

INVESTOR UPDATE

AUTUMN 25

FINANCE DIRECTOR'S UPDATE

Thank you to everyone who attended our Annual General Meeting, both in person and online. It was a pleasure to connect with so many of you and to address your questions directly.

At the AGM, we outlined the reduction of our bank loan from £26.9 million to £20.8 million and confirmed the extension of our standstill agreement with Lloyds Bank until 31 October 2025. We remain committed to working closely with the bank to return to our lending covenants and to explore options for a longer-term lending facility. This issue includes a summary of the AGM and the Resolutions passed, and an overview of our financial performance so far this year.

You can also read about our support for Dignity Boxes – an initiative to overcome ‘period poverty’ that has been fully embraced across our centres. This is just one example of the actions being taken across the Ethical Property community that put our values into practice, contributing to positive change and a caring culture.

We’re excited to announce the launch of our new referral scheme, which will encourage everyone in our network to get involved in growing our community of changemakers. There is also news on recent staff changes, with introductions to our new Board members and some fond farewells.

Thanks once again for your continuing support. If you would like to get in touch or request any more information, please email us:
invest@ethicalproperty.co.uk.

Cate Teideman
Finance Director



It was a pleasure to
connect with so many
of you and to address
your questions
directly at the AGM.





PUTTING IMPACT AT THE HEART OF WHAT WE DO

At Ethical Property, making a meaningful impact isn't just something we talk about – it's something we live and breathe every day. Since 2023, our team has embraced this commitment through personal 'impact pledges': small, everyday actions that, when combined, create powerful change. Now, we're proud to shine a light on one of the most inspiring pledges brought to life across our centres: the introduction of Dignity Boxes.

What are Dignity Boxes?

Dignity Boxes are a simple but vital initiative designed to support anyone who menstruates by offering free access to period products in a discreet and respectful way. There's no need to ask. No need to explain. Just the basic dignity of being able to take what you need, when you need it.

This initiative is about more than convenience – it's about equity, inclusion and respect. It's about removing the stigma and shame that too often surrounds menstruation, and ensuring that no one is left without the essentials they need to go about their day with confidence and dignity.

Why it matters

Despite growing awareness, period poverty remains a serious issue in the UK. A recent study revealed that more than one in five people who menstruate struggle to afford period products.¹ The consequences go far beyond discomfort – period poverty can lead to days off school or work, social isolation and long-term health risks.

For many people, being unable to access period products creates a ripple effect of disadvantage. It can mean missing out on education, employment opportunities, sport and exercise, or simply the ability to participate fully in daily life. It's a silent crisis that affects physical health, mental wellbeing and social inclusion.

By introducing Dignity Boxes across our centres, Ethical Property is proud to join a growing movement, alongside schools, sports venues and public organisations who are working to ensure that period products are treated as a basic necessity, not a luxury.

"We'll be sharing more stories of how our people and places are making a difference – one pledge, one project, one person at a time."

Turning values into action

Dignity Boxes are just one example of how our impact pledges are transforming our values into tangible actions. They reflect our belief that small acts can lead to big change, and that creating supportive spaces starts with the little things. We know that real impact doesn't come from grand gestures; it comes from thoughtful, consistent efforts that meet people where they are. By making period products freely available, we're helping to create a culture of care, dignity and mutual respect across our centres.

What's next?

As we continue to grow our impact, we'll be sharing more stories of how our people and places are making a difference – one pledge, one project, one person at a time. We're incredibly proud of our team for championing initiatives like Dignity Boxes, and we're grateful to the wider Ethical Property community for embracing these ideas. Together, we're building a more equitable and inclusive environment, because at Ethical Property, impact isn't an add-on, it's at the heart of everything we do.

1. See ActionAid (28 May 2025). Cost of living: UK period poverty rose from 12% to 21% in a year in 2023. <https://www.actionaid.org.uk/blog/2025/05/28/cost-period-poverty-risen>

COMING SOON: ETHICAL PROPERTY'S REFERRAL SCHEME



At Ethical Property, we believe that the best communities are built through shared values, trusted relationships and word of mouth. That's why we're excited to announce the upcoming launch of our new referral scheme – a simple, rewarding way for everyone in our network to help grow our community of changemakers. Whether you're a tenant, an investor or simply someone who believes in what we do, this scheme is for you.

Why a referral scheme?

