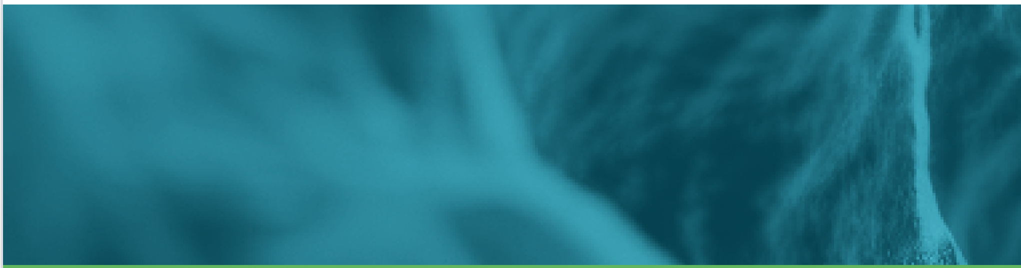
Life Science REIT plc

Annual Report and Financial Statements 2024

CREATING SPACE FOR SCIENCE

Visit our corporate website at:
lifesciencereit.co.uk



Introduction to our 2024 Annual Report

LIFE SCIENCE REIT PLC IS THE UK'S ONLY LISTED PROPERTY BUSINESS FOCUSED ON THE GROWING LIFE SCIENCE SECTOR.

Our portfolio comprises five buildings, focused on the 'Golden Triangle' research and development hubs of Oxford, Cambridge and London's Knowledge Quarter.

The Company is currently undertaking a Strategic Review to consider the future of the company and to explore all strategic options available to maximise value for shareholders.

Read more on page 06 and 09.

Our shares are traded on the Main Market of the London Stock Exchange, under the ticker LABS.

OUR CULTURE

- Open and collegiate
- Purpose driven
- Appropriately challenging
- Combining experience and innovation

PROGRESSING OUR STRATEGY

We are delivering a range of space suitable for life sciences use, and are attracting occupiers from across the industry, helping to establish our assets as life sciences destinations.

CREATING LIFE SCIENCE SPACE

Valuation

£385.2m

FY23: £382.3m

NTA per share

74.4p

FY23: 79.9p

FURTHER LEASING PROGRESS

Contracted rent

£15.3m

99.8% rent collection

LFL ERV growth

8.6%

Lab portfolio 13.7%

FINANCING

LTV

30.4%

FY23: 24.7%

Dividend per share

1.0p

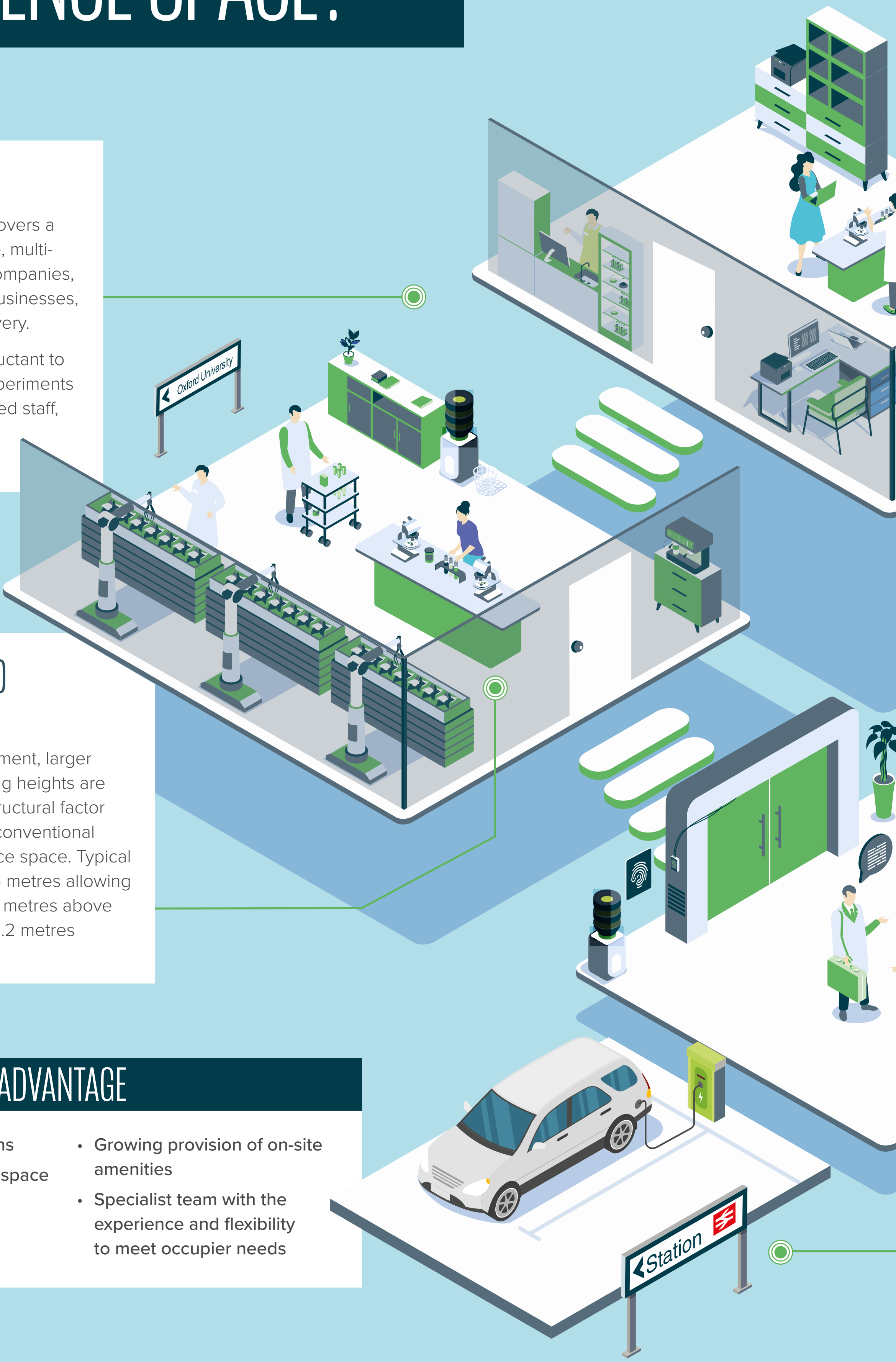
FY23: 2.0p

WHAT MAKES A GREAT LIFE SCIENCE SPACE?

SPACE TO EXPAND

The life science industry covers a broad spectrum from large, multi-national pharmaceutical companies, to small, entrepreneurial businesses, focused on a single discovery.

Occupiers are typically reluctant to move which may delay experiments and risks losing experienced staff, so expansion space is highly attractive.

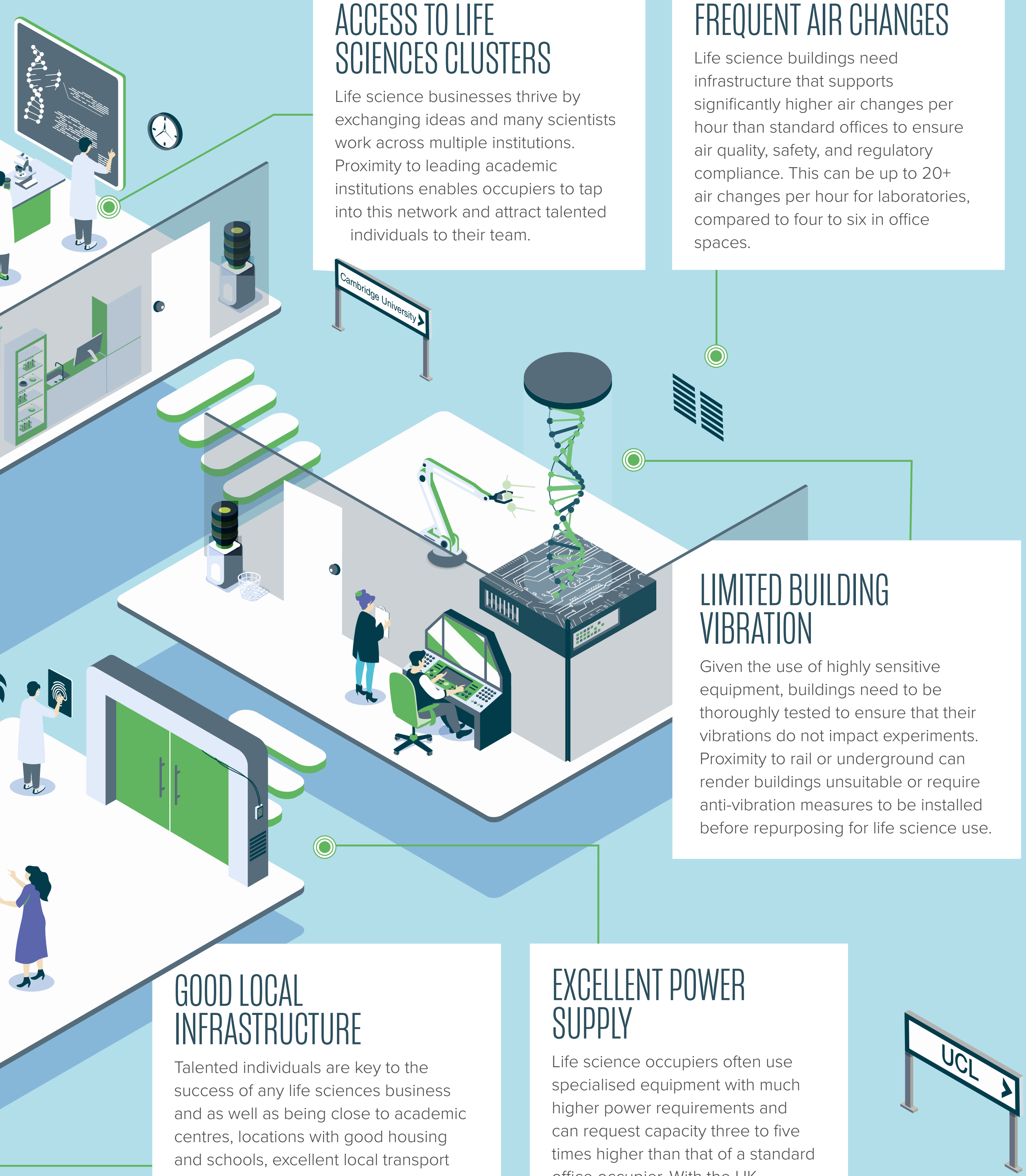


GENEROUS SLAB TO SLAB HEIGHTS

With more technical equipment, larger than average floor to ceiling heights are important and are a key structural factor limiting the conversion of conventional office space into life science space. Typical heights required are 4–4.5 metres allowing for a service zone of 0.8–1 metres above the lab compared to 3.5–4.2 metres for offices.

OUR COMPETITIVE ADVANTAGE

- Golden Triangle locations
- High quality, affordable space
- Flexible offer, including laboratory, office and hybrid space
- Growing provision of on-site amenities
- Specialist team with the experience and flexibility to meet occupier needs



ACCESS TO LIFE SCIENCES CLUSTERS

Life science businesses thrive by exchanging ideas and many scientists work across multiple institutions. Proximity to leading academic institutions enables occupiers to tap into this network and attract talented individuals to their team.

FREQUENT AIR CHANGES

Life science buildings need infrastructure that supports significantly higher air changes per hour than standard offices to ensure air quality, safety, and regulatory compliance. This can be up to 20+ air changes per hour for laboratories, compared to four to six in office spaces.

LIMITED BUILDING VIBRATION

Given the use of highly sensitive equipment, buildings need to be thoroughly tested to ensure that their vibrations do not impact experiments. Proximity to rail or underground can render buildings unsuitable or require anti-vibration measures to be installed before repurposing for life science use.

GOOD LOCAL INFRASTRUCTURE

Talented individuals are key to the success of any life sciences business and as well as being close to academic centres, locations with good housing and schools, excellent local transport or parking facilities are highly attractive. Onsite amenities, such as gyms and restaurants as well as activities outside of work are highly attractive.

EXCELLENT POWER SUPPLY

Life science occupiers often use specialised equipment with much higher power requirements and can request capacity three to five times higher than that of a standard office occupier. With the UK electricity network under increasing pressure, this can be challenging for developers to deliver upon.

HIGHLIGHTS

FINANCIAL

For the year ended 31 December 2024[1]

Gross property income	IFRS loss before tax	IFRS loss per share
£16.3m	£(14.0)m	(4.0)p
2023: £15.5m	2023: £(21.9)m	2023: (6.2)p
EPRA earnings per share	Adjusted earnings per share	Dividends per share[2]
1.7p	1.7p	1.0p
2023: 1.7p	2023: 1.9p	2023: 2.0p

As at 31 December 2024[1]

Portfolio valuation	IFRS net asset value	IFRS net asset value per share
£385.2m	£262.8m	75.1p
As at 31 December 2023: £382.3m	As at 31 December 2023: £283.7m	As at 31 December 2023: 81.1p
EPRA net tangible assets per share	Loan to value ratio	Total accounting return
74.4p	30.4%	(4.4)%
As at 31 December 2023: 79.9p	As at 31 December 2023: 24.7%	As at 31 December 2023: (6.8%)

Development and leasing progress supporting rental growth, but slower than expected

- Five new leases commenced in 2024 adding £1.9 million to total contracted rent
- Contracted rents for the investment portfolio increased to £15.3 million (31 December 2023: £14.0 million), with a further £0.6 million from developments, taking total contracted rents to £15.9 million
- Occupancy increased to 84.4%; like-for-like occupancy increased to 83.6%

Valuations stabilising in the second half with yield expansion reducing

- Like-for-like valuation down 4.0% driven by 30bps outward movement in the net equivalent yield to 5.6%, more pronounced in H1, partially offset by like-for-like lab ERV growth of 13.7%

Balance sheet

- Loan to value 30.4%
- Debt fully hedged against SONIA at 4.5% interest payable to March 2025 and 5.5% until September 2025

1 The Group presents EPRA Best Practices Recommendations as Alternative Performance Measures ("APMs") to assist stakeholders in assessing performance alongside the Group's statutory results reported under IFRS. APMs are amongst the key performance indicators used by the Board to assess the Group's performance and are used by research analysts covering the Group. EPRA Best Practices Recommendations have been disclosed to facilitate comparison with the Group's peers through consistent reporting of key real estate specific performance measures. However, these are not intended as a substitute for IFRS measures. Please see the unaudited supplementary notes on pages 136 to 144 for further details on APMs.

2 This is the total of dividends paid and declared in respect of the year to 31 December 2024. Dividends paid in 2024 totalled 2.0 pence per share, comprising the 1.0 pence per share second interim dividend for 2023 and the 1.0 pence per share interim dividend for 2024. Dividends paid in 2023 totalled 2.0 pence per share.

OPERATIONAL – INVESTMENT ASSETS

As at 31 December 2024[1]

Contracted rent roll
£15.3m
As at 31 December 2023: £14.0m

Estimated rental value
£22.4m
As at 31 December 2023: £19.6m

Occupancy
84.4%
As at 31 December 2023: 79.0%

WAULT to expiry
5.3 years
As at 31 December 2023: 5.8 years

WAULT to first break
3.1 years
As at 31 December 2023: 3.8 years

Net equivalent yield
5.6%
As at 31 December 2023: 5.3%

SUSTAINABILITY

As at 31 December 2024

EPC A-C
100%
2023: 87%

Reduction in energy intensity
15%
LFL and absolute basis

Reduction in scope 3 emissions
19%
LFL basis

Charitable donations
£10,000
Supporting local communities

Female representation on Board
50%
45% Investment Adviser

Read more about **Sustainability** on pages 34 to 39

Embedded opportunities to drive future rents through development, repurposing and capturing reversion

- Target portfolio ERV of £27.9 million

Recent trading

- Since the interim results in September 2024 £1.5 million of new rent has been captured compared to our target of £3.2 million, with a further £1.1 million in solicitors' hands
- Current contracted rent increased to £16.5 million, including breaks exercised at Rolling Stock Yard of £0.7 million

Strategic Review underway

- Commenced 14 March 2025 to explore all strategic options available to maximise value for shareholders, including a possible sale or managed wind down of the Company
- Future dividends suspended pending outcome of Strategic Review

Improvement in international sustainability indices

- MSCI A rated (2023: MSCI B)
- EPRA sBPR Gold award (2023: Silver)

1 Please see the unaudited supplementary notes on pages 136 to 144 for further details on APMs.

AT A GLANCE

OUR PORTFOLIO IS FOCUSED ON KEY GOLDEN TRIANGLE LOCATIONS

The clustering together of entrepreneurial life sciences businesses around leading academic institutions and hospitals is central to our thesis. The Golden Triangle locations are the most successful life sciences clusters in the UK and all of our assets are located here.

Asset location by valuation

1 OXFORD TECHNOLOGY PARK

Area: 237,900 sq ft built,
270,500 sq ft under construction / land

Type: Labs 81%; Office 9%; Other 10%

Contracted rent: £3.4 million Investments; £0.6 million Developments

Valuation: £146.4 million

Acquisition date: May 2022

2 CAMBOURNE PARK SCIENCE & TECHNOLOGY CAMPUS

Area: 230,400 sq ft

Type: Labs 32%; Office 68%

Contracted rent: £4.1 million

Valuation: £80.1 million

Acquisition date: December 2021

3 THE MERRIFIELD CENTRE

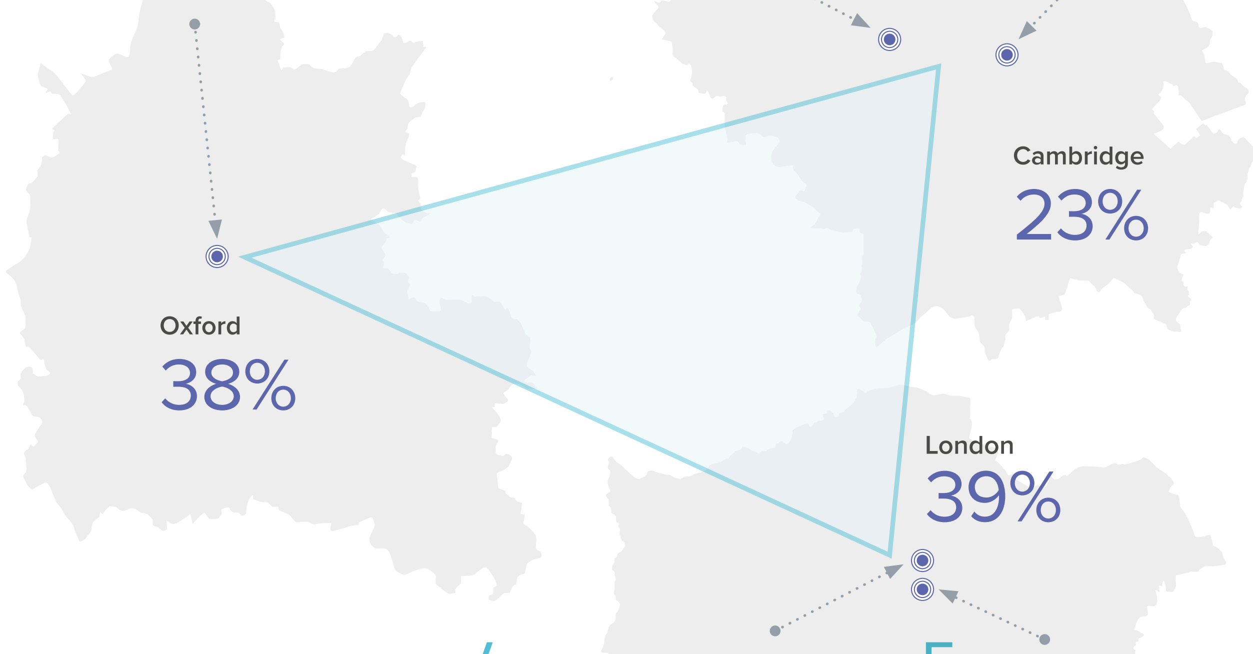
Area: 12,600 sq ft

Type: Laboratory

Contracted rent: £0.3 million

Valuation: £7.4 million

Acquisition date: November 2021



Key attractions of the Golden Triangle

- Top 10 universities
- Leading teaching hospitals
- Well established science parks
- Available talent pool
- Connectivity to London

4 ROLLING STOCK YARD

Area: 53,900 sq ft

Type: Labs 83%; Office 17%

Contracted rent: £3.5 million

Valuation: £83.1 million

Acquisition date: December 2021

5 7–11 HERBRAND STREET

Area: 68,600 sq ft

Type: Office

Contracted rent: £4.0 million

Valuation: £68.2 million

Acquisition date: May 2022

A STRONG OCCUPIER MIX FOCUSED ON LIFE SCIENCES BUSINESSES

28
Occupiers

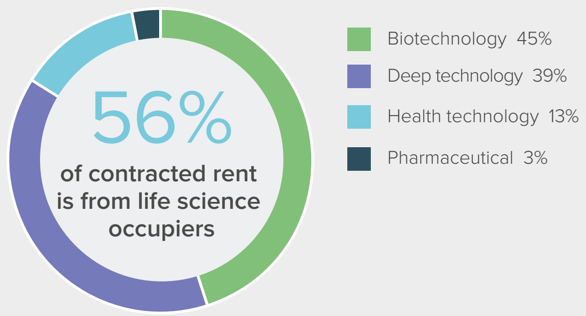
99.8%
Rent collected

£15.3m
contracted rent

5.3
years WAULT to expiry

Read more on pages 24 to 28

Contracted rent by life science subsector



BUILDING OUR EXPOSURE TO GROWTH SECTORS IN OUR MARKET

Pharmaceutical

What is it?

The development and manufacturing of new drugs to treat illness and disease as well as ancillary services such as clinical research organisations ("CRO"), contract design and manufacturing organisations ("CDMO") and technical or innovation consultancies which support pharmaceutical, biotechnology and medical devices companies at all stages of the drug development and manufacturing process.

Our occupiers

Biotechnology

What is it?

The use of biomolecular and cellular processes to develop products that can improve human, animal, plant health or the health of the wider environment and the planet. Modern applications of biotechnology often work through genetic engineering, which works by modifying or interacting with genetic materials and cell structures.

Our occupiers

Health technology

What is it?

A broad spectrum, including artificial intelligence ("AI") and other data-driven techniques which are driving medical innovation and healthcare advances, such as drug discovery and more personalised healthcare as well as the devices, instruments and hardware used for the prevention, diagnosis and treatment of diseases.

Our occupiers

Deep technology

What is it?

A growing sub-set of technology focused on finding advanced technology solutions to complex global challenges like climate change. These scientific or engineering solutions often require lengthy research and development and large capital investment before successful commercialisation.

Our occupiers

CHAIR'S STATEMENT

> The Board is considering all options available to maximise value for shareholders.

Claire Boyle | Chair

Introduction and market context

As announced on 14 March 2025, the Board is currently undertaking a strategic review to consider the future of the Company and to explore all options available to maximise value for shareholders (the "Strategic Review").

The background to this decision was set out in that announcement and reflects the significant headwinds the Company has faced since IPO, including higher inflation and elevated interest rates, which have driven a fundamental slowdown in leasing and negatively impacted investor sentiment. Coupled with the Company's size and low levels of liquidity these factors resulted in the Company's share price trading at a significant discount to net asset value for a prolonged period of time.

The Board has confidence that the Company's assets, which are focused on the "Golden Triangle" research and development hubs of Oxford, Cambridge and London's Knowledge Quarter, will prove attractive to a number of parties.

In addition, in recent weeks, the Board has successfully reached agreement with Ironstone, the Company's Investment Adviser on a revision of the Investment Advisory Agreement, which will deliver cost savings of c. £1.0 million per annum, based on December 2024 NAV.

Life sciences leasing market

2024 was a challenging year for leasing across the Golden Triangle, with life sciences take up of 460,000 sq ft, just over half the amount of 2023. The uptick in confidence which followed the general election proved short-lived and sentiment weakened post the budget.

However, the Government has demonstrated its support for the sector, with planned investment into the Oxford and Cambridge region, including a new rail link, and the funding environment has strengthened.

In 2024, £3.7 billion was raised for UK biotech funding, making it the strongest year since the 2021 peak. £2.2 billion was raised through VC funding and a further £1.5 billion was raised through follow on financings suggesting a preference for well established, lower risk ventures. Inevitably it takes time for the impact of a successful fund raise to filter through to real estate decision making but by the end of 2024, 300,000 sq ft of space was under offer to life sciences companies.

Strategy and operations

Our priorities over the year were to progress our leasing programme, deliver life science space and maintain a sound financial position.

After a challenging first half, our markets were more stable in the second half of the year and occupier interest has remained at encouraging levels since the year end. However, leasing transactions typically take longer to conclude in the life sciences space, where fit outs can be more complicated, and occupiers tend to be emerging businesses with less property and legal expertise. Coupled with heightened macro uncertainty towards the end of the year, our leasing activity has therefore fallen short of our target of £3.2 million of contracted rent to be added between September 2024 and March 2025. We have however delivered a further £1.5 million of contracted rent in that time period, and we have a further £1.1 million in solicitors' hands.

Over the course of the financial year, £1.9 million of new leases commenced across the portfolio, bringing total contracted rent for all assets to £15.9 million compared to £15.1 million at the end of 2023. Post year end activity has further increased contracted rent to £16.5 million, including breaks exercised at Rolling Stock Yard, one lease expiry and reversion captured. This compares to a target estimated rental value for the portfolio of £27.9 million when fully developed and let, underpinning our conviction in the value our portfolio can deliver over time.

“We have assembled a highly attractive portfolio, with excellent locations in the Golden Triangle.

Our strategy of creating dedicated life science space has made progress with the repurposing project at Cambourne Park, covering 8,800 sq ft, reaching practical completion in the year. However, delays to the delivery of the next phase of power at Oxford Technology Park ("OTP") meant we were unable to formally complete Unit 6B at Building 6 and Buildings 7, 8 and 9 by the year end, although power has now been connected to site and practical completion of all Buildings is expected in Q225.

We have maintained a flexible approach with respect to Buildings 10 and 11 and are working with the developer to agree a final design and programme.

Financial performance

The total value of the portfolio stood at £385.2 million as at 31 December 2024, up marginally on an absolute basis, but with the investment portfolio down 4.0% on a like-for-like basis, driven by 30 basis points of yield expansion, partially offset by like-for-like ERV growth of 8.6%. However, we are encouraged that the rate of decline has continued to slow to just 0.3% in the second half, from 3.8% in the first half.

The Group reported a 4.3% increase in net rental income to £14.4 million during the period, driven by new leases commencing in the year, with some rent lost through an asset sold last year. Total costs were lower, driven by a reduction in the Investment Adviser’s fee, however, net finance costs were higher in the year resulting in adjusted earnings of £5.9 million, below the prior year (2023: £6.7 million).

As a result of the delays to leasing activity, and the expectation that further lease incentives, including rent free periods will be required to secure further leases, and the associated impact on cash flow, the Company has decided to suspend any future dividends until the Strategic Review has been completed. Total dividends declared for the 2024 year are therefore 1.0 pence per share.

Environmental, social and governance

Last year we set out our commitment to be net zero in scope 1 and 2 carbon emissions by 2040 and in scope 3 emissions by 2045. This year, we have made good progress on initiatives which will support that. These include our renewable energy project at OTP, where we are working with a supplier to own and operate photovoltaic panels across the park. All our space is now EPC A to C rated and our developments are all tracking BREEAM Excellent certifications.

Our progress has been reflected in our MSCI ESG ratings performance which has improved from a B to an A, an increase of three ratings as well as achieving a gold award in the EPRA Sustainability Best Practice Ratings, up from a Silver in the prior year.

A Strategic Review of the Company is underway

On 14 March 2025, the Company announced that it was undertaking a Strategic Review to consider the future of the Company and to explore all options available to maximise value for shareholders.

The background to that decision includes the significant headwinds the Company has faced since IPO, including higher inflation and elevated interest rates, as well as the Company's size and low levels of liquidity, which have resulted in the share price trading at a significant discount to net asset value for a prolonged period of time.

The outcome of the Strategic Review may include a potential sale of the whole business or a managed wind down of the Company. This has led to a material uncertainty casting significant doubt over the Group’s ability to continue as a going concern for the next 12 months, which is explained in detail on pages 59 to 61.

Conclusion

We have assembled a highly attractive portfolio, with excellent locations in the Golden Triangle and embedded opportunities to develop and repurpose our space over time. Our assets are focused on a market which is structurally well supported in terms of long-term demand drivers and constrained supply. However, an unfavourable macro environment, combined with the Company’s size and low levels of liquidity have proved challenging to our business model.

Through the Strategic Review process, the Board will be evaluating a range of options to maximise value for shareholders. These may include a potential sale or managed wind down of the Company. The Strategic Review is ongoing and the Board will provide further updates to the market as appropriate.

Claire Boyle | Chair
15 April 2025

MARKET OVERVIEW

Long-term structural drivers in our market

DEMOGRAPHICS

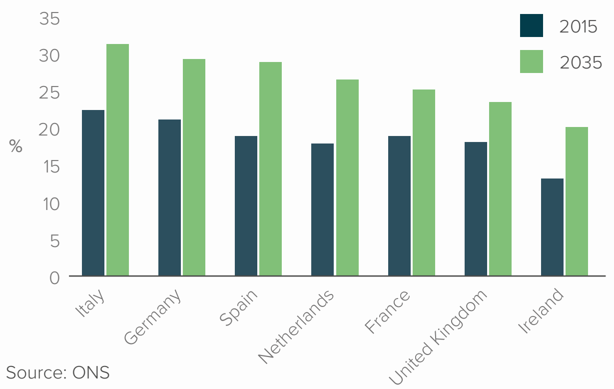
Aging population

In the UK, the percentage of people aged 65 or over is expected to increase from 18.1% in 2015 to 23.5% by 2035, and this increase is more dramatic elsewhere in Europe.

These structural changes underpin long-term demand across the life sciences spectrum, for example:

- To find cures or treat age-related illnesses
- To provide healthcare more efficiently / at lower cost
- To deliver more digital healthcare, enabling a smaller number of professionals to treat a greater number of patients

Percentage of the population aged 65 and over



Source: ONS

GOVERNMENT SUPPORT

Key policy announcements

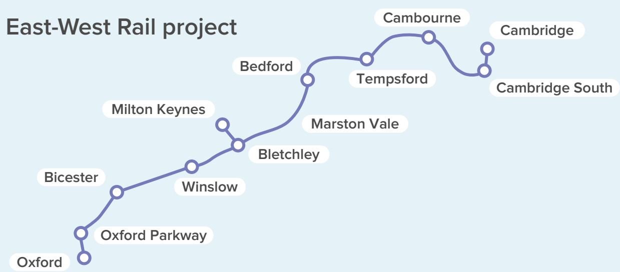
The life sciences industry contributes c. £13 billion to the UK economy and is estimated to employ one in every 121 people.

The UK's pre-eminent academic institutions also give it a comparative advantage that has been recognised by the Government who has identified life sciences as one of eight growth sectors for the UK economy.

The Government reiterated its support for life sciences in the Autumn Budget which included the following commitments:

- A total investment of £20.4 billion in R&D for the year
- A Life Sciences Innovative Manufacturing Fund, with a long-term commitment of up to £520 million
- £40 million over five years to be invested in a Proof of Concept Fund to support university spin-outs
- Progressing the East-West Rail project connecting Oxford, Milton Keynes, and Cambridge

East-West Rail project

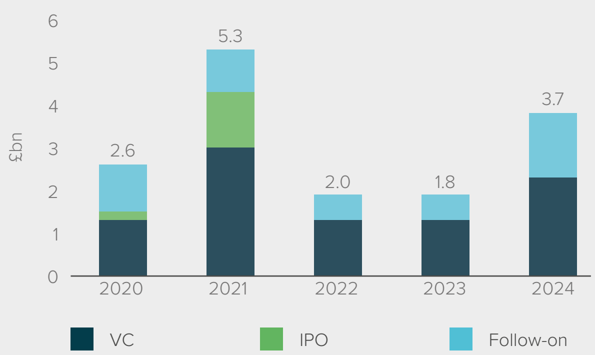


RESILIENT FUNDING ENVIRONMENT

2024 saw a recovery in UK biotech funding, with £3.7 billion raised, making it the strongest year since the 2021 peak. £2.2 billion was raised through VC funding but IPO activity remained weak, influenced by wider macro uncertainty; follow on financing had a very strong year, accounting for the remaining £1.5 billion. Series B investments dominated UK VC funding and combined with the strength of follow on financing suggests a preference for more established and potentially de-risked ventures.

This backdrop is supportive for the outlook of life sciences real estate but there is inevitably a time lag between fund raising and the decision to take space; anecdotally, based on occupiers at our assets, this is at least nine months.

UK biotech financing



Current themes

DEEP TECHNOLOGY

Deep technology refers to the wide spectrum of technologies driven by ground-breaking advancements in engineering and science and includes sectors such as artificial intelligence, clean technology, electronics hardware, renewable energy and medical devices. These sectors are typically very capital and R&D intensive, and require significant funding to bring products to market.

5,841
UK deeptech companies in the Golden Triangle

5,157
Deeptech patents filed in 2022

Our response

We target a broad spectrum of occupiers and consider their likely requirements, particularly enhanced power, when delivering new space. We have successfully attracted businesses which leverage deep technology to our space, for example in quantum computing (Oxford Ionics, Infleqtion), health technology (Arcturis) and biotechnology (Beacon Therapeutics, Native Antigen).

UNIVERSITY SPIN-OUTS

University spin-outs are a key source of life sciences innovation. Oxford and Cambridge are the leading academic institutions for equity secured by spin-outs, accounting for more than 50% of the 205 equity deals in 2023. The Government is trying to make the UK a more attractive spin-out destination through dedicated funding and by encouraging UK universities to take a sub 10% equity stake.

3,658
Equity deals secured by spin-outs, 2014–2023

£14.6bn
Equity investment secured by spin-outs, 2014–2023

Our response

We have established an Innovation Quarter ("IQ") at Oxford Technology Park, comprising 12 units, ranging from 3,200 sq ft to 7,800 sq ft, just a five-minute drive from Begbroke Science Park. Several Oxford spin-outs, including Oxford Gene Technology have taken space there. Ironstone is also an investor into Oxford Science Enterprises providing us with access to a network of growing life sciences businesses.

FULLY FITTED SPACE

Demand for both flexible and landlord-fitted, life sciences space is growing, driven by the need to be operational quickly, as well as minimising occupier exposure to rising costs and development delays. With a scarcity of suitable space in the Golden Triangle, these factors drive rental premiums of c. 70% for fitted space compared to traditional office space, according to research conducted by Savills.

+90%
Premium for fully fitted labs in Cambridge

+65%
Premium for fully fitted labs in Oxford

Our response

To address this demand, we are delivering fully fitted options on both a bespoke and a speculative basis. At Cambourne, we have completed the repurposing of 8,800 sq ft of offices into laboratories and at OTP we completed the lease on our first fully fitted unit this year. In both cases, the rents were approximately double the office rent we could achieve.

ESG CREDENTIALS

In common with leading life sciences businesses, many of our largest occupiers, including Fortescue Zero and Carl Zeiss have ambitious net zero targets. Providing space which enables them to meet these goals is key to our strategy. The need to attract and retain talent is also particularly challenging in this sector, making quality of workspace and amenities of growing importance.

58%
Of listed companies globally have a net zero target

11.6%
Rental premium for BREEAM certified space, per JLL

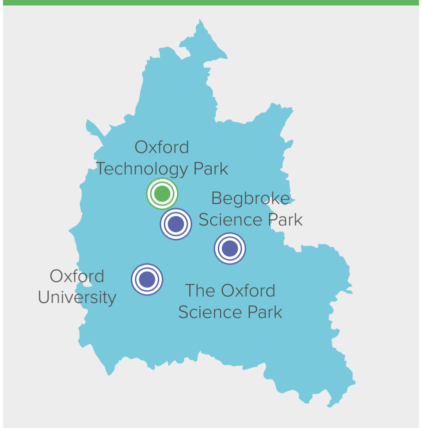
Our response

To support our occupiers at OTP, we are retrofitting our buildings with photovoltaic panels providing them with renewable energy at lower cost (see page 37). Sustainability is also central to our repurposing project at Cambourne, which will remove gas and follows Fitwel principles to support wellbeing for our occupiers.

SUPPLY AND DEMAND FOCUSED ON THE GOLDEN TRIANGLE

'Genius Loci' – the need to co-locate around centres of academic excellence, focuses activity on the Golden Triangle of London, Oxford and Cambridge.

Oxford



The best established life sciences cluster in the UK.

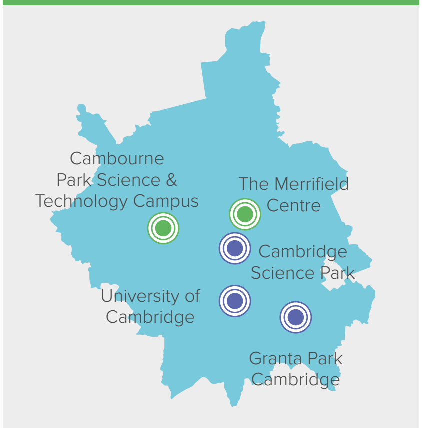
Oxford University and the medical school is ranked no. 1 globally and has a strong infrastructure for supporting emerging life science businesses.

Oxford Science Enterprise, a partnership with the university invests in university spin-outs and Begbroke Science Park, owned by the university is a highly successful incubator, providing offices, workshops and laboratories.

The wider Oxford area includes ARC Oxford, ARC Harwell, Milton Park and the Oxford Science Park.

£406m
Equity invested in university spin-outs, 2023

Cambridge



Cambridge University is ranked in the top five leading R&D centres, globally.

Successful life sciences clusters have emerged around the university, including Cambridge Science Park and St John's Innovation Park to the north and in the south, Babraham Research Campus, Cambridge Research Park and Granta Park.

The region has a broad spread of expertise, but in particular has seen clustering by biotechnology, pharmaceuticals, electronics and software engineering firms.

£248m
Equity invested in university spin-outs, 2023

London

The London life sciences market is fast establishing itself around the academic institutions of the Knowledge Quarter.

These include Imperial College London (a top 10 University globally), University College Hospital ("UCL"), and the Francis Crick Institute.

In addition, a number of leading international science and technology businesses have major offices here, including Google DeepMind, MSD (Merck & Co, Inc), GSK and Novo Nordisk.

£382m
Equity invested in university spin-outs, 2023

AlexMastro – stock.adobe.com

OCCUPATIONAL MARKET

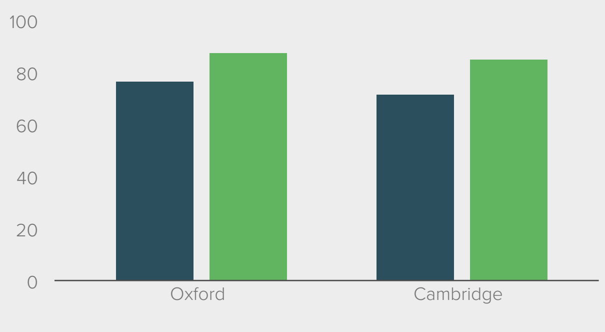
2024 was challenging year for leasing across the Golden Triangle, with take up of 460,000 sq ft, just over half the amount of 2023. However, with an uptick in venture capital and follow on financing, the outlook is more positive and at the start of the year, 300,000 sq ft was under offer.

Oxford saw the most activity, accounting for 62% of life sciences take up in the Golden Triangle. Notable transactions included the letting of 60,000 sq ft to Novo Nordisk at Oxford Science Park, consolidating their relocation from Crawley to Oxford and underlining the importance of a Golden Triangle location. Whilst overall requirements have fallen, demand for smaller units has proved more consistent over the last year.

