

**GRESB**

GRESB assesses and benchmarks the environmental, social and governance (ESG) performance of real assets, providing standardised and validated data to the capital markets.

**Interest cover**

The aggregate of group revenue less costs, divided by the aggregate of interest expense and amortisation of loan issue costs, less interest income.

**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.

**Liquid resources**

Cash and short-term deposits.

**Net assets per share or net asset value (NAV)**

Equity attributable to the owners of the Company divided by the number of ordinary shares.

**Net debt**

Total borrowings less liquid resources.

**Net debt:EBITDA ratio**

Net debt divided by EBITDA.

**Net gearing**

Net debt expressed as a percentage of net assets attributable to the owners of the Company.

### Net initial yield
Net rent on investment properties and properties held for sale expressed as a percentage of the valuation of those properties.

### Net rent
Passing rent less net service charge costs.

### Over-rented
The amount by which ERV falls short of the aggregate of contracted rent.

### Passing rent
Contracted rent before any rent-free periods have expired.

### Real Estate Investment Trust (REIT)
A Real Estate Investment Trust (REIT) is a vehicle that allows an investor to obtain broadly similar returns from their investment, as they would have had they invested directly in property. In the UK a REIT is exempt from UK tax on the income and gains of its property rental business. A REIT in the UK is required to invest mainly in property (75% of total Group's assets and profits must be in the tax exempt business) and to pay out 90% of the profits from its property rental business as measured for tax purposes as dividends to shareholders (property income distributions). In the hands of the shareholder, property income distributions (PID) are taxable as profits of a UK property rental business. The PID is received net of withholding tax, unless it is to a recipient entitled to gross payment.

### Rent reviews
Rent reviews take place at intervals agreed in the lease (typically every five years in the UK) 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.

### Rent roll
Contracted rent.

### Return on equity
The aggregate of the change in equity attributable to the owners of the Company plus the amounts paid to the shareholders as dividends and the purchase of shares in the market, divided by the opening equity attributable to the owners of the Company.

### Reversion
The amount by which ERV exceeds contracted rent.

### 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.

### The 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.

### Total Accounting Return - basic
The change in IFRS net assets before the payment of dividends.

### Total Accounting Return - EPRA
The change in EPRA NTA before the payment of dividends.

### Total Shareholder Return (TSR)
The growth in capital from purchasing a share, assuming that dividends are reinvested every time they are received.

**True equivalent yield**

The capitalisation rate applied to future cash flows to calculate the gross property value, as determined by the Group's external valuers.

**UN Sustainable Development Goals (SDGs)**

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.