Our centres are home to some of the UK's most inspiring charities, social enterprises and ethical businesses. These organisations choose Ethical Property not just for the practical benefits we offer, like flexible leases, accessible locations and fair pricing, but because they want to work in spaces that reflect their values. We know that many of our tenants and supporters already recommend us to others. The referral scheme is our way of saying thank you, and making it even easier to spread the word.

Every new tenant brings fresh energy, ideas and impact to our centres. And when our community grows, so does our collective ability to create positive change.

How it will work

The referral scheme will be open to everyone. Whether you're a long-time investor, a tenant, a member of staff or a friend of someone in our network, you'll be able to take part.

An overview:

- 1 Refer an organisation to Ethical Property.** This could be a charity, social enterprise or values-led business looking for office space.
- 2 If they sign a lease at one of our centres, you'll receive a reward as a thank you.** There will be various kinds of rewards, including charitable donations.

We'll be sharing full details, including how to refer and what the rewards are, on our website very soon.



FAREWELL AND HELLO



Over the past year, we've bid farewell to three of our Non-Executive Directors, **Anne-Marie**, **Juliet** and **Monica**, who joined us in 2019. Over six years, they've helped guide Ethical Property through significant challenges, including the Covid-19 pandemic and the impact of funding cuts affecting many of the charities and social enterprises in our centres. We're deeply grateful for their dedication and wish them all the very best for the future.



We've also said goodbye to our Managing Director **Conrad Peberdy**, who stepped down earlier this year after more than 16 years with the Company. Conrad's journey began as a tenant at Brunswick Court in Bristol, before joining Ethical Property as Director of Development in 2009 and becoming MD in 2019. His leadership has driven initiatives that have improved the working lives of changemakers across the UK. We thank Conrad for his hard work, vision and commitment.



Stepping into the role of Interim Managing Director is **Jonathan Davies**, who has been with Ethical Property for nine years and most recently served as Deputy MD. Jonathan has formed an Interim Leadership Team and will continue to work closely with colleagues and tenants to support our mission and values.



We're delighted to welcome **Arti Bareja** as the newest member of the Board of Directors at Ethical Property, who was duly elected to the Board at our 2025 AGM. Arti brings a wealth of experience across both the private and public sectors, with a career that spans ethical finance, government policy and sustainability. Her appointment reflects our ongoing commitment to strong, values-driven leadership as we continue to grow our impact across the UK.

"I'm excited to help shape Ethical Property's future and support its continued delivery of social and economic value."

Arti Bareja
Ethical Property Board of Directors

Arti's professional journey began in mainstream finance, where she advised on mergers and acquisitions and managed loan portfolios. Her transition to Fair Finance, an ethical lender supporting small and medium enterprises, marked a turning point, deepening her commitment to socially and environmentally responsible business. She later moved into central government, where she worked on policies related to low-carbon energy, Net Zero, and infrastructure delivery. Most recently, Arti has been advising both central and local government on sustainable development and finance at Grant Thornton.

Arti's multi-sector experience gives her a unique perspective on the challenges and opportunities facing ethical enterprises today. Her ability to bridge commercial insight with social purpose makes her an ideal fit for Ethical Property's mission. In her own words:

"Having worked with Ethical Property's Board and Executive team in recent months, I've seen both the challenges and the incredible potential the company holds. I'm excited to help shape its future and support its continued delivery of social and economic value."

Arti joins the Board at a pivotal time, as we continue to evolve our spaces, support our tenants and expand our reach. We're thrilled to have Arti on board and look forward to the insight, energy and leadership she will bring to the Ethical Property community.

AGM 2025



The Company held its Annual General Meeting at The Foundry in Vauxhall, London on Wednesday 24 September 2025. The AGM is a chance for shareholders to hear about what's been happening at the Company in the last year and the plans for the future. Shareholders were present in person and some shareholders joined online. Those present enjoyed refreshments before the meeting got underway.

Mark Hannam, our Chair, welcomed everyone and introduced the Board members and the Senior Management Team (including two new appointments recruited from within the Company, Sarah Campbell as Director of Development and Ed Carter as Operations Director), and passed on apologies from two Board members (Anne-Marie O'Hara and Abena Fairweather) who were unable to attend in person.

Mark highlighted the challenging economic background during the year, with high interest rates, inflation increases, higher National Insurance contributions, and the closure of USAID leading to many of our tenant organisations experiencing lower income and higher costs.