Cambridge accounted for 32% of take up, and whilst availability has ticked up to 6.8%, demand for laboratory space remains over two times supply.

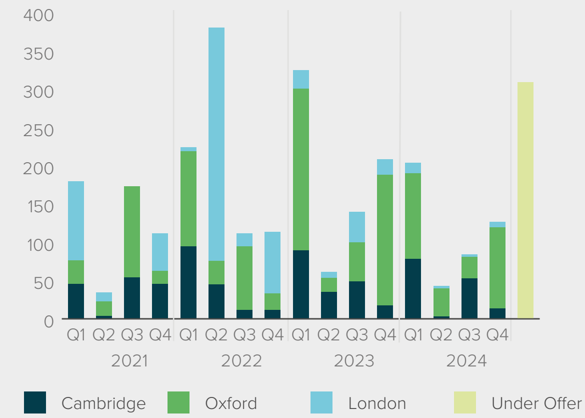
London markets were subdued, with take up of 30,400 sq ft, below the five year average, but over 100,000 sq ft was under offer at the year end.

Fitted labs rent (£ per sq ft)



Source: Bidwells

Golden Triangle take up (000s sq ft)



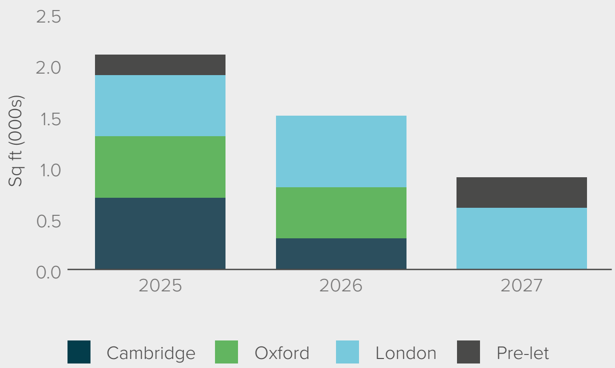
Source: Cushman & Wakefield

DEVELOPMENT PIPELINE

At the end of 2024, 4.3 million sq ft of laboratory space was reported to be under construction, of which c. 13% was pre let or under offer. A further 5.2 million sq ft of space has planning permission with the potential to complete before the end of 2028, but with development finance remaining expensive, it is unlikely that all of this will be delivered as planned.

Much of this space will also be targeting the higher end of the market, with fully fitted rents of £78.5 per sq ft and £72.5 per sq ft for Oxford and Cambridge respectively. This compares to rents in the region of £50 per sq ft at OTP and Cambourne where affordability is a key attraction.

Lab pipeline under construction chart



Source: Cushman & Wakefield

OUR STAKEHOLDERS

OCCUPIERS

Meeting the needs of our occupiers is fundamental to our business. If our occupiers are able to thrive, our places are more successful, driving value for our business and our stakeholders.

Stakeholder interests

- The suitability and location of our assets for life science occupiers, and their attractiveness as a workplace
- Rental levels, lease lengths and terms
- Our knowledge and understanding of their businesses
- Our asset management plans
- Our financial strength
- Our sustainability strategy and existing sustainability credentials of our assets

How we engage

- The Investment Adviser builds relationships with current and potential occupiers, and reports to the Board on occupier issues
- The Investment Adviser's asset management team regularly visits our sites and meets key decision makers
- The property managers engage with occupiers at an operational level
- The Investment Adviser's Head of ESG and specialist consultants regularly engage with occupiers

Outcomes

- High retention rate of 99.6%
- Five new leases commenced in 2024
- ESG engagement supporting a move to greener, cheaper energy
- Rolling out occupier amenities including collaborative space, exercise classes and an app at OTP

SHAREHOLDERS

To maintain a supportive shareholder base, we regularly communicate our performance and update on key events from across our business.

Stakeholder interests

- Our ability to source accretive investments and add value through asset management to drive total return
- Our financial and operational performance
- The security of our future dividends
- Our approach to ESG
- The Board's skills and experience
- The Investment Adviser's skills, experience and recruitment to support our growth

How we engage

- The Investment Adviser leads our investor relations programme and along with our corporate broker, provides feedback to the Board
- We hold regular capital markets events and asset tours
- We engage through other channels including, the Group's website, social media, the Annual Report and the Annual General Meeting
- If requested, we hold separate ESG conversations

Outcomes

- Annual dividend rebased to 2.0 pence at the start of 2024 from 4.0 pence
- Strategic Review launched post year end to explore all options available to maximise value for shareholders; dividend suspended pending outcome of Strategic Review
- Improvement in MSCI rating

INVESTMENT ADVISER

Ironstone Asset Management Limited implements our strategy and is responsible for the day-to-day operation of the business, making it a critical stakeholder.

Stakeholder interests

- The terms of their engagement
- Clarity of fees and prompt payment
- Clearly defined strategy
- Open communication and alignment of values
- Ability to attract and retain an expert team
- Ability to appoint expert third party service providers

How we engage

- Open, regular and transparent discussions with Ironstone, including attendance at Board meetings
- Annual staff survey for the Ironstone team and formal appraisal and feedback process

See the MEC report on page 82 for more information

Outcomes

- Ironstone's continued appointment approved by the Board
- Ironstone share purchases increased their holding to 1.6 million shares
- Post year end, the Board agreed an amendment to Ironstone's fee, better aligning its incentives with shareholders' and delivering cost savings

OTHER THIRD PARTIES

As an externally managed business, third parties provide key services, including the Investment Manager, risk and internal audit adviser and company secretarial.

Other key relationships include our property manager (Savills), Group Auditor (Deloitte LLP) and corporate brokers (Panmure Liberum).

Stakeholder interests

- The terms of their engagement
- Clarity of fees and prompt payment
- Open and two-way communication and information flow

How we engage

- Quarterly service calls with the Investment Adviser
- Regular contact with the Board including regular appearance at Board meetings
- Clear supplier appointment process including Supplier Code of Conduct and checklist for third party suppliers
- The MEC oversees and reviews service provider performance on the Board's behalf (see page 82)

Outcomes

- Higher quality service providers appointed
- Service providers' advice, needs and views routinely taken into account
- Prompt payment

LENDERS

We look to build strong relationships with lenders, who provide the debt facilities needed to support our business growth.

Stakeholder interests

- The quality of the security we provide for our loans
- Our ability to meet our interest payments
- The strength and diversification of our income streams
- Hedging of interest rates where appropriate
- The suitability of our projects for Green Finance

How we engage

- The Investment Adviser is primarily responsible for engaging with lenders including regular update meetings and providing quarterly compliance monitoring
- The Investment Adviser keeps the Board informed as necessary

Outcomes

- SONIA reference rate on the facilities capped 100% until December 2025
- Low LTV of 30.4% at 31 December 2024

See note 16 and 17 on pages 117 to 119 for more information

LOCAL COMMUNITIES

We are aware that we have a broader responsibility to the communities who live in and around our assets or might be affected by our activities.

Stakeholder interests

- Impact on the local environment
- Noise and traffic
- Health and safety
- Opportunities for employment

How we engage

- The Board ensures that any key decisions take into account the impact on local communities and the environment
- The Company meets all health and safety requirements, local environmental standards on waste and other regulatory obligations
- We build strong relationships with organisations and charities close to our assets

Outcomes

- Attracting new occupiers creates additional employment opportunities
- £10,000 charitable donations
- Ironstone participated in the Pathways to Property internship programme
- Community engagement including asset tours for school children

SECTION 172(1) STATEMENT

Under section 172(1) (a)-(f) of the Companies Act 2006, the Directors are required to take into account the matters set out in the table below, and to promote the success of the Company for the benefit of its members as a whole. In doing so, the Directors must also consider the interests of key stakeholders and the environment in their discussions and decision making. Set out below are the matters the Board is required to take into account under section 172(1).

Taking account of stakeholder views

Information on stakeholder engagement, including how the Board is kept informed about stakeholder views, can be found on pages 14 and 15. This engagement is an important input into the Board's decision making. The Directors keep the methods for engaging with stakeholders under review, to ensure they remain effective.

Key Board decisions

The Board's key decisions during the year included approving:

- the second interim dividend in respect of the prior year and first interim dividend in respect of the current year, totalling 2.0 pence per share;
- additional SONIA hedging;
- annual budget for 2025; and
- five new governance policies.

Matter	Response
a. The likely consequence of any decision in the long term.	All Board decisions involve careful consideration of the longer-term consequences and their implications for stakeholders. For example, during the year, the Board made the decision to re-base the dividend, providing them with the financial flexibility to progress the laboratory repurposing project at Cambourne Park, which will have a positive impact on the wider park. Post year end, the Board is undertaking a Strategic Review and the dividend has been suspended pending its outcome.
b. The interests of the Company's employees.	As an externally managed company, we do not have any employees, so this matter is not applicable. The Investment Adviser conducts an annual employee survey and delivers a comprehensive training and development programme.
c. The need to foster the Company's business relationships with suppliers, customers and others.	The Company's relationships with its suppliers, occupiers and others is managed by the Investment Adviser who keep the Board regularly updated. The Board oversees the Company's relationship with all its principal service providers through the Management Engagement Committee. As a result of its oversight and review, the Committee recommended the continuing appointment of Ironstone and the other key service providers.
d. The impact of the Company's operations on the community and environment.	The Board takes actively monitors the progress the Company makes against on its Sustainability Strategy, including the Pathway to Net Zero set last year. The Sustainability Committee provides a dedicated forum for overseeing and directing our ESG activities which this year have included progressing plans to add photovoltaic panels to the roofs at OTP and ensuring our development and repurposing activities meet the highest environmental standards.
e. The desirability of the Company's operations on the community and environment.	During the year, the Board approved five new policies and reviewed and updated two existing policies, ensuring the Company maintains high governance standards. These policies can be found on the Company's website lifesciencereit.co.uk.
f. The need to act fairly between members of the Company.	The Company Board is fully independent and no shareholder or group of shareholders has direct influence over the Board's decisions. At 31 December 2024 the Investment Adviser and its principals owned 5.2 million shares in the Company valued at c. £2.0 million (5.2 million shares valued at £2.2 million as at the date of this report), aligning their interests with those of shareholders.

OBJECTIVES AND STRATEGY

Our activities over the year have been focused on our broader purpose of creating space for science. We have three key strategic priorities we have progressed, but more broadly, our activities cover four areas:

- Investment (read more on pages 24 to 28),
- Asset Management (read more on pages 29 to 30),
- Financing (read more on pages 30 to 32)
- and Sustainability (read more on pages 34 to 49).

Our strategic priorities

1 CREATING LIFE SCIENCE SPACE

We create space for life sciences businesses through development of new space or repurposing of existing office space.

- 57,000 sq ft of new developments completed at OTP in 2024
- Further 183,000 sq ft of development space due to complete at OTP in Q2 2025
- 8,800 sq ft repurposed at Cambourne Park into four fully fitted laboratories
- Further potential repurposing options at Cambourne Park

2 FURTHER LEASING PROGRESS

Despite a challenging leasing market, particularly in the first half of 2024, our leasing activity has increased occupancy to 84.4% from 79.0%.

Many of the transactions underway in 2024 completed early in 2025:

- 94,700 sq ft let at OTP in 2024 with a further 5,600 sq ft post year end
- 17,200 sq ft let at Cambourne Park, post year end
- 5,100 sq ft let at Rolling Stock Yard, post year end

3 FINANCING

Maintaining a sound financial position supports our ability to deliver on our strategy.

- At 30.4% our LTV is at the lower end of the range we consider acceptable, of 30.0%-40.0%
- All debt fully hedged against SONIA
- Dividend rebased to provide the financial flexibility to progress strategy
- Post year end, dividends have been suspended pending the outcome of the Strategic Review

CASE STUDY

Creating a life sciences destination at Oxford Technology Park

OXFORD TECHNOLOGY PARK

Overview

At OTP we are creating an ecosystem of science and technology businesses by providing a range of modern, affordable space.

This means we can attract small as well as larger businesses and accommodate them through their life cycle. Our formats include:

The Innovation Quarter, 3,200 to 7,800 sq ft, in single or multiple units: provides smaller, more flexible space, aimed at emerging businesses. Given our proximity to Begbroke Science Park, a number of our occupiers have graduated from there to the IQ. The Nexus cafe and co-working space is planned at the IQ.

Tech Boxes, 37,000 to 57,000 sq ft: targeting more mature businesses, with a typically more bespoke fit out.

Innovox: suites from 4,000 sq ft with the flexibility to cater to office, laboratory and R&D use.

Key statistics

Valuation
£146.4m
2023: £139.5m

Occupancy of completed buildings
70.8%
2023: 50.0%

Number of occupiers
9
2023: 8

Target contracted rent
£10.8m
2023: £11.0m

% completed by area
46.8%
2023: 34.8%

Costs to complete
£32.9m
2023: £46.2m

Estimated completion
2026
2023: H1 2025

Total area on completion
508,400 sq ft
2023: 492,400 sq ft

A LIFE SCIENCES COMMUNITY

Attracting industry leaders

OTP is home to global science and technology leaders, including LGC, a biomed business and one of the first producers of the Covid-19 antigen in the UK, and Fortescue Zero a leading climate technology business providing green energy solutions to eliminate the use of fossil fuels.

A cluster of quantum technology businesses including Oxford Ionics, Infleqtion and Quantum Solutions is emerging at the park (read more about our occupiers on page 25).

A growing community

Around 450 people are employed across the site, working in complementary businesses. We create opportunities for them to connect inside and outside of work via the OTP app, and by hosting industry events, including Oxford Bioscience Network, which have helped to establish OTP as a life science destination.

Leading on ESG

This year our occupiers cooperated to deliver a STEM tour for local school children and our project to add photovoltaic panels to the roofs will deliver cleaner and greener electricity for our occupiers. Read more on pages 34 to 39.

https://oxfordtechnologypark.com/

Fortescue ZERO Infleqtion
oxford ionics Quantum SOLUTIONS

KEY PERFORMANCE INDICATORS

OPERATIONAL KPIs

Occupancy (%)

84.4%

2024	84.4
2023	79.0
2022	82.0

Description

Total open market rental value of the units leased divided by total open market rental value, excluding development property and land, and equivalent to one minus the EPRA vacancy rate.

Relevance to our strategy

Shows our ability to retain occupiers at renewal and to let vacant space, balanced with the need for vacancy to carry out asset management initiatives.

Performance

The change in occupancy reflects the net impact of new leases in the year and the practical completion of new space at OTP. On a like-for-like basis, occupancy has increased 4.6 percentage points to 83.6% at the year end.

Link to strategic priorities

1 2

Like-for-like rental income movement (%)

5.7%

2024	5.7
2023	2.4
2022	1.2

Description

The change in contracted rent of properties owned throughout the period under review, as a percentage of the contracted rent at the start of the period, excluding acquisitions, disposals, development property and land.

Relevance to our strategy

Shows our ability to identify and acquire attractive properties and grow rents over time.

Performance

At 31 December 2024, like-for-like rental income had increased by 5.7% compared to the prior year. The letting to Infleqtion at OTP slightly offset by ProCam downsizing at Cambourne drove this increase.

Link to strategic priorities

1 2

Like-for-like valuation movement (%)

(4.0)%

2024	(4.0)
2023	(7.1)
2022	(1.8)

Description

The change in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, and net of capital expenditure.

Relevance to our strategy

A high-quality portfolio and an active asset management programme will help improve asset values and provide future resilience.

Performance

The portfolio valuation decreased by 4.0% on a like-for-like basis driven primarily by an outward yield shift of 30 basis points during 2024, with laboratory space proving more resilient at a 3.7% decline (see page 28). The second half of 2024 stabilised with only a 0.3% like-for-like decline.

Link to strategic priorities

1 2

Like-for-like energy intensity (%)

(15)%

2024	(15.0)
2023	15.0
2022	N/A

Description

The like-for-like change in landlord procured and generated energy intensity, measured in MWh/m^2.

Relevance to our strategy

Our decarbonisation targets were set in 2023 with the Group committing to being net zero in scope 1 & 2 by 2040 and in scope 3 by 2045. This measure helps monitor progress.

Performance

The significant improvement in energy intensity was driven by an improvement in the operational efficiency at Herbrand Street, which accounted for 87% of the total LFL reduction. This follows close engagement with the occupier.

Link to strategic priorities

1

Key to strategic priorities

1 Delivering Life Science Space

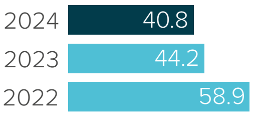
2 Progress Leasing

3 Maintain our sound financing position

FINANCIAL KPIs

Total cost ratio (%)

40.8%



Description

EPRA cost ratio including direct vacancy costs but excluding one-off costs. The EPRA cost ratio is the sum of property expenses and administration expenses, as a percentage of gross rental income.

Relevance to our strategy

Shows our ability to effectively manage our cost base, which in turn supports dividend payments and shareholder returns.

Performance

The increase in net rental income was the key driver for the reduction in the total cost ratio of 3.4%. This will continue to reduce as we complete and let new space at OTP and repurpose space at our other assets to labs.

Link to strategic priorities

1 2

EPRA NTA per share (p)

74.4p

Description

This net asset value measure includes adjustments for the fair values of certain financial derivatives and assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

Relevance to our strategy

Reflects our ability to add value by acquiring well and through asset management, which in turn increases our resilience during market downturns.

Performance

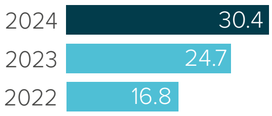
The decline was primarily the result of dividends paid and the loss on revaluation of the portfolio, partially offset by positive earnings in the year.

Link to strategic priorities

1 2 3

Loan to value ratio (%)

30.4%



Description

Gross debt less cash, short-term deposits, divided by the aggregate value of properties and investments.

Relevance to our strategy

Shows our ability to balance the additional portfolio diversification and returns that come from using debt, with the need to manage risk through prudent financing.

Performance

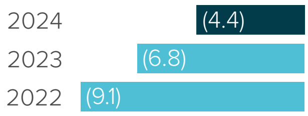
The LTV remains at a prudent level of 30.4%, at the lower of our 30%-40% target range. The increase in the year was driven by the ongoing development at OTP and other asset management initiatives including repurposing space to labs at Cambourne.

Link to strategic priorities

1 2 3

Total accounting return (%)

(4.4)%



Description

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

Relevance to our strategy

Shows our ability to construct a portfolio that delivers a secure and growing return to shareholders. Our target is in excess of 10.0% per annum, through a combination of dividends and growth in NAV.

Performance

We paid dividends of 2.0 pence per share and delivered adjusted earnings of £5.9 million (2023: £6.7 million). Despite this, a decline in NAV driven by revaluation losses in both the current year and prior year has resulted in negative total accounting returns. There is however a 2.4% improvement year on year.

Link to strategic priorities

1 2 3

INVESTMENT ADVISER'S REPORT

Ironstone Asset Management Limited provide day-to-day investment advisory and asset management services to the Group.

STEPHEN BARROW

Chair (Non-Executive Director)

Stephen has over 30 years' experience setting up and managing funds. Starting as an investment analyst at Morgan Grenfell, Stephen managed the £5 billion UK Equity Exempt Fund in the 1990s combined with the role of Head of Global Research. Stephen then set up the successful Global Equity Select strategy at Morgan Grenfell in 2002. Leaving Morgan Grenfell in 2005, Stephen built a successful team at IronBridge International and, as founding CIO, ultimately managed over $7 billion for a range of UK and overseas clients. Since 2012, Stephen has been investing in a range of property vehicles alongside colleague Simon Hope, notably Warehouse REIT. Stephen has an MA in Economic History from the University of St Andrews.

SIMON HOPE

Vice-Chair (Non-Executive Director)

Simon has over 35 years' experience in the real estate sector, gained during his career at Savills, one of the world's leading property agents. From 2004 to 2021 he was Global Head of Capital Markets specialising in portfolio investment construction, acquisitions and disposals. He was a founding Director of the Charities Property Fund which he chaired between 2002 to 2007. In addition, he chaired Savills' proprietary trading and investment arm, Grosvenor Hill Ventures until 2007. Simon was also the executive sponsor of Savills' Life Science practice which incorporates a multi-disciplinary team of over 18 professionals. In 2013 he became Chairman of Tilstone Partners Limited, the investment adviser to Warehouse REIT plc, a FTSE listed real estate investment trust. He also sits on the Warehouse REIT plc Board as a Non-Executive Director. He studied Estate Management at the Royal Agricultural College, Cirencester and is a RICS Fellow. He also holds an MBA from Reading University.

SIMON FARNSWORTH

Managing Director

Simon is an experienced fund manager and chartered surveyor with over 35 years' experience in the UK real estate market. Previously he was a Managing Director of the UK Funds business of CBRE Global Investors and a member of their UK Executive Committee and Investment Committee. Prior to that he was a Business Development Director at GE Capital Real Estate. Latterly, Simon was a founding Director of Westmount Real Estate, a boutique real estate investment advisory and asset management business advising on acquisitions, asset management and financing across all UK sectors. He has considerable experience in sourcing, managing and financing across many real estate asset classes along with developments, forward fundings and corporate transactions. He has a BSc in Land Management from the University of Reading.

IAN HARRIS

Director of Asset Management

Ian is a qualified chartered surveyor with over 35 years' experience in the UK real estate market. His asset management career began at Imry Holdings where he was responsible for the £200 million Halogic Portfolio in joint venture with GE Real Estate. He moved on to become Director of Frame Investments Limited, a privately owned property investment and asset management company specialising in multi-let value-add portfolios in the UK with financial partners including PRICOA and Portfolio Holdings Limited. He was then appointed Director of Asset Management for the Strategic Partners series of UK value-add funds at CBRE Global Investors with assets under management of £1 billion. Subsequently, he went on to co-found Westmount Real Estate Ltd, a boutique investment advisory and asset management business acting for a wide range of domestic and international investors. Ian has a BSc in Land Management from the University of Reading and is a Member of the Royal Institution of Chartered Surveyors.

DAVID LEWIS

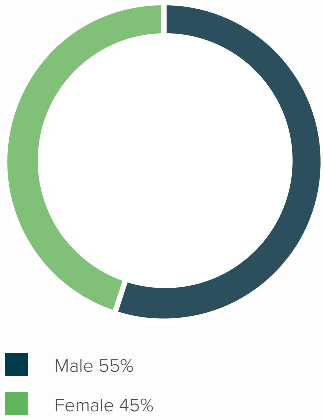
Finance Director

David has over 30 years' commercial and financial global experience, most recently with Round Hill Capital, a real estate private equity firm. He has held senior executive positions with Campus Living Villages, Balfour Beatty Investments and Lend Lease Infrastructure and was the European CFO of Babcock & Brown, the investment manager who established the now FTSE 250 listed company International Public Partnerships. Previously David was a Technical Director with Ernst & Young in Australia and is a Fellow of the Institute of Chartered Accountants, England & Wales. David has a BSc in Fuel and Energy and Management Studies from the University of Leeds.

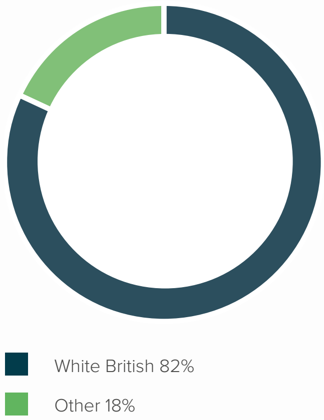
The Ironstone team

The wider Ironstone team as at 31 December 2024:

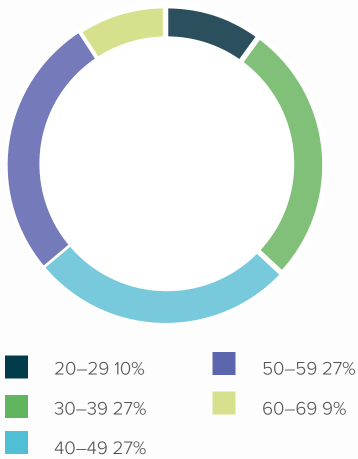
Gender



Ethnicity



Age profile



See more at lifesciencereit.co.uk

> In line with the wider market, leasing activity was slower in the first half. Activity picked up in the second half but deals have taken longer to close.

Simon Farnsworth | Managing Director

Implementing the investment strategy

Leasing performance

In line with the wider market, leasing activity was slower in the first half of the year, with uncertainty ahead of the general election causing occupiers to postpone decisions where possible. Activity began to pick up in the second half and whilst confidence has been impacted by the budget, demand has been stable for the remainder of the period, albeit deals are taking longer to conclude.

During the year to 31 December 2024, four new leases commenced, comprising:

- Two leases covering 57,016 sq ft to Fortescue Zero Limited ("Fortescue") at Building 5 at Oxford Technology Park ("OTP") which will generate £1.1 million of contracted rent
- A 7,497 sq ft lease to Infleqtion in the IQ at OTP for £0.3 million
- A 30,156 sq ft lease to Oxford Ionics Limited in unit 6A of Building 6 at OTP for £0.6 million; this unit has completed but the building is categorised as a development until full completion

In addition, a new lease was agreed with Pro Cam UK Limited ("Pro Cam"), who downsized from its 7,400 sq ft unit in Cambourne Building 2020 to a 4,300 sq ft unit in Building 2030 at an increased rent of £25.0 per sq ft (up 8.2% from their previous rent of £23.1 per sq ft). The new lease has a five year term with an increase in rent to £30.0 per sq ft in year four.

The contracted rent roll for the investment assets at the year end therefore increased by £1.3 million or 9.3% to £15.3 million (31 December 2023: £14.0 million) with a further £0.6 million let on development assets.

Since the year end, the following leases have completed:

- CFDX Limited ("CFDX") have taken 5,100 sq ft of fully fitted space at Rolling Stock Yard ("RSY") for £110.0 per sq ft on an eight year lease with a four year break. This lease completed in February 2025.
- 42 Technology Limited ("42T") signed a 10 year lease, also in February 2025, for 17,200 sq ft at Building 1020 in Cambourne paying a rent of £25.5 per sq ft.

In addition, an agreement for lease with Oxford Expression Technologies Limited ("OET") for 5,600 sq ft of fully fitted space, was signed at the IQ at OTP. The ten year lease, at £46.5 per sq ft sets a new record for the park.

Post year end one regear and one lease extension have also completed, extending the Group average lease length:

- Carl Zeiss at Cambourne agreed a new lease on expiry of their current lease in 2028, adding a further five years to the term with the rent subject to review in 2028.

Post year end leasing activity, including breaks exercised at Rolling Stock Yard, one lease expiry and reversion captured brings total current rent to £16.5 million.

	Investment property or development property and land	Total portfolio 31 December 2024 £m
Contracted rent	**Investment**	**15.3**
Contracted rent	Development	0.6
Contracted rent – total portfolio		**15.9**
Inbuilt reversion in current leases	Investment	3.6
Letting vacant space at Oxford Technology Park, Cambourne and Rolling Stock Yard	Investment	3.5
Letting developments currently on-site (Unit 6B and Buildings 7 to 9 at OTP)	Development	3.1
Letting future developments (Buildings 10 and 11 at OTP)	Development	1.8
Target estimated rental value		**27.9**

Potential for strong income growth

The target total portfolio ERV was £27.9 million at 31 December 2024 (31 December 2023: £26.2 million), split £22.4 million investment assets ERV (31 December 2023: £19.6 million) and £5.5 million development assets (31 December 2023: £6.6 million). The investment assets ERV is £7.1 million above the contracted rent of £15.3 million, with £3.5 million of the difference resulting from vacant space at the year end and £3.6 million reflecting the reversionary potential of the portfolio. The let area in the investment assets portfolio has a reversionary percentage of 23.2% and like-for-like ERV growth during 2024 was 8.6%.

At the time of the interim results in September 2024, the Investment Adviser estimated that a further £3.2 million of contracted rent would be secured over the six months to March 2025 and a total of £8.1 million to September 2025. As at the date of this report, an additional £1.5 million of contracted rent has been added to the rent roll, £1.1 million is currently in solicitors' hands offset by a £0.7 million reduction due to an occupier exercising their break and one lease expiry post year end.

The Group’s occupiers

As we successfully implement the asset management strategy, the proportion of the Group’s assets leased to life science occupiers continues to grow, with 54.3% of the Group’s contracted rent attributed to life science occupiers as at 31 December 2024 (31 December 2023: 53.5%).

During the year two new life science occupiers took occupation at our assets amounting to 37,700 sq ft and £0.9 million of additional contracted rent. These new occupiers included:

- **Oxford Ionics**, which is a high-performance quantum computing company which has taken space in Building 6 at OTP.
- **Infleqtion**, another quantum technology company that uses atomic physics to build quantum computers and integrate them across networks. Infleqtion has taken space in the IQ at OTP.

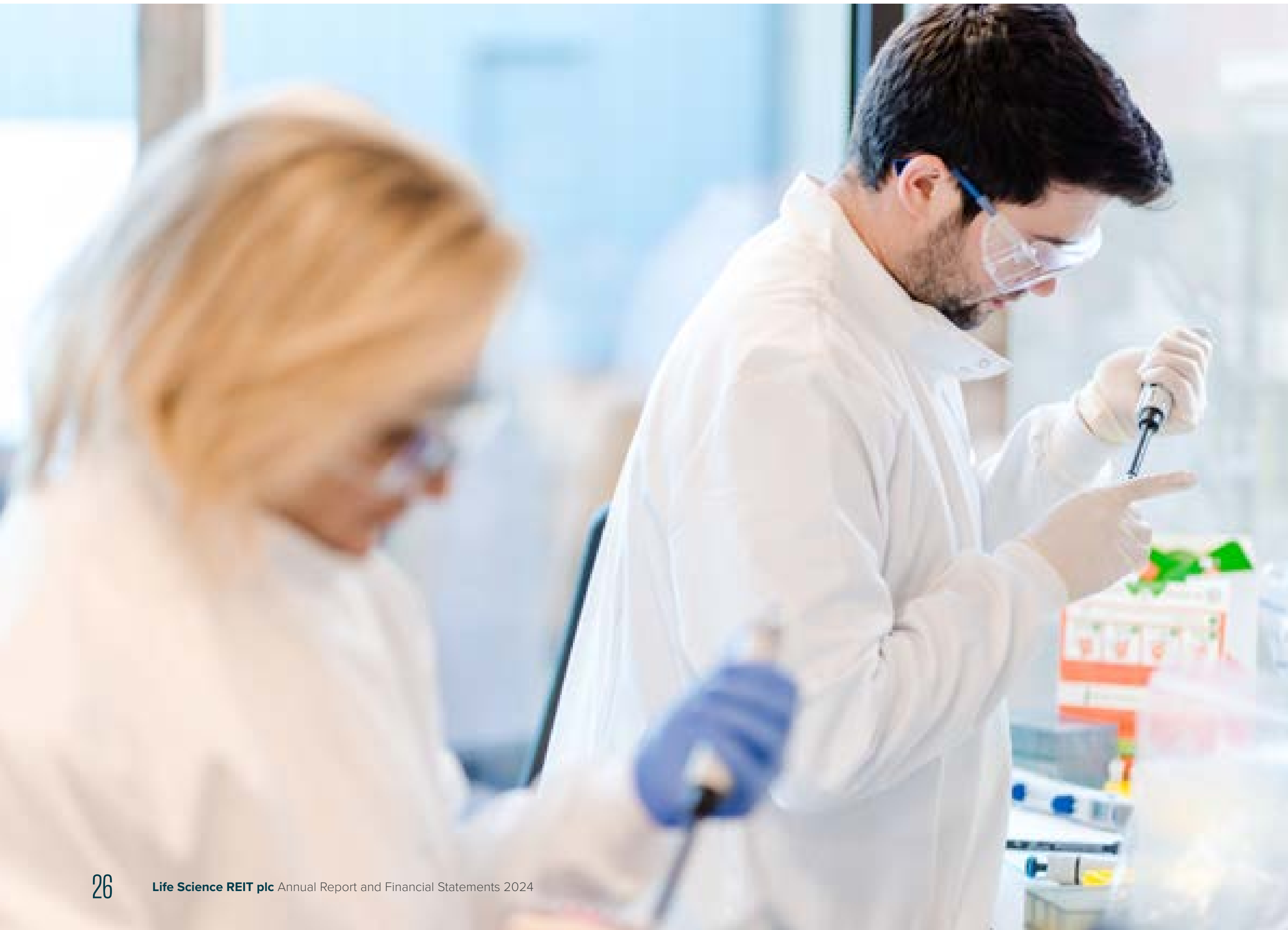
In addition to the above, the three largest life science occupiers by contracted rent at the year end were:

- **Beacon Therapeutics**, a clinical-stage company owned by Novartis, developing gene therapies to treat diseases of the eye that cause vision loss and blindness who occupy three floors in Rolling Stock Yard;
- **Fortescue**, a technology and engineering services provider delivering innovative solutions to a range of sectors including green energy, medical engineering and automotive, based at OTP; and
- **Carl Zeiss**, a leading technology enterprise, operating in the optics and optoelectronics industries; the UK headquarters for its life science businesses of microscopy, medical technology and consumer optics are in Building 1030 at Cambourne.

Under the Group’s investment policy, no occupier should account for more than 30.0% of the higher of gross contracted rents or the valuer’s ERV of the portfolio, including developments under forward-funding agreements. We remain within this limit, with the largest occupier accounting for 26.2% of gross contracted rents and 22.9% of the ERV at the period end. As we continue to develop and lease OTP, the rent roll will further diversify and reduce the proportion of total rents coming from individual occupiers.

Occupier	Asset[1]	Occupier type[2]	Annual contracted rent (£m)	% of total
Thought Machine Group Ltd	HS	Other	4.0	26.2%
Gyroscope Therapeutics Ltd	RSY	LS	1.5	10.0%
Fortescue Zero Ltd	OTP	LS	1.1	6.9%
Carl Zeiss Ltd	CP	LS	1.0	6.2%
Beacon Therapeutics Ltd	RSY	LS	0.8	5.3%
Xero (UK) Ltd	RSY	Other	0.7	4.7%
Cambridge Cambourne Centre Ltd (Regus)	CP	Other	0.7	4.5%
MTK Wireless Ltd	CP	LS	0.7	4.4%
Premier Inn Ltd	OTP	Other	0.7	4.3%
Native Antigen Company Ltd (LGC)	OTP	LS	0.5	3.5%
Subtotal – top ten			**11.7**	**76.0%**
Remaining			3.6	24.0%
Total[3]			**15.3**	**100.0%**

1 HS – Herbrand Street; RSY – Rolling Stock Yard; CP – Cambourne Park Science and Technology Campus; OTP – Oxford Technology Park.
2 LS - Life Science occupier; Other – hotel and offices.
3 Investment portfolio only. In addition, £0.6 million of contracted rent has been agreed within development assets.

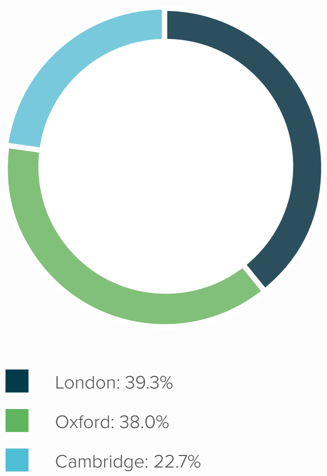


The portfolio

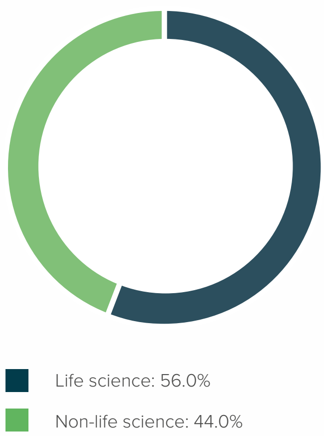
Well-located assets offering laboratory and office space

The portfolio is in strong locations within the Golden Triangle and primarily comprises office and laboratory space. See below for the split of assets by location and type as at 31 December 2024.

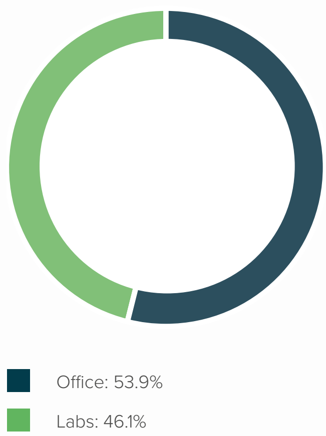
Asset location by valuation



Life Science exposure by contracted rent[1]



Life Science occupier area by floor type[2]



1 Includes £0.6 million of contracted rent within development assets; life science occupiers make up 54.3% of investment assets.
2 51.6% of portfolio area (including vacant space) currently let to life science occupiers.

During the period there were no changes to the Group's portfolio, which comprised the following assets at 31 December 2024:

	Valuation				WAULT		Contracted rent				
Asset	£m	£ per sq ft	Area sq ft	Occupancy %	to break years	to expiry years	£m p.a.	£ PSF	NIY %	NEY %	NRY %
OTP – Investments	89.9	378	237,900	70.8	7.2	10.4	3.4	19.3	3.6	5.4	5.5
Rolling Stock Yard	83.1	1,542	53,900	90.0	1.4	5.6	3.5	72.3	4.0	5.3	6.3
Cambourne	80.1	348	230,400	76.5	1.3	3.9	4.1	22.3	4.8	6.2	6.9
7-11 Herbrand Street	68.2	994	68,600	100.0	–	1.8	4.0	58.5	5.5	5.4	7.0
The Merrifield Centre	7.4	589	12,600	100.0	2.0	7.0	0.3	23.1	3.7	5.4	6.0
Investment assets	**328.7**	**545**	**603,400**	**84.4**	**3.1**	**5.3**	**15.3**	**31.3**	**4.4**	**5.6**	**6.4**
OTP – Developments[1]	56.5	209	270,500[1]	–	–	–	–	–	–	–	–
Development assets	**56.5**	**209**	**270,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**385.2**	**441**	**873,900**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1 Full build-out area.

OTP development assets comprise buildings under construction and the remaining development land. The 270,500 sq ft shown in the table above is the expected area of these assets once practically complete. At the year end, this related to the remaining development land at OTP plus Buildings 6 to 9 which are due to practically complete during H225. Unit 6A in Building 6 has reached practical completion but is categorised as a development pending full completion of the building.

Occupancy at the year end increased by 5.4 percentage points to 84.4% (31 December 2023: 79.0%). This increase was driven primarily by lettings in the year at OTP. On a like-for-like basis, occupancy increased by 4.6 percentage points to 83.6%.

The WAULT to expiry reduced by 0.5 years to 5.3 years (31 December 2023: 5.8 years), reflecting the natural reduction in remaining lease lengths over time and the net effect of new leases in the year.

Valuation performance

The portfolio was independently valued by CBRE as at 31 December 2024, in accordance with the internationally accepted RICS Valuation – Professional Standards (the "Red Book").

The table below analyses the movement in valuation during the year:

	Investment assets £m	Development assets £m	Total £m
Portfolio valuation at 31 December 2023	314.9	67.4	382.3
Capital expenditure	5.3	13.0	18.3
Finance costs capitalised	0.1	2.0	2.1
Movement in rent incentives	(0.3)	0.2	(0.1)
Fair value losses on investment properties	(12.5)	(4.9)	(17.4)
Transfer from development to investment	21.2	(21.2)	–
Portfolio valuation at 31 December 2024	**328.7**	**56.5**	**385.2**

The portfolio valuation at the year end increased on an absolute basis by £2.9 million to £385.2 million. The value of the investment portfolio increased, driven primarily by the transfers of development assets at OTP (Building 5), which reached practical completion during the year, partially offset by outwards yield shift. This transfer resulted in a corresponding reduction in the absolute value of the development assets. Capital expenditure of £18.3 million primarily related to the development at OTP and repurposing of space to labs at Cambourne. As a result of this expenditure £2.1 million of finance costs have been capitalised. Combined, all of these factors resulted in a fair value loss of £17.4 million in 2024.

The table below analyses the key drivers of the valuation movement during 2024 compared to 2023 in further detail:

		2024	2023	FY 2024 LFL %	H124 LFL %	H224 LFL %
Investment assets						
Valuation	£m	328.7	314.9	(4.0)%	(3.8)%	(0.3)%
ERV	£m	22.4	19.6	8.6%	8.2%	0.4%
NEY	%	5.6	5.3	30bps	33bps	3bps
Development assets						
Valuation	£m	56.5	67.4	n/a	n/a	n/a
Total portfolio valuation	**£m**	**385.2**	**382.3**	**(4.0)%**	**(3.8)%**	**(0.3)%**

£12.6 million of the £17.4 million fair value loss in the period is attributable to the like-for-like portfolio, resulting in a 4.0% like-for-like reduction in value for the year, but weighted towards the first half, when the like-for-like reduction was 3.8% compared to 0.3% in the second half. This performance reflects a stabilisation in yields, which expanded by 33bps in the first half, but just 3 bps in the second half. Yield expansion was partially offset by strong ERV growth of 8.6% for the year. These dynamics continue to be reflective of the broader macro environment, with interest rates remaining higher than expected over the year, resulting in further yield expansion, notably on offices.

Space defined as laboratories for valuation purposes continued to be more resilient, posting a like-for-like valuation decline of 3.7%, driven by a 27 basis points outward NEY shift which was partially offset by ERV growth of 13.7%. At the year end, this space represented 39.8% of the like-for-like portfolio. Space defined as offices saw a valuation fall of 5.3% on a like-for-like basis and reflected an outward NEY shift of 40 basis points.

On the remaining assets, the £4.8 million fair value loss reflected an inward NEY shift of eight basis points following Building 5's completion and letting to Fortescue Zero in the year, offset by development spend in the year. Based upon 31 December 2024 valuations, there is up to a 70 basis points yield variance in the vacant development space versus completed and let space. This represents significant valuation upside to come once the vacant space is let, assuming constant yields.

Implementing the asset management strategy

Cambourne Park Science and Technology Campus ("Cambourne")

The Group acquired Cambourne in 2021, with the intention of repositioning it as a dedicated life science and technology hub. A key step in this evolution is the repurposing of vacant ground floor office space in Building 2020 into four fully fitted laboratories of around 2,200 sq ft each. The project reached practical completion in the year and the space is now targeting rents of £50.0 per sq ft which compares to c. £25.0 per sq ft for typical office space on the park. This smaller, fully fitted option is particularly attractive to early-stage life science occupiers because it enables them to spread the cost of fitting out space over time through higher rents and avoids an upfront capital cost early in their life cycle. However, the units can also be combined to appeal to larger companies. The project improves the environmental credentials of the buildings, including transitioning from gas to electric power and is helping to drive an increase in the rental tone across the park.

Post year end, we announced the letting of 17,200 sq ft of vacant office space at Building 1020 to 42T, a product development and innovation consultancy which delivers specialist technical solutions in healthcare & life sciences, industrial and consumer sectors. We also announced a five year lease extension to Carl Zeiss, our largest occupier on the park with 43,300 sq ft in Building 1030. Carl Zeiss has recommitted until 2033 at the same rent with a rent review in 2028 and will be carrying out a number of sustainability improvements to the building, including replacing gas boilers and installing photovoltaic panels. This programme reflects its ambitious net zero commitments.

Occupancy at Cambourne was 76.5% at year end (31 December 2023: 77.5%) and increased to 83.3% following post year end leasing transactions.

Oxford Technology Park

OTP is 20-acre science and technology park strategically located in the Golden Triangle, close to Oxford University and adjacent to Begbroke Science Park and Oxford Airport. On acquisition in 2022, three of the planned buildings were complete. Since then, 126,700 sq ft has been delivered; the Innovation Quarter ("IQ") completed in 2023 and Building 5 reached practical completion at the start of 2024. Unit 6A in Building 6 has also reached practical completion but is categorised as a development pending full completion of the whole building. Unit 6B and Buildings 7 to 9 were expected to complete in FY 2024 but connection to the local power grid was outstanding and these buildings are now due to complete in Q2 2025.

The current rent roll of OTP is £4.0 million, including development lettings. OTP has substantial scope to grow the Group's rental income in the near term. The ERV of unlet space in the completed buildings and those due to complete imminently (Buildings 6 to 9) is £4.6 million. Letting this space would therefore increase the rent roll at OTP to £8.6 million. The existing leases at OTP also have inbuilt reversion of £0.4 million.

Based on current designs, Buildings 10 and 11 have an ERV of a further £1.8 million. We have maintained a flexible approach with respect to Buildings 10 and 11 and are working with the developer to agree a final design and programme. The existing planning consent is for two buildings of c. 43,500 sq ft each, but the plots would also suit several smaller buildings or a single larger building.

As noted above, we signed two new leases to Fortescue Zero in February 2024, at an annual rent of £1.1 million or £20.1 per sq ft. The term is ten years, with a break clause on half the space in year five and a rent review at the end of the fifth year. The occupier has fitted out the building as offices and R&D space.

Occupancy at OTP investment assets was 70.8% at year end (31 December 2023: 50.0%) with a further £0.6 million let in development assets. Since the year end we signed an agreement for lease with OET who are taking 5,600 sq ft of fully fitted space at £46.5 per sq ft.

Following strong demand for more amenities on site from existing and potential occupiers, the Nexus cafe plus additional meeting space is due to complete at the end of Q2 2025.

Rolling Stock Yard

RSY, located in London's Knowledge Quarter, offers office and fully fitted laboratory space. Occupancy was 90.0% at the year end (31 December 2023: 87.3%) following increases in ERV during the year. The letting of the remaining vacant space on the first floor has completed since the year end. The 5,100 sq ft space was let to CFDX for £110.0 per sq ft adding £0.6 million to contracted rent, in line with ERV. The lease is for eight years with an occupier's break at year four. For more on this new life science occupier see page 24. This letting would have taken the occupancy of the building to 100.0%, however Xero (UK) Limited, who currently occupies the seventh and eighth floors has recently exercised its break and vacated the scheme on 1 April 2025. We are in the process of marketing this space to new occupiers.

7-11 Herbrand Street

Herbrand Street is an iconic Grade II listed building, in London's Knowledge Quarter, fully let to Thought Machine. The lease runs until Q4 2026 and we are actively engaged with the occupier ahead of this expiry to discuss options.

The Merrifield Centre

The Merrifield Centre is a fully let building just outside of Cambridge. Astellas Engineered Small Molecules UK Limited, the occupier, has shown its commitment to the asset by investing significant amounts in the building and we have a well-established routine of occupier engagement. The lease expires in December 2031, with a break in December 2026.

Resourcing for the Investment Adviser to support the Group's growth

As Investment Adviser, it is vital that we have the resources, knowledge and skills to implement the Group's strategy. We have strengthened our leasing and asset management team during the year with two new appointments, helping to drive leasing activity. See leasing section above for further details.

Financial review

Financial performance

The Group's financial results are summarised below.

	2024 £m	2023 £m
Gross property income	16.3	15.5
Property operating expenses	(1.9)	(1.7)
Net rental income	14.4	13.8
Adjusted administration costs	(4.8)	(5.2)
Adjusted operating profit	9.6	8.6
Adjusted net finance costs	(3.7)	(2.0)
Tax	—	0.1
Adjusted earnings	5.9	6.7
Exceptional finance costs	—	(1.5)
Fair value losses on derivatives and deferred premium	(2.5)	(3.8)
Fair value losses on investment properties	(17.4)	(22.8)
Loss on disposal of investment properties	—	(0.3)
IFRS loss after tax	(14.0)	(21.7)

Total gross property income in the year increased 5.2% to £16.3 million (2023: £15.5 million), reflecting the new leases that commenced in the year and a full 12 months of income from leases agreed in 2023, partially offset by rent lost on Lumen House, which the Group sold in November 2023, and the expiry of a rental guarantee at Rolling Stock Yard during the first half of 2023. The quality of the Group's occupier base is reflected in rent collection of 99.8% in respect of the year.

Property operating expenses are primarily void costs on vacant units and totalled £1.9 million (2023: £1.7 million), resulting in net rental income of £14.4 million (2023: £13.8 million). On a like-for-like basis net rental income decreased by 3.8% driven primarily by the write back of historical bad debts at Cambourne that had been written off in prior years and were subsequently collected in 2023 (note 4).

Administration costs of £4.8 million (2023: £5.2 million) include the Investment Adviser's fee of £3.0 million (2023: £3.4 million), as well as other costs of £1.8 million (2023: £1.8 million), including audit and valuation fees, the Directors' fees and other corporate expenses.

The above results in a total cost ratio for the year (including direct vacancy costs) of 40.8% (2023: 44.2%). Higher rental income was the key contributor to the reduction versus 2023. We expect the ratio to further reduce as we continue to lease up the buildings at OTP and realise the rental growth potential elsewhere in the portfolio.

Adjusted net finance costs for the year were £3.7 million (2023: £2.0 million), comprising loan interest, expenses and arrangement fees of £9.8 million, partially offset by capitalised finance costs of £2.1 million and adjusted finance income of £4.0 million.

As a REIT, the Group is not subject to corporation tax on its property rental business. The estimated tax charge on its residual business was £nil (2023: £0.1 million). Adjusted earnings for the year totalled £5.9 million (2023: £6.7 million).

In 2023, the Group incurred exceptional one-off finance costs of £1.5 million, with £0.7 million relating to the write-off of unamortised arrangement fees on the Group's debt facility, which was refinanced in June 2023, and an early repayment fee of £0.8 million on the Fairfield facility. There were no exceptional finance costs in the year to 31 December 2024.

Fair value losses on derivatives and deferred premiums were £2.5 million (2023: £3.8 million loss), relating to the Group's interest rate caps.

The unrealised loss on revaluation of investment properties was £17.4 million (2023: £22.8 million loss). See the valuation section above for more information.

The IFRS loss after tax for the year was £14.0 million (2023: £21.7 million loss). This resulted in IFRS loss per share of 4.0 pence (2023: 6.2 pence loss) and adjusted earnings per share ("EPS") of 1.7 pence (2023: 1.9 pence).

Dividends

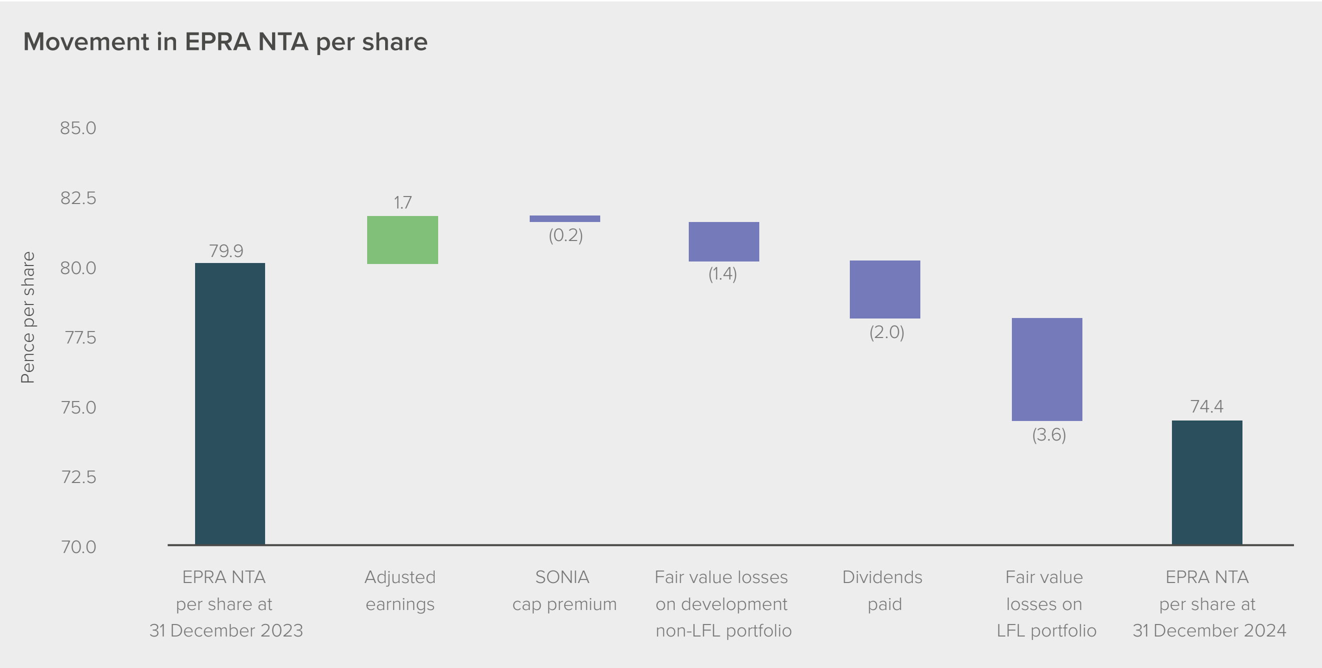
The Company paid two dividends during 2024:

- In May 2024, the Company paid the second interim dividend of 1.0 pence per share in respect of the year to 31 December 2023.
- In October 2024, the Company paid the first interim dividend of 1.0 pence per share in respect of the year to 31 December 2024.

At 31 December 2024, the Group had distributable reserves of £326.9 million (31 December 2023: £328.0 million), with the majority being in the Company. Following the Board's announcement of a strategic review on 14 March 2025, all future dividends have been suspended until the Strategic Review has been concluded.

Net asset value

IFRS NAV was 75.1 pence per share at the year end (31 December 2023: 81.1 pence per share). The EPRA NTA at the year end was 74.4 pence per share (31 December 2023: 79.9 pence per share). The movement in the EPRA NTA per share is reconciled in the following chart:



For further details on the revaluation decline in the period see the valuation section above.

Debt financing

The Group has a £100.0 million term loan and a £50.0 million RCF, both of which run to June 2026, with two one-year extension options. The Group also has a £35.0 million accordion facility option available on the RCF. The facilities are secured on all of the Group's assets, with £40.0 million of the term loan defined as a Green loan in accordance with the LMA Green Loan Principles.

The debt facility carries a cost of SONIA plus a 2.50% margin. The SONIA reference rate has been capped at 2.00% per annum until March 2025. During the year, the Group was slightly over hedged against SONIA. As a result, in September 2024 the over hedged element of the existing caps were closed out and the cap period extended for a further six months to September 2025, capping SONIA at 3.00%. The net cost of this transaction was £0.3 million. In addition, in December 2024 a further 2.00% cap was put in place for the quarter ending December 2025 at a net cost of £0.8 million the payment of which has been deferred to the cap period. As a result, the Group was hedged 100% for the next 12 months at the year end.

At 31 December 2024, £122.7 million of debt was drawn (31 December 2023: £108.7 million), with the £100.0 million term loan fully drawn and £22.7 million drawn against the £50.0 million RCF. The Group also had cash and cash equivalents of £5.6 million (31 December 2023: £14.3 million), giving a net borrowings position of £117.1 million (31 December 2023: £94.4 million). LTV was therefore 30.4% at the year end (31 December 2023: 24.7%).

At the year end there was £27.3 million undrawn on the RCF, of which £15.5 million is available to be drawn as at the reporting date with the balance subject to future asset valuations. Including cash of £5.6 million this provided total facility liquidity of £32.9 million, covering committed costs to complete at OTP of £27.4 million and uncommitted costs of £5.5 million. In addition, the Group also has a £35.0 million accordion facility which can potentially be used for future capital expenditure projects. The facility will be drawn as required to meet funding requirements whilst minimising interest costs.

Compliance with the investment policy

The Group's investment policy is set out in full on pages 153 to 155. The key elements of the policy are summarised below. We complied with the policy throughout the year:

Policy element	Compliance in the period
Invest in a diversified portfolio of properties across the UK which are typically leased or intended to be leased to occupiers operating in, or providing a benefit to, the life science sector ("life science properties").	Yes. All the properties are in the Golden Triangle and are either leased or intended to be leased to life science organisations.
Examples of the assets the Group can acquire: wet and dry laboratories, offices, incubators and co-working space, manufacturing and testing facilities, and data centres.	Yes. All the Group's life science assets are a mix of laboratory and office space.
The Group can acquire individual buildings, a group of buildings across a single science park or the entirety of a science park. This may include purchasing or developing buildings that are leased or intended to be leased to occupiers providing ancillary services to employees of companies operating in, or providing a benefit to, the life science sector.	Yes. The Group owns both individual assets and a science park.
The Group will typically invest in income-producing assets, consistent with providing capital growth and growing income.	Yes. All the assets are income producing (other than the development at OTP) and offer potential for capital growth and rising income through asset management.
Any asset management or development opportunities will minimise any development risk, typically through forward funding or similar arrangements.	Yes. We are forward funding the development programme at OTP and have a fixed-price contract for each building with the developer.
The maximum exposure to developments or land without a forward funding arrangement is 15% of gross asset value ("GAV").	Yes. There are no developments or land without a forward-funding arrangement.
No individual building will represent more than 25% of GAV from 31 December 2023.	Yes. No individual building exceeds the threshold.
The Group targets a portfolio with no one occupier accounting for more than 20% (but subject to a maximum of 30%) of the higher of either (i) gross contracted rents or (ii) the valuer's ERV of the Group's portfolio including developments under forward-funding agreements, as calculated at the time of investing or leasing.	One occupier exceeds 20% of contracted rent but remains below the 30% threshold. This percentage is expected to fall as OTP continues to be developed and leased up.
The aggregate maximum exposure to assets under development, including forward fundings, will not exceed 30% of GAV from 31 December 2023.	Yes. 14.7% of assets are currently in development.
No more than 10% of GAV will be invested in properties that are not life science properties.	Yes, more than 90% of assets are currently classified as life science properties.
The Group will not invest more than 10% of GAV in other alternative investment funds or closed-ended investment companies.	Yes. The Company has no investments of this type.

Alternative Investment Fund Manager ("AIFM")

G10 Capital Limited ("G10") is the Company's AIFM, for the purposes of the UK AIFM Regime, with Ironstone providing advisory services to both G10 and the Company.

Investment Adviser

Ironstone Asset Management Limited is the Investment Adviser to the Company and the AIFM.

Ironstone Asset Management Limited | Investment Adviser
15 April 2025

> Delivering sustainable space goes hand in hand with our broader purpose of creating space for science.

Sally Ann Forsyth | Chair of the Sustainability Committee

Delivering space with excellent sustainability credentials goes hand in hand with our broader purpose of creating space for science, so we are pleased with the progress we have made this year. The space we are developing or repurposing targets market leading ESG certifications and through the data we collect, we are learning more about how to run our buildings efficiently. These initiatives are key to delivering upon the Pathway to Net Zero we set last year and this year, we are pleased to report a notable like-for-like reduction in our scope 3 emissions, which accounts for most of our carbon footprint.

Highlights of the year include the progress we have made at OTP, where we will be fitting a system of photovoltaic panels to the roof of buildings without them (see page 37). This will provide occupiers with greener and cheaper electricity, whilst at Cambourne, our repurposing at Building 2020 has fully electrified the space and sets a new standard for sustainable refurbishment on the park. In March 2025 this year, we were delighted to extend the lease for our largest occupier there, driven by their need to undertake a comprehensive refit to meet their own ambitious ESG commitments.

From a social perspective, we have continued to engage closely with our occupiers to understand their needs. We held face to face meetings with 37% of our occupiers on ESG matters and by sharing insights from the data we collect, enabled one occupier to reduce gas consumption by over 50%. We recognise the importance of delivering places that support employee wellbeing and as we repurpose space at Cambourne for example, are aligning to the Fitwel criteria. We are looking for more opportunities to drive these interventions and our occupier ESG survey which was completed towards the end of the year provides some helpful insights in this respect.

We have also worked hard to support the communities around our assets. This year, we have again supported Science Oxford, a local charity founded to encourage young people to consider STEM careers (see page 38). We have also worked with Pathways to Property, an organisation that encourages young people from different backgrounds to consider a career in real estate and were pleased that one of their students joined Ironstone as an intern in October 2024.

We are delighted that this strong progress has been recognised by both EPRA and MSCI; we achieved our first EPRA sBPR Gold award for our 2023 annual report and are now rated A by MSCI from a B rating previously, a jump of three ratings. This recognition is important to our shareholders and we hope to deliver further improvements as we make progress on our strategy.

Framework	Status	Pages
Task Force on Climate-related Financial Disclosures ("TCFD")	Voluntary disclosure (not mandatory for closed-ended investment companies)	40 to 49
Streamlined Energy and Carbon Reporting ("SECR")	Mandatory disclosure	145 to 151
The Companies (Directors' Report) and LLPs (Energy and Carbon Report) Regulations 2018	Mandatory disclosure	145 to 151
EPRA – European Real Estate Association	Voluntary disclosure (not mandatory reporting, best practice adopted)	145 to 151

Our approach to Sustainability

ENVIRONMENTAL

- Progressing our net zero pathway
- Achieving best-in-class building certifications
- Sustainable development and repurposing
- Supporting biodiversity

Performance highlights

- 100% A–C EPC by area (2023: 87%)
- 10 buildings (including on-site developments) with full or interim BREEAM Excellent or Very Good certifications
- 15% decrease in LFL energy intensity driven by greater operational efficiency, principally at Herbrand Street
- 6% increase in scope 1 & 2 GHG emissions on a LFL basis
- 19% reduction in scope 3 emissions on a LFL basis
- 100% of landlord controlled waste diverted from landfill (2023: 100%)

SOCIAL

- Providing healthy buildings
- Partnering with our occupiers on their sustainability objectives
- Providing collaborative space
- Encouraging active travel
- Supporting local charitable organisations

Performance highlights

- Face-to-face ESG engagement with 37% of single let occupiers by sq ft (2023: 45%)
- Occupier survey completed covering 75% by area
- Aligning repurposing projects to Fitwel
- 341 registered users of the OTPortal app
- £10,000 donated to charities local to our assets or provided through match funding

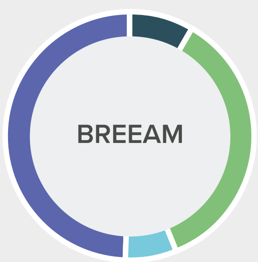
GOVERNANCE

- Maintaining best practice governance
- Addressing ESG related risks and opportunities
- Transparent disclosure and participation in industry benchmarks

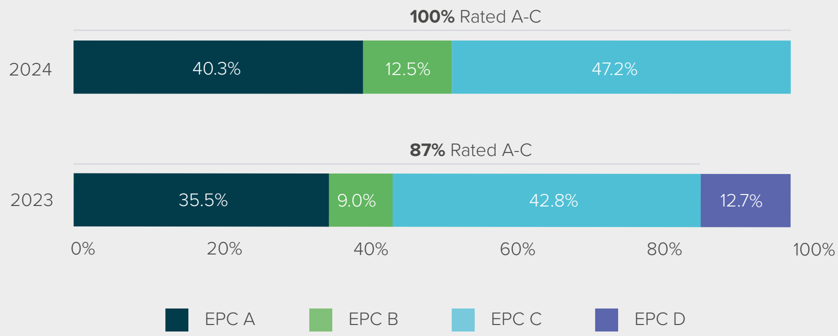
Performance highlights

- Awarded sBPR Gold Award (2023: Silver) for the first time
- MSCI rating improved to an A (2023: B)
- Maintaining Board gender diversity with 50% female representation, including the Chair
- Framework for monitoring ESG and climate-related risk embedded in governance processes

BREEAM certification by area



EPC ratings by area



UN SDGs

In setting our sustainability strategy, we have aligned our approach to the following of the UN's Sustainability Development Goals where we can have the biggest impact:

Sustainability strategy

We have a broad sustainability strategy with headline corporate targets supported by more granular, asset level initiatives and the minimum environmental standards we have set ourselves for developments and acquisitions.

ENVIRONMENT

Reducing our impact on the environment, reducing carbon emissions and waste, and enhancing biodiversity.

Focus area	Targets	Achievements	Status	2025 targets
Progressing net zero	• Progress towards net zero by 2040 for direct (scope 1 & 2) carbon emissions (CO_2e) • Progress towards net zero by 2045 for indirect (scope 3) carbon emissions (CO_2e)	• 100% of scope 1 & 2 carbon emissions reported • 409 tCO_2e absolute scope 1 & 2 carbon emissions, an increase of 6% on an absolute and LFL basis • 62% energy consumption data coverage for occupier controlled units • 2,167 tCO_2e absolute scope 3 carbon emissions reported; LFL emissions down 19% • Progress on PV project at OTP supportive of scope 1, 2 and 3 reductions over time (see below) • 15% decrease in LFL energy intensity driven by greater operational efficiency; data sharing, analysis and M&E adjustments enabled a major occupier to cut electricity and gas usage by 41% and 55% respectively (see page 146) • Cambourne repurposing has delivered fully electrified the space • Cambourne energy audit undertaken identifying opportunities to reduce emissions and meet future regulatory requirements; now actioned	◁▷	• Track energy use intensity on our portfolio with a view to setting a target (see case study on page 39)
	• 100% of landlord renewable energy procured	• 100% of landlord procured energy Renewable Energy Guarantees of Origin ("REGO") (FY23: 52%)	◁▷	• 100% of landlord renewable energy procured
	• Identify and progress opportunities for on-site renewables across portfolio	• PV supplier and operator identified for OTP (see case study, page 37)	◁▷	• Complete PV roll out at OTP • Develop a renewables strategy for Cambourne
Achieving best-in-class building certifications	• Achieve BREEAM Excellent rating for ground-up construction projects and Very Good rating for repurposing projects	• Additional Interim BREEAM 'Excellent' in design certifications registered for buildings 8 and 9; buildings 3, 5, 6, 7 and the IQ (4A and 4B) at OTP remain interim 'Excellent' in design certifications. See BREEAM table on page 147	▽	• Deliver final BREEAM certifications at OTP • Buildings 10 & 11 to align to BREEAM Excellent

Key to status

△ Ahead of target ◁▷ On target ▽ Behind target

Focus area	Targets	Achievements	Status	2025 targets
	• Target minimum EPC rating B across the portfolio	• 100% of properties now EPC A-C rated (2023: 87%). See EPC ratings table on page 147 • Illustrative assessment on Cambourne repurposing project gave an EPC A indicating that once repurposing plans have been delivered across the whole buildings, it should achieve an EPC A	△	• EPC rating A for buildings at OTP • EPC A in future Cambourne repurposing projects
Sustainable development and repurposing	• Track and report on adherence to sustainable standards for repurposing and development • Zero non-hazardous waste to landfill	• Cambourne and new OTP projects delivered in line with standards for example: - use of materials with high recycled content - local materials sourcing - Participation in considerate contractor schemes • 100% waste diverted from landfill	◁▷	• Continue to track and report on adherence to internal standards
Supporting biodiversity	• Biodiversity net gain on all developments • Biodiversity strategy for all assets	• Biodiversity assessment undertaken at Cambourne identifying the current biodiversity levels and cost effective methods to improve for such as habitat replacement	◁▷	• Biodiversity strategy to be developed for Cambourne and OTP

CASE STUDY

OTP PV panels

Improving the sustainability credentials of our buildings not only supports our Pathway to Net Zero but also helps us lease our space faster and at higher rents. This year, we completed the detailed design work to add PV panels to all existing buildings at OTP and have identified a partner to fit, own and operate them.

One of our major occupiers on the park will pilot the scheme which is expected to become operational later this year. A second occupier has installed PV panels to the roof themselves which has reduced their energy requirement significantly.

SOCIAL

Providing buildings that enhance wellbeing, encourage collaboration and enable a healthy workforce for our occupiers

Focus area	Targets	Achievements	Status	2025 targets
Providing healthy buildings	• Developments to achieve Fitwel certification with a minimum 2-star rating • Repurposing projects and existing portfolio to be assessed against Fitwel criteria	• Cambourne repurposing project aligns to a Fitwel 1-star rating which could be pursued on refurbishment of the whole building • Assessment of OTP against Fitwel criteria completed identifying areas for improvement	◁▷	• Pursue site wide Fitwel certification at OTP
Partnering with our occupiers on their sustainability objectives	• Opportunity to collaborate on ESG matters offered to all occupiers by the end of 2024	• Occupier survey completed, covering 75% of occupiers by area • One-to-one engagement with 37% of single unit occupiers	◁▷	• Deliver Nexus café, identified as key occupier amenity
Providing collaborative space	• All multi-tenanted assets to have collaborative space on-site by 2025	• Plans for the Nexus café at OTP and collaborative space finalised, starting on site in H1 2025 • OTP app has 341 registered users	◁▷	• Evaluate opportunities at Cambourne, including app and café
Encouraging active travel	• Green and active travel plans in place across portfolio including cycling facilities	• Cycling facilities at all sites • EV charging points being rolled-out across portfolio	▽	• Deliver at least one initiative at each of OTP and Cambourne
Supporting local charitable organisations	• Annual corporate charitable plan	• Hosted Science Oxford tour of OTP for school children and team volunteering at the Unity MK homeless shelter café; £10,000 charitable donations including Science Oxford, Unity MK, Sorrell House Hospice and the Wildlife Trust	△	• Develop relationships with existing partners, targeting events at Cambourne and OTP

Case study

Science Oxford

As part of our commitment to supporting the communities around our assets, for the second year running, we worked with Science Oxford, a local charity founded to encourage young people to get involved in science, technology, engineering and maths.

We organised a visit to OTP for secondary school students as part of their STEM Insight Week, where they toured the Fortescue Zero and Native Antigen space and heard more about the practical side of STEM careers. Hands on experiences like this can be instrumental in attracting people from a diverse range of backgrounds into science.

GOVERNANCE

Developing a robust corporate governance framework to support the long-term success of our business

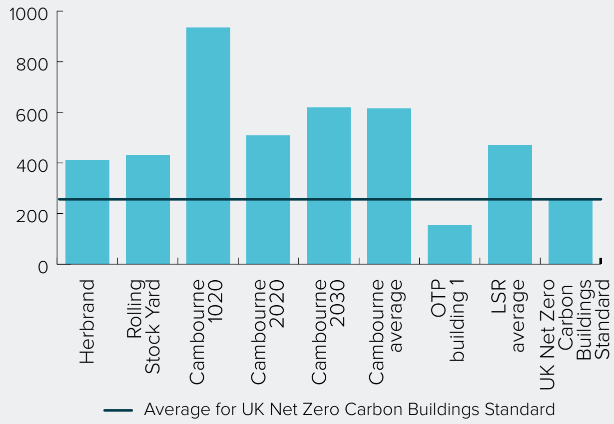
Focus area	Targets	Achievements	Status	2025 targets
Maintaining best practice governance and oversight of ESG risks	• Evolve best practice governance in line with GRESB, the Global Real Estate Sustainability Benchmark and TCFD recommendations demonstrating incremental improvement each year	• Reporting against our net zero pathway • Tracking and benchmarking energy use intensity (EUI) as part of our TCFD reporting • A TCFD gap analysis was undertaken • Framework for monitoring ESG and climate-related risk embedded in governance processes • Additional corporate governance policies approved including Business Code of Conduct, Health and Safety statement and an updated Modern Slavery Policy • Provided additional disclosure on EPRA Board and Investment Adviser social statistics	◁▷	• Evolve best practice governance in line with GRESB and TCFD recommendations
	• 100% of leases contain green clauses aligned to principles	• 100% of new leases include an obligation to share energy data and preservation of EPC rating • 410,000 sq ft, 77.6% of the leased portfolio now covered by green leases	◁▷	• 100% of new leases contain green clauses aligned to principles
Transparent disclosure and participation in industry benchmarks	• Achieve Gold standard EPRA sBPR reporting for year ending 2023	• Awarded EPRA sBPR gold award for the 2023 Annual Report, following our silver award for the 2022 Annual Report	△	• Maintain Gold standard EPRA sBPR reporting for year ending 2024
	• Achieve incremental rating improvement for indices	• MSCI rating improved to an 'A' from a 'B' based on our 2023 annual report and website	△	• Achieve incremental rating improvement for indices

Case study

EUI analysis

Last year we committed to setting an energy use intensity (EUI) target. To progress this, we have looked at the annual EUI on our buildings compared to an industry standard.

We consider that our most appropriate benchmark is the UK Net Zero Carbon Buildings Standard for acute healthcare refurbishment EUI of 258 kWh/m²/year. As more of our space is repurposed and as developments complete, we will track their performance to arrive at an appropriate target for our buildings. In doing so, we are mindful or our broad range of occupiers including AI and quantum computing where energy usage is typically high.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

A summary of the Group's climate-related financial disclosures is set out below. This aligns to the TCFD's four pillars – Governance, Strategy, Risk Management and Metrics and Targets and to the 11 specific TCFD recommendations. Progress against each recommendation is set out below.

Compliance statement

Although the Group is exempt from the TCFD disclosure requirement as Listing Rule 6.6.6R (8) explicitly excludes closed-ended investment companies, the Group fully supports the recommendations and voluntarily discloses its alignment.

TCFD recommendation	Compliance
1 Governance	
a. Describe the Board's oversight of climate-related risks and opportunities.	Consistent
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Consistent
2 Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.	Consistent
b. Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning.	Developing: Climate-related risks and opportunities have been identified and materiality assessed and incorporated within business plan. Developing a quantitative approach over the medium-term.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent
3 Risk management	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	Consistent
b. Describe the organisation's processes for managing climate-related risks.	Consistent
c. Describe how processes for identifying and managing climate-related risks are integrated into the organisation's overall risk management.	Consistent
4 Metrics and targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Consistent, and developing further metrics including energy intensity measures over the medium-term.
b. Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ("GHG") emissions, and the related risks.	Consistent regarding scopes 1 & 2. Voluntary reporting of occupier procured consumption and associated scope 3 emissions.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent

1 Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board, which is advised by Ironstone, the Investment Adviser, is responsible for setting the strategic direction of the Group, which includes delivery of the sustainability strategy. The Board has oversight of climate-related risks and opportunities via the Audit and Risk Committee and the Sustainability Committee; in 2024 all Board Directors were members of the Sustainability Committees and the Audit and Risk Committee. In 2025, Claire Boyle became an attendee of the Audit and Risk Committee.

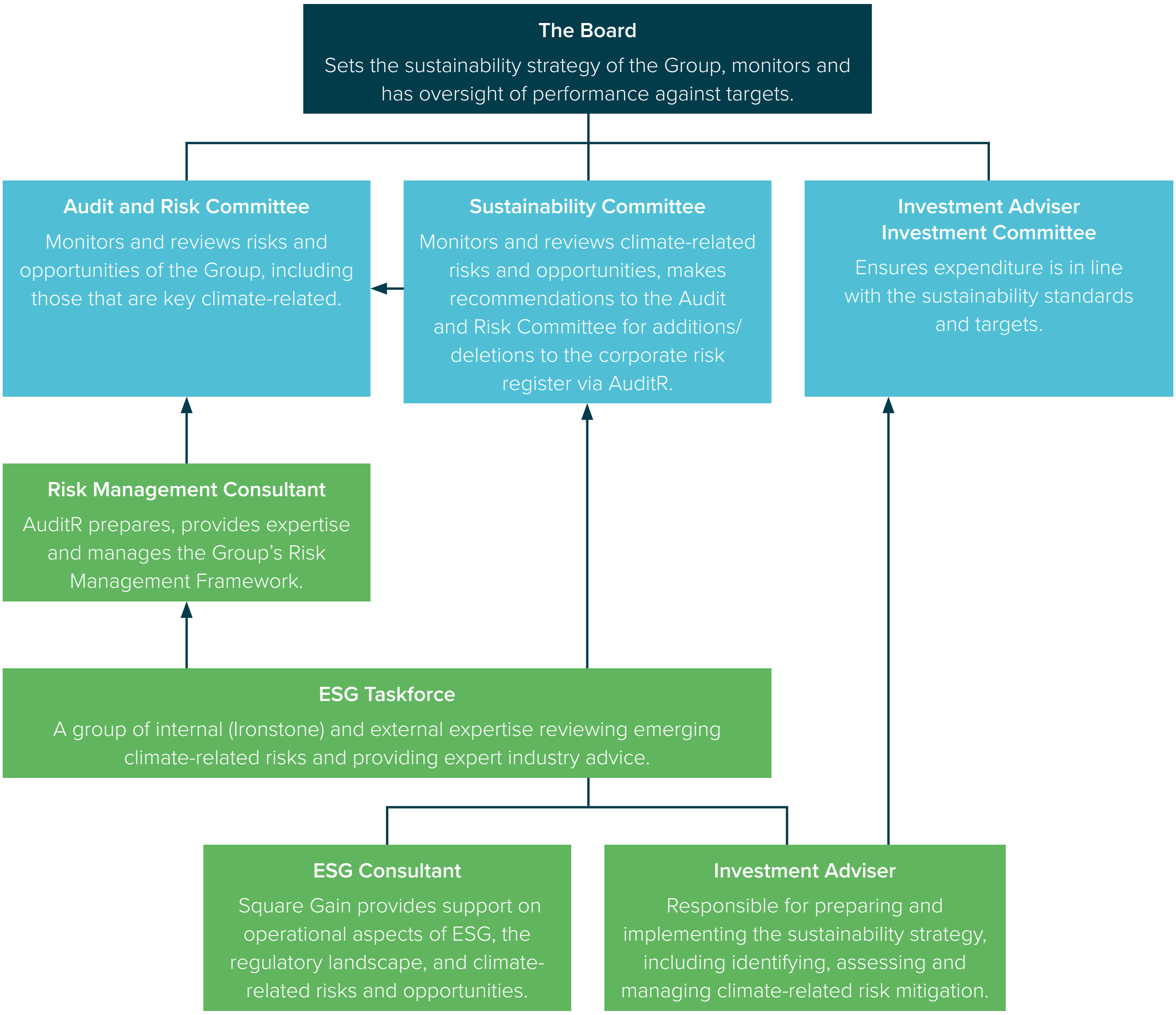
The Sustainability Committee is chaired by Sally Ann Forsyth and meets biannually to monitor progress against sustainability strategy targets, including climate-related risk mitigation. At each Sustainability Committee the Investment Adviser provides the ESG risk register for review and comment, with attention drawn to any changes in risk rating, new or emerging risks.

The Sustainability Committee recommends to AuditR Ltd ("AuditR") (the Group's independent risk management consultant) any key risks to be included in the corporate risk register which is subsequently presented to the Audit and Risk Committee by AuditR.

Biannually, the Investment Adviser provides updates on progress against the sustainability strategy goals and updates on ESG considerations more broadly to enable the Board to fully consider climate-related risks and opportunities in their decision making.

The Investment Adviser's Investment Committee meets to review and appraise investment decisions for the Group including the acquisition and disposal of assets, and significant repurposing/refurbishing projects. Decision making includes consideration of climate-related risks and opportunities.

Governance of climate-related risks and opportunities



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

CONTINUED

1 Governance

Describe management's role in assessing and managing climate-related risks and opportunities

The Investment Adviser prepares and integrates the sustainability strategy within the day-to-day management of the Group's assets. The Investment Adviser works with the independent risk management consultant, AuditR, and the independent ESG Consultant, Square Gain, to undertake regular assessments of the Group's climate-related risks and opportunities. These assessments are undertaken alongside broader ESG topics and results in an updated ESG risk register including controls and mitigations which is provided to the Sustainability Committee for review biannually.

In 2023, the Investment Adviser introduced sustainability standards for acquisitions, development and repurposing. The Investment Adviser undertakes environmental due diligence focused on the asset's vulnerability and resilience to key climate-related risks including flooding, subsidence, overheating and Minimum Energy Efficiency Standards ("MEES") compliance against these standards.