Our priorities for the year had been to reduce bank debt by selling assets, and although progress had been made, it had been slow. Progress on the sale of The Greenhouse had stalled due to issues with the building fabric following the refurbishment, and a legal claim against the contractor's insurers had been launched.

Our priorities for the coming year are to continue to reduce debt to return to being within the bank covenants, and when possible, to offer a share buyback and investigate a trading platform to improve liquidity, and to progress with the remainder of the Company strategy.

Cate Teideman, Finance Director and newly appointed Executive Board member, gave an update on the financial position of the Company, and Jonathan Davies, Interim Managing Director, gave an update on the reorganisation of the Company since Conrad Peberdy's departure. Conrad had stepped down in May 2025 following 16 years with the Company, including as Managing Director since 2019. Jonathan thanked Conrad for his dedication, commitment and leadership.

Shareholders had been invited to vote on eight Resolutions prior to the meeting by submitting proxy forms, and shareholders had another opportunity to submit a ballot form on the day. The following Ordinary Resolutions were passed, with over 90% of votes cast in favour of each of the Resolutions:

- To receive the audited reports and accounts of the Company for the period ending 31 March 2025.
- That Moore Kingston Smith LLP be reappointed auditors of the Company.
- To approve the Social Report for 2024/25.
- That Heidi Fisher MBE of Make an Impact CIC be reappointed as the auditor of the Social Report for the financial year 2025/26.
- To approve the Environmental Report for 2024/25.
- That Environmental Monitoring Solutions be reappointed as the auditor of the Environmental Report for the financial year 2025/26.
- To elect Arti Bareja as a Director of the Company.
- That the Company may send or supply documents and information to members by making them available on the Company's website.

Mark closed the meeting by thanking Anne-Marie O'Hara and Juliet Can, who were stepping down from the Board after six years, for all their commitment and dedication.

£'000	Current year	Prior year to date (30 June 2024)		
	Quarter 1	Prior year Quarter 1	Variance £'000	Variance %
Turnover	1,738	1,737	1	0%
Cost of sales	(1,019)	(935)	(84)	-9%
Gross profit	719	802	(83)	-10%
Administrative expenses	(455)	(423)	(32)	-8%
Operating profit	264	379	(115)	-30%
Interest payable	(368)	(502)	134	27%
Income from investments	0	0	0	0%
(Loss)/profit before tax	(104)	(123)	19	15%
Occupancy (average)	76%	81%		-5%
Earnings per share excluding interest payable (pence)	1.77	2.54	(0.77)	-30%

Please note that these financial results are produced internally and have not been reviewed or audited. They do not include revaluation of property, investments or financial instruments. Audited financial statements are produced annually and are included in the Annual Report.

Occupancy across our portfolio has declined this year, driven by tenants downsizing, exiting leases or ceasing operations.

This trend reflects broader reductions in development spending, particularly from organisations such as USAID and within the UK, which has impacted many of our tenants. Average occupancy for Q1 of the current financial year was 76%, down 5 percentage points compared to the same period last year. The decline has been most pronounced in London, while Oxford, Brighton and Edinburgh continue to show strong demand. Despite the drop in occupancy, turnover has remained broadly stable year-on-year. This resilience is due to our strategic focus on developing additional income streams, optimising the use of our buildings, and leveraging our expertise in property management to maintain revenue levels. During the previous financial year we completed the sale of two buildings, which we now lease back. Proceeds from these sales were used to reduce our bank loan, resulting in lower interest payments, although this has led to an increase in cost of sales. Cost of sales and administrative expenses have also risen due to higher employment costs, mainly from

increased National Insurance contributions. These changes have affected both directly employed staff and suppliers, who have passed on their increased costs.

Operating profit for the quarter was £264k, representing a £115k (30%) decrease compared to the same period last year. This reduction is primarily attributable to higher cost of sales and administrative expenses.

Interest payable was £368k, £134k lower year-on-year, reflecting a lower loan balance and reduced interest rates. As a result, loss before tax was £104k, an improvement of £19k compared to last year.

We continue to monitor our core performance using Earnings Per Share (EPS) excluding interest payable, which removes the impact of financing costs. EPS on this basis was 1.77, compared to 2.54 last year. This metric underscores the strength of our core operations, independent of debt servicing.

Thank you for your continuing support.