The Investment Adviser has established an ESG Taskforce, which comprises the Head of ESG, Director of Asset Management, and Square Gain. They meet monthly to prepare, manage and prioritise the sustainability strategy including climate-related risks at asset level and work closely with the Head of Investor Relations and Corporate Affairs on sustainability reporting and progress against strategy. The ESG Taskforce is also to be consulted as appropriate on material investment decisions.

The Investment Adviser was closely involved in a climate change scenario analysis conducted in 2022, further detail set out below. The output was integrated into both the ESG risk register and the corporate risk register which is reviewed by the Audit and Risk Committee.

For full details of our Risk Management Framework see page 50 to 58.

2 Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

In 2023, the Group created an ESG Risk Register which includes the identification of climate-related risks and opportunities across our portfolio, both the physical climate risks posed by climate change, and also the risks that arise as we transition towards a net zero carbon economy. Climate-related risks have been identified over a range of time horizons which are based on real estate life cycles. As buildings have long design lifespans, climate-related issues often manifest themselves over the medium and longer-term.

The time horizons adopted are:

- short-term is considered up to 1 year, aligned with the current period;
- medium-term is 2-5 years, aligned with the period used for the Group's planning, forecasting and performance analysis; and
- long-term is over five years, beyond the current forecasting period, informing the longer-term investment plan.

Refer to the table below for an overview of the climate-related risks and opportunities identified across our portfolio.

Climate-related risks and opportunities

Ref	Risk	Time horizon and description	Impact on strategy and planning	Impact on financial planning	Residual exposure
Physical Risk (P)					
P1	Flooding, including sustained changes over time	Short to medium-term: • Damage due to surface water and river discharge	• High-level flood risk modelling undertaken to inform decisions on acquisitions • Will look to do flood risk assessments medium-term	• Cost of flood risk assessments • Cost of repairing/ maintaining buildings • Increased insurance costs • Loss of value of impacted buildings	Medium
P2	Extreme weather events ("acute") and sustained climatic changes over time ("chronic")	Short-term: • Damage from storm, extreme heat, wind Medium and long-term: • Subsidence, damage to structure of building	• Climate change scenario analysis undertaken • Refurbishment and acquisition protocols in place which take account of climate risk factors • Comprehensive maintenance programmes on multi-let assets	• Increased insurance costs • Cost of cooling facilities • Increased cost of repair and maintenance • Loss of value of impacted buildings as potential occupiers are put off	Low
Transition Risk (T)					
T1	Market: • Occupier demand	Short to medium-term: • Demand for sustainable space could result in rent reductions for less sustainable properties • Occupiers recognise the need for buildings to have resilient energy supplies and sufficient capacity for their needs, which may result in a discount for space which cannot guarantee this • Occupiers require additional amenities to support wellbeing	• Targeting minimum BREEAM Very Good rating and EPC B • Assessing opportunities for Fitwel certification • Comprehensive programme of occupier engagement to understand their needs	• Cost of delivering more sustainable buildings (low carbon materials, low carbon plant and equipment) • Cost of building certifications • Cost of delivering amenity space and renewable energy solutions	Medium

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

CONTINUED

Ref	Risk	Time horizon and description	Impact on strategy and planning	Impact on financial planning	Residual exposure
Transition Risk (T)					
T2	Policy & legal: • Regulatory compliance	Short to medium-term: • Increasing volume of disclosure requirements • Complexity of data collection • Elevated risk of incorrect disclosures	• External advisers engaged to support on disclosure requirements and advise on regulatory landscape • Improving the robustness of our data through automated systems • Occupier engagement to support data collection • Acquisition and asset management protocols incorporating climate considerations	• Cost of external advice • Cost of improved data systems	Medium
T3	Market: • Stranded assets	Medium to long-term: • Buildings become unlettable and the cost of upgrading is prohibitive • Insufficient electrical capacity	• Acquisition and asset management protocols include climate risk analysis to identify how we can enhance climate resilience of our buildings • External advisers engaged to advise on regulatory landscape • Regular power usage audits undertaken and monitored	• Cost of more regular upgrades and improvements • Cost of external advice and third-party analysis • Occupier engagement to understand a building's performance	Medium
T4	Market: • Cost of decarbonisation plans	Short-term: • Cost of low carbon materials and processes rises, lack of green skills Long-term • Cost of carbon offsets increases	• Business model focused on repurposing, incorporating sustainability considerations • Net zero pathway reduces carbon emissions prior to commitment date, minimising cost of offsetting	• Higher capital expenditure to deliver business plan • Loss of value for assets where business plan not delivered	Medium
T5	Market: • Cost of capital	Medium-term: • Higher cost of finance for less sustainable assets • Inability to access financing	• Business model focused on repurposing, incorporating sustainability considerations	• Higher cost of finance/ inability to access financing	Low

Ref	Risk	Time horizon and description	Impact on strategy and planning	Impact on financial planning
Opportunities (O)				
O1	Market: • Occupier demand	Short to medium-term: • Occupier demand for sustainable space could result in a "green" rental premium	• Business model focused on repurposing, incorporating sustainability considerations	• Potential to drive rental growth
O2	Market: • Stranded assets	Short to medium-term: • Opportunity to acquire discounted 'brown' assets and repurpose	• Acquisition targeting • Capital expenditure/ repurposing planning	• Potential to deliver enhanced returns
O3	Market: • Cost of capital	Long-term: • Access to green finance	• Continue to explore green financing opportunities	• Lower cost of finance
O4	Energy source	Short to medium-term: • Increasing on-site renewables	• Renewables feasibility studies • Collaboration with occupiers • Regularly review EV charging provision • Planning underway to install PV panels where appropriate	• Potential for additional income streams • Initial capital outlay

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Under the Board's supervision, when reviewing the climate-related risk and opportunities for the Group, operational and financial impacts are also considered as set out in the tables on pages 43 to 45.

The Group believes climate change is a key risk for the real estate industry and has therefore approved targets to achieve net zero carbon for scope 1, 2 and 3 emissions on our portfolio. Our net zero carbon pathway is aligned with our longer term repurposing and refurbishment plans for the portfolio. Our approach incorporates electrification, energy efficiency and renewable energy as detailed in our sustainability standards. These also support planning for acquisitions, ground-up construction and repurposing works, focusing on using energy more efficiently, making our assets more resilient and reducing operating costs for our customers. Pages 34 to 39 sets out the progress made on our sustainability strategy in more detail in addition to our metrics and targets.

A key part of our strategy is engagement with occupiers, and with the market trending towards more sustainable spaces, it is important we understand their evolving needs and aspirations so occupier engagement is essential to our approach. The Group's occupier engagement has included obtaining occupier-procured consumption data to calculate the associated scope 3 emissions for voluntary reporting.

This year the Group has advanced its net zero pathway, including progressing the PV project at OTP, where a third party has been identified to fit, own and operate the panels. Additionally at Cambourne, a partial repurposing of one of the buildings has now completed, delivering all-electric space and setting the benchmark for sustainable repurposing at the park. Further sustainability initiatives are underway, including an ecological assessment to support biodiversity.

Reflecting the importance it attributes to climate-related issues, the Board receives regular updates from the ESG Taskforce on market trends and asset-specific climate-related issues. The Group closely monitors UK climate-related regulation, so the financial and operational impacts are identified early and incorporated into the business plan.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

CONTINUED

2 Strategy

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower (above pre-industrial levels) scenario

As part of our business strategy and to support the identification of climate-related risks, a climate change scenario analysis was undertaken in 2022 and updated in 2023 to review the short, medium and long-term physical risks to the business. The Group's sustainability strategy takes into consideration different climate-related scenarios, including a 2°C or lower scenario, to ensure our individual assets and business operations have resilience in each of these scenarios. The methodology applied to the climate change scenario analysis is set out below.

Climate change scenario analysis methodology

To take account of the uncertainty of how climate change impacts will manifest over time, the climate change scenario analysis considers three of the Intergovernmental Panel on Climate Change's representative concentration pathways ("RCPs") scenarios. The scenarios describe different climate futures and the resulting global mean temperature increases by the end of the century, depending on the volume of GHGs emitted in the years to come.

The Group's scenario analysis considers the impact of climate change on the organisation's strategy over the following RCP scenarios:

- RCP 2.6: 0.9-2.3°C
- RCP 4.5: 1.7-3.2°C
- RCP 6.0: 2.0-3.7°C

It is industry best practice to identify climate risks across multiple scenarios to account for the uncertainty that comes with modelling future projections of climate change impact.

Low emission scenarios such as RCP 2.6 have high transition risk and low physical risk, whereas high emission scenarios such as RCP 6.0 is appropriate to consider physical climate risks under a world where temperatures increases up to 3.7 degrees by the end of the century.

Based on this analysis, our vulnerability to all physical climate risks is low, up to 2030. In the RCP 6.0 post-2050 scenario, the risks assessed as material are from flooding and building inoperability due to overheating. However, these risks do not take account of existing mitigation or adaptation measures at a site level. The climate change scenario analysis focused on physical climate risk whilst transition risks are identified, assessed and managed through our ESG Risk Register.

3 Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

Through the climate change scenario analysis and the Group's ESG risk register, we identify, assess and monitor the climate-related risks for our business, with significant climate-related risks being included in our corporate risk register. For the purpose of reporting the Group uses the impact and likelihood thresholds of our Risk Management Framework to define climate-related risks and opportunities (see page 50).

Prior to each Sustainability Committee, the ESG Taskforce (supported by AuditR and Square Gain) reviews the ESG risk register, updating it as appropriate and discussing any emerging climate-related risks. The Sustainability Committee reviews the climate-related risks and any proposed changes to the corporate risk register are recommended to the Audit and Risk Committee. The potential impact of climate change is one of our principal risks, as we seek to reduce both our impact on the environment and the impact that climate change has on our business.

Our risk assessment process for prioritising climate-related risks incorporates an assessment of existing and emerging regulatory requirements, and the potential materiality of the impact on our operations. This considers both the acute and chronic physical risks, and the transition risks as we move to a net zero carbon and climate resilient economy (in line with TCFD recommendations). Our assessment has shown that our portfolio is resilient and that these risks are adequately mitigated at the present time.

For full details of the Risk Management Framework and consideration of emerging risks see pages 50 to 58 and for a detailed description of the roles and responsibilities of the Sustainability Committee see page 83.

In addition, when acquiring new buildings, we will undertake an environmental assessment and climate risk analysis as part of the due diligence process. This helps to ensure that we enhance the asset's climate resilience when works are undertaken to refurbish and repurpose the asset to life science use.

New leases include clauses designed to assist with delivering our climate change ambitions, for example requiring any building alterations to be of a type and quality that does not adversely impact the EPC rating and the provision of energy consumption data to enable measurement of the portfolio's carbon emissions as we progress towards our net zero pathway targets.

Describe the organisation's processes for managing climate-related risks

The Investment Adviser regularly reviews and updates the corporate risk register, which is reported to each Audit and Risk Committee meeting, highlighting any emerging risks, any changes to existing risks and our exposure to that risk. The Audit and Risk Committee reviews the risk register, with particular focus on the principal risks and any emerging risks (including climate-related risks) and provides updates to the Board.

The Audit and Risk Committee also monitors our risk management processes and approves relevant disclosures. It is responsible for monitoring financial reporting and external audit plans and outputs, as well as providing assurance to the Board in relation to financial, operational and compliance controls, all of which are designed to manage our exposure to risk.

Each risk (including climate-related risk) within the risk register has mitigations in place to ensure these are appropriately managed, which the Investment Adviser is responsible for. We manage, minimise and mitigate our climate risks and ensure resilience through implementing a range of measures; this includes flood risk assessments on acquisition, as well as targeting BREEAM certifications, and EPC A or B ratings.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

We have established climate-related risk identification, assessment and management into our core risk management framework. For full details of our Risk Management Framework see page 50. There is regular risk reporting to the Audit and Risk Committee, in line with the approved framework.

4 Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The metrics used by the Group to assess climate-related risks and opportunities are aligned with TCFD recommendations and detailed in the sustainability strategy and risk management process. Metrics on climate-related risks associated with water, energy, land use and waste management, are included and considered to be the most appropriate for the Group at present.

These metrics are reviewed on an annual basis to ensure they are consistent with sector-wide disclosure. As data develops, the Group is committed to providing historical data to aid trend analysis; further details on our metrics and targets can be seen in the table below and in the EPRA sBPR report on pages 145 to 151.

Disclose Scope 1, Scope 2 and Scope 3 GHG emissions, and related risks

The Group reports on 100% of its scope 1 and 2 GHG emissions and this focus is consistent with cross-industry climate-related metric categories and the GHG Protocol (see the EPRA sBPR report on pages 145 to 151). Given a significant contribution of our reported energy consumption is consumed by our occupiers, we calculate and report on scope 3 GHG emissions associated with downstream leased assets. Scope 3 GHG emissions accounts for 84% of our total operational GHG emissions.

We have further engaged with occupiers this year and are making progress to track occupier energy consumption, and to develop plans to enhance energy efficiency and achieve carbon savings. These activities also support our occupiers' own sustainability ambitions.

Currently, the Group is responsible for the majority of its occupiers' energy procurement; 74% of the landlord-procured energy was consumed by occupiers, with the remainder being used in common areas and voids.

The most significant opportunity to minimise carbon and improve energy efficiency across the portfolio, is at the time when buildings are repurposed to laboratory space. These key intervention points have been mapped across the portfolio and form the basis of our decarbonisation pathway as we transition to net zero emissions by 2040 for scope 1 and 2 GHG emissions, and by 2045 for scope 3 GHG emissions.

Disclose the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The Group uses a suite of targets to manage climate-related risks and opportunities. For reporting purposes, we have set out the Group's targets in the table below. See the full report on progress against our sustainability strategy on pages 34 to 39 for further details and our EPRA disclosures on pages 145 to 151 for historical performance.

Environmental			
Risk	**Metric**	**Page**	**Key target**
P2, T3, T4, O2	• % repurposing projects to meet Internal sustainability standards	See Sustainability section, page 37	100% comply or explain
T2	• Absolute scope 1 & 2 carbon emissions and scope 3 emissions	See EPRA SBPR Reporting section, page 149	To be net zero by 2040 for scope 1 & 2 and net zero by 2045 for scope 3. Interim target for scope 1 & 2 of a 50% reduction by 2030
T2	• Energy use intensity (EUI)	See EPRA SBPR Reporting section, page 148	Tracking EUI across our portfolio and benchmarking against industry best practice with a view to setting a target at year end (see case study on page 39)
T1, O2	• Portfolio EPC performance	See EPRA SBPR Reporting section, page 147	B rating for all buildings
T1, O2	• Number of assets with Excellent or Very Good BREEAM certifications	Seee EPRA SBPR Reporting section, page 147	Minimum BREEAM Excellent for ground-up construction projects and Very Good for refurbishments
04	• Number of assets with on-site renewable	See EPRA SBPR Reporting section, page 146 and 148	Identify and progress opportunities for on-site renewables across portfolio, with progress delivered at OTP (see case study on page 37)
04	% electricity purchased from renewable sources	See EPRA SBPR Reporting section, page 148	100%

PRINCIPAL RISKS AND UNCERTAINTIES

We take a thorough and proportionate approach to managing risk. We consider our compliance requirements and the protection of our occupiers and other stakeholders as key priorities when assessing our risk appetite. Our robust risk, governance and control environment is designed to ensure we have a clear understanding of business risks and opportunities, and our management and mitigation strategies.

Overall risk culture

Our financial and operational performance and reputation are subject to several risks and uncertainties. These risks could, either separately or in combination, have a material impact on our performance, occupiers, third-party service providers, the environment and shareholder returns.

The Board, supported by its advisers, is responsible for identifying, understanding, considering and acting on the Group's current and emerging risks. Our business culture is designed to enable decisions to be made within agreed parameters and recognised accountabilities, to support the delivery of our objectives.

Responsibilities

The Board has overall responsibility for managing risk, identifying principal risks that may affect the Group's objectives and determining the nature and extent of risk exposure that the business is willing to take in pursuit of its strategy. The Audit and Risk Committee, on behalf of the Board, oversees the Group's framework for risk management.

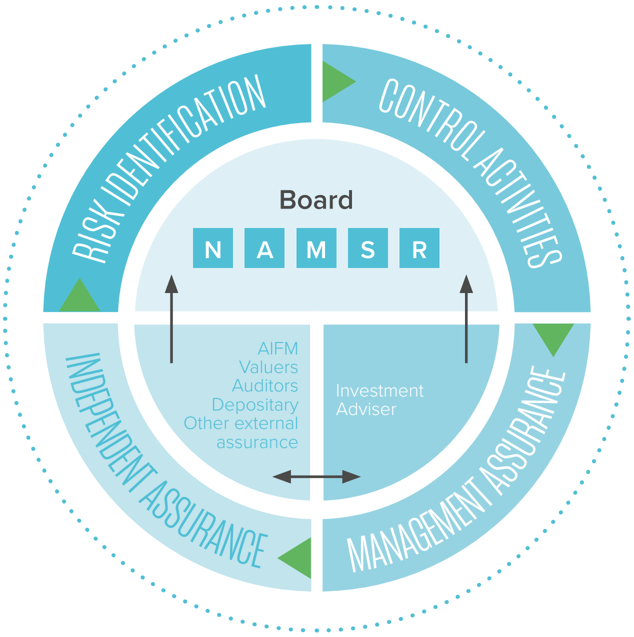
Our framework for risk management is approved by the Board. It sets out how we identify, evaluate and report on our current and emerging risks, and incorporates the assessment of the controls and mitigation strategies we have in place for each documented risk. We apply a consistent evaluation framework to the assessment of risks, providing a clear basis for considering threats and opportunities across our activities.

Our approach

The Investment Adviser regularly reviews and updates the corporate risk register, which is reported to each Audit and Risk Committee meeting, highlighting any emerging risks and any changes to existing risks; the controls in place; and our exposure to that risk. The Audit and Risk Committee reviews the risk register, with particular focus on the principal risks and any emerging risks and provides updates to the Board.

The Audit and Risk Committee also monitors our risk management processes and approves relevant disclosures. It is responsible for monitoring financial reporting and external audit plans and outputs, as well as providing assurance to the Board in relation to financial, operational and compliance controls, all of which are designed to manage our exposure to risk.

Risk management framework



Committee key

- **N** Nomination Committee
- **A** Audit and Risk Committee
- **M** Management Engagement Committee
- **S** Sustainability Committee
- **R** Remuneration Committee

The Board has approved the delegated authority matrix and key policies, which ensure that responsibility for making key decisions such as asset acquisitions and disposals is clearly defined and understood. The authority matrix ensures that significant decisions are taken at the appropriate level, taking into account the size and complexity of the transaction, and its significance to our plans.

Risk appetite and awareness

Risk awareness exists through our decision-making processes and is embedded in our systems, policies, leadership, governance and behaviours. We primarily have an outsourced model and are reliant on service providers, particularly the Investment Adviser, to make decisions within the Board's approved parameters. These parameters are summarised by our risk appetite, which is incorporated within the risk framework.

Risk appetite

Our risk appetite was reassessed during the year, as part of the annual review of the risk framework and remains unchanged. We have no appetite for risks relating to compliance with regulatory and environmental requirements, or the safety and welfare our occupiers, those working on our behalf, and the wider community in which we work.

Our appetite for risks relating to climate change is low, and we are, through the Sustainability Committee, working to identify and mitigate physical and transitional risks to the portfolio and the Group.

We will accept a reasonable level of risk in relation to business activities focused on enhancing revenues, portfolio values and increasing financial returns for investors. We seek to balance our risk position through:

- a strong focus on compliance, with our expectations of service providers incorporated within contract documents, and monitored through performance reviews by the Management Engagement Committee;
- the acquisition and management of a balanced asset portfolio, being selective in our acquisition decisions, and following a clear investment appraisal process;
- a focus on mitigating climate-related risks and opportunities through our portfolio acquisition decisions, refurbishment and repurposing approach, and our work with and support to occupiers; and
- generating profit and funds through the effective asset management of our portfolio.

Environmental, Social and Governance ("ESG") risk

We consider the active management of ESG related risk to be a key element of our business operations. We have invested resource in understanding these risks, in particular climate-related risk, and how we can best mitigate these.

ESG and climate-related risks are included within the corporate risk register, and we have a separate climate-related risk register, covering both physical and transitional risks. This is reviewed by the Investment Adviser and reported to the Sustainability Committee. There is a biannual formal review of the risks in the climate related risk register, to consider whether there are any risks rated high that should be escalated to the corporate risk register. For more details on these risks, see pages 40 to 49 in the TCFD section of this report.

Emerging risks

A key element of our approach to the management of risk is the regular identification and consideration of potential emerging risks for the Group. These emerging risk reviews are carried out regularly with the Investment Adviser, and it is part of the regular risk report to the Audit and Risk Committee.

During the year, two new risks were added to the register:

- the potential for a significant legal challenge initiated by the Group – relating to the ongoing development of OTP. We have raised concerns with the developer in relation to the time frame for completion of the buildings and are working with them to resolve the situation.
- general electrical capacity limitations – this is not specifically a Group issue, being the lack of available capacity in the network given the move towards electrical power as a cleaner energy source. However, whilst this does not impact the Group's current business plan, there is a potential for this risk to impact it in the longer term. The Investment Adviser has undertaken an analysis of the power requirements of existing and potential occupiers during the year which demonstrate this is not an issue for the Group. Therefore, whilst this has been added to the risk register and will be regularly monitored, we do not consider it is one of the Group's principal risks.

We acknowledge the current macroeconomic environment around globalised trade and tariffs, but do not believe this has a material impact on the Group and has therefore not been included as an emerging risk at this stage.

PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Principal risks

The Board confirms that it has performed a robust assessment of the Group's principal and emerging risks and considered both the short and longer-term impacts. The Investment Adviser and the Audit and Risk Committee regularly review the corporate risk register in detail.

The Board considers its overarching risk to be that investment objectives and performance against them become unattractive to investors, leading to a prolonged widening share price discount to net asset value, constraining the Group's ability grow by raising funds on the public markets.

The Board has identified its principal risks based on this overarching risk, and these are summarised here, along with the current risk management strategy, the assessment of exposure to each risk, and any change in assessment since our last report.

Changes in risk, emerging risk

Other than the risk relating to legal challenge, there are no additional principal risks, and we have not removed any risks previously considered to be principal. Where the evaluation of the risk has changed, an explanation has been provided in the detailed section below.

The heat map summarises the Group's current principal risk exposure

Business risks

1 Poor returns on the portfolio

2 Significant legal challenge

3 Inability to identify or secure assets/sites for acquisition

4 Poor performance of the Investment Adviser or other significant third-party provider

5 Inappropriate acquisition, or breach of investment strategy

Financial risks

6 Interest rate changes

7 Breach of loan covenants, or prospectus borrowing policy

8 Inability to attract investment, either equity or debt funding

Compliance risks

9 Loss of REIT status

Climate-related risks

10 Impact of climate change

Key to risk movement

Increase since previous year

Decrease since previous year

N New principal risk in 2024

Business risks

1 Poor returns on the portfolio

Change

No change

Whilst we have seen increasing interest from potential occupiers and a generally more active market in the second half of the year, at this stage we consider it prudent to maintain the medium evaluation of this risk.

Risk

Achieving the targeted level of return on our property portfolio over time is fundamental to the success of the business. The risk of a reduced return on the portfolio could be caused by a number of factors, including:

- reduced property valuations;
- reduced rent levels;
- an inappropriate balance of property types within the portfolio;
- cost of capital increases, particularly as interest rates rise;
- higher than anticipated void rates, and bad debts; and
- increasing new tenancy costs (e.g. shorter leases or significant works to attract occupiers).

In addition, external macroeconomic challenges may reduce investment in the life sciences sector, subsequently reducing property values and rent incomes, and in the medium to longer term this could also impact on the number of potential occupiers looking for property.

Mitigation

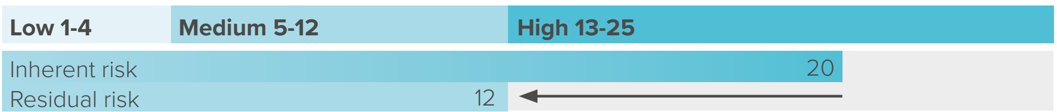
Portfolio risk mitigation is based around:

- Asset value – a robust acquisition and investment process, including detailed financial modelling. Our investment protocol reflects our delegated authority matrix, ensuring that decisions are made at the right level, with particularly significant decisions referred to the Board.
  We aim to have a balance between space developed with or by occupiers, and the development of sites in advance of occupation, particularly with specialist facilities such as laboratory space. This enables us to meet specific occupier requirements, and also to attract potential occupiers who are looking for reduced fit-out cost and time, which helps to drive rents.
- Occupier quality – our occupier approval process is designed to ensure we fully understand occupier requirements, delivering appropriate space for them. It also includes evaluation of potential occupiers, to ensure that they are aligned with the Group's strategic priorities and have a business model and financial plans which cover all property costs.
- Property management – the property managers work closely with the Investment Adviser's asset management team, and together they provide regular performance reviews and reports to the Board. Rent collection performance is also monitored by Waystone, who are responsible for rent collection accounting and maintenance of the debtor ledger.

Link to strategic priorities

1 2

Inherent to residual risk



Key to strategy

1 Delivering life science space

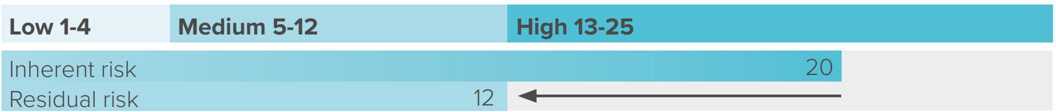
2 Progress leasing

3 Maintain our sound financing position

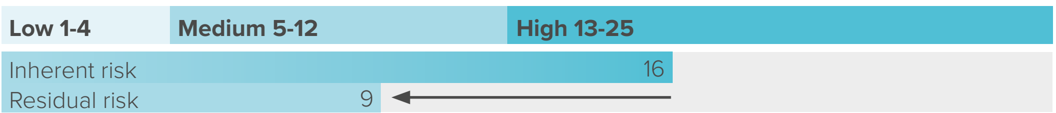
PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

2 Significant legal challenge

Change	New This risk was added to the risk register during the year, as the development completions at OTP continue to be delayed.
Risk	We entered into a development agreement as part of the acquisition and construction of OTP. Our acquisition decision making relied in part on information provided to us by the developer, particularly regarding timing of construction and expected completion dates. Due to ongoing completion delays, commencing legal challenge is an option available to the Group. However we are working with the developer to resolve this situation and avoid pursuing this route.
Mitigation	We have engaged legal and technical expert advice, and are in formal discussions with the developer in relation to the plan forward.
Link to strategic priorities 1 2	**Inherent to residual risk** 

3 Inability to identify or secure assets/sites for acquisition

Change	No change
Risk	There is a risk that we may lose investment opportunities to competitors. This could be driven by aggressive competitors, the overall level of competition in the market, insufficient suitable available assets in the market, or acquisition prices that would make it difficult for us to generate sufficient returns.
Mitigation	Our Investment Adviser has an experienced management team and is supported by external property management specialists, who have extensive expertise and contacts across the life sciences market and are able to source a range of acquisition opportunities. However, our focus this year and next is on the management of our existing assets, including progressing development and potential repurposing to attract occupiers to our space and drive the best value from our current portfolio.
Link to strategic priorities 1	**Inherent to residual risk** 

4 Poor performance of the Investment Adviser or other significant third-party provider

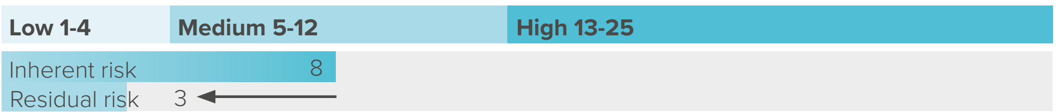
Change	No change
Risk	We operate an outsourced model and depend on the performance of our third-party service providers, particularly the Investment Adviser, AIFM, Property Manager and Fund Administrator. Poor service delivery from any of these key providers could result in poor decisions, reduced portfolio returns or regulatory compliance failures, and could ultimately have a financial impact on investors. We rely on receiving high-quality and accurate information from our service providers, and inaccurate or incomplete information could damage our finances, properties, occupiers and reputation. In particular, inaccurate information could increase our revenue risk, as we depend on third parties to invoice, collect, bank and record revenues.
Mitigation	Our governance framework is designed to ensure that the Board is involved with decisions that are material to the success of the Group. There is an approved delegated authority matrix, including the matters reserved for the Board. Our service providers are recognised experts in their fields, and we have contracts in place, with clear terms of service and our expectations clarified. The principal third-party providers oversee and review our activities, with the AIFM reviewing and approving key transactions proposed by the Investment Adviser, and the Investment Adviser monitoring the performance of the property managers. Financial reports and information are prepared by Waystone and checked by the Investment Adviser's Finance team, prior to reporting to the Board. Our Board members are experienced individuals, appointed for their knowledge and their business and commercial acumen. In addition to their performance reviews and variance analysis as part of the normal quarterly Board meetings, they formally review the performance of key third-party service providers through the Management Engagement Committee. The valuation of the portfolio is a key risk area for the Group. The valuation is undertaken by an independent valuer, which provides independent assurance for the Board on the accuracy of key metrics reported by the Investment Adviser
Link to strategic priorities 1 2 3	**Inherent to residual risk** **Low 1-4** **Medium 5-12** **High 13-25** Inherent risk 15 Residual risk 8

PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

5 Inappropriate acquisition, or breach of investment strategy

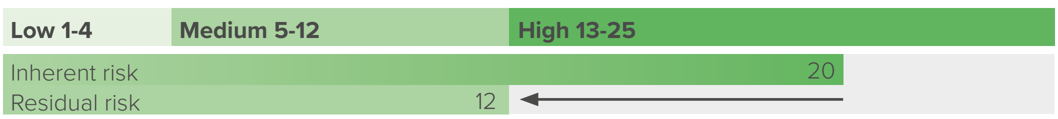
Change	No change
Risk	Acquiring assets or taking on occupiers which are not in line with our investment policy and objectives could have a detrimental effect on our portfolio values, finances or reputation, and could also increase risk for occupiers, particularly in multi-tenanted properties.
Mitigation	Our investment policy is supported by processes designed to ensure that acquisitions meet our requirements, and any capital expenditure will deliver enhanced returns. We have a strong acquisition protocol approved by the Board, which includes robust due diligence processes and assessment against clear investment criteria, including portfolio mix, property type and quality, legal issues, environmental requirements, sector and quality of occupier. Acquisition and investment approvals follow our delegated authority matrix, with particularly material decisions reserved for the Board. All acquisitions and disposals are also approved by the AIFM. The Investment Adviser and the Property Manager provide us with expert knowledge of the properties and geographical locations which are best suited to the life science market, ensuring that our property portfolio is best suited to the needs of our target occupiers. Our procedures also require a full assessment of potential occupiers, ensuring that they are linked to the life science sector and are of suitable financial stability and strength for the lease concerned.
Link to strategic priorities 1 2	**Inherent to residual risk**



Financial risks

6 Interest rate changes

Change	No change
Risk	Interest rate rises present a number of different potential risks to the Group. They may impact on our ability to utilise funding to execute the strategy; may have an impact on the overall value of the portfolio, as the cost of lending impacts on asset valuations; potential occupiers may decide to delay expansion plans, and current occupiers may have reduced willingness or ability to pay rents.
Mitigation	The potential for interest rate rises is not a risk within our control, and we therefore focus on managing and mitigating the consequences. We have a financing strategy agreed with the Investment Adviser. We are in the second year of a three year financing arrangement, which also has options for extension. This provides sufficient headroom to complete our current planned developments and refurbishments. We have also hedged the SONIA rate risk with interest rate caps, targeting 100% hedging at all times. We also manage our cash flows carefully, along with the timing of debt drawdowns for significant outlays.
Link to strategic priorities 3	**Inherent to residual risk**



7 Breach of loan covenants or borrowing policy

Change	Increase Development completion delays and slower than anticipated leasing have impacted on cashflows which may impact future compliance with facility covenants.
Risk	We set out our expected and maximum LTV ratios in the prospectus, and separately have LTV and interest cover ratios within our financing facility. Breach of any of these ratios, or the terms and conditions of the funding facility, could have a serious impact on the delivery of our objectives, through cash shortages or damage to our reputation.
Mitigation	The Investment Adviser is responsible for monitoring operations, financial transactions and performance, and reviews the financial position continuously to ensure that neither the LTV ratio nor any specific requirements of our financing facility are breached. The Investment Adviser applies comprehensive financial models to plan cash flows and funding requirements. Cash availability is built into the investment decision-making process and capital expenditure planning. The cash position is reconciled monthly to the bank statements by Waystone, and by the Investment Adviser's Finance team on an ad hoc and quarterly basis to the accounting records produced by Waystone. We are working with the developer on a revised plan and completion timetable for OTP which will enable the asset management team to focus leasing activities accordingly. Ensuring that assets are revenue generating as soon as possible will reduce future cash flow and covenant compliance risk.
Link to strategic priorities 3	**Inherent to residual risk** **Low 1-4** **Medium 5-12** **High 13-25** Inherent risk 20 Residual risk 12

8 Unable to attract investment, equity or debt funding

Change	Increase The prolonged discount at which our shares trade relative to net assets and the delay in both development completions and leasing progress has restricted our ability to source both equity and debt funding.
Risk	There is a risk that we may be unable to raise funding, either through equity from new investors/ increased investment from existing shareholders or via debt funding. This would affect our ability to grow and deliver on agreed strategic objectives.
Mitigation	We have an experienced Investment Adviser, with excellent market knowledge. The Investment Adviser Finance Director maintains relationships with current and potential funding partners, and any significant funding agreements are reviewed and approved by the Board, in line with our delegated authority matrix. Following the refinancing, the banks remain supportive of our strategy, providing we continue to operate within the covenants of our facility. Whilst the discount at which our shares currently trade to net assets make raising equity challenging, we maintain an active programme of shareholder engagement and provide regular market updates on our strategic progress to strengthen our relationship with investors and potential investors.
Link to strategic priorities 1 3	**Inherent to residual risk** **Low 1-4** **Medium 5-12** **High 13-25** Inherent risk 16 Residual risk 12

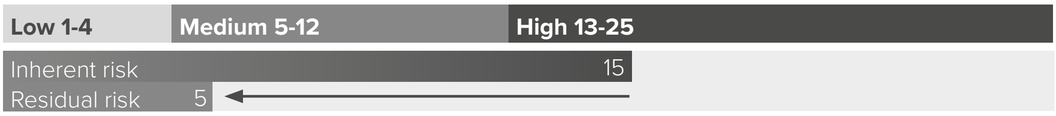
PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Compliance risks

9 Loss of REIT status

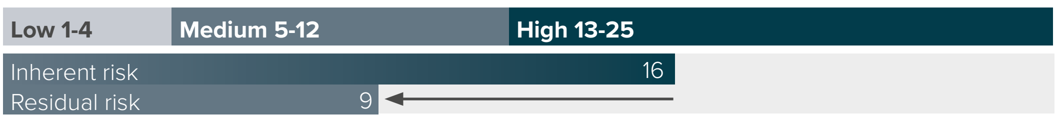
Change	No change
Risk	Failing to comply with the REIT framework could put our status as a REIT at risk, resulting in a potentially significant impact on our shareholders.
Mitigation	We have a documented governance framework, with clearly allocated responsibilities set out in the matters reserved for the Board, the delegated authority matrix, and in our contracts with the Investment Adviser and other key service providers. We obtain advice as needed from the AIFM, our brokers and external legal support in relation to governance compliance, FCA and listing rules. Our position against the key requirements of the REIT legislation is reviewed by the Investment Adviser each month, by Waystone quarterly, and is reported to the Board. Cash and earnings cover for dividends is monitored through the comprehensive cash flow forecasting process.
Link to strategic priorities 3	**Inherent to residual risk**



Climate-related risks

10 Impact of climate change

Change	No change
Risk	The potential impact of climate change is one of our principal risks, and we are investing time and resource to better understand and reduce our impact on the environment and minimise the impact of climate change on our portfolio. We have a separate climate risk register to help us identify, consider and mitigate both physical and transitional risks in more detail. Key risks documented in that register include: • change in occupiers' requirements, as they seek more sustainable property options; and • the complexities and cost of compliance with increasing legislation and reporting requirements, and the impact of changes to business practices going forward.
Mitigation	The global impact of climate change is already noticeable, and we recognise our responsibility to develop a portfolio and business/operational practices which reduce our environmental impact, impact and minimise the impact of climate change on our portfolio whilst enabling us to deliver results for our investors. Further details are included in the Sustainability and TCFD reports (see pages 34 to 49), but a summary of the actions we have taken and planned are: • new developments to be BREEAM 'Excellent' or 'Very Good' rated; • environmental assessment of all potential acquisitions, as part of the acquisition process; • EPC reports are part of our standard process for acquisitions; • capital expenditure planning includes consideration of climate-related risk, with appropriate building standards being applied, such as energy efficient lighting and heating; • external specialists in place to assist us with delivery of our sustainability roadmap and route to net zero; • a Sustainability Committee which considers climate related risks and opportunities, and approves our mitigation strategy and plans, and • a standard quarterly Board report pack which includes ESG and climate-related risk information, to ensure that Board members are fully informed.
Link to strategic priorities 1 2	**Inherent to residual risk**



GOING CONCERN AND VIABILITY STATEMENT

Going concern

The Board monitors the Group's ability to continue as a going concern. Specifically, at quarterly Board meetings, the Board reviews summaries of the Group's liquidity position and compliance with loan covenants, as well as forecast financial performance and cash flows. Throughout the period, the Board met frequently, in conjunction with the Investment Adviser, to review cash resources and the progress of the development and repurposing of the investment property portfolio.

The Group ended the year with £5.6 million of unrestricted cash and £27.3 million of headroom available under its debt facilities, of which £15.5 million is available to draw as at the reporting date with the balance subject to future asset valuations. These valuations are due to increase as the development of OTP continues and completes. There is limited risk that a fall in bank valuations would result in a liquidity issue in the base and sensitised cases, however further asset disposals would mitigate this risk. The Group is operating within its covenants and a sensitivity analysis has been performed to identify the decrease in valuations and rental income that would result in a breach of the LTV, or interest cover covenants. For the HSBC and Bank of Ireland facility, current bank valuations would need to fall by 28.9% or rents by 26.1%, as at the 2024 year end covenant test date, before these covenants would be breached. As at 15 April 2025, 100% of rents invoiced in December 2024 in relation to the quarter to 24 March 2025 were received.

The Board has looked at its forecast cash flow for at least the next 12 months and under the base case scenario, as expected, it can meet its covenants and liquidity requirements within the current facility headroom. The Directors have reviewed a number of scenarios which included plausible downside sensitivities in relation to rental cash collection, making no acquisitions or discretionary capital expenditure, and minimum dividend distributions under the REIT rules. The sensitivity analysis also includes, for example, considering the timing of cash flows on committed capital expenditure at OTP and assumptions over the commencement and speed of completion of the work, which impacts the timing of cash outflows being payable, which is currently not certain.

In combination with this, the Directors note the debt facilities are due for maturity in June 2026, and will consider the prospects of any refinancing necessary, and any resultant liquidity constraints, as part of the strategic review where individual and collective asset sales are under consideration. The facility may be refinanced in full, in part at a reduced amount, or repaid in full depending on the outcome of the strategic review which will conclude before the refinancing date. The capital expenditure relating to the development of OTP is the largest contributor to using up headroom in the facility across the going concern period, and whilst the timing of this is not certain as noted above, the Group has currently forecast that headroom will remain available up to the refinancing date, based on the Directors' best estimate of the build schedule as of the date of approving the Financial Statements. Should it not, there are mitigating actions management can take to generate additional liquidity if necessary which, whilst not entirely within the Board's control as there is a reliance on the market, includes disposing of one or more of the assets as part of the strategic review considerations.

The Board announced a strategic review on 14 March 2025 to consider the future of the Group and to explore all strategic options available to maximise value for shareholders, which may include a potential sale or a managed wind down. The Board acknowledges the challenges and significant headwinds that the Group has faced since IPO, in common with the wider REIT sector, including higher inflation and elevated interest rates which have driven a fundamental slowdown in leasing activity and negatively impacted investor sentiment. These factors, coupled with the Group's size and low levels of liquidity have led to an under performance of the share price, which has, as a result, traded at a significant discount to net asset value for a prolonged period of time.

This announcement leads to uncertainty over the ownership, size and scale of the total asset portfolio and the debt facility that may be needed at the June 2026 refinancing date. Under the base case, the Directors have a reasonable expectation that the Group and the Company would have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements, given facility headroom and liquidity remain available. However, the strategic review announcement in particular leads the Directors to believe that there exists a material uncertainty that may cast significant doubt over the Group's ability to continue to be in operation for at least the next 12 months, even at the base case.

GOING CONCERN AND VIABILITY STATEMENT

Assessment of viability

In accordance with the AIC Code of Corporate Governance, the Directors would ordinarily have assessed the Group's prospects over a period greater than the 12 months considered by the going concern provision. However, following the strategic review announcement, this results in a level of uncertainty for the long-term future of the business. The Directors have therefore deemed the viability period to be aligned with the going concern period of 12 months from the date of this report.

The principal risks detailed on pages 50 to 58 summarise the matters that could prevent the Group from delivering its strategy. The Board seeks to ensure that risks are kept to a minimum at all times and, where appropriate, the potential impact of such risks is modelled within its viability assessment. The Group's investment portfolio acquired to date delivers the intended investment strategy of a diversified portfolio located within the Golden Triangle of Oxford, Cambridge and London located near major universities, hospitals and public and commercial organisations, where there is a shortage of high-quality real estate space to support expanding life science businesses. This is expected to lead to low vacancy rates and further rental and capital growth.

The Directors' assessment takes into account forecast cash flows, debt availability, forecast covenant compliance, dividend cover and REIT compliance. The model is then stress tested for severe but plausible scenarios, individually and in aggregate, along with consideration of potential mitigating factors. The key sensitivities applied to the model are a downturn in economic outlook and restricted availability of finance, specifically; increased occupier turnover; increased void costs; increased interest rates; and reduced disposal proceeds.

Taking into account mitigating actions, the results of the sensitivity analysis and stress testing demonstrated that the Group would have sufficient liquidity to meet its ongoing liabilities as they fall due, maintain compliance with banking covenants and maintain compliance with the REIT regime over the period of the assessment.

Furthermore, the Board, in conjunction with the Audit and Risk Committee, carried out a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten its business model, strategy, future performance, solvency or liquidity over the 12 month period being assessed. The risk review process provided the Board with assurance that the mitigations and management systems are operating as intended. The Board believes that the Group is well positioned to manage its principal risks and uncertainties and the economic and political environment.

The Board's expectation is further supported by regular briefings provided by the Investment Adviser. These briefings consider market conditions, opportunities, changes in the regulatory landscape and the current economic and political risks and uncertainties. These risks, and other potential risks which may arise, continue to be closely monitored by the Board.

Viability statement

The period over which the Directors consider it is feasible and appropriate to report on the Group's viability has been aligned with the 12 month going concern period following the strategic review announcement on 14 March 2025.

The Directors confirm that, taking account of the Group's current position and the principal risks set out in the strategic report, they have a reasonable expectation that the Group and the Company would have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements. However, the strategic review announcement in particular leads the Directors to believe that there exists a material uncertainty that may cast significant doubt over the Group's ability to continue to be in operation for at least the next 12 months.

On behalf of the Board

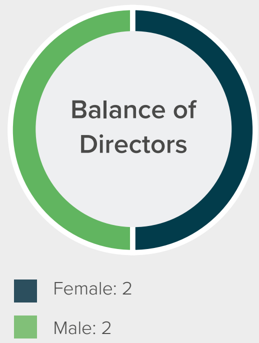
Claire Boyle | Chair
15 April 2025

GOVERNANCE AT A GLANCE

This page demonstrates the key aspects and activities of Life Science REIT plc during 2024 and its priorities for 2025.

Skills and experience

Key Board statistics



Read the **Board biographies** on page 62 and 63

Highlights of stakeholder engagement

- Results roadshows, investor conferences and private client lunch
- Occupier survey covering 75% of our occupier base
- Face to face meetings on ESG matters with 37% of our occupiers
- Supporting local communities through asset tours, volunteering and charitable donations

Key Board activities during the year

- Strategy day
- Approval of full year 2023 results
- Approval of two interim dividends
- Approval of half year 2024 results
- Appointment of FTI as PR advisers
- Approval of 2025 Budget

Board priority for 2025

On 14 March 2025, the Board announced the commencement of a Strategic Review whereby it is considering the future of the Group and exploring all strategic options available to maximise value for shareholders. This is the immediate priority at the date of this report.

CHAIR'S INTRODUCTION TO GOVERNANCE

"This report demonstrates the importance of Governance to the Board and how the Company has ensured compliance with the AIC Code.

Claire Boyle | Chair and Non-Executive Director

On behalf of the Board, I am pleased to present the Corporate Governance report for 2024. This report demonstrates the importance of governance to the Board and how the Company has complied with the Association of Investment Companies Corporate Governance Code ("AIC Code"). A key part of the Company's corporate governance arrangements is that Board decision making takes into consideration the impact on the Company's stakeholders and performance over the longer term. This is supported by having a clear strategy, investment policy and schedule of matters reserved for the Board (see section 172 (1) statement on page 16).

Under the UK Listing Rules, the Company is required to comply with the UK Code of Corporate Governance (the "UK Code") issued by the Financial Reporting Council. However, as an externally managed investment company, it is recognised that some of the provisions of the AIC Code provide more relevant information to shareholders. The AIC Code is aligned with the UK Code, and sets out additional provisions on issues that are of specific relevance to listed investment companies (see page 66).

Key highlights during 2024 included regular Committee meetings, the approval of Board and Company policies, a review of the skills and diversity of the Board, the monitoring of progress against the Group's sustainability strategy and Pathway to Net Zero, the holding of a separate strategy day and the continued review of the life science and real estate sectors.

Following the publication of the revised UK Code in January 2024, the Board welcomed the amended AIC Code published in August 2024, which carries over the majority of provisions, particularly those provisions addressing the importance of evidencing the effectiveness of internal controls. The AIC Code applies to accounting periods beginning on, or after, 1 January 2025 with the exception of provision 29 (internal controls), which will apply for reporting periods on or after, 1 January 2026. The Board looks forward to reporting against the updated AIC Code in subsequent Annual Reports.

The Board's immediate priority as at the date of this report is the Strategic Review of the Group. As announced to the market on 14 March 2025 the Board will consider all available options to maximise value for shareholders.

Claire Boyle | Chair and Non-Executive Director
15 April 2025

BOARD OF DIRECTORS

The Board consists solely of independent Non-Executive Directors. During the year under review, there were no changes to the Directors.

CLAIRE BOYLE

Chair of the Board of Directors

N A M S R

Appointed: 14 October 2021
Last re-elected: 2024
Remuneration: £55,000
Shareholding: 30,000

External appointments

Claire is a Non-Executive Director and Chair of the Audit Committee of Fidelity Special Values plc and a Non-Executive Director of The Monks Investment Trust and Nippon Active Value Fund plc.

Experience and contribution

Claire has over 20 years' experience working in financial services and investment management; qualifying as a chartered accountant with Coopers and Lybrand, where she specialised in litigation support and forensic accounting. Claire then spent 13 years working in equity investment management for Robert Fleming Investment Management, American Express Asset Management and, latterly, Oxburgh Partners, where she was a partner with responsibility for their European Hedge Fund. Claire has a degree in Natural Sciences from Durham University and is a Fellow of the Institute of Chartered Accountants in England and Wales.

RICHARD HOWELL

Senior Independent Director;
Chair of the Audit and Risk Committee

N A M S R

Appointed: 3 May 2022
Last re-elected: 2024
Remuneration: £45,000
Shareholding: 30,000

External appointments

Richard is the Chief Financial Officer ("CFO") of Primary Health Properties PLC.

Experience and contribution

Richard is CFO of Primary Health Properties plc, the FTSE 250 REIT and leading investor in flexible, modern primary healthcare accommodation across the UK and Ireland.

Richard is a Chartered Accountant and has over 25 years' experience working with London-listed commercial property companies, gained principally with LondonMetric Property plc and Brixton plc. Richard was part of the senior management team that led the merger of Metric Property Investments plc and London & Stamford Property Plc in 2013 to create LondonMetric Property plc with a combined property portfolio of £1.4 billion.

Committee key

- N Nomination Committee
- A Audit and Risk Committee
- M Management Engagement Committee
- S Sustainability Committee
- R Remuneration Committee
- Chair of the Committee

MICHAEL TAYLOR

Non-Executive Director; Chair of the Management Engagement and Remuneration Committees

N A M S R

Appointed: 14 October 2021
Last re-elected: 2024
Remuneration: £40,000
Shareholding: 20,000

External appointments

Mike is a Director for the British Heart Foundation Shops Limited and the British Heart Foundation Ventures Limited.

Experience and contribution

Mike is the Commercial Director for the British Heart Foundation ("BHF"), which is the largest funder of life science research into heart and cardio-vascular disease in the UK. Since joining the BHF in 2012, he has overseen significant growth and diversification of its commercial revenues across the extensive retail estate of c. 700 retail shops, new online channels and commercial health ventures.

Prior to joining the BHF, he spent over 20 years working in senior roles in a wide range of major retailers with significant retail, logistic and office property portfolios, and has been Managing Director of a number of national retailers including Budgens, Londis and Whittard. Mike has a degree in Economics from the University of East Anglia.

DR SALLY ANN FORSYTH OBE

Non-Executive Director; Chair of the Nomination and Sustainability Committees

N A M S R

Appointed: 14 October 2021
Last re-elected: 2024
Remuneration: £40,000
Shareholding: 20,342

External appointments

Sally Ann is the Chief Executive Officer ("CEO") at Stevenage Bioscience Catalyst Ltd and a Director of Local Enterprise Partnership Hertfordshire.

Experience and contribution

Sally Ann is CEO of the Stevenage Bioscience Catalyst and is a pioneer of the Life Science real estate industry with 16 years of experience in the delivery of outstanding science parks. She has been responsible for the strategy, growth and development of four internationally recognised clusters, including Harwell Oxford, Colworth Science Park, Norwich Research Park and, most recently, Stevenage Bioscience Catalyst, where she is CEO.

She began her career with Unilever, where she had lead responsibility for scientific Strategic Alliances and Open Innovation and gained an insight into the needs of growing companies as part of the founding team of Unilever Ventures. She gained her property experience through Goodman International, where she was Director of Science Parks responsible for the development and management of their UK portfolio.

She has a PhD in molecular biology from the University of Cambridge, a certificate in Real Estate Economics and Finance from LSE, and is a qualified management accountant (CGMA). She was awarded an OBE for services to Business and Science in 2021, was named by Cranfield School of Management as one of the Women to Watch 2022 and, in 2023, was awarded an Honorary Doctorate from the University of Hertfordshire in recognition of her lifetime achievements in science.

CORPORATE GOVERNANCE STATEMENT

This report explains the key features of the Group's governance structure.

Statement of compliance

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses the provisions set out in the UK Corporate Governance Code as published by the Financial Reporting Council (the "UK Corporate Governance Code"), as well as setting out additional provisions on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code will provide more relevant information to its shareholders.

Throughout the year ended 31 December 2024, the Company has complied with the principles and provisions of the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to the role of the Chief Executive, Executive Directors' remuneration and the need for an internal audit function. As an externally managed investment company with no Executive Directors, employees or internal operations, all of the Group's ongoing management and administration functions are delegated to the Investment Adviser and other service providers, and, as such, the Board does not consider that the above provisions are relevant. We have, therefore, not reported further on these provisions.

The Board undertakes an annual review of its compliance with the principles and recommendations of the AIC Code. A copy of the AIC Code, which was last updated in 2024, can be obtained via the AIC website, **theaic.co.uk**. The table to the right details a summary of the AIC Code Principles and where they are reviewed in this Corporate Governance Statement.

AIC Code Principle		Page
1	Board leadership and purpose	A: 67 B: 67 C: 68 D: 68
2	Division of responsibilities	F: 70 G: 70 H: 71 I: 72
3	Composition, succession and evaluation	J: 73 K: 73 L: 73
4	Audit, risk and internal control	M: 73 N: 73 O: 73
5	Remuneration	P: 75 Q: 75 R: 75

1 BOARD LEADERSHIP AND PURPOSE

Effectiveness of the Board

The Board ensures that the necessary resources are in place for the Group to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls. The Directors are responsible for the determination of the Company's investment policy and strategy and have the overall responsibility for the Group's activities, including the control and supervision of the AIFM and Investment Adviser.

The Chair leads the Board and is responsible for its overall effectiveness in directing the Group in delivering on its strategy. By demonstrating objective judgement, the Chair promotes a culture of openness and debate and facilitates effective contributions from all Directors. In liaison with the Company Secretary, the Chair ensures that the Directors receive accurate, timely and clear information. The Directors are required to act with integrity, lead by example and promote this culture within the Group.

Purpose, values and strategy

The Group's purpose is to own and manage life sciences real estate across the UK, providing the space its occupiers need for their businesses to thrive. Further information about the purpose and strategy of the Group can be found in the strategic report on pages 1 to 59. The Board regularly reviews the strategy of the Company through reporting from relevant advisers at Board and Committee meetings and engagement with stakeholders to ensure it remains appropriate and in the best interests of the shareholders. The Board seeks to ensure the alignment of the Group's purpose, values and strategy with the culture of openness, debate and integrity through ongoing dialogue and engagement with the AIFM, Investment Adviser and the Group's other service providers.

The culture of the Board is considered as part of the annual performance evaluation process undertaken by each Director. The culture of the Group's service providers is also considered by the Management Engagement Committee during the annual review of their performance and whilst considering their continued appointment by the Board. This includes assessing their approach to significant ethical issues such as modern slavery. The Company's Modern Slavery Statement is available at **lifesciencereit.co.uk**.

The approval of the strategy and overseeing its implementation is one of the Board's core responsibilities. The table on the next page details the Board's activities in respect of each element of the Group's strategic areas.

1 BOARD LEADERSHIP AND PURPOSE CONTINUED

Strategic area

INVESTMENT STRATEGY

Board governance role

- Overseeing the selection of acquisitions, against the backdrop of current market and economic conditions
- Approving acquisitions, which are within the investment policy but have a value of 20% or more of the Group's GAV
- Approving any acquisitions outside the investment policy

Board key activities during the year

- Reviewed market updates and key transactions in the sector each quarter

Strategic area

ASSET MANAGEMENT STRATEGY

Board governance role

- Overseeing the portfolio
- Overseeing the Investment Adviser's asset management activities

Board key activities during the year

- Reviewed quarterly portfolio updates from the Investment Adviser, including lease events, capital expenditure works and development updates
- Approved the annual budget for the year ended 31 December 2025
- Read more about asset management during the year in the Investment Adviser's report on page 29

Strategic area

FINANCING STRATEGY

Board governance role

- Approving any changes to the Group's capital structure
- Approving the Group's gearing policy, dividend policy and treasury policy
- Approving disposals of 20% or more of the GAV of the Group's portfolio
- Approving any disposals outside the investment policy

Board key activities during the year

- Monitored the Group's debt levels and interest rate hedging
- Approval to rebase dividend and payments of two interim dividends during the year
- Read more about financing activity during the year in the Investment Adviser's report on page 32

Strategic area

SUSTAINABILITY STRATEGY

Board governance role

- Approving the sustainability policy and strategy
- Monitoring progress in delivering the sustainability strategy

Board key activities during the year

- Ongoing review and monitoring of the sustainability strategy and policy

Conflicts of interest

The Articles of Association permit the Board to consider and, if it deems fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the Group's interests. The Board has a formal system to consider such conflicts, with the Directors who have no interest in the matter deciding whether to authorise the conflict and any conditions to attach to such authorisation. Any such conflicted Director would not be present during Board discussions regarding the conflicting matter to ensure that the debate remains unbiased and objective. A register of potential conflicts of interest is maintained by the Company Secretary and presented for information at each Board meeting. As at 15 April 2025, being the latest practicable date of this report, no such conflicts were identified.

Performance review

The Board and the Management Engagement Committee regularly review the performance of the Company and the performance and resources of the Investment Adviser and other service providers to ensure that the Company can continue to meet its investment objective. The Audit and Risk Committee is responsible for assessing and managing risks and the Company has engaged a third-party internal audit function. Further information about how this is done can be found in the Audit and Risk Committee Report on pages 79 to 81.

Shareholders and stakeholders

Communication with shareholders is a high priority for both the Board and the Investment Adviser, and the Directors are available to discuss the Group's progress and performance with shareholders. The Investment Adviser, in conjunction with its Corporate Broker, Panmure Liberum, are in regular contact with the major institutional investors and regularly report the results of meetings and the views of those shareholders to the Board. The Chair and the other Directors are available to attend these meetings with shareholders if required.

All shareholders are encouraged to attend and vote at the AGM, during which the Chair of the Board, the Chair of each respective Committee, the Board as a whole and representatives of the Investment Adviser will be available to discuss issues affecting the Group and answer any questions.

Shareholders wishing to communicate directly with the Board, or to lodge a question in advance of the AGM, should contact the Company Secretary at the address on the inner back cover. The Company makes sure to always respond to correspondence from its shareholders.

For more information on the Group's approach to stakeholder engagement, see pages 14 and 15 of the strategic report.

The Board and its advisers will prepare the Group's Annual and Half-yearly Reports to present a full and readily understandable review of the Group's performance. Copies will be released through a Regulatory News Service, dispatched to shareholders depending on their communication preference and made available from the Company Secretary or by downloading from the Company's website at **lifesciencereit.co.uk.**

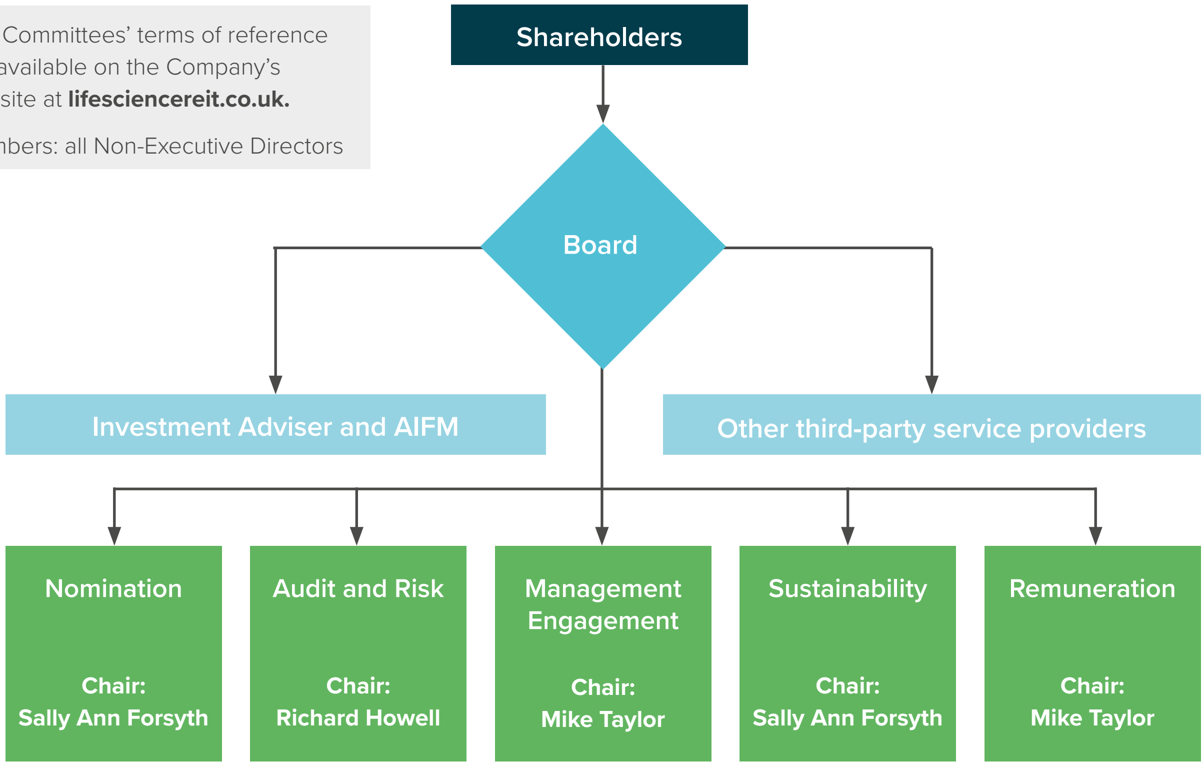
2 DIVISION OF RESPONSIBILITIES

Governance structure

As an externally managed investment trust, the Company has no employees, and the Board relies on third parties to administer the Company and provide investment management services. The below diagram demonstrates the Company's governance structure and how responsibilities are divided.

The Committees' terms of reference are available on the Company's website at **lifesciencereit.co.uk.**

Members: all Non-Executive Directors



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Board composition

The Chair, Claire Boyle, and the Senior Independent Director, Richard Howell, were deemed by their fellow independent Board members to have been independent on appointment and to have no conflicting relationships.

The role and responsibilities of the Chair are outlined on page 81 and are clearly defined and set out in writing. A copy of which is available on the Group's website at **lifesciencereit.co.uk**. The Senior Independent Director acts as a sounding board for the Chair and as an intermediary for other Directors when necessary. He leads the annual appraisal of the Chair's performance, takes responsibility for an orderly succession process and is also available to shareholders to discuss any concerns they may have.

All of the Directors are Non-Executive and are independent of the Investment Adviser and the other service providers. The Chair was independent of the Investment Adviser at the time of her appointment and remains so. The Nomination Committee met once during the year and considered the composition and mix of skills of the Board, and succession planning. The Board evaluation concluded that each Director provides a valuable contribution to Board meeting discussions and exercises appropriate levels of challenge and debate.

As part of the Board evaluation process, the contributions of each Director, as well as the time commitments made by each Board member, are considered and reviewed. Directors' other commitments are regularly reviewed and any new appointments are considered by the other Directors to ensure there is no conflict of interest or risk of 'over boarding'.

Board operation

The Directors meet at regular Board meetings, including one strategy day, held at least four times a year, with additional meetings arranged as necessary. The Directors are given a week to review papers before each Board and Committee meeting. Board members are notified between meetings of any material events, including, but not limited to, significant transactions, litigation, mergers and acquisitions, and changes in capital structure.

There is regular contact between Board members and the Investment Adviser, in addition to the formal Board meetings.

The table below sets out the Directors' attendance at both regular and ad hoc Board and Committee meetings during the year ended 31 December 2024, against the number of meetings each Board member was eligible to attend:

	Board	Audit and Risk Committee	Management Engagement Committee	Nomination Committee[2]	Remuneration Committee	Sustainability Committee[2]
Claire Boyle	4/4	3/3	1/1	1/1	1/1	2/2
Sally Ann Forsyth[1]	2/4	1/3	1/1	0/1	0/1	1/2
Michael Taylor	4/4	3/3	1/1	1/1	1/1	2/2
Richard Howell	4/4	3/3	1/1	1/1	1/1	2/2

1 Attendance in 2024 has been impacted by ill health. The Board is satisfied that Sally Ann Forsyth is not over-boarded and can devote the time required for the role.

2 In the absence of Sally Ann Forsyth, Claire Boyle chaired the Nomination Committee and Sustainability Committee meetings.

The Board has formal arrangements for the Directors, in the furtherance of their duties, to take independent professional advice at the Company's expense. The Company has also taken out a Directors' and Officers' liability insurance policy, which is referred to on page 90.

Key Board activities during the year

At each quarterly Board meeting, a report from both the AIFM and the Investment Adviser is reviewed. The AIFM report includes updates on regulation, portfolio management and risk management, fund reporting and general compliance. The AIFM provides a separate quarterly Money Laundering and Reporting Officer report.

The Investment Adviser's report includes details of portfolio activity, the pipeline, occupiers, strategic activity and health and safety matters. Updates from finance and investor relations are also provided.

The Board receives and reviews a quarterly share register analysis, as well as a report from the Company Secretary including regulatory and governance updates.

Q1 2024

- Strategy day
- Updates from Management Engagement Committee and Audit and Risk Committee Chairs
- Approval of Annual Report and Financial Statements for the year ended 31 December 2023
- Approval of second interim 2023 dividend

Q2 2024

- Update from the Sustainability Committee Chair
- Approval of Supplier Code of Conduct Policy, Board Diversity Policy and Anti-Tax Evasion Policy
- Update from the Depository
- Annual General Meeting

Q3 2024

- Approval of 2024 Interim Report
- Approval of first interim 2024 dividend
- Approval of Directors' and Officers' liability insurance

Q4 2024

- Financial year 2025 budget approval
- Updates from the Audit and Risk Committee, Nomination Committee, Remuneration Committee and Sustainability Committee
- Update from the Depository

Board responsibilities and relationship with the Investment Adviser

The Board's main roles are to lead the Group and ensure its long-term sustainable success, generating value for shareholders and contributing to wider society, and to approve the Group's purpose, values and strategic objectives, and satisfy itself that these and its culture are aligned.

The Board annually maintains and reviews its schedule of matters reserved for the Board of Directors, which details its specific responsibilities, which include:

- approving the Group's investment and business strategy;
- approving the gearing policy;
- overseeing cash management;
- approving the Annual and Interim Reports and Financial Statements and accounting policies, prospectuses, circulars and other shareholder communications;
- approving acquisitions and disposals that are within the investment policy but have a value of 20% or more of the GAV of the Group's portfolio, and any acquisitions or disposals outside the investment policy;
- raising new capital and approving major financing facilities;
- approving the valuation of the Group's portfolio;
- approving and recommending dividends;
- approving Board appointments and removals;
- appointing or removing the Group's external Auditor following the recommendation of the Audit and Risk Committee;
- appointing or removing the AIFM, Investment Adviser, Depositary, Auditor, Company Secretary and other service providers following the recommendation of the Management Engagement Committee; and
- ensuring a satisfactory dialogue with shareholders and other key stakeholders.

A copy of the schedule of matters reserved for the Board of Directors is available on the Company's website at **lifesciencereit.co.uk**.

The Board has delegated its day-to-day functions to a number of service providers, each engaged under separate legal agreements. In particular, portfolio management and risk management of the Group's assets has been delegated to the AIFM. The Management Engagement Committee reviews the performance and cost of the Company's third-party service providers on an annual basis. More information regarding the work of the Management Engagement Committee can be found on page 82.

The Investment Adviser provides recommendations to the AIFM's Investment Committee. These recommendations cover acquisitions and sales of Group assets (where this would be in line with the Group's objectives and investment policy), and recommendations on where the Group should incur borrowings and give guarantees and securities (subject to certain investment restrictions imposed by the Board and the Board's overall control and supervision). The Board, the AIFM and the Investment Adviser operate a fully supportive, co-operative and open environment.

At each Board meeting, the Directors follow a formal agenda, which is circulated in advance by the Company Secretary following its approval by the Chair. The Company Secretary and Investment Adviser regularly provide financial information, together with briefing notes and papers in relation to changes in the Group's economic and financial environment, statutory and regulatory changes and corporate governance best practice to the Board. Representatives from the Investment Adviser and the AIFM attend each Board meeting and communicate with the Board between formal meetings.

Election/re-election of Directors

Under the Company's Articles of Association, Directors are required to stand for election at the first AGM after their appointment and each AGM thereafter for re-election. Therefore, as stated above and in accordance with the AIC Code, each Director will stand for re-election at the forthcoming AGM. The Board considers that both during the year ended 31 December 2024, and from the end of the year to 15 April 2025, being the latest practicable date of this report, each Director has performed effectively and demonstrated excellent commitment to their role at this early and important stage of the Company's development. It therefore, believes that it is in the best interests of shareholders that each Director is re-elected at the AGM.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, MUFG Corporate Governance Limited, which is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports, and for ensuring the Company meets its statutory obligations.

3 COMPOSITION, SUCCESSION AND EVALUATION

Board appointments

The Board has established a Nomination Committee, comprising all of the independent Directors. This Committee will lead the appointment process of new Directors as and when vacancies arise and as part of the Directors' ongoing succession plans. More information regarding the work of the Nomination Committee can be found on page 76.

The Board has adopted a diversity policy, which acknowledges the benefits of greater diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board.

None of the Directors have a service contract. Letters of appointment set out the terms of their appointment and copies are available on request from the Company Secretary at **labs_cosec@cm.mpms.mufg.com** and will be available at the AGM. The Directors are not entitled to any compensation for loss of office.

Board skills, experience and knowledge

The Directors' biographical details are set out on pages 64 to 63 of this Report. These demonstrate the wide range of skills and experience that they bring to the Board. The Nomination Committee is responsible for identifying and recommending to the Board the appointment of new Directors and considering long-term succession plans.

Board skills matrix

For more details of the Board's composition and skills, please see page 62.

Annual evaluation of the Board

The Directors consider the evaluation of the Board, its committees, the Chair and themselves to be an integral part of the Company's governance framework and evaluations are undertaken annually.

For the year under review, this was carried out by way of a questionnaire, which covered the functioning of the Board as a whole, the effectiveness of each the Board Committees and the independence and contribution made by each Director and the Chair. The Nomination Committee reported the results from the evaluations to the Board. Following this review, the Board is satisfied that the structure, mix of skills and operation of the Board is effective and relevant for the Company. Further detail on the outcomes of the Board and Board Committees evaluation can be found in the Nomination Committee report on page 76.

The individual performance of each Director standing for election has been evaluated and it is recommended that shareholders vote in favour of their re-election at the AGM. Directors are subject to annual re-election by shareholders and, accordingly, all Directors will submit themselves for re-election by shareholders at the forthcoming Annual General Meeting. More information regarding the proposed election of each Director can be found on page 72.

4 AUDIT, RISK AND INTERNAL CONTROL

External audit

The Group is subject to an annual audit of its consolidated financial statements and its component entities by its external Auditor, Deloitte LLP. The Group produces its consolidated financial statements in accordance with IFRS.

The Audit and Risk Committee supports the Board by reviewing the performance of the external Auditor, audit quality, and the Auditor's objectivity and independence. In addition, the Audit and Risk Committee reviews the integrity and content of these financial statements, the half year financial statements and the ongoing viability of the Company.

Fair, balanced and understandable assessment

The Audit and Risk Committee has considered the 2024 Annual Report and Accounts as a whole and believes that the document presents a fair, balanced and understandable assessment of the Company's position and prospects.

In particular, the Committee has considered the language used in the document to ensure technical terminology is avoided to the extent possible, or, where used, it is suitably explained. For further details, see pages 79 to 81.

Risk management

The Group has a Risk Management Framework, managed by our third party risk consultant, AuditR, which is approved by the Board and subject to annual review (as a minimum) by the Audit and Risk Committee. A detailed risk register has been compiled, identifying key risks and mitigations, and evaluating the exposure for each risk, using a standardised evaluation matrix. The Investment Adviser regularly reviews the risk register, and it is provided to the Audit and Risk Committee for discussion at each meeting. The framework is included on page 50 of the strategic report.

Principal and emerging risks

The principal and emerging risks that the Board has identified are set out on pages 50 to 58.

Internal controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness.

Internal control systems are designed to manage, but not eliminate, the risk of failure of the Group to meet its business objective, and, as such, only provide reasonable, but not absolute assurance against material misstatement or loss.

The key components designed to provide effective internal control are outlined below:

- The Group has a clearly defined organisational structure.
- The Group has policies and procedures for internal controls of key matters, including a Whistleblowing Policy and Anti-Bribery and Corruption Policy.
- An annual budgeting process is in place.
- Detailed quarterly reporting occurs.
- At least annually, the Board conducts a review of the effectiveness of the Group's internal controls, covering all material controls.
- The Directors actively respond to any external audit recommendations on internal control deficiencies and demonstrate how they are actioned. A follow-up process is in place for actions arising from audits and the risk management process, which ensures that actions are implemented effectively.
- A delegated authority matrix has been developed to cover key commercial and financial activities, investment and disposal transactions, and the management of disputes or legal challenges.
- The Directors have documented key controls, which mitigate risk of inaccurate reporting.

The Audit and Risk Committee undertakes the annual review of the effectiveness of internal controls and reports the results of this to the Board for consideration. The Audit and Risk Committee also receives reports from the Investment Adviser, AIFM and the external Auditor concerning the system of internal control and any material control weaknesses. It may also seek external reviews and advice. Any significant issues identified are referred to the Board for consideration. Where any material control deficiencies are identified, remedial actions are agreed and implemented, and the Board is updated on its progress.

The Audit and Risk Committee reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon.

The Audit and Risk Committee regularly reviews the Company's internal controls through regular reporting, including reviewing the Group's risk register, risk appetite statement and internal audits undertaken during the quarter.

Further information regarding the work of the Audit and Risk Committee can be found on pages 79 to 81.

Segregation of duties and authorisation limits

As occurs with other organisations of its size and which have a similar business, the Group faces challenges in implementing segregation of duties. The Group operates an outsourced model of suppliers and has no direct employees.

The Group has considered the risk around segregation of duties within the processing of payments and transactions, and has identified, and put in place, a delegated authority matrix for acquisitions, disposals, property and occupier related activities and capital expenditure.

In addition, the following authorisation controls are in place for the processing of payments:

- The payments themselves are made by the Administrator of the Group, based upon the approvals received from the Investment Adviser, with a primary authorised signatory and secondary authorised signatories.
- Each payment or transaction is signed off by one signatory, up to a total of £100,000. Payments or transactions above this figure require authorisation by two signatories and to be in line with the Group's delegated authority matrix and acquisition/disposal protocols (as applicable) as approved by the Board.
- The Administrator has a clearly defined set of processes in place to manage payment risks. It produces an ISAE 3402 controls report to the Investment Adviser, providing assurance over the adequacy and operation of key controls.

Internal audit

The Group is not considered sufficient in size or complexity to warrant the establishment of an internal audit function. The Audit and Risk Committee reviews the requirement for an internal audit function at least annually. If that threshold has been attained, the Audit and Risk Committee will approach the Board of Directors to request approval for the establishment or outsource of an internal audit function.

Equally, if the Group's Investment Adviser or AIFM determines that it is appropriate to establish an internal audit function, they will approach the Board of Directors for approval to establish, or outsource, an internal audit function.

To gain assurance over the control environment of the Group without an internal audit function, the Group, via AuditR, has regular informal contact with the Investment Adviser, in conjunction with a third-party risk and internal audit adviser, will review Board papers, which are received in a timely manner, seek information from the external Auditor, review the risk register and progress with any actions arising.

5 REMUNERATION

The Board has established a Remuneration Committee, comprising all the independent Directors.

The Company has no employees other than its Directors, who are all Non-Executive and independent of the Investment Adviser. The remuneration of the Directors is determined within the limits set out within the Company's Articles of Association and the total aggregate annual fees payable to the Directors in respect of any financial period shall not exceed £400,000.

The Company Secretary provides a comparison of the Directors' remuneration with other investment trusts of similar size and/or mandate.

This comparison, together with consideration of any change in Non-Executive Directors' responsibilities, is used to review, annually, whether any change in remuneration is appropriate.

More information regarding the work of the Remuneration Committee can be found in the Remuneration Report on pages 84 to 87.

Whistleblowing

The Group has no employees, being wholly supported by third-party service providers. However, it has a Whistleblowing Policy setting out the procedures that any third party could follow to raise any concerns. Third-party service providers are expected to comply with all the relevant laws and regulations as a contractual requirement, and adequate whistleblowing procedures are included within that expectation. In particular, the Investment Adviser Whistleblowing Policy offers staff, or others raising concerns, the opportunity to raise them directly with the Chair of the Group.

Insider information and Market Abuse Regulation

The Company has an Insider Dealing Policy and a Share Dealing Protocol. The Board and the Investment Adviser are responsible for ensuring that information is properly assessed to ascertain whether it is market sensitive, and advice is sought in complex areas.

The Company Secretary is responsible for ensuring that open and closed periods are recognised and communicated to all PDMRs and insiders of the Company. In accordance with the Share Dealing Protocol, all share dealings for both Directors of the Company and employees of the Investment Adviser, deemed to be persons discharging managerial responsibilities, must be approved in advance.

NOMINATION COMMITTEE REPORT

"The Nomination Committee is essential to ensure the Board has the necessary composition of skills, experience and perspective to drive the Group's strategy.

Sally Ann Forsyth | Chair of the Nomination Committee

Committee members

Name	Attendance
Sally Ann Forsyth[1] (Chair)	0/ 1
Claire Boyle	1 / 1
Michael Taylor	1 / 1
Richard Howell	1 / 1

1 Unable to attend meetings due to ill health.

Introduction and composition of the Committee

The Committee is comprised of all the Directors of the Company and in the absence of Sally Ann Forsyth was chaired by Claire Boyle. The Committee met once during the year with the Committee's key responsibilities being to assist the Board in reviewing the skills, diversity and composition of the Board and its Committees, taking into consideration the guiding principles from the AIC Code and UK Listing Rules.

Role of the Nomination Committee

The Committee's primary responsibilities include:

- regular review of the Board's structure and composition;
- preparing policies for the tenure of the Chair and the Board, and succession planning for the Directors;
- staying informed about strategic issues and market changes;
- identifying and nominating candidates for Board vacancies;
- ensuring diversity on the Board;
- maintaining the Company's diversity policy; and
- facilitating various evaluation processes.

Furthermore, the Committee is responsible for making recommendations to the Board on succession planning for Non-Executive Directors, the role of the Senior Independent Director, Directors' re-election, committee memberships, and the reappointment of Non-Executive Directors.

Tenure

In accordance with the AIC Code, the Directors were required to retire at the first AGM following their appointment. Thereafter, at each AGM, all Directors, including the Chair of the Board, will seek annual re-election. The Board has not stipulated a maximum term of any directorship, except that subject to ensuring business continuity, all Non-Executive Directors will remain on the Board for a maximum period of nine years in accordance with the AIC Code. At the 23 May 2024 AGM, all Directors were re-elected. The next AGM is scheduled for 3 June 2025.

Diversity, inclusion and succession planning

In accordance with the AIC Code, the Board is comprised of a group of individuals who have an appropriate balance of skills and experience to meet the future opportunities and challenges facing the Group. Appointments are made first and foremost on the basis of merit and taking into account the recognised benefits of all types of diversity. The Board ensures that diversity is an important consideration and part of the selection criteria used to assess candidates to achieve a balanced Board.

The FCA has introduced 'comply or explain' targets that at least 40% of the Board should be women, that at least one of the senior Board positions should be held by a woman, and that at least one member of the Board should be from a minority ethnic background.

At the year end, 50% of the Board were women and Claire Boyle was the Chair; therefore, the Company meets the first two of these targets.

The Company's non-compliance with the third target is explained in more detail below. In accordance with UK Listing Rule 6.6.6R (9), (10) and (11), the Board has provided the following information in relation to its diversity. This information has been collected by self-disclosure directly from the individuals concerned, who were asked to confirm their gender and ethnicity. There have been no changes to the composition of the Board since 31 December 2024.

As the Company is an investment company with no Executive Directors and a small Board relative to that which would be expected for a trading company of equivalent size, it has not managed to comply with UK Listing Rules' diversity targets as none of the current Directors come from an ethnic minority background.

Gender identity	Number of Board members	Percentage on the Board	Number of senior positions on the Board[1]
Men	2	50	1
Women	2	50	1
Not specified/prefer not to say	–	–	–

Ethnic background	Number of Board members	Percentage on the Board	Number of senior positions on the Board[1]
White British or other white (including minority white groups)	4	100	4
Mixed/multiple ethnic groups	–	–	–
Asian/Asian British	–	–	–
Asian	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

1 Listing Rule 6.6.6R includes only the positions of Chair, Chief Executive, Senior Independent Director and Chief Financial Officer in this category. As an externally managed investment company with no Executive Directors, the Company does not have either a Chief Executive or a Chief Financial Officer. The Company considers the position of the Chairs of the Audit and Risk Committee and Sustainability Committee as senior positions in addition to those reported above. Of these four senior roles, two are performed by women and two by men.

The Board will continue to take all matters of diversity into account as part of its succession planning and the benefits of diversity will continue to be considered as an important factor in all future appointments.

The Committee operates within defined terms of reference, which are regularly reviewed and updated as necessary. The terms of reference are available on the Company's website.

Activities

The Committee met once during the year under review. At the meeting, the Committee:

- considered the succession planning;
- reviewed results of the internal evaluations;
- reviewed membership of the Board's committees;
- considered Directors standing for re-election/election at the AGM and recommendations to shareholders; and
- reviewed the terms of reference.

Board and Committee evaluation

Towards the end of 2024, the Committee conducted an internal evaluation of the effectiveness of the Board, its Committees, the Chair and the Directors.

The 2024 evaluation was an internal performance evaluation by way of questionnaires completed by the Directors. The results were collated and a report detailing the responses was considered by the Committee along with considering areas of focus and improvement for 2025.

This process was facilitated by the Company Secretary. The scope of the questionnaire was designed to cover all aspects of the Board's operation, including the management of meetings, the strengths and independence of the Board and the Chair, individual Directors and the performance of its Committees, each Director's perspective on the Board's future priorities, training requirements, and the way the Board works as a team.

The Committee concluded that the evaluation demonstrated that the composition of the Board and its Committees continued to be appropriate and it provided adequate supervision, oversight and challenge. The areas identified for the Board to focus on in 2025 are summarised below:

Area of assessment	Agreed action
Role of the Board, strategy and governance	The Board has an open and constructive relationship with the Investment Adviser. The Board has agreed to spend more informal time outside of quarterly meetings.
Stakeholder engagement	The levels of engagement between the Investment Adviser, Brokers and shareholders are good with feedback regularly provided by the Board. The Board will continue to increase its undertaking of stakeholder engagement in 2025.
Composition and independence	The Board considers its composition to be appropriate with a good understanding of the Group's strategy. The Board will continue to monitor its composition against diversity targets and recommendations.

Looking ahead

Priorities for 2025 include keeping under review the succession plan and composition of the Board and its Committees.

Sally Ann Forsyth | Chair of the Nomination Committee
15 April 2025

AUDIT AND RISK COMMITTEE REPORT

> The Audit and Risk Committee ("Committee") plays a key role in the Group's corporate governance framework, ensuring key controls are in place, risks are mitigated and reported figures are accurate.

Richard Howell | Chair of the Audit and Risk Committee

Committee members

Name	Attendance
Richard Howell (Chair)	3 / 3
Claire Boyle	3 / 3
Michael Taylor	3 / 3
Sally Ann Forsyth[1]	1 / 3

[1] Unable to attend all meetings due to ill health.

Introduction and composition of the Committee

The Committee is chaired by Richard Howell, who is a qualified chartered accountant, has a degree in Accounting and Finance from Kingston University, as well as having recent and relevant financial experience. During the year under review The Chair of the Board was a member of the Committee, as permitted by the AIC Code. This was deemed appropriate as Claire Boyle is a Fellow of the ICAEW, has a diverse background in equity investment, and has recent and relevant financial experience, having chaired audit committees herself. However, from 2025 following a review of the composition of the Committee and taking into account the recommendation from the AIC Code it was agreed that it would be appropriate for Claire Boyle to step down as a Committee member, but continue to attend Committee meetings as an attendee. All members of the Committee are considered independent Non-Executive Directors by the Board on appointment.

The Committee as a whole has competence relevant to the sector in which the Group operates. For more information on the individual background of each Committee member, please see pages 64 and 65 to view their biographies.

Role and activities of the Committee

The Audit and Risk Committee is responsible for the effectiveness of internal control, risk management and auditing processes. The Committee's primary responsibilities are to:

- consider the appointment, compensation, terms of engagement of, independence and objectivity, resignation or dismissal of the external Auditor;
- meet with the external Auditor and discuss the nature and scope of the audit, the findings from the audit, including accounting and internal controls;
- review the independence of the Auditor and provide recommendations to the Board with regard to audit engagement terms;
- review the Group's financial statements, annual accounts and accompanying reports to shareholders and announcements relating to financial information;
- review the Group's internal financial controls, the policies and overall process for identifying and assessing business risks;
- review the Group's risk register, in particular with regard to the potential impact of principal and emerging risks;
- review, on an annual basis, whether there should be an internal audit function;
- review the procedures for whistleblowing, detecting fraud and prevention of bribery of the outsourced service providers; and
- produce an annual report of the Committee's activities to be included in the Annual Report.

The Committee has direct access to the Group's Auditor, Deloitte LLP, and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor attend Committee meetings at least annually.

The Committee operates within defined terms of reference, which are regularly reviewed and updated as necessary. The terms of reference are available on the Company's website at **lifesciencereit.co.uk**.

AUDIT AND RISK COMMITTEE REPORT

CONTINUED

The Committee met three times during the year under review. At the meetings, the Committee:

- reviewed the internal controls and risk management systems of the Group and its third-party service providers;
- reviewed the internal audits undertaken, monitored the progress of the internal audit plan;
- agreed the audit plan with the Auditor, including the principal areas of focus, and agreed the audit fee;
- received and discussed with the Auditor its report on the results of the audit;
- reviewed the Group's interim and annual financial statements and discussed the appropriateness of the accounting policies adopted;
- recommended the approval of two interim dividends;
- reviewed the valuation of the Group's investment properties and recommended this to the Board; and
- reviewed the performance of the Group's Auditor.

During the year, the Committee has reviewed and updated, where appropriate, the corporate risk register. This will be completed at least half-yearly, in conjunction with the Investment Adviser and AIFM. During the year, the addition of new risks to the register and, more recently, minor changes to the principal risks, which demonstrated the strength of the business, are described on pages 50 to 58.

The Committee reviewed the requirement for an internal audit function following the year end and concluded that this would provide minimal added comfort at considerable extra cost to the Group.

The Committee received reports on internal controls and compliance from the Investment Adviser in conjunction with a third-party risk and internal audit adviser and discussed these with the Investment Adviser. These reports also covered the internal controls of the Group's other key service providers. No significant matters of concern were identified.

Effectiveness of external audit process

The Committee monitors and reviews the effectiveness of the external audit process for the Annual Report, including a detailed review of the audit plan and the audit results report. This review takes into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. During the year under review, the Committee had closed sessions with the Auditor without the presence of the Investment Adviser.

Audit fees and non-audit services

An audit fee of £182,250 has been agreed in respect of the audit for the year ended 31 December 2024 (year ended 31 December 2023: £172,000) for auditing the Annual Report and consolidated financial statements. No fees for non-audit services were incurred in the current or prior year. Further information on the fees paid to the Auditor is set out in note 6 to the financial statements on page 110.

Auditor independence and objectivity

The Committee has considered the Auditor's independence and objectivity and reviewed the non-audit services, which the Auditor provided during the year. The Committee is required to pre-approve all non-audit services prior to any work commencing and considers the safeguards in place to maintain their independence, such as the use of separate teams to mitigate the risk of any self-review, are effective. The Committee also receives an annual assurance from the Auditor that its independence is not compromised by the provision of such non-audit services. In the year, there were no non-audit services provided by the Auditor. As such, the Committee is satisfied that the Auditor's objectivity and independence has not been impaired and that the Auditor has fulfilled its obligations to the Group and the Company's shareholders.

Deloitte LLP has been the Auditor since the Company's launch in November 2021. The Committee will regularly consider the need to put the audit out to tender, the Auditor's fees and independence, and the matters raised during each audit. James Wright, the current audit partner, was appointed as audit lead during 2023 and will step down as audit partner after they have served for five years.

Reappointment of the Auditor

The Committee has recommended to the Board the reappointment of Deloitte LLP as Auditor to the Group. The approval of Deloitte LLP as the Group's Auditor will be put to shareholders as an ordinary resolution at the forthcoming AGM.

AIC statement of compliance

For the audit of the Financial Statements in this Annual Report, the Company complied with the mandatory audit processes, including The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 ("CMA Order"), and the Committee complied with the responsibility provisions set out in the CMA Order relating to: (a) putting the audit services engagement on tender every ten years; and (b) strengthening the accountability of the external auditor to the Committee, including: that only the Committee can agree to the external auditors' fees and scope of services including authorisation of any non-audit services; and make recommendations regarding the appointment of auditors and audit engagement partner.

Fair, balanced and understandable reporting

The Committee reviewed drafts of this Annual Report and Financial Statements to consider whether it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Committee also gained assurance that there is a robust process of review and challenge at different levels within the Group to ensure balance and consistency.

Following the consideration of the above matters and its detailed review, the Committee was of the opinion that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Significant issues

The Committee considered the following key issues in relation to the Group's financial statements during the year:

Valuation of investment property	The Committee considered and discussed the valuation of the Group's investment properties as at 31 December 2024. The valuer attended the Committee meeting in March and September 2024 and March 2025 to enable a full discussion of the valuation and underlying assumptions and to enable the Directors to challenge as appropriate.
Maintenance of REIT status	The UK REIT regime affords the Group a beneficial tax treatment for income and capital gains, provided certain criteria are met. There is a risk that these REIT conditions may not be met and additional tax becomes payable by the Group. The Committee, therefore, monitored the Group's compliance status and considered each of the requirements for the maintenance of the REIT status throughout the year ended 31 December 2024.
Going concern and long-term viability	The Committee considered the Group's financial requirements for the next 12 months and concluded that it has sufficient resources to meet its commitments and any outstanding financing covenants. Following the announcement of a strategic review on 14 March 2025, the Committee has deemed it not appropriate at the reporting date to prepare a long-term viability statement for the three-year period to 31 December 2027. Instead the viability period has been aligned with the going concern period of 12 months. Consequently, the financial statements have been prepared on a going concern basis with material uncertainty. For further details, see the Group's going concern and viability statement on pages 59 to 61.

Internal controls

Please see page 74 for an overview of the internal controls of the Group.

Committee evaluation

The Committee undertook a self-performance evaluation during the year under review. Further details on the evaluation process can be found in the Nomination Committee report on pages 76 to 78.

Look ahead to 2025

The Committee has agreed several areas of focus, including:

- ensuring continued integrity and balance in the Group's financial reporting;
- ensuring the continued review of the documentation and evidence around key procedures and processes;
- actioning any required changes following the publication of the revised UK Corporate Governance;
- monitoring the Minimum Standard for Audit Committees and consider appropriate processes;
- consideration of new and emerging risks; and
- looking at specific implications of the current UK economic downturn on the Group's portfolio value, including macro and life science industry specific impacts and assessing resulting financial impacts.

However, following the announcement on 14 March 2025 of the commencement of a strategic review, this is the Committee and Board's immediate focus for 2025.

Richard Howell | Chair of the Audit and Risk Committee
15 April 2025

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

> The Management Engagement Committee reviews the performance and ongoing appointment of third-party service providers to ensure they are operating in the shareholders' best interests.

Michael Taylor | Chair of the Management Engagement Committee

Committee members

Name	Attendance
Michael Taylor (Chair)	1 / 1
Claire Boyle	1 / 1
Sally Ann Forsyth	1 / 1
Richard Howell	1 / 1

Introduction and composition of the Committee

The Committee is comprised of all the Directors of the Company and chaired by Michael Taylor. The Committee met on one occasion during the year under review, in accordance with its terms of reference.

The Committee is responsible for evaluating the performance of the Group's key service providers and satisfying itself that the continuation of such service provider appointments are in the best interests of shareholders as a whole.

The Committee reviews the Investment Adviser and AIFM's agreements, including the methodology used for calculating fees, to ensure that the terms remain fair and in the best interests of shareholders.

Role and activities of the Management Engagement Committee

The Committee operates within defined terms of reference, which are regularly reviewed and, at least, on an annual basis, to ensure they remain fit for purpose. The terms of reference are available on the Company's website at **lifesciencereit.co.uk**.

Investment Adviser and AIFM

Two of the key service providers of the Group are the Investment Adviser and AIFM. During the year, the Committee considered its performance against its obligations under the Investment Advisory and AIFM Agreements, and whether it was appropriate to recommend the continuing appointments of the Investment Adviser and AIFM to the Board.

In reaching its recommendation to the Board, the Committee's deliberations included consideration of:

- the investment advisory and AIFM fees as detailed on page 89;
- whether the terms of the agreements remained fair, complied with all regulatory requirements, conformed with market and industry practice, and were in the best interests of shareholders; and
- the execution of the Group's investment strategy (see page 17) by the Investment Adviser during the year.

Following the review, the Committee agreed that the Investment Adviser and AIFM had performed their duties to a high standard and recommended to the Board that the continuing appointments of the Investment Adviser and AIFM were in the best interests of the shareholders. However, following the announcement of a strategic review post year end, the Board have agreed a fee cut with the Investment Adviser. See page 89 for further details.

Other key service providers

The Committee reviewed the ongoing performance and the continuing appointment of the Group's other key service providers, including the Administrator, Auditor, Corporate Broker, Legal Adviser, Property Manager, Registrar, Company Secretary, Depositary, and Valuer. The Committee recognises that ensuring excellent support and performance by service providers is critical for the Group's continuing operation as an externally managed Real Estate Investment Trust.

Committee evaluation

The Committee undertook a self-performance evaluation during the year under review. Further details on the evaluation process can be found in the Nomination Committee report on pages 76 to 78.

Michael Taylor | Chair of the Management Engagement Committee
15 April 2025

SUSTAINABILITY COMMITTEE REPORT

"Sustainability is a key focus of the Group, with the Committee overseeing the implementation of the Group's strategy.

Sally Ann Forsyth | Chair of the Sustainability Committee

Committee members

Name	Attendance
Sally Ann Forsyth[1] (Chair)	**1 / 2**
Claire Boyle	**2 / 2**
Michael Taylor	**2 / 2**
Richard Howell	**2 / 2**

1 Unable to attend all meetings due to ill health.

The Committee is comprised of all the Directors of the Company and is chaired by Sally Ann Forsyth, the Sustainability Lead. The Committee has met twice during the year under review and where Sally Ann Forsyth was unable to attend, Claire Boyle chaired the meeting. The Committee assists the Board in overseeing the implementation of the Group's sustainability strategy and the Company's contribution to society and impact on the environment in line with its obligations under section 172.

Role and activities of the Sustainability Committee

The Committee operates within defined terms of reference, which are regularly reviewed, at least, on an annual basis, to ensure they remain fit for purpose. The terms of reference are available on the Company's website at **lifesciencereit.co.uk**.

The Sustainability Committee complements our Audit and Risk Committee. Sustainability risks are incorporated into our corporate risk register, which is reviewed and updated on a regular basis.

The Committee's primary responsibilities are to:

- oversee the formulation and implementation of the Group's sustainability strategy, review updates on any regulatory changes affecting the strategy and make recommendations to the Board regarding changes to strategy;
- review any updates on regulatory changes that could impact the implementation of the sustainability strategy;
- oversee service providers' own sustainability policies and procedures; and
- review the Group's efficacy in relation to its sustainability reporting.

The Committee met twice during the year under review. At the meetings, the Committee reviewed:

- progress against the Group's net zero pathway, including the photovoltaic project at OTP;
- asset specific progress; and
- the ESG risk register.

Committee evaluation

The Committee undertook a self-performance evaluation during the year under review and considered areas of focus for 2025. Overall, it was concluded that the Committee operated effectively.

Looking ahead

The Committee's priority for 2025 is to continue to oversee and embed the sustainability strategy, focusing on the decarbonisation journey of the Group's assets and the net zero pathway (see Sustainability Report on pages 34 to 39 for further details).

Sally Ann Forsyth | Chair of the Sustainability Committee
15 April 2025

DIRECTORS' REMUNERATION REPORT

> The Remuneration Committee's main function is approving the remuneration policy of the Directors.

Michael Taylor | Chair of the Remuneration Committee

Committee members

Name	Attendance
Michael Taylor (Chair)	1 / 1
Claire Boyle	1 / 1
Sally Ann Forsyth[1]	0 / 1
Richard Howell	1 / 1

1 Unable to attend meetings due to ill health.

The Board has prepared this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the Auditor to audit certain disclosures contained within this report and these are indicated accordingly. An ordinary resolution to approve the Directors' remuneration report will be put to shareholders at the forthcoming AGM.

Statement from the Chair

The Remuneration Committee is chaired by Michael Taylor and comprises all Directors on the Board. The Board consists entirely of Non-Executive Directors and the Group has no employees. We have not, therefore, reported on those aspects of remuneration that relate to Executive Directors.

During the year under review, the Remuneration Committee met once to review the levels of remuneration for its Non-Executive Directors, including the Chair. Remuneration for all Non-Executive Directors does not include share options or any other performance-related or variable elements. No Director, including myself in my role as Chair of the Remuneration Committee, is involved in setting their own levels of remuneration.

Directors' fees are set at a level of £55,000 per annum for the Chair and £40,000 per annum for the independent Non-Executive Directors. The Chair of the Audit and Risk Committee will receive an additional £5,000 per annum.

The Remuneration Committee reviewed the Directors' fees during the year and does not recommend any increase for the year ended 31 December 2025. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

Directors are not eligible for bonuses, share options or long-term incentive schemes or other performance-related benefits, as the Board does not believe that this is appropriate for Non-Executive Directors. There are no pension arrangements in place for the Directors.

Directors' Remuneration Policy

The Directors' Remuneration Policy (the "Policy"), is scheduled to be put to shareholders at the 2025 AGM as an ordinary resolution having last been approved by shareholders at the 2021 AGM. The Directors' would like to propose an amendment to the Policy to include the provisions set out in the Company's Articles of Association regarding Directors' fees. The Directors do not intend for this to signal any fundamental changes to the existing remuneration arrangements and, instead, wish to expand the Policy to include the applicable statutory provisions. The proposed Policy is set out below:

The Company and, respectively, the Policy follows the recommendation of the AIC Corporate Governance Code. The Company has no employees other than its Directors, who are all Non-Executive and independent of Ironstone Asset Management Limited.

The Policy is that the remuneration of Non-Executive Directors should reflect the experience of the Board as a whole. The Company Secretary provides a comparison of the Directors' remuneration with other companies of similar size and/or mandate. This comparison, together with consideration of any change in Non-Executive Directors' responsibilities, is used to review annually whether any change in remuneration is appropriate.

The remuneration of the Directors is determined within the limits set out within the Company's Articles of Association, and the total aggregate annual fees payable to the Directors in respect of any financial period shall not exceed £400,000. Further, if any Director is called upon to perform extra or special duties or services outside of their ordinary duties as a Director, they may be paid reasonable additional remuneration as determined by the Board. Directors are also entitled to be paid all expenses properly incurred in attending Board or shareholder meetings or otherwise in the performance of their duties. These expenses are unlikely to be of a significant amount.

Statement of the implementation of the Remuneration Policy in respect of the financial year ended 31 December 2024

The Remuneration Committee reviewed the fees during the year under review, including the time required to be committed to the business of the Company, and will consider whether any further changes to remuneration are required over the next financial year.

Statement of voting at the Annual General Meeting

Voting results from the 2024 Annual General Meeting:

Resolution	For No. of shares	For %	Against No. of shares	Against %	Votes withheld (No. of shares)
1. To receive and approve the Directors' remuneration report	247,684,045	99.97	68,743	0.03	217,130

For more information, see the results on the Company's website at **lifesciencereit.co.uk**.

Voting results from the 2023 Annual General Meeting:

Resolution	For No. of shares	For %	Against No. of shares	Against %	Votes withheld (No. of shares)
1. To receive and approve the Directors' remuneration report	236,497,636	99.68	761,688	0.32	77,734

Remuneration report

Directors' fees received for the year

The Directors who served in the year to 31 December 2024 received the following emoluments (gross of any tax or National Insurance contributions):

	Year ended 31 December 2024 Fees £'000	Year ended 31 December 2024 Total £'000	Period ended 31 December 2023 Fees £'000	Period ended 31 December 2023 Total £'000
Claire Boyle	**55**	**55**	55	55
Sally Ann Forsyth	**40**	**40**	40	40
Michael Taylor	**40**	**40**	40	40
Richard Howell	**45**	**45**	45	45
Total	**180**	**180**	180	180

The information in the above table has been audited.

The Directors' remuneration is determined as per the limits set out within the Company's Articles of Association and the Remuneration Policy – with the Directors not eligible for benefits, bonuses, share options or long-term performance incentives.

Annual percentage change in the remuneration of Directors

Directors' pay has increased over the last three years as set out in the table below. The Company does not have any employees and, therefore, no comparisons are given in respect of Directors' and employee's pay increases.

	2022 £'000	2022 to 2023 % change	2023 £'000	2023 to 2024 % change	**2024 £'000**
Claire Boyle	55	0	55	0	**55**
Sally Ann Forsyth[1]	42	(5)	40	0	**40**
Michael Taylor	40	0	40	0	**40**
Richard Howell[2]	29	55	45	0	**45**

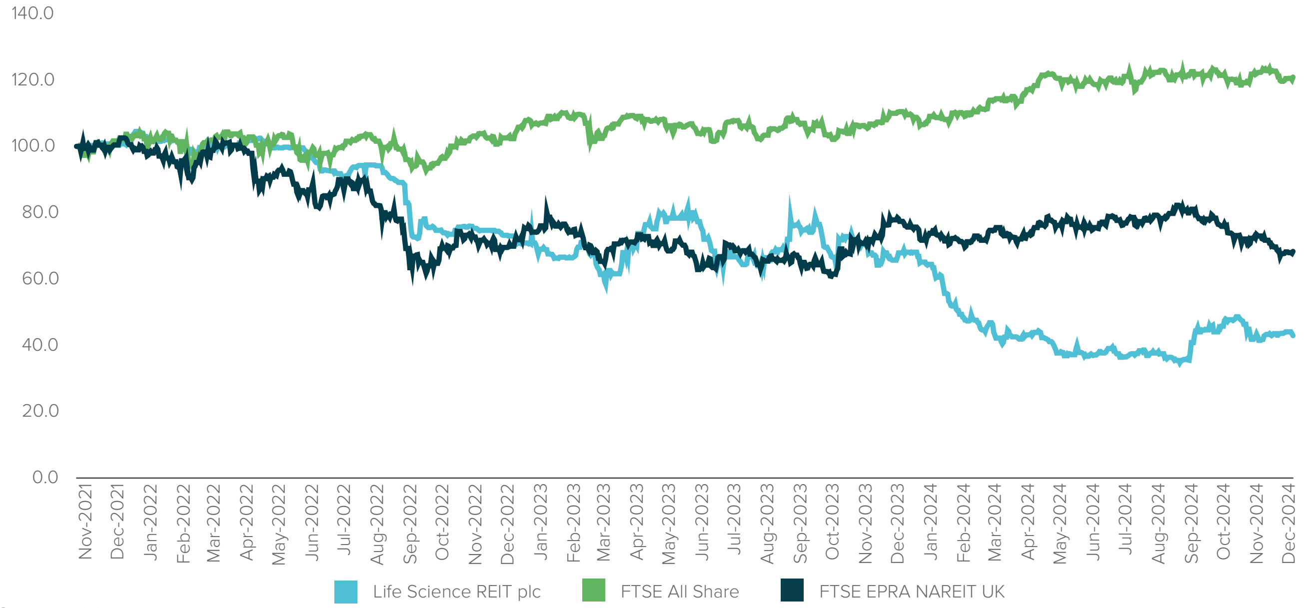
1 Sally Ann Forsyth joined the Board as a Director on 14 October 2021 receiving her pro rata share of the £40,000 per annum fee and was Chair of the Audit and Risk Committee until 23 June 2022, receiving a pro rata share of the £5,000 per annum fee.

2 Richard Howell joined the Board as a Director on 3 May 2022, receiving his pro rata share of the £40,000 per annum fee. In addition, he became Chair of the Audit and Risk Committee on 24 June 2022, receiving his pro rata share of the £5,000 per annum fee.

Total shareholder return

The graph below shows the total shareholder return of the Company's ordinary shares relative to a return on a hypothetical holding over the same period in the FTSE All-Share REIT index.

Total shareholder return index (18 November 2021 = 100)



Source: Morningstar

Past performance is not a reliable indicator of future results

Relative importance of spend on pay

The table below sets out significant use of profit and cash in respect of the years ended 31 December 2023 and 31 December 2024.

	2024 £'000	2023 £'000	Change %
Total Directors' remuneration	**180.0**	180.0	0
Investment Adviser fees	**2,979.0**	3,389.0	(12.1)
Total dividend paid or declared	**3.5**	7.0	(50.0)

Directors' beneficial and family interests

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company. The interests of the Directors and any connected persons in the ordinary shares of the Company are set out below:

	31 December 2024 Number of shares	31 December 2023 Number of shares
Claire Boyle	**30,000**	30,000
Sally Ann Forsyth	**20,342**	20,342
Michael Taylor	**20,000**	20,000
Richard Howell	**30,000**	30,000

The above information has been audited.

There have been no changes to these holdings between 31 December 2024 and the date of this report.

On behalf of the Board

Michael Taylor | Chair of the Remuneration Committee
15 April 2025

DIRECTORS' REPORT

The Directors present the Annual Report and Financial Statements of Life Science REIT plc (the "Company") (registered number 13532483) for the year ended 31 December 2024.

In accordance with the Companies Act 2006 (as amended), the Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' remuneration report, report from the Audit and Risk Committee and the statement of Directors' responsibilities should be read in conjunction with one another and the strategic report. As permitted by legislation, some of the matters normally included in the Directors' report have instead been included in the strategic report, as the Board considers them to be of strategic importance.

The corporate governance report forms part of this Directors' report and can be found on pages 66 to 75. Please refer to the Chair's statement on pages 8 to 9 and the Investment Adviser's report on pages 22 to 33 for information about future developments and important events that have occurred since the year end. For further information on the going concern and longer-term viability of the Group please see pages 59 to 61.

Status of Life Science REIT plc

The Company is an investment company, as defined in section 833 of the Companies Act 2006, and qualifies as a UK Real Estate Investment Trust ("REIT") as defined under section 527(2) of the Corporation Tax Act 2010.

Investment portfolio

A comprehensive analysis of the property portfolio can be found on page 27 and a summary of the valuation of the property portfolio can be found in note 13 on page 115. The investment policy can be found on page 153.

Directors

Biographies of each Director appointed to the Company can be found on pages 64 and 65.

The following information is disclosed in accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and DTR 7.2.6 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Directors' authority to purchase own shares

The Company did not purchase any of its own shares during the year.

The Company will seek the authority to make market purchases of up to 14.99% of the issued ordinary share capital at the 2025 AGM via resolution 14 as included in the Notice of Meeting.

Authority to allot shares

A general authority to allot new shares (or to grant rights over shares) was given to the Directors at the Company's AGM in 2024.

The authority gives the Directors, for the period until the conclusion of the AGM in 2025, the necessary authority to allot securities up to a maximum nominal amount of £2,333,333.33.

The Directors are proposing to renew the general authority to allot shares at the 2025 AGM. This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders as a whole.

Disapplication of pre-emption rights

A general power to disapply the pre-emption rights set out in Section 561 of the Companies Act 2006 was granted to the Directors at the AGM in 2024. The Directors are proposing a resolution to renew and extend, subject to the passing of the resolution to allot shares, the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances.

This resolution will authorise the Directors, until the date falling 15 months after the date of the passing of the resolution, or, if earlier, the conclusion of the next Annual General Meeting of the Company, to issue ordinary shares for cash, without pre-emption rights applying, of up to an aggregate nominal value of £350,000, representing approximately 10% of the issued ordinary share capital as at the date of the Notice.

This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders as a whole.

Current share capital

As at 31 December 2024 and the date of the report, there were 350,000,000 ordinary shares of £0.01 in issue, none of which were held in treasury. The share capital comprises one class of ordinary shares. Each ordinary share carries the right to receive profits of the Company available for distribution and determined to be distributed by way of interim or final dividends at such times as the Directors may determine in accordance with these Articles.

Results and dividends

A summary of the Group's performance during the year and the outlook for the coming year is set out in the strategic report on pages 22 and 33.

In respect of the year ended 31 December 2024, the Company paid a first interim dividend of 1.0 pence per ordinary share, in respect of the six-month period to 30 June 2024, on 31 October 2024. This is in line with the Group's obligation as a REIT to distribute 90.0% of the Group's aggregate UK property rental business profits as calculated for tax purposes that the Group receives during the year.

At the start of 2024 the Board rebased the dividend to 2.0 pence per share. Post year end dividends have been suspended pending the outcome of the strategic review announced on 14 March 2025.

Substantial shareholdings

As at 31 December 2024, the following shareholders had notified the Company of their shareholdings under their DTR 5 obligations:

Shareholder	Ordinary shares held[1]	Percentage of voting rights (%)
Rathbones Investment Management Limited	**59,425,981**	**17.0**
The London & Amsterdam Trust Company Limited	**17,939,237**	**5.1**
Sarasin & Partners LLP	**17,452,282**	**5.0**
BlackRock, Inc.	**17,501,688**	**5.0**
Legal & General Group Plc (Group)	**14,008,951**	**4.0**
Hazelview Investments Inc.	**11,059,078**	**3.2**

1 As at date of notification to the Company.

It should be noted that these holdings may have changed since notified to the Company and may not, therefore, be wholly accurate statements of actual holdings as at 31 December 2024. However, notification of any change is not required until the next applicable threshold is crossed. Interests disclosed to the Company occurring between the year end and 15 April 2025, being the latest practicable date:

Shareholder	Ordinary shares held[1]	Percentage of voting rights (%)
Rathbones Investment Management Limited	52,442,720	15.0
Hazelview Investments Inc.	10,339,530	3.0
BlackRock, Inc.	17,519,919	5.0

1 As at date of notification to the Company.

Powers of the Board of Directors

The powers of the Directors are set out in the Articles of Association of the Company at section 104. This section states that the business of the Group shall be managed by the Board, which may exercise all the powers of the Group, whether relating to the management of the business or not, subject to any limitations imposed by legislation, the Articles and/or any directions given by special resolution of the shareholders of the Company.

Management arrangements

The Company and the AIFM have appointed Ironstone Asset Management Limited as Investment Adviser to the Group.

The Company is an alternative investment fund for the purposes of the UK AIFM Regime and, as such, is required to have an AIFM who is duly authorised to undertake that role. Pursuant to an agreement dated 21 October 2021 (the "Alternative Investment Fund Management Agreement"), the Company appointed G10 Capital Limited as its AIFM. G10 Capital Limited is authorised and regulated by the Financial Conduct Authority with firm reference number 648953.

The AIFM is responsible for overall portfolio management, risk management and compliance with the Group's investment policy and the requirements of the UK AIFM Regime that apply to the Group. The Investment Adviser is an Appointed Representative of the AIFM. As an Appointed Representative, the Investment Adviser is responsible for working with and advising the Group and the AIFM in respect of sourcing investment opportunities that meet the Group's investment policy.

As an Appointed Representative, Ironstone is exempt from the requirement to be authorised by the FCA as a pre-requisite to giving investment advice and arranging deals in investments. Ironstone is also responsible for managing the underlying real estate assets within the Group's investment portfolio, which does not constitute a regulated activity.

The AIFM has, and shall maintain, the necessary expertise and resource to supervise the delegated tasks effectively. Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to a fee payable quarterly in arrears calculated at the rate of one quarter of 1.1% per quarter on that part of the NAV up to and including £500 million; one quarter of 0.9% per quarter on that part of the NAV in excess of £500 million and up to £1 billion; and one quarter of 0.75% per quarter on NAV in excess of £1 billion.

Following the strategic review announcement on 14 March 2025, the Board and Investment Adviser have agreed to revisions to the fee, effective from the quarter commencing 1 April 2025. The Investment Advisory fee will move from being calculated on net asset value to the lower of net asset value and the average market capitalisation for the quarter, subject to a floor of no lower than 70.0% of net asset value. In addition the rate applied to the initial fee threshold of £500 million has been lowered to 1.0%.

The Investment Advisory Agreement is terminable on 24 months' notice in writing by either party and also by the AIFM, with the consent of the Company; such notice is not to be given prior to the four-year anniversary of the date of Admission.

The Alternative Investment Fund Management Agreement may be terminated by the Company or the AIFM giving not less than six months' written notice. In addition, it is terminable on 30 days' notice by either party in writing in the event that the other party is found liable for material breach of duty, negligence, wilful default, fraud or a material breach of applicable requirements in connection with the performance of its duties under this Agreement or a material or persistent breach of this Agreement, which is either irremediable, or, if capable of remedy, not remedied within 30 days of receipt by the defaulting party of a notice signed on behalf of the non-defaulting party requiring such breach to be rectified.

The Company is also entitled to terminate the agreement with immediate effect in the event that the AIFM ceases to maintain its permission to act as the AIFM or such permission is suspended.

The Group pays to the AIFM, exclusive of VAT, a fixed monthly fee of £3,183 in respect of risk management and portfolio management services, a fixed quarterly fee of £4,000 for the provision of Annex IV AIFM Directive regulatory reporting, and other fees for the provision of additional ad hoc services and maintaining the Key Information Documents ("KIDs"). The Group will also reimburse the AIFM for costs and expenses properly incurred by the AIFM in the performance of its obligations under the AIFM Agreement.

Continuing appointment of the Investment Adviser

The Board keeps the performance of the Investment Adviser under continual review. The Management Engagement Committee conducts an annual appraisal of the Investment Adviser's performance and makes a recommendation to the Board about the continuing appointment of the Investment Adviser. It is the opinion of the Directors that the continuing appointment of the Investment Adviser is in the interests of shareholders as a whole. The reasons for this view are that the Investment Adviser executed the investment strategy, at this early stage of the Group's development, according to the Board's expectations and on terms which, in the view of the Board, continue to remain commercial and reasonable.

NMPI

On 1 January 2014, certain changes to the FCA rules regarding the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes ("non-mainstream pooled investments", or "NMPIs") came into effect.

Since the Company obtained approval as a UK REIT, with effect from Admission to AIM on 19 November 2021, its ordinary shares of nominal value of 0.01 pence each (the "shares") are excluded from these rules and, therefore, the restrictions relating to NMPIs do not apply to its shares. It is the Board's intention that the Group will continue to conduct its affairs in such a manner that it maintains its approved REIT company status and that, accordingly, the Company's shares will continue to be excluded from the FCA's rules relating to NMPIs and can be recommended by financial advisers to retail investors in accordance with the FCA's rules in relation to NMPI products.

Related party transactions

Details of related part disclosures are set out in note 27 on page 129.

Change of control

There are no agreements to which the Company is party that might be affected by a change of control of the Company except for the agreement in relation to the Company's credit facility. The Company entered into a £150.0 million Facility Agreement with HSBC and Bank of Ireland in June 2023, expiring in June 2026. Any loan drawn under this facility agreement could require repayment upon the change of control of the Company.

Post balance sheet events

Disclosures relating to post balance sheet events can be found in note 30 to the financial statements on page 130.

Directors' indemnities and Directors' and Officers' liability insurance

The Company's agreement to indemnify each Director against any liability incurred in the course of their tenure, to the extent permitted by law, remains in place. In addition, under the Company's Articles of Association, the Directors are provided, subject to the provisions of UK legislation and at the discretion of the Board, with an indemnity in respect of liabilities owed to third parties, which they may sustain or incur in connection with their appointment.

The Directors were covered throughout the year under review.

Greenhouse gas emissions

During the year under review, the Group met the criteria for reporting greenhouse gas emissions as per the SECR disclosure requirements (see the table on page 149). Under the leadership of the Sustainability Committee, the Group has developed a sustainability strategy and an action plan. Please see pages 36 to 37 for our approach and page 149 for greenhouse gas emissions disclosure in our EPRA sBPR reporting.

Information to be disclosed in accordance with the UK Listing Rule 6.6.4R

UK Listing Rule 6.6.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The following information required to be disclosed in accordance with Listing Rule 6.6.4R is not applicable, unless stated otherwise:

- A statement of the amount of interest capitalised by the Group during the period under review with an indication of the amount and treatment of any related tax relief (see notes 8 and 9)
- Information in relation to the publication of unaudited financial information
- Details of any long-term incentive schemes
- Any arrangements under which a Director has waived emoluments, or agreed to waive any future emoluments, from the Group
- Details of any non-pre-emptive issues of equity for cash by the Group

- Any non-pre-emptive issues of equity for cash by the Group or by any unlisted major subsidiary undertaking
- Parent participation in a placing by a listed subsidiary
- Any contract of significance in which a Director of the Company is or was materially interested
- Any waiver of dividends by a shareholder

Auditor

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

Deloitte LLP has expressed its willingness to be appointed as Auditor of the Group and resolutions for its appointment and to authorise the Audit and Risk Committee to determine its remuneration will be proposed at the forthcoming AGM.

Financial risk management

Please see note 23 to the financial statements on pages 125 and 127 for information on financial risk management objectives and policies in relation to the Group's market risk, interest risk, credit risk and liquidity risk.

The Group's approach to hedging is included in the investment policy on page 153.

Research and development activities

The Company and its subsidiaries did not carry out any activities in the field of research and development over the year.

Donations

The Company and its subsidiaries made £10,000 (year ended 31 December 2023: £10,000) of charitable donations during the year to organisations either within or outside of the UK. No political donations were made in either the current or prior year.

Annual General Meeting

The Company's AGM will be held on 3 June 2025. The Notice of the AGM will be circulated to shareholders separately.

The Board is of the opinion that the passing of all resolutions being put to the AGM would be in the best interests of the Company and its shareholders. The Directors, therefore, recommend that shareholders vote in favour of all resolutions as set out in the Notice of Meeting as they intend to do in respect of their own shareholdings.

For and on behalf of the Board

MUFG Corporate Governance Limited |
Company Secretary
15 April 2025

Company number: 13532483

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and United Kingdom adopted Financial Statements in accordance with applicable UK law and in compliance with the requirements of the Companies Act 2006. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Directors have chosen to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law, the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") subject to any material departures disclosed and explained in the Company financial statements; and
- make judgements and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and enable it to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation.

They are also responsible for safeguarding the assets of the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information, where applicable, for the Disclosure Guidance and Transparency Rules of the FCA.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the UK covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that, to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS, and in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company (and Group as a whole); and
- this Annual Report includes a fair review of the development and performance of the business and the position of the Company (and Group as a whole), together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

Claire Boyle | Chair
15 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFE SCIENCE REIT PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Life Science REIT Plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS accounting standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated and Parent Company statements of financial position;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated statement of cash flows;
- the material accounting policy information; and
- the related notes 1 to 37.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group and Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Material uncertainty related to going concern.

We draw attention to note 2 in the financial statements, which indicates that primarily as a result of the Strategic Review announcement on 14 March 2025, the Directors believe that there is a material uncertainty that the Group will continue to be in operation for at least the next 12 months. The directors are required under IAS 1 Presentation of Financial Statements to make an assessment of the group's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements and determine whether any material uncertainties exist.

As at 31 December 2024 the group had £5.6 million of unrestricted cash and £15.5 million available to drawdown under its current debt facilities based on the current bank valuations of the properties. These are due to increase as the development of OTP continues and completes. The Group is operating within its covenants which relate to both LTV and interest coverage. Sensitivities have been performed on these covenants and based of the current market data it is highly unlikely that these would be breached.

As part of the going concern assessment, and taking the above into consideration, the Directors reviewed a number of scenarios which included plausible downside sensitivities in relation to rental cash collection, making no acquisitions or discretionary capital expenditure, and minimum dividend distributions under the REIT rules. Based on this information, and in light of mitigating actions available, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements. However, on the 14 March 2025, the business released an RNS stating that the business will "explore all strategic options available to maximise value for shareholders, which may include a potential sale or managed wind down of the Company".

Further the HSBC and Bank of Ireland debt facilities reach maturity in June 2026. The Group is assessing the possible impact of refinancing necessary along with the resultant liquidity impact as part of the strategic review process. There are multiple outcomes to the above as the facilities may be fully refinanced, partially refinanced at a reduced level, or repaid in full, depending on the outcome of the strategic review. Therefore, whilst the business may be able to continue trading for the going concern period operationally, there is uncertainty over the future of the business across the same period. The business could continue trading, or certain assets could be sold, or the business itself could be sold or wound down.

As stated in note 2, along with the other matters as set forth in the Going Concern section per the Strategic Report, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Therefore, the Financial Statements have been prepared on the going concern basis with material uncertainty. Our opinion is not modified in respect of this matter.

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

- challenging the directors' approved going concern assessment by assessing this against our knowledge of the business, results of our audit testing as well as prevailing macro-economic conditions;
- assessing a forecast budget to 30 June 2026, covering the maturity date of the facilities on 23 June 2026, including consideration of the Group's financing arrangements and evaluating management's stress testing and mitigating actions;
- assessing the integrity and accuracy of the forecast budget along with the historical forecasting accuracy of the model;
- reviewing the facility agreement to consider whether all key terms and covenants are appropriately included in the forecast;
- considering the latest valuations of the properties in order to identify the amount available to draw from the financing facilities and therefore the liquidity position of the group;
- assessing the implications of the Strategic Review announced by the group on 14 March 2025 and the potential impact of the decisions on liquidity, refinancing and going concern overall;
- assessing compliance with both current and forecasted loan covenants; and
- assessing the appropriateness of going concern disclosures included in the Financial Statements.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to:

- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting; and
- the directors' identification in the financial statements of the material uncertainty related to the group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

4. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of investment properties measured at Fair Value through Profit or Loss ("FVTPL") • Going concern (see material uncertainty related to going concern section) Within this report, key audit matters are identified as follows: ! Newly identified ◁▷ Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £5,256,000 which was determined on the basis of 2% of net asset value. We have also used a lower threshold for items impacting EPRA earnings of £293,000 which was determined on the basis of 5% of EPRA earnings.
Scoping	We have performed full scope audit procedures on the Group's consolidated balances in relation to the statement of profit or loss and other comprehensive income as well as the statement of financial position.
Significant changes in our approach	In the current year we have identified a key audit matter in relation to the going concern basis of preparation of the financial statements due to the material uncertainty present over the group's ability to continue in operation for at least the next 12 months.

5. Key audit matters

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of investment properties measured at FVTPL

Key audit matter description	The Group's investment properties totalled £385.2 million (31 December 2023: £382.3 million). The Group measures the investment properties at FVTPL in accordance with IAS 40 Investment Property and are classified as Level 3 in the fair value hierarchy in accordance with IFRS 13 Fair Value Measurement. The Group's accounting policy for the investment properties is specified in Note 13 of the financial statements. The valuation of the Group's investment properties as explained in Note 22 of the financial statements involves significant estimates and assumptions which include applying capitalisation yields to current and future rental streams that could materially affect the financial statements. Therefore, we identified the valuation of investment properties as a key audit matter. Management appoints an external valuer CBRE Limited, chartered surveyors to perform the valuations in accordance with the appropriate sections of the RICS Red Book and in line with the requirements of IFRS 13 Fair Value Measurement. The valuer has issued a valuation report on the entire property portfolio as at the year-end. The property portfolio is valued on the basis of up-to-date tenancy information supplied by management and publicly available market information. In determining the fair value, the external valuers make a number of key estimates and assumptions, in particular assumptions in relation to market comparable yields and estimates in relation to increases or decreases in future rental income. These estimates and assumptions require input from management, whilst others are subject to market forces and will change over time. Manipulation of these accounting estimates could result in material misstatements, and therefore we identified a potential fraud risk in this key audit matter.
How the scope of our audit responded to the key audit matter	In response to the above key audit matter, we: • obtained an understanding of the relevant controls over investment property valuations; • obtained and assessed the final valuation reports prepared by the Group's valuer; • involved our real estate valuation specialists to assist us in independently evaluating the appropriateness of the inputs and assumptions used in the valuation methodology (including yield and estimated rental values) for the properties; • benchmarked valuation assumptions to relevant market evidence including specific property transactions and other external data; • assessed the accuracy and completeness of data provided by management to the Group's valuer; • assessed the independence, competence, capabilities and objectivity of the Group's valuer by assessing whether the valuers are RICS approved and that there are no conditions or specific assumptions in the letter of engagement; • assessed the adequacy and completeness of disclosures presented in the financial statements. • reconciled the external valuation reports to underlying financial records to test for completeness and accuracy within the Group's financial statements; and • assessed the cost to complete in relation to development property.
Key observations	Based on the work performed we concluded that the valuation of investment properties measured at FVTPL is appropriate.

6. Our application of materiality

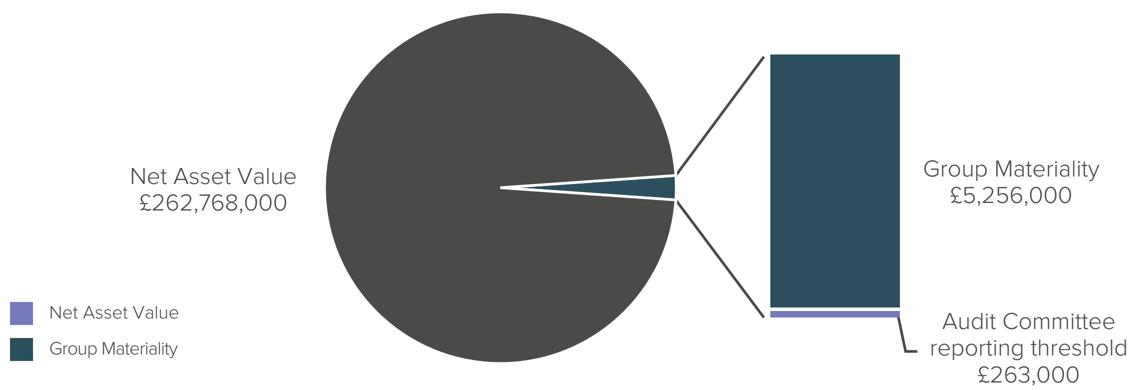
6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	£5,256,000 (2023: £5,674,000)	£4,711,000 (2023: £4,515,000).
Basis for determining materiality	2% (31 December 2023: 2%) of the Group's net asset value.	1.5% (31 December 2023: 1.5%) of the Parent Company's net asset value.
Rationale for the benchmark applied	We determined materiality based on net assets value, which is deemed appropriate due to the nature of the Group's business being owners of investment property with a modest level of gearing. Investors are most likely to focus on the performance of the properties and the returns on these, and this is represented by the net assets value of the Group.	We determined materiality based on total net assets value, which is deemed appropriate due to the nature of the Parent Company's business. Further, it does not generate any revenue in its own capacity, as this is done through the investee companies that are owned by it. Investors are most likely to focus on the carrying value of the investments and this is represented by the net assets value of the Company.

A lower threshold of £293,000 (31 December 2023: £297,000) based upon 5% of EPRA earnings has also been used for items impacting EPRA earnings. We consider EPRA Earnings as a critical performance measure for the Group and a measure which is widely used within the Real Estate industry. This has been applied for testing all balances impacting that measure. Refer to pages 145 to 151 for the Group's EPRA performance measures.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	70% (2023: 70%) of Group materiality.	70% (2023: 70%) of Parent Company materiality.
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. the quality of the control environment; and whether we were able to rely on controls. b. low level of corrected and uncorrected misstatements identified in the prior year.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £263,000 (2023: £283,700) for the overall Group financial statements and £14,700 (2023: £15,000) for items impacting EPRA earnings, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Audit work to respond to the risks of material misstatement was performed directly by Group audit engagement team. We have performed full scope audit procedures on the Group's consolidated balances in relation the statement of profit or loss and other comprehensive income as well as the statement of financial position.

7.2. Our consideration of the control environment

We did not take a controls reliance approach on the general IT controls during the audit for the Group due to the simple control environment and financial reporting system. We obtained an understanding and tested the relevant manual controls over the key business processes. These include revenue, valuation of property and the financial reporting process.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

As a part of our audit, we have obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. Management has assessed that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements.

We performed our own assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any reasonably possible risks of material misstatement.

In the current year the Group has voluntarily disclosed its alignment with the Task Force on Climate-related Financial Disclosures ("TCFD"). Our procedures included use of our ESG specialist to review the disclosure in the financial statements to ensure it is in line with the disclosure requirements, despite the Group being exempt from disclosure as a closed-end investment fund.

Our procedures also included reviewing all further disclosures included in the Strategic Report, set out on pages 34 to 49, to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, investment manager fees and performance targets;
- results of our enquiries of the investment managers, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of investment properties measured at FVTPL.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, REIT conditions and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's compliance with health and safety matters, including fire safety and fire cladding.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of investment properties measured at FVTPL as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of the Investment managers the Audit and Risk Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

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

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

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 59 to 61;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 59 to 61;
- the directors' statement on fair, balanced and understandable set out on page 80;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 50 to 58;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 74; and
- the section describing the work of the audit and risk committee set out on pages 79 to 81.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the board on 11 February 2022 to audit the financial statements for the period ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the periods ended 31 December 2021 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

James Wright FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
London, UK
15 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

Continuing operations	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Gross property income	3	**16,355**	15,481
Service charge income	3	**3,953**	4,461
Revenue		**20,308**	19,942
Recoverable service charges	4	**(3,953)**	(4,461)
Property operating expenses	4	**(1,931)**	(1,656)
Gross profit		**14,424**	13,825
Administration expenses	4	**(4,838)**	(5,249)
Operating gains before losses on investment properties		**9,586**	8,576
Fair value losses on investment properties	13	**(17,376)**	(22,848)
Loss on disposal of investment properties	13	**–**	(317)
Operating loss		**(7,790)**	(14,589)
Finance income	7	**4,203**	3,807
Finance expenses	8	**(10,390)**	(11,070)
Loss before tax		**(13,977)**	(21,852)
Taxation	9	**–**	146
Loss after tax for the period and total comprehensive loss attributable to equity holders		**(13,977)**	(21,706)
Loss per share (basic and diluted) (pence)	12	**(4.0)**	(6.2)

All items in the above statement derive from continuing operations. No operations were discontinued during the period.

There is no other comprehensive income and as such a separate statement is not present. The loss after tax is therefore also the total comprehensive loss.

The accompanying notes on pages 105 to 130 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investment property	13	**385,220**	382,300
Interest rate derivatives	16	**–**	3,998
Trade and other receivables	14	**3,826**	3,409
		389,046	389,707
Current assets			
Trade and other receivables	14	**4,196**	6,656
Cash and cash equivalents	15	**5,567**	14,341
Interest rate derivatives	16	**2,378**	–
		12,141	20,997
Total assets		**401,187**	410,704
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	17	**(122,238)**	(107,918)
Other payables and accrued expenses	18	**(3,826)**	(4,604)
		(126,064)	(112,522)
Current liabilities			
Interest-bearing loans and borrowings	17	**–**	–
Other payables and accrued expenses	18	**(12,355)**	(14,437)
		(12,355)	(14,437)
Total liabilities		**(138,419)**	(126,959)
Net assets		**262,768**	283,745
Equity			
Share capital	19	**3,500**	3,500
Capital reduction reserve		**314,823**	321,823
Retained earnings	20	**(55,555)**	(41,578)
Total equity		**262,768**	283,745
Number of shares in issue (thousands)		**350,000**	350,000
Net asset value per share (basic and diluted) (pence)	21	**75.1**	81.1

These Financial Statements were approved by the Board of Directors of Life Science REIT plc on 15 April 2025 and signed on its behalf by:

Claire Boyle
Company number: 13532483

The accompanying notes on pages 105 to 130 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**Share capital £'000**	**Capital reduction reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 January 2024		**3,500**	**321,823**	**(41,578)**	**283,745**
Loss for the year and total comprehensive loss		**–**	**–**	**(13,977)**	**(13,977)**
Dividends paid	11	**–**	**(7,000)**	**–**	**(7,000)**
Balance at 31 December 2024		**3,500**	**314,823**	**(55,555)**	**262,768**

	Notes	Share capital £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		3,500	335,823	(19,872)	319,451
Loss for the year and total comprehensive loss		–	–	(21,706)	(21,706)
Dividends paid	11	–	(14,000)	–	(14,000)
Balance at 31 December 2023		3,500	321,823	(41,578)	283,745

The accompanying notes on pages 105 to 130 form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flows from operating activities			
Operating loss		**(7,790)**	(14,589)
Adjustments to reconcile profit for the year to net cash flows:			
Changes in fair value of investment properties	13	**17,376**	22,848
Adjustment for non-cash items		**–**	317
Operating cash flows before movements in working capital		**9,586**	8,576
Decrease/(increase) in other receivables and prepayments		**3,911**	(5,177)
(Decrease)/increase in other payables and accrued expenses		**(576)**	4,216
Net cash flow generated from operating activities		**12,921**	7,615
Cash flows from investing activities			
Acquisition of investment properties		**(1,127)**	1,653
Capital expenditure		**(19,280)**	(24,034)
Disposal of investments		**–**	7,516
Interest received		**4,057**	3,222
Net cash used in investing activities		**(16,350)**	(11,643)
Cash flows from financing activities			
Bank loans drawn down	17	**14,000**	142,520
Bank loans repaid	17	**–**	(145,304)
Loan interest and other finance expenses paid		**(12,345)**	(9,473)
Loan issue costs paid		**–**	(980)
Dividends paid in the year		**(7,000)**	(14,000)
Net cash flow used in financing activities		**(5,345)**	(27,237)
Net decrease in cash and cash equivalents		**(8,774)**	(31,265)
Cash and cash equivalents at start of the year		**14,341**	45,606
Cash and cash equivalents at end of the year	15	**5,567**	14,341

The accompanying notes on pages 105 to 130 form an integral part of these Financial Statements.

1. General information

Life Science REIT plc (the "Company") is a closed-ended Real Estate Investment Trust ("REIT") incorporated in England and Wales on 27 July 2021. The Company began trading on 19 November 2021 and its shares are admitted to trading on the Premium Listing Segment of the Main Market of the London Stock Exchange. The registered office of the Company is located at Central Square, 29 Wellington Street, Leeds, England, LS1 4DL.

The Group's consolidated Financial Statements for the year ended 31 December 2024 comprise the results of the Company and its subsidiaries (together constituting the "Group") and were approved by the Board and authorised for issue on 15 April 2025. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 1 to 61.

2. Basis of preparation

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

2.1 Going concern

The Board monitors the Group's ability to continue as a going concern. Specifically, at quarterly Board meetings, the Board reviews summaries of the Group's liquidity position and compliance with loan covenants, as well as forecast financial performance and cash flows. Throughout the period, the Board met frequently, in conjunction with the Investment Adviser, to review cash resources and the progress of the development and repurposing of the investment property portfolio.

The Group ended the year with £5.6 million of unrestricted cash and £27.3 million of headroom available under its debt facilities, of which £15.5 million is available to draw as at the reporting date with the balance subject to future asset valuations. These valuations are due to increase as the development of OTP continues and completes. There is limited risk that a fall in bank valuations would result in a liquidity issue in the base and sensitised cases, however further asset disposals would mitigate this risk. The Group is operating within its covenants and a sensitivity analysis has been performed to identify the decrease in valuations and rental income that would result in a breach of the LTV, or interest cover covenants. For the HSBC and Bank of Ireland facility, current bank valuations would need to fall by 28.9% or rents by 26.1%, as at the 2024 year end covenant test date, before these covenants would be breached. As at 15 April 2025, 100% of rents invoiced in December 2024 in relation to the quarter to 24 March 2025 were received.

The Board has looked at its forecast cash flow for at least the next 12 months and under the base case scenario, as expected, it can meet its covenants and liquidity requirements within the current facility headroom. The Directors have reviewed a number of scenarios which included plausible downside sensitivities in relation to rental cash collection, making no acquisitions or discretionary capital expenditure, and minimum dividend distributions under the REIT rules. The sensitivity analysis also includes, for example, considering the timing of cash flows on committed capital expenditure at OTP and assumptions over the commencement and speed of completion of the work, which impacts the timing of cash outflows being payable, which is currently not certain.

In combination with this, the Directors note the debt facilities are due for maturity in June 2026, and will consider the prospects of any refinancing necessary, and any resultant liquidity constraints, as part of the strategic review where individual and collective asset sales are under consideration. The facility may be refinanced in full, in part at a reduced amount, or repaid in full depending on the outcome of the strategic review which will conclude before the refinancing date. The capital expenditure relating to the development of OTP is the largest contributor to using up headroom in the facility across the going concern period, and whilst the timing of this is not certain as noted above, the Group has currently forecast that headroom will remain available up to the refinancing date, based on the Directors' best estimate of the build schedule as of the date of approving the Financial Statements. Should it not, there are mitigating actions management can take to generate additional liquidity if necessary which, whilst not entirely within the Board's control as there is a reliance on the market, includes disposing of one or more of the assets as part of the strategic review considerations.

The Board announced a strategic review on 14 March 2025 to consider the future of the Group and to explore all strategic options available to maximise value for shareholders, which may include a potential sale or a managed wind down. The Board acknowledges the challenges and significant headwinds that the Group has faced since IPO, in common with the wider REIT sector, including higher inflation and elevated interest rates which have driven a fundamental slowdown in leasing activity and negatively impacted investor sentiment. These factors, coupled with the Group's size and low levels of liquidity have led to an under performance of the share price, which has, as a result, traded at a significant discount to net asset value for a prolonged period of time.

This announcement leads to uncertainty over the ownership, size and scale of the total asset portfolio and the debt facility that may be needed at the June 2026 refinancing date. Under the base case, the Directors have a reasonable

2. Basis of preparation continued

expectation that the Group and the Company would have adequate resources to continue in business for a period of at least 12 months from the date of approval of the Annual Report and Financial Statements, given facility headroom and liquidity remain available. However, the strategic review announcement in particular leads the Directors to believe that there exists a material uncertainty that may cast significant doubt over the Group's ability to continue to be in operation for at least the next 12 months, even at the base case, from the date of approval of the Annual Report and Financial Statements (see pages 59 to 61 for full details).

2.2 New standards and interpretations effective in the current period

The following amendments to existing standards, which are required for the Group's accounting period beginning on 1 January 2024, have been considered and applied:

- Amendments to IAS 1 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period and not expectations of, or actual events after, the reporting date. The amendments also give clarification to the definition of settlement of a liability.
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

There were no material effects from the adoption of the above-mentioned amendments to IFRS effective in the period. They have no significant impact on the Group as they are either not relevant to the Group's activities or require accounting that is already consistent with the Group's current accounting policies.

2.3 New and revised accounting standards not yet effective

There are a number of new standards and amendments to existing standards, which have been published and are mandatory for the Group's accounting periods beginning on, or after, 1 January 2025. The Group is not adopting these standards early. The following are the most relevant to the Group:

- Amendments to IAS 21 Lack of Exchangeability to assist entities in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.
- IFRS 18 Presentation and Disclosures in Financial Statements. This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures. This reduces disclosure requirements that an eligible subsidiary entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments provide clarity on the date of recognition and derecognition of certain financial instruments and amends/updates the disclosure required for some financial instruments.

The Directors have yet to assess the full outcome of these new standards, amendments and interpretations; however, with the exception of IFRS 18, these other new standards, amendments and interpretations are not expected to have a significant impact on the Group's financial statements.

2.4 Significant accounting judgements and estimates

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

Judgements

In the course of preparing the Financial Statements, the Investment Adviser has made the following judgements in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the Financial Statements.

Business combinations

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

No corporate acquisitions were made during the year and, therefore, no business combinations were considered in this financial year.

Estimates

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

2. Basis of preparation continued

Valuation of property

The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards January 2022 (incorporating the International Valuation Standards) and in accordance with IFRS 13. The key estimates made by the valuer are the ERV and equivalent yields of each investment property.

On-site developments are valued by applying the 'residual method' of valuation, which is the investment method described above with a deduction for all costs necessary to complete the development, with a further allowance for remaining risk and developers' profit. Properties and land held for future development are valued using the highest and best use method, by adopting the residual method allowing for all associated risks, the investment method or a value per acre methodology.

See notes 13 and 22 for further details.

2.5 Summary of material accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are stated in the notes to the Financial Statements.

a) Basis of consolidation

The Company does not meet the definition of an investment entity and, therefore, does not qualify for the consolidation exemption under IFRS 10. The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 December 2024. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In preparing these Financial Statements, intra-group balances, transactions and unrealised gains or losses have been eliminated in full. All non-dormant subsidiaries have the same year end as the Company. Uniform accounting policies are adopted in the Financial Statements for like transactions and events in similar circumstances.

b) Functional and presentation currency

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

All values are rounded to the nearest thousand pounds (£'000), except when otherwise stated.

c) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment and management of premises relating to the life science sector.

d) Derivative financial instruments

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

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

e) Exceptional costs

Items are classified as exceptional by virtue of their size, nature or incidence, where their inclusion would otherwise distort the underlying recurring earnings of the Group. Examples include, but are not limited to, business transformation costs, early redemption costs of financial instruments and tax charges specific to disposals. Exceptional costs are excluded from the Group's adjusted earnings.

3. Revenue

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Rental income	15,652	14,584
Other income	506	521
Insurance recharged	164	143
Rental income straight-line adjustment	33	233
Gross property income	16,355	15,481
Service charge income	3,953	4,461
Total	20,308	19,942

Accounting policy

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

For leases that contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight-line basis over the lease term.

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

Amounts received from occupiers to terminate leases or to compensate for dilapidations are recognised in the Group consolidated statement of profit or loss and other comprehensive income when the right to receive them arises.

Service charge income is recognised when the related recoverable expenses are incurred. The Group acts as the principal in service charge transactions, as it directly controls the delivery of the services at the point at which they are provided to the occupier.

4. Property operating and administration expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Recoverable service charges	**3,953**	4,461
Service charge void costs	**665**	1,120
Premises expenses	**662**	591
Rates	**378**	457
Insurance expense	**198**	153
Bad debt charge/(write back)	**28**	(665)
Property operating expenses	**1,931**	1,656
Investment Adviser fees	**2,979**	3,389
Other administration expenses	**1,473**	1,500
Directors' remuneration (see note 5)	**201**	200
Audit fees (see note 6)	**185**	172
Cost associated with moving to Main Market	**–**	(12)
Administration expenses	**4,838**	5,249
Total	**10,722**	11,366

Accounting policy

All property operating expenses and administration expenses are charged to the consolidated statement of profit or loss and other comprehensive income and are accounted for on an accruals basis.

Property expenses are costs incurred by the Group that are not directly recoverable from an occupier, as well as professional fees relating to the letting of our estates.

Further information on the calculation of the Investment Adviser fees is set out in note 27.

5. Directors' remuneration

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Claire Boyle	**55**	55
Richard Howell	**45**	45
Sally Ann Forsyth	**40**	40
Michael Taylor	**40**	40
Employers' National Insurance contributions	**21**	20
Total	**201**	200

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' remuneration report on pages 84 to 87. The Group had no employees in the year.

6. Auditor's remuneration

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Audit fee	**185**	172
Total	**185**	172

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

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Audit of Group Annual Report and Financial Statements[1]	**185**	172
Total	**185**	172

1 Split as audit fees of £182,250 (2023: £172,000) plus recharged disbursements of £2,511 (2023: £nil).

The Auditor has not undertaken any non-audit services during the year (2023: £nil). The Audit and Risk Committee has considered the independence and objectivity of the Auditor and has conducted a review of services, which the Auditor has provided during the year under review. The Audit and Risk Committee receives an annual assurance from the Auditor that its independence is not compromised.

7. Finance income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Interest receivable from interest rate derivatives	**3,858**	3,019
Change in fair value of deferred consideration on interest rate derivatives	**195**	152
Income from cash and short-term deposits	**150**	636
Total	**4,203**	3,807

Accounting policy

Interest income is recognised on an effective interest rate basis and is shown within the Group consolidated statement of profit or loss and other comprehensive income as finance income.

8. Finance expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Loan interest	**9,221**	8,209
Change in fair value of interest rate derivatives	**2,649**	3,936
Loan arrangement fees amortised	**320**	458
Loan expenses	**286**	261
Break fees	**–**	751
Loan arrangement fees written off	**–**	716
Gross interest costs	**12,476**	14,331
Capitalisation of finance costs	**(2,086)**	(3,261)
Total	**10,390**	11,070

Accounting policy

Any finance costs that are separately identifiable and directly attributable to an asset, which takes a period of time to complete, are amortised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Finance costs have been capitalised in the period in accordance with the accounting policy detailed in note 17.

9. Taxation

Corporation tax has arisen as follows:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Corporation tax on residual income	–	(146)
Total	–	(146)

Reconciliation of tax charge to profit before tax:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Loss before tax	(13,977)	(21,852)
Corporation tax at 25.0% (2023: 23.5%)	(3,494)	(5,135)
Change in value of investment properties	4,344	5,369
Change in value of interest rate derivatives	613	(888)
Adjustment for disallowable costs	–	(3)
Tax-exempt property rental business	(1,463)	657
Current year tax charge	–	–
Prior year accrual reversal	–	(146)
Total	–	(146)

Accounting policy

Corporation tax is recognised in the consolidated statement of comprehensive income except where in certain circumstances corporation tax may be recognised in other comprehensive income.

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

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

10. Operating leases

Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have a remaining term of up to 20 years (31 December 2023: 21 years).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 are as follows:

	As at 31 December 2024	As at 31 December 2023
Within one year	**15,384**	15,008
Between one and five years	**38,974**	44,625
More than five years	**31,133**	31,771
Total	**85,491**	91,404

11. Dividends

For the year ended 31 December 2024	Pence per share	£'000
Second interim dividend for year ended 31 December 2023, paid on 13 May 2024	**1.0**	**3,500**
First interim dividend for year ended 31 December 2024, paid on 31 October 2024	**1.0**	**3,500**
Total	**2.0**	**7,000**
Paid as:		
Property income distribution	**–**	**–**
Non-property income distribution	**2.0**	**7,000**
Total	**2.0**	**7,000**

For the year ended 31 December 2023	Pence per share	£'000
Second interim dividend for year ended 31 December 2022, paid on 15 May 2023	3.0	10,500
First interim dividend for year ended 31 December 2023, paid on 31 October 2023	1.0	3,500
Total	4.0	14,000
Paid as:		
Property income distribution	–	–
Non-property income distribution	4.0	14,000
Total	4.0	14,000

Accounting policy

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

12. Earnings per share ("EPS")

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

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
IFRS earnings	**(13,977)**	(21,706)
EPRA earnings adjustments:		
Fair value losses on investment properties	**17,376**	22,848
Realised losses on disposal of investment properties	**–**	317
Exceptional finance costs greater than one year	**–**	716
Changes in fair value of interest rate derivatives	**2,649**	3,936
Changes in fair value of deferred consideration payable on interest rate derivatives	**(195)**	(152)
EPRA earnings	**5,853**	5,959
Group-specific earnings adjustments:		
Exceptional finance costs less than one year	**–**	751
Cost associated with moving to Main Market	**–**	(12)
Adjusted earnings	**5,853**	6,698

	Year ended 31 December 2024 Pence	Year ended 31 December 2023 Pence
Basic IFRS EPS	**(4.0)**	(6.2)
Diluted IFRS EPS	**(4.0)**	(6.2)
EPRA EPS	**1.7**	1.7
Adjusted EPS	**1.7**	1.9

	Year ended 31 December 2024 Number of shares	Year ended 31 December 2023 Number of shares
Weighted average number of shares in issue (thousands)	**350,000**	350,000

13. Investment property

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 January 2024	**314,858**	**67,442**	**382,300**
Acquisitions[1]	**(218)**	**–**	**(218)**
Disposals in the year	**–**	**–**	**–**
Capital expenditure	**5,493**	**13,048**	**18,541**
Finance costs capitalised	**61**	**2,025**	**2,086**
Fair value losses on investment property	**(12,511)**	**(4,865)**	**(17,376)**
Movement in rent incentives and amortisation	**(256)**	**143**	**(113)**
Transfer from development to investment[3]	**21,246**	**(21,246)**	**–**
Fair value at 31 December 2024	**328,673**	**56,547**	**385,220**

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 January 2023	309,969	77,581	387,550
Acquisitions[1]	(759)	(21)	(780)
Disposals in the year[2]	(7,833)	–	(7,833)
Capital expenditure	2,410	20,373	22,783
Finance costs capitalised	–	3,261	3,261
Fair value losses on investment property	(18,182)	(4,666)	(22,848)
Movement in rent incentives and amortisation	167	–	167
Transfer from development to investment[3]	29,086	(29,086)	–
Fair value at 31 December 2023	314,858	67,442	382,300

1 During 2024, there were no acquisitions of new assets. The movement reflected relates to the finalisation of acquisition balances from prior years.

2 During the year ended 31 December 2023, Lumen House was disposed of for gross consideration of £7.7 million, £7.5 million net of transaction fees. After writing off the disposal value in the year of £7.8 million, a loss of £0.3 million was recognised in the consolidated statement of profit or loss and other comprehensive income.

3 Following practical completion of Building 5 at OTP during the year ended 31 December 2024, the property became income-producing, resulting in a transfer from development property and land to completed investment property. During the year ended 31 December 2023, practical completion of the IQ (Buildings 4A and 4B) at Oxford Technology Park occurred, resulting in a transfer of those buildings from development property and land to completed investment property.

Accounting policy

Investment property comprises property held to earn rental income or for capital appreciation, or both. Investment property is recognised upon legal completion of the contract, where costs are reliably measured and future economic benefits that are associated with the property flow to the entity. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

13. Investment property continued

Development property and land is where the whole or a material part of an estate is identified as having potential for development. Assets are classified as such until development is completed, and they have the potential to be fully income generating. Development property and land is measured at fair value if the fair value is considered to be reliably determinable. Where the fair value cannot be determined reliably, but where it is expected that the fair value of the property will be reliably determined when construction is completed, the property is measured at cost less any impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier. It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in either the year ended 31 December 2024 or the year ended 31 December 2023; however £2.1 million (2023: £3.3 million) of finance costs have been capitalised in the year to 31 December 2024. Refer to note 17 for more details.

Subsequent to initial recognition, investment property is stated at fair value (see note 22). Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise under IAS 40 Investment Property.

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

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

14. Trade and other receivables

	31 December 2024 £'000	31 December 2023 £'000
Rent and insurance receivable	2,333	2,065
Prepayments and other receivables	964	2,230
Interest receivable	714	763
Occupier deposits	180	173
Amounts due from property manager	5	991
VAT receivable	–	434
Current trade and other receivables	**4,196**	6,656
Occupier deposits	3,826	3,409
Non-current trade and other receivables	**3,826**	3,409
Total trade and other receivables	**8,022**	10,065

Accounting policy

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

The Group carries out an assessment of expected credit losses at each period end, using the IFRS 9 simplified approach, where a lifetime expected loss allowance is recognised over the expected life of the financial instrument. Adjustments are recognised in the income statement as an impairment gain or loss. The rent and insurance receivable represents gross receivables of £2.4 million (31 December 2023: £2.1 million) and a provision for doubtful debts of £0.1 million (31 December 2023: £nil). Collections for the year are 99.8% and all historic arrears have been collected, thus no further expected credit loss provision analysis is deemed necessary.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full. The Group writes off trade receivables when there is no reasonable expectation of recovery.

15. Cash and cash equivalents

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash	**3,567**	4,341
Cash equivalents	**2,000**	10,000
Total	**5,567**	14,341

Cash equivalents includes £2.0 million (2023: £10.0 million) of cash held by various banks on short-term deposits.

Accounting policy

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

16. Interest rate derivatives

	31 December 2024 £'000	31 December 2023 £'000
At the start of the year	**3,998**	4,303
Additional premiums paid and accrued	**1,351**	3,631
Changes in fair value of interest rate derivatives	**(2,649)**	(3,936)
Termination of caps	**(322)**	–
Balance at the end of the year	**2,378**	3,998
Current	**2,378**	–
Non-current	**–**	3,998
Balance at the end of the year	**2,378**	3,998

To mitigate the interest rate risk that arises as a result of entering into variable rate linked loans, the Group enters into interest rate derivatives.

A number of forward starting interest rate caps were entered into as at 26 June 2023 for a total deferred premium of £3.6 million to align with the expected debt draw down of the debt facility. This caps SONIA at a strike rate of 2.00% with a termination date of March 2025 (aligned with the cap entered into in 2022). During 2024, two further interest rate caps were entered into:

- In September 2024, for a premium of £0.6 million, a six-month hedge was entered into capping SONIA at a strike rate of 3.00% from 1 April 2025 to 30 September 2025. At the same time, the notional of the forward starting caps terminating in March 2025 was reduced in line with updated debt draw down assumptions resulting in a termination value of £0.3 million as above.
- In December 2024, for a deferred premium of £0.8 million, a three-month hedge was entered into capping SONIA at a strike rate of 2.00% from 1 October 2025 to 31 December 2025.

Accounting policy

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

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

17. Interest-bearing loans and borrowings

Non-current	31 December 2024 £'000	31 December 2023 £'000
At the beginning of the year	108,726	75,000
Drawn in the year	14,000	142,520
Repaid in the year	–	(108,794)
Interest-bearing loans and borrowings	**122,726**	**108,726**
Unamortised fees at the beginning of the year	(808)	(912)
Loan arrangement fees paid in the year	–	(980)
Unamortised fees written off	–	716
Amortisation charge for the year	320	368
Unamortised loan arrangement fees	**(488)**	**(808)**
Loan balance less unamortised loan arrangement fees	**122,238**	**107,918**

Current	31 December 2024 £'000	31 December 2023 £'000
At the beginning of the year	–	35,833
Repaid in the year	–	(36,510)
Interest and commitment fees incurred in the year	–	677
Interest-bearing loans and borrowings	**–**	**–**
Unamortised fees at the beginning of the year	–	(90)
Amortisation charge for the year	–	90
Unamortised loan arrangement fees	**–**	**–**
Loan balance less unamortised loan arrangement fees	**–**	**–**

The Company has a debt facility with HSBC and Bank of Ireland ("BOI") split 60% and 40%, respectively (the "debt facility"). The debt facility comprises a £100.0 million term loan and £50.0 million revolving credit facility ("RCF") with an expiry date of 23 June 2026. It has an interest rate in respect of drawn amounts of 250 basis points over SONIA and is secured on all of the assets of the Group, including Oxford Technology Park ("OTP"). The debt facility borrowers are Ironstone Life Science Holdings Limited and Oxford Technology Park Holdings Limited, both direct subsidiaries of the Company. The £100.0 million term loan was fully drawn during 2024. The RCF is being drawn to fund the OTP development and other refurbishment projects, with £22.7 million drawn at the year ended 31 December 2024 (31 December 2023: £8.7 million) and a remaining £27.3 million available to utilise (31 December 2023: £41.3 million). The Group also has a £35.0 million accordion facility available on the RCF, which has not been utilised as at 31 December 2024.

The debt facility includes LTV and interest cover covenants. The Group is in full compliance with all loan covenants as at 31 December 2024. The facility also includes a ratchet clause that reduces the margin to 2.35% if the gross LTV decreases to 30%, based on the lenders' annual valuation of the portfolio.

The Group has also defined £40.0 million of the term loan as a Green Loan in accordance with the LMA Green Loan Principles. This is secured on Rolling Stock Yard and completed OTP buildings, which are rated either BREEAM Excellent or EPC A.

17. Interest-bearing loans and borrowings continued

Accounting policy

Loans and borrowings are initially recognised at the proceeds received net of directly attributable transaction costs. Loans and borrowings are subsequently measured at amortised cost. Interest on the HSBC and BOI facility is charged to the consolidated statement of profit or loss and other comprehensive income at the effective interest rate and shown within finance costs. The effective interest rate is calculated as the daily SONIA rate plus the facility margin. Transaction costs are amortised over the term of the loan.

Where a property is being developed or undergoing major refurbishment, finance costs associated with direct expenditure on the property are capitalised. Capitalisation commences when the activities to develop the property start and continues until the property is substantially ready for its intended use, normally practical completion.

Capitalised finance costs are calculated at the Group's weighted average interest rate.

18. Other payables and accrued expenses

	31 December 2024 £'000	31 December 2023 £'000
Deferred income	**4,222**	3,686
Capital expenses payable	**1,943**	4,046
Deferred consideration on interest rate caps	**1,922**	2,636
Loan interest payable	**1,809**	1,823
Administration and other expenses payable	**1,101**	1,753
Accounts payable	**761**	–
Property operating expenses payable	**389**	320
Occupier deposits payable to occupier	**180**	173
VAT payable	**28**	–
Current other payables and accrued expenses	**12,355**	14,437
Occupier deposits payable to occupier	**3,826**	3,409
Deferred consideration on interest rate caps	**–**	1,195
Non-current other payables and accrued expenses	**3,826**	4,604
Total other payables and accrued expenses	**16,181**	19,041

Accounting policy

Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

Deferred income is rental income invoiced to the occupier but relates to future accounting periods. The income is deferred and is unwound to revenue on a straight-line basis over the period in which it is earned.

19. Share capital

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

	31 December 2024		31 December 2023	
Ordinary shares of £0.01 each	Number	£'000	Number	£'000
Authorised, issued and fully paid:				
Shares issued	350,000,000	3,500	350,000,000	3,500
Balance at the end of the year	**350,000,000**	**3,500**	350,000,000	3,500

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

Accounting policy

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

20. Retained earnings

Retained earnings comprise the following cumulative amounts:

	31 December 2024 £'000	31 December 2023 £'000
Total unrealised loss on investment properties	(63,500)	(46,124)
Total unrealised loss on interest rate derivatives and deferred consideration	(4,083)	(1,629)
Total realised gains	12,028	6,175
Retained earnings	**(55,555)**	(41,578)

Accounting policy

Retained earnings represent the profits of the Group less dividends paid from revenue profits to date. Unrealised gains/(losses) on the revaluation of investment properties, interest rate derivatives and deferred consideration contained within this reserve are not distributable until any gains crystallise on the sale of the investment property and interest rate caps.

As at 31 December 2024, the Company had distributable reserves available of £326.9 million (2023: £328.0 million).

21. Net asset value per share

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

EPRA net tangible assets ("EPRA NTA") is calculated using property values in line with IFRS, where values are net of real estate transfer tax ("RETT") and other purchasers' costs. EPRA NTA is considered to be the most relevant measure for the Group's operating activities.

	31 December 2024 £'000	31 December 2023 £'000
IFRS net assets attributable to ordinary shareholders	**262,768**	283,745
IFRS net assets for calculation of NAV	**262,768**	283,745
Adjustment to net assets:		
Fair value of interest rate derivatives	**(2,378)**	(3,998)
EPRA NTA	**260,390**	279,747

	31 December 2024 Pence	31 December 2023 Pence
IFRS basic and diluted NAV per share (pence)	**75.1**	81.1
EPRA NTA per share (pence)	**74.4**	79.9

	31 December 2024 Number of shares	31 December 2023 Number of shares
Number of shares in issue (thousands)	**350,000**	350,000

22. Fair value

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

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

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying values of the loans and borrowings approximate their fair value due to the contractual terms and conditions of the loan. The HSBC and BOI debt facility has an interest rate of 250 basis points over SONIA in respect of drawn amounts.

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

Six-monthly valuations of investment property are performed by CBRE, accredited external valuers with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued, on a variable fee basis. However, the valuations are the ultimate responsibility of the Director who appraises these every six months.

The valuation of the Group's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards January 2022 (incorporating the International Valuation Standards).

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

On-site developments are valued by applying the 'residual method' of valuation, which is the investment method described above with a deduction for all costs necessary to complete the development, with a further allowance for remaining risk and developers' profit. Properties and land held for future development are valued using the highest and best use method, by adopting the residual method allowing for all associated risks, the investment method or a value per acre methodology.

The following table shows an analysis of the fair values of investment properties recognised in the statement of financial position by level of the fair value hierarchy[1]:

	31 December 2024			
Assets and liabilities measured at fair value	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment properties	**–**	**–**	**385,220**	**385,220**
Interest rate derivatives	**–**	**2,378**	**–**	**2,378**
Deferred consideration on interest rate caps	**–**	**(1,922)**	**–**	**(1,922)**
Total	**–**	**456**	**385,220**	**385,676**

	31 December 2023			
Assets and liabilities measured at fair value	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	–	–	382,300	382,300
Interest rate derivatives	–	3,998	–	3,998
Deferred consideration on interest rate caps	–	(3,831)	–	(3,831)
Total	–	167	382,300	382,467

1 Explanation of the fair value hierarchy:

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

22. Fair value continued

There have been no transfers between Level 1 and Level 2 during either year, nor have there been any transfers in or out of Level 3.

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

The following table analyses:

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

31 December 2024	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property[1]	£328,673	Income capitalisation	ERV	£15.4–£110.0 per sq ft
			Equivalent yield	5.05%–7.25%
Development property	£50,972	Income capitalisation/ residual method	ERV	£20.0 per sq ft
			Equivalent yield	5.05%–5.75%
Development land	£5,575	Comparable method/ residual method	Sales rate per sq ft	£63.7 per sq ft
Total	£385,220			

31 December 2023	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property	£314,858	Income capitalisation	ERV	£16.0–£115.0 per sq ft
			Equivalent yield	4.75%–7.25%
Development property	£58,930	Income capitalisation/ residual method	ERV	£20.0 per sq ft
			Equivalent yield	5.25%–5.70%
Development land	£8,512	Comparable method/ residual method	Sales rate per sq ft	£102.4 per sq ft
Total	£382,300			

1 ERV range excludes one unit which has an ERV of £nil.

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

Generally, a change in the assumption made for the ERV (per sq ft per annum) is accompanied by:

- a similar change in the rent growth per annum and discount rate (and exit yield); and
- an opposite change in the long-term vacancy rate.

22. Fair value continued

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

As at 31 December 2024

Completed investment property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 10%	32,867	(32,867)
Change in net equivalent yields of 50 basis points	(31,077)	37,251

Development property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 10%	5,097	(5,097)
Change in net equivalent yields of 50 basis points	(5,042)	6,032

Development land	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in sales rate per sq ft of 10%	558	(558)

As at 31 December 2023

Completed investment property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 10%	31,486	(31,486)
Change in net equivalent yields of 50 basis points	(29,733)	35,987

Development property	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in ERV of 10%	5,893	(5,893)
Change in net equivalent yields of 50 basis points	(6,829)	8,190

Development land	Increase in sensitivity £'000	Decrease in sensitivity £'000
Change in sales rate per sq ft of 10%	851	(851)

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 £17.4 million (31 December 2023: loss of £22.8 million) and are presented in the consolidated statement of profit or loss and other comprehensive income in line item 'fair value gains/(losses) on investment properties'.

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

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

23. Financial risk management objectives and policies

The Group has trade and other receivables, trade and other payables, and cash and short-term deposits that arise directly from its operations.

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

Market risk

Market risk is the risk that future values of investments in property and related investments will fluctuate due to changes in market prices. The total exposure in the consolidated statement of financial position at the year ended 31 December 2024 is £385.2 million (31 December 2023: £382.3 million) and to manage this risk, the Group diversifies its portfolio across a number of assets. The Group's investment policy is to invest in UK-located life science assets. The Group will invest and manage its portfolio with an objective of spreading risk and, in doing so, will maintain the following investment restrictions:

- No individual building will represent more than 25% of gross asset value.
- The Company will target a portfolio with no one occupier accounting for more than 20% (but subject to a maximum of 30%) of the higher of either (i) gross contracted rents or (ii) the valuer's ERV of the Company's portfolio, including developments under forward-funding agreements, as calculated at the time of investing or leasing.
- The aggregate maximum exposure to assets under development, including forward fundings, will not exceed 30% of gross asset value. Within this limit, the maximum exposure to developments, as measured by the expected gross development cost, which are not under forward-funded arrangements, will not exceed 15% of gross asset value at the commencement of the relevant development.
- No more than 10% of gross asset value will be invested in properties that are not life science properties.

Credit risk

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

All cash deposits are placed with approved counterparties, all of whom have a credit rating of AA- or above. In respect of property investments, in the event of a default by an occupier, the Group will suffer a shortfall and additional costs concerning reletting of the property. The Investment Adviser monitors the occupier arrears in order to anticipate and minimise the impact of defaults by occupational occupiers. For further details on the Group's expected credit loss policy, see note 14.

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

	31 December 2024 £'000	31 December 2023 £'000
Cash and cash equivalents	5,567	14,341
Trade and other receivables[1]	3,118	5,300
Total	**8,685**	19,641

[1] Excludes prepayments, occupier deposits and VAT receivable.

23. Financial risk management objectives and policies continued

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to its variable rate bank loans. To mitigate the interest rate risk that arises as a result of entering into variable rate linked loans, the Group has entered into interest rate derivatives. As at 31 December 2024, there were four interest rate derivatives in place:

- In August 2022, additional protection was secured against potential future interest rate rises through capping the SONIA rate at 2.00% until 31 March 2025 on the £75.0 million HSBC term loan at a premium of £2.3 million. This remained in place following the refinancing with HSBC and BOI in June 2023, which resulted in an increase in the term loan to £100.0 million and reduction in the RCF facility to £50.0 million.
- Following the refinancing with HSBC and BOI, in June 2023, a number of forward starting interest rate caps were entered into for a total deferred premium of £3.6 million to align with the expected debt draw down of the RCF and hedge the remaining £25.0 million term loan. This caps SONIA at a strike rate of 2.00% with a termination date of 31 March 2025.
- In September 2024, for a premium of £0.6 million, a six-month hedge was entered into, capping SONIA at a strike rate of 3.00% from 1 April 2025 to 30 September 2025.
- In December 2024, for a deferred premium of £0.8 million, a three-month hedge was entered into, capping SONIA at a strike rate of 2.00% from 1 October 2025 to 31 December 2025.

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

	2024		2023	
Effect on profit before tax	Increase in interest rates by 1% £'000	Decrease in interest rates by 1% £'000	Increase in interest rates by 1% £'000	Decrease in interest rates by 1% £'000
(Decrease)/increase	(119)	118	(1,475)	1,446

Foreign exchange rate risk

Management has considered the risks but has not deemed them material for the business, as the Group's exposure to foreign exchange rate risk as at 31 December 2024 and 31 December 2023 was minimal.

Liquidity risk

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

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

	2024			2023		
	Fair value hierarchy	Carrying value £'000	Fair value £'000	Fair value	Carrying value £'000	Fair value £'000
Held at amortised cost						
Cash and cash equivalents	n/a	5,567	5,567	n/a	14,341	14,341
Trade and other receivables[1]	n/a	7,124	7,124	n/a	9,316	9,316
Other payables and accrued expenses[2]	n/a	(11,959)	(11,959)	n/a	(15,355)	(15,355)
Interest-bearing loans and borrowings	n/a	(122,238)	(122,238)	n/a	(107,918)	(107,918)
Held at fair value						
Interest rate derivatives	n/a	2,378	2,378	n/a	3,998	3,998

1 Excludes prepayments.
2 Excludes deferred income.

23. Financial risk management objectives and policies continued

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

Year ended 31 December 2024	Less than three months £'000	Three to 12 months £'000	One to two years £'000	Two to five years £'000	More than five years £'000	Total £'000
Other payables and accrued expenses[1]	6,844	1,653	1,934	516	1,376	12,323
Interest-bearing loans and borrowings	1,438	4,931	125,504	–	–	131,873
Total	8,282	6,584	127,438	516	1,376	144,196

Company	Less than three months	Three to 12 months	One to two years	Two to five years	More than five years	Total
Other payables and accrued expenses[1]	7,976	2,775	1,318	2,355	1,054	15,478
Interest-bearing loans and borrowings	1,336	4,036	5,357	110,017	–	120,746
Total	9,312	6,811	6,675	112,372	1,054	136,224

1 Excludes deferred income and fair value adjustment on the deferred consideration payable on cap premiums.

24. Subsidiaries

Company	Country of incorporation and operation	Country of Registration Number	Number and class of share held by the Group	Group holding
Ironstone Life Science Holdings Limited[2]	UK	13390321	1,000 ordinary shares	100%
Ironstone Life Science Cambourne Two Limited[1, 2]	UK	13779806	1 ordinary share	100%
Ironstone Life Science Cambourne Limited[1, 2]	UK	13763082	1 ordinary share	100%
Ironstone Life Science RSY Limited[1, 2]	UK	13763039	1 ordinary share	100%
Ironstone Life Science Merrifield Limited[1, 2]	UK	13763037	1 ordinary share	100%
Merrifield Centre Limited[1, 2, 4]	UK	11118349	21,786,493 ordinary shares	100%
Ironstone Life Science Herbrand Limited[1, 2]	UK	14044299	1 ordinary share	100%
Herbrand Properties Limited[1, 3]	BVI	1908435	6,000 ordinary shares	100%
Oxford Technology Park Holdings Limited[2]	UK	12434159	92 ordinary shares	100%
Oxford Technology Park Limited[1, 2]	UK	08483449	100 ordinary shares	100%
Oxford Technology Park Investments Limited[1, 2]	UK	12442240	1 ordinary share	100%

1 Indirect subsidiaries.
2 Registered office: Radius House, 51 Clarendon Road, Watford, WD17 1HP.
3 Registered office: Nerine Chambers, P.O. Box 905, Road Town, Tortola, 1110, British Virgin Islands.
4 Merrifield Centre Limited was liquidated on 21 January 2025.

A list of all related undertakings included within these consolidated Financial Statements is noted above. The principal activity of all the subsidiaries relates to property investment.

24. Subsidiaries continued

The Group consists of a parent company, Life Science REIT plc, incorporated in England and Wales, and a number of subsidiaries held directly by Life Science REIT plc, which operate and are incorporated in the UK, Jersey and the British Virgin Islands.

The Group owns 100% equity shares of all subsidiaries listed above and has the power to appoint and remove the majority of the Board of Directors of those subsidiaries. The relevant activities of the above subsidiaries are determined by the Board of Directors based on the purpose of each company.

Therefore, the Directors concluded that the Group has control over all these entities and all these entities have been consolidated within the consolidated Financial Statements.

The subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act. The Company has provided a guarantee under section 479C of the Companies Act 2006 in respect of the financial year ended 31 December 2024 for a number of its subsidiary companies. The guarantee is over all outstanding liabilities to which the subsidiary companies are subject to at 31 December 2024 until they are satisfied in full.

Accounting policy

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity, based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the proportionate share of the acquiree's identifiable net assets. Acquisition costs (except for costs of issue of debt or equity) are expensed in accordance with IFRS 3 Business Combinations.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Contingent consideration is deemed to be equity or a liability in accordance with IAS 32. If the contingent consideration is classified as equity, it is not remeasured, and its subsequent settlement shall be accounted for within equity. If the contingent consideration is classified as a liability, subsequent changes to the fair value are recognised either in profit or loss or as a change to other comprehensive income.

25. Capital management

The Group's capital is represented by share capital, reserves and borrowings.

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

- The Group will keep sufficient cash for working capital purposes with excess cash, should there be any, deposited at the best interest rate available whilst maintaining flexibility to fund the Group's investment programme.
- Borrowings will be managed in accordance with the loan agreements and covenants will be tested quarterly and reported to the Directors. Additionally, quarterly lender reporting will be undertaken in line with the loan agreement.
- New borrowings are subject to Director approval. Such borrowings will support the Group's investment programme, but will be subject to a maximum 55% LTV. The intention is to maintain borrowings at an LTV of between 30% and 40%.

The Group is subject to banking covenants in regard to its debt facility and these include a prescribed methodology for interest cover and market value covenants. The Group has complied with all covenants on its borrowings up to the date of this report. All of the targets mentioned above sit comfortably within the Group's covenant levels, which include LTV and forward and backward looking interest cover ratios. The Group LTV at the year end was 30.4% (31 December 2023: 24.7%) and there is substantial headroom within existing covenants.

26. Capital commitments

At 31 December 2024, the Group had contracted capital expenditure of £27.4 million (31 December 2023: £39.9 million).

27. Related party transactions

Directors

The Directors (all Non-Executive Directors) of the Company and its subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the year totalled £200,880 (year ended 31 December 2023: £200,304) at 31 December 2024, including £20,880 of employers' National Insurance contributions (year ended 31 December 2023: £20,304); a balance of £nil (year ended 31 December 2023: £nil) was outstanding relating to employer NI. Further information is given in note 5 and in the Directors' remuneration report on pages 84 to 87.

Investment Adviser

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

For its services to the Company, the Investment Adviser is entitled to a fee payable quarterly in arrears calculated at the rate of one quarter of 1.1% per quarter on that part of the NAV up to, and including, £500 million; one quarter of 0.9% per quarter on that part of the NAV in excess of £500 million and up to £1 billion; and one quarter of 0.75% per quarter on NAV in excess of £1 billion.

Following the strategic review announcement on 14 March 2025, the Board and Investment Adviser have agreed to revisions to the fee, effective from the quarter commencing 1 April 2025. The Investment Advisory fee will move from being calculated on net asset value to the lower of net asset value and the average market capitalisation for the quarter, subject to a floor of no lower than 70.0% of net asset value. In addition the rate applied to the initial fee threshold of £500 million has been lowered to 1.0%. Refer to page 89 of the Directors' report for further information.

During the year, the Group incurred £2,978,777 (2023: £3,388,548) in respect of investment advisory fees. As at 31 December 2024, £726,625 (2023: £787,521) was outstanding.

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

	Interest-bearing loans and borrowings current £'000	Interest-bearing loans and borrowings non-current £'000	Total £'000
Balance as at 1 January 2024	–	107,918	107,918
Changes from financing cash flows:			
Bank loans drawn down	–	14,000	14,000
Bank loans repaid	–	–	–
Loan arrangement fees paid in the year	–	–	–
Total changes from financing cash flows	–	14,000	14,000
Additional interest and commitment fees capitalised	–	–	–
Unamortised fees written off	–	–	–
Amortisation charge for the year	–	320	320
Balance as at 31 December 2024	–	122,238	122,238

	Interest-bearing loans and borrowings current £'000	Interest-bearing loans and borrowings non-current £'000	Total £'000
Balance as at 1 January 2023	35,743	74,088	109,831
Changes from financing cash flows:			
Bank loans drawn down	–	142,520	142,520
Bank loans repaid	(36,510)	(108,794)	(145,304)
Loan arrangement fees paid in the year	–	(980)	(980)
Total changes from financing cash flows	(36,510)	32,746	(3,764)
Additional interest and commitment fees capitalised	677	–	677
Unamortised fees written off	–	716	716
Amortisation charge for the year	90	368	458
Balance as at 31 December 2023	–	107,918	107,918

29. Ultimate controlling party

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

30. Post balance sheet events

On 14 March 2025, the Board announced the commencement of a strategic review whereby it is considering the future of the Group and exploring all strategic options available to maximise value for shareholders.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investment in subsidiary companies	33	73,769	73,767
Trade and other receivables	35	239,377	240,336
		313,146	314,103
Current assets			
Cash and cash equivalents	34	2,065	10,051
Trade and other receivables	35	322	1,338
		2,387	11,389
Total assets		315,533	325,492
Liabilities			
Current liabilities			
Other payables and accrued expenses	36	(1,448)	(3,151)
Total liabilities		(1,448)	(3,151)
Net assets		314,085	322,341
Equity			
Share capital	19	3,500	3,500
Capital reduction reserve		314,823	321,823
Retained earnings		(4,238)	(2,982)
Total equity		314,085	322,341
Number of shares in issue (thousands)		350,000	350,000
Net asset value per share (basic and diluted) (pence)		89.7	92.1

The Company reported a loss for the year ended 31 December 2024 of £1,256,000 (year ended 31 December 2023: £20,667,000 profit).

These Financial Statements were approved by the Board of Directors of Life Science REIT plc on 15 April 2025 and signed on its behalf by:

Claire Boyle
Company number: 13532483

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024	**3,500**	**321,823**	**(2,982)**	**322,341**
Loss for the year and total comprehensive loss	**–**	**–**	**(1,256)**	**(1,256)**
Dividends paid	**–**	**(7,000)**	**–**	**(7,000)**
Balance at 31 December 2024	**3,500**	**314,823**	**(4,238)**	**314,085**

	Share capital £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	3,500	335,823	(23,649)	315,674
Profit for the year and total comprehensive profit	–	–	20,667	20,667
Dividends paid	–	(14,000)	–	(14,000)
Balance at 31 December 2023	3,500	321,823	(2,982)	322,341

31. General information

Life Science REIT plc is a closed-ended REIT incorporated in England and Wales on 27 July 2021. The Company began trading on 19 November 2021 and its shares are admitted to trading on the Premium Listing Segment of the Main Market of the London Stock Exchange. The registered office of the Company is located at Central Square, 29 Wellington Street, Leeds, England, LS1 4DL.

32. Basis of preparation

These Financial Statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in conformity with the requirements of the Companies Act 2006. The Financial Statements have been prepared under the historical cost convention. The audited Financial Statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

In preparing these Financial Statements, the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these Financial Statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of Life Science REIT plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated Financial Statements. These Financial Statements do not include certain disclosures in respect of:

- share-based payments;
- financial instruments; and
- fair value measurement.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of comprehensive income.

The Financial Statements of the Company follow the accounting policies laid out on pages 103 to 128.

The key source of estimation uncertainty relates to the Company's investment in Group companies and is stated in the Company's separate financial statements at cost less impairment losses, if any. Impairment losses are determined with reference to the investment's fair value less estimated selling costs. Fair value is derived from the subsidiaries', and their subsidiaries', net assets at the balance sheet date. Investment properties held by the subsidiary companies are supported by independent valuation. Judgements and assumptions associated with the property values of the investments held by the subsidiary companies are detailed in the Group financial statements.

33. Investment in subsidiary companies

	31 December 2024 £'000	31 December 2023 £'000
Investment in subsidiary companies		
Balance at the beginning of the year	73,767	65,138
Increase in investments	2	–
Cost of investment	–	(12,682)
Provision for impairment	–	21,311
Total	73,769	73,767

	31 December 2024 £'000	31 December 2023 £'000
Investment in subsidiary companies		
Ironstone Life Science Holdings Limited	1	1
Oxford Technology Park Holdings Limited	73,768	73,766
	73,769	73,767

Following a review comparing cost of investments to the underlying net assets of subsidiary companies, an impairment provision has been made of £nil (2023: £21.3 million reversal of 2022 provision).

Movement of £2,000 in the year relates to the reallocation of a prior period cost allocation. In the prior year, negative costs associated with the acquisition of new subsidiary companies of £12,682,000 resulted from the reallocation of a prior period tax charge within the subsidiary company.

For an impairment review to be considered the value of the underlying assets would need to fall by 74%.

Accounting policy

Investments in subsidiary companies are included in the statement of financial position at cost less impairment. For a list of subsidiary companies, see note 24.

34. Cash and cash equivalents

	31 December 2024 £'000	31 December 2023 £'000
Cash equivalents	2,000	10,000
Cash	65	51
Total	2,065	10,051

Accounting policy

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

35. Trade and other receivables

A. Receivables: non-current assets

	31 December 2024 £'000	31 December 2023 £'000
Amounts due from subsidiary companies	239,377	240,336
Total	239,377	240,336

Loans due from subsidiary companies are unsecured, interest free and repayable on demand. These loans are not expected to be recovered within 12 months and, are therefore, classified as non-current assets.

B. Receivables current assets

	31 December 2024 £'000	31 December 2023 £'000
Prepayments and other receivables	322	1,338
Total	322	1,338

36. Other payables and accrued expenses

	31 December 2024 £'000	31 December 2023 £'000
Administration expenses payable and accrued	1,056	1,345
Capital expenses payable	325	1,647
Accounts payable	67	–
Other expenses payable	–	159
Total	1,448	3,151

The Group is a member of the European Public Real Estate Association ("EPRA") and was awarded an EPRA gold award for compliance with EPRA Best Practice Recommendations ("BPR") for the 2023 Annual Report and Financial Statements. EPRA has developed and defined the following performance measures to give transparency, comparability and relevance of financial reporting across entities that may use different accounting standards. The following measures are calculated in accordance with EPRA guidance. These are not intended as a substitute for IFRS measures.

Table 1: EPRA performance measures summary

	Notes	Year to 31 December 2024	Year to 31 December 2023
EPRA earnings (£'000)	Table 2	**5,853**	5,959
EPRA EPS (pence)	Table 2	**1.7**	1.7
EPRA cost ratio (including direct vacancy cost)	Table 6	**40.8%**	44.1%
EPRA cost ratio (excluding direct vacancy cost)	Table 6	**34.1%**	33.7%

	Notes	31 December 2024	31 December 2023
EPRA NDV per share (pence)	Table 3	**75.1**	81.1
EPRA NRV per share (pence)	Table 3	**81.7**	87.2
EPRA NTA per share (pence)	Table 3	**74.4**	79.9
EPRA NIY	Table 4	**3.9%**	3.6%
EPRA 'topped-up' net initial yield	Table 4	**4.1%**	3.7%
EPRA vacancy rate	Table 5	**15.6%**	21.0%
EPRA loan to value	Table 10	**32.5%**	27.0%

Table 2: EPRA income statement

	Notes	Year to 31 December 2024	Year to 31 December 2023
Revenue	3	**20,308**	19,942
Less: insurance recharged	3	**(164)**	(143)
Less: service charge income	3	**(3,953)**	(4,461)
Rental income (A)		**16,191**	15,338
Property operating expenses (including recoverable service charges)	4	**(5,884)**	(6,117)
Add: insurance recharged	3	**164**	143
Add: service charge income	4	**3,953**	4,461
Gross profit (B)		**14,424**	13,825
Administration expenses	4	**(4,838)**	(5,249)
Operating profit before interest and tax		**9,586**	8,576
Finance income	7	**4,203**	3,807
Finance expenses	8	**(10,390)**	(11,070)
Less change in fair value of interest rate derivatives and deferred consideration	7,8	**2,454**	3,784
Less costs of early refinancing with greater than 12 months to expiry	8	**–**	716
Adjusted profit before tax		**5,853**	5,813
Taxation	9	**–**	146
EPRA earnings		**5,853**	5,959
Company-specific adjustments:			
EPRA earnings		**5,853**	5,959
Cost associated with moving to Main Market	4	**–**	(12)
Cost of early refinancing with less than 12 months to expiry	8	**–**	751
Adjusted earnings		**5,853**	6,698
Weighted average number of shares in issue (thousands)	19	**350,000**	350,000
EPRA EPS (pence)	12	**1.7**	1.7
Adjusted EPS (pence)	12	**1.7**	1.9
Gross to net rental income ratio (B/A)		**89.1%**	90.1%

Adjusted earnings represents earnings from operational activities. It is a key measure of the Group's underlying operational results and an indication of the extent to which dividend payments are supported by earnings.

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

EPRA net disposal value ("NDV"), EPRA net reinstatement value ("NRV") and EPRA net tangible assets ("NTA"). A reconciliation of the three new EPRA NAV metrics from IFRS NAV is shown in the table below. Total accounting return will now be calculated based on EPRA NTA.

As at 31 December 2024	Notes	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	13	385,220	385,220	385,220
Net borrowings[2]	15,17	(117,159)	(117,159)	(117,159)
Other net liabilities		(5,293)	(5,293)	(5,293)
IFRS NAV	21	262,768	262,768	262,768
Include: real estate transfer tax[3]		–	25,529	–
Exclude: fair value of interest rate derivatives	16	–	(2,378)	(2,378)
NAV used in per share calculations		262,768	285,919	260,390
Number of shares in issue (thousands)	19	350,000	350,000	350,000
NAV per share (pence)	21	75.1	81.7	74.4

As at 31 December 2023	Notes	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	13	382,300	382,300	382,300
Net borrowings[2]	15,17	(94,385)	(94,385)	(94,385)
Other net liabilities		(4,170)	(4,170)	(4,170)
IFRS NAV	21	283,745	283,745	283,745
Include: real estate transfer tax[3]		–	25,357	–
Exclude: fair value of interest rate derivatives	16	–	(3,998)	(3,998)
NAV used in per share calculations		283,745	305,104	279,747
Number of shares in issue (thousands)	19	350,000	350,000	350,000
NAV per share (pence)	21	81.1	87.2	79.9

1 Professional valuation of investment property.

2 Comprising interest-bearing loans and borrowings (excluding unamortised loan arrangement fees) of £122.7 million net of cash of £5.6 million (31 December 2023: £108.7 million net of cash of £14.3 million).

3 EPRA NTA and EPRA NDV reflect IFRS values that are net of real estate transfer tax. Real estate transfer tax is added back when calculating EPRA NRV.

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

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

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

Table 4: EPRA net initial yield

	Notes	31 December 2024 £'000	31 December 2023 £'000
Total properties per external valuers' report	13	**385,220**	382,300
Less development property and land	13	**(56,547)**	(67,442)
Net valuation of completed properties		**328,673**	314,858
Add estimated purchasers' costs[1]		**21,925**	20,884
Gross valuation of completed properties, including estimated purchasers' costs (A)		**350,598**	335,742
Gross passing rents[2] (annualised)		**14,894**	13,663
Less irrecoverable property costs[2]		**(1,077)**	(1,586)
Net annualised rents (B)		**13,817**	12,077
Add notional rent on expiry of rent-free periods or other lease incentives[3]		**530**	342
'Topped-up' net annualised rents (C)		**14,347**	12,419
EPRA NIY (B/A)		**3.9%**	3.6%
EPRA 'topped-up' net initial yield (C/A)		**4.1%**	3.7%

1 Estimated purchasers' costs estimated at 6.7% (31 December 2023: 6.6%).

2 Gross passing rents and irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.

3 Adjustment for unexpired lease incentives, such as rent-free periods, discounted rent periods and step rents. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive. Rent-frees expire over a weighted average period of 4 months (31 December 2023: 7 months).

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

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

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

Table 5: EPRA vacancy rate

	31 December 2024 £'000	31 December 2023 £'000
Annualised ERV of vacant premises (D)	**3,488**	4,113
Annualised ERV for the investment portfolio (E)	**22,383**	19,556
EPRA vacancy rate (D/E)	**15.6%**	21.0%

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

Table 6: Total cost ratio/EPRA cost ratio

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Property operating expenses (excluding service charge expenses)	4	**1,266**	536
Service charge expenses	4	**4,618**	5,581
Add back: service charge income	3	**(3,953)**	(4,461)
Add back: insurance recharged	3	**(164)**	(143)
Net property operating expenses		**1,767**	1,513
Administration expenses	4	**4,838**	5,249
Deduct: costs associated with move to Main Market	4	**–**	12
Total cost including direct vacancy cost (F)		**6,605**	6,774
Direct vacancy cost	3,4	**(1,077)**	(1,587)
Total cost excluding direct vacancy cost (G)		**5,528**	5,187
Rental income[1]	3	**16,191**	15,338
Gross rental income (H)	3	**16,191**	15,338
Less direct vacancy cost		**(1,077)**	(1,587)
Net rental income		**15,114**	13,751
Total cost ratio including direct vacancy cost (F/H)		**40.8%**	44.2%
Total cost ratio excluding direct vacancy cost (G/H)		**34.1%**	33.8%

1 Includes rental income, rental income straight-line adjustment and other income as per note 3.

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Total cost including direct vacancy cost (F)		**6,605**	6,774
Add back: costs associated with move to Main Market	4	**–**	(12)
EPRA total cost (I)		**6,605**	6,762
Direct vacancy cost		**(1,077)**	(1,587)
EPRA total cost excluding direct vacancy cost (J)		**5,528**	5,175
EPRA cost ratio including direct vacancy cost (I/H)		**40.8%**	44.1%
EPRA cost ratio excluding direct vacancy cost (J/H)		**34.1%**	33.7%

EPRA cost ratios represent administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income. They are a key measure to enable meaningful measurement of the changes in the Group's operating costs.

It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in the year ended 31 December 2024 or the year ended 31 December 2023.

Table 7: Lease data

As at 31 December 2024	Year 1 £'000	Year 2 £'000	Years 3–5 £'000	Year 5+ £'000	Total £'000
Passing rent of leases expiring in:	825	4,722	2,277	7,070	14,894
ERV of leases expiring in:	896	6,191	2,571	9,237	18,895
Passing rent subject to review in:	2,596	8,115	4,183	–	14,894
ERV subject to review in:	2,843	10,750	5,302	–	18,895

As at 31 December 2023	Year 1 £'000	Year 2 £'000	Years 3–5 £'000	Year 5+ £'000	Total £'000
Passing rent of leases expiring in:	139	857	6,999	5,668	13,663
ERV of leases expiring in:	139	933	7,811	6,559	15,442
Passing rent subject to review in:	139	2,628	10,896	–	13,663
ERV subject to review in:	139	2,773	12,408	122	15,442

WAULT to expiry is 5.3 years (31 December 2023: 5.8 years) and to break is 3.1 years (31 December 2023: 3.8 years).

Table 8: Capital expenditure

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Acquisitions[1]	13	(218)	(780)
Development spend[2]	13	13,048	20,373
Movement in rent incentives and amortisation	13	(113)	167
Completed investment properties:[3]			
No incremental lettable space – like-for-like portfolio	13	5,493	2,410
No incremental lettable space – other		–	–
Total capital expenditure		18,210	22,170
Conversion from accruals to cash basis		2,197	211
Total capital expenditure on a cash basis	Page 104	20,407	22,381

1 During 2024 and 2023 there were no acquisitions of new assets, the balances reflected relate to the finalisation of prior year balances.
2 Expenditure on development property and land.
3 Expenditure on completed investment properties.

Table 9: Like-for-like net rental income[1]

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000	% Change
Like-for-like net rental income		**12,669**	13,168	(3.8)%
Development lettings		**1,755**	290	
Properties disposed in current and prior year		**–**	367	
Properties acquired in current and prior year		**–**	–	
Net rental income	3,4	**14,424**	13,825	

1 This table has been updated to reflect net rental income, taking into account property operating expenses, which is more representative of the investment portfolio's performance.

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

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

	Notes	31 December 2024 £'000	31 December 2023 £'000
Interest-bearing loans and borrowings[1]	17	**122,726**	108,726
Cash	15	**(5,567)**	(14,341)
Net borrowings (A)		**117,159**	94,385
Investment property at fair value (B)	13	**385,220**	382,300
LTV (A/B)		**30.4%**	24.7%

EPRA LTV

	Notes	31 December 2024 £'000	31 December 2023 £'000
Interest-bearing loans and borrowings[1]	17	**122,726**	108,726
Net payables[2]		**8,159**	8,976
Cash	15	**(5,567)**	(14,341)
Net borrowings (A)		**125,318**	103,361
Investment properties at fair value	13	**385,220**	382,300
Total property value (B)		**385,220**	382,300
EPRA LTV (A/B)		**32.5%**	27.0%

1 Excludes unamortised loan arrangement fees asset of £0.5 million (31 December 2023: £0.8 million) (see note 17).

2 Net payables includes trade and other receivables, other payables and accrued expenses. See notes 14 and 18 for a full breakdown.

Table 11: Total accounting return

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

	Notes	Year ended 31 December 2024 Pence per share	Year ended 31 December 2023 Pence per share
Opening EPRA NTA (A)	21	**79.9**	90.0
Movement (B)		**(5.5)**	(10.1)
Closing EPRA NTA	21	**74.4**	79.9
Dividend per share (C)	11	**2.0**	4.0
Total accounting return (B+C)/A		**(4.4)%**	(6.8)%

Table 12: Interest cover

Adjusted operating profit before gains on investment properties, interest and tax, divided by the underlying net interest expense.

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Adjusted operating profit before gains on investment properties (A)[1]		**9,586**	8,564
Finance expenses	8	**10,390**	11,070
Add back: capitalised finance costs	8	**2,086**	3,261
Less: exceptional finance costs	8	**–**	(1,467)
Less: finance income	7	**(4,203)**	(3,807)
Add back: change in fair value of interest rate derivatives and deferred consideration	7,8	**(2,454)**	(3,784)
Loan interest (B)		**5,819**	5,273
Interest cover (A/B)		**164.7%**	162.4%

1 Prior year adjusted for move to Main Market costs £(12,000).

Table 13: Ongoing charges ratio

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

	Notes	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000
Administration expenses	4	4,838	5,249
Less: cost associated with moving to Main Market	4	–	12
Annualised ongoing charges (A)		4,838	5,261
Opening NAV as at start of year		283,745	319,451
NAV as at 30 June		267,230	314,270
Closing NAV as at 31 December		262,768	283,745
Average undiluted NAV during the year (B)		271,248	305,822
Ongoing charges ratio (A/B)		1.8%	1.7%

EPRA sBPR FY24 Disclosure

Introduction

To uphold a high standard of transparency in ESG-related disclosures, the Group reports against relevant ESG indicators in accordance with the fourth edition of the European Public Real Estate Association ("EPRA") Sustainability Best Practice Recommendations ("sBPR") and the Streamlined Energy and Carbon Reporting ("SECR") requirements.

For details on the progress of the Group's sustainability strategy and the management approach to material sustainability topics, please refer to the sustainability section of this Annual Report, starting on page 34.

The Group's EPRA sBPR disclosures are organised into the following four sections:

- Reporting methodology
- Environmental performance measures
- Social performance measures
- Governance performance measures

Reporting methodology

Organisational and operational boundaries

As of 31 December 2024, the Group's total investment in real estate comprised five fully owned assets, either directly owned or held through wholly owned subsidiaries. The Group does not have any partially owned entities.

The Group's EPRA sBPR organisational boundary is defined using the principle of operational control. This means that only assets where the Group, through its property managers, has the authority to introduce and implement operating policies, and procedures fall within the defined organisational boundary. Properties on full repairing and insurance ("FRI") leases are without operational control. Based on this principle, four of the five assets were deemed to have full or partial operational control at the end of the reporting year. Additionally, real estate development activities are excluded from the scope of EPRA sBPR. Consequently, 51% of the Group's total standing real estate investment by floor area falls within the defined organisational boundary.

Unless otherwise stated, the reporting boundary for Performance Measures related to energy usage, associated GHG emissions, and water consumption includes areas where the Group procures utilities. These areas include common spaces, shared services, and lettable areas. To provide greater transparency regarding the Group's environmental footprint, landlord-procured occupier consumption and the associated Scope 3 GHG emissions, are reported separately. Where available, occupier-procured consumption is also reported on a voluntary basis. Performance Measures related to waste only cover those assets where the Group is responsible for procuring waste collection services.

Coverage

100% of the floor area within the Group's defined organisational boundary has been included in each asset-level Performance Measure.

Like-for-like performance indicators include properties within this boundary for which the Group collected data for two consecutive years. Units sold, units leased without operational control, or units under development during 2023 and 2024 are excluded from like-for-like performance reporting. As a result, like-for-like performance indicators were reported for 86% of the defined organisational boundary by floor area. Assets within the defined organisational boundary that were owned and managed throughout the full 2024 reporting year were included in absolute energy and GHG intensity calculations.

As referenced above, the Group voluntarily reports occupier-procured consumption and the associated Scope 3 GHG emissions. In 2024, data coverage for occupier-controlled units was 62%. Consequently, the Group achieved 76% data coverage of total real estate investment by floor area.

Data estimation and normalisation

The Group strives to report data that is as complete and accurate as practicable. All data is derived from invoices and meter readings where available. Where actual data was unavailable at the time of publication, the Group adopted the following data estimation approaches:

1. Estimating consumption/generation data based on the most recent three months of available actual data; or
2. Estimating consumption/generation data using available actual data from the same period in the previous reporting year.

Based on these data estimation methods, the proportion of estimated data for 2024 was 0% for energy, 2% for water, and 4% for waste. 2023 water consumption data was also restated as described below.

On the normalisation of Performance Measures, energy, water, and GHG emissions data are normalised as landlord-procured utility consumption per square meter of floor area (m^2), while employee-related Performance Measures are normalised using full-time equivalent ("FTE") employee numbers.

2023 figures for landlord procured fuels and electricity have been updated for more accurate data, with a corresponding impact on GHG emission metrics.

Data verification and assurance

Environmental and social performance data were externally reviewed and checked by Savills (UK) Limited. However, no third-party assurance was conducted on the underlying data disclosed in this report.

Segmental analysis

Segmental analysis is not applicable by geography or property type, because all five assets owned by the Group as of 31 December 2024 are located in the United Kingdom within the same climatic zone and are classified as life science real estate within the offices sector. Therefore, additional analysis by geography and property type is unnecessary.

Disclosure on own offices

As the Group is externally managed by the Investment Adviser, a separate legal entity, it does not occupy any offices for its business activities, nor does it own or lease any vehicles. Consequently, the Group has no utility consumption or associated GHG emissions from its own office operations.

Reporting period

Performance measures for absolute and intensity metrics are reported for the year ended 31 December 2024. Like-for-like performance metrics are reported where sufficient data for the prior year ended 31 December 2023 is available.

Data estimation

In line with the Group's materiality assessment, the following performance measures are excluded from reporting:

- DH&C-Abs and DH&C-LfL, as no district heating or cooling is procured across the portfolio.

Selected social performance measures have been voluntarily reported for the Investment Adviser, a separate legal entity responsible for all administrative duties related to the asset management of the Group. The Group has no employees and, therefore, equivalent disclosures are not made.

GHG emissions calculation

The Group calculates and reports its GHG emissions in accordance with the latest guidance from the GHG Protocol, including the Corporate Accounting and Reporting Standard, the Scope 2 Guidance and where applicable, the Technical Guidance for Calculating Scope 3 Emissions. The emission factors used in this disclosure are derived from the UK Government GHG Conversion Factors for Company Reporting, relevant to the respective reporting periods. The Group reports Scope 2 emissions using both location-based and market-based methods:

- Location-based emissions reflect the average emissions intensity of energy production within a defined local or national region.
- Market-based emissions for Scope 2 were calculated using the European Residual Mixes Factors (version 2022). These default emissions factors represent untracked or unclaimed energy and emissions. A zero-emissions factor was applied for electricity supplies backed by Renewable Energy Guarantees of Origin ("REGO") and for on-site renewable energy generation from photovoltaic ("PV") systems.

The proportion of energy sourced from renewables includes landlord-procured renewable energy and electricity generated and directly consumed by PV systems owned by the landlord. PV systems are installed at three of the Group's five assets: Cambourne, Rolling Stock Yard, and Oxford Technology Park. However, as the PV system at Oxford Technology Park was installed and is owned by the occupier, its associated generation is excluded from this report.

Environmental Performance Measures

In 2024, the Group procured 7,926 MWh of energy for use across the assets within the defined organisational boundary. Of this, 58% was electricity consumption, and 42% was gas consumption. The majority of landlord-procured energy, 74% was consumed by occupiers. During the reporting year, 94 MWh of electricity was generated from on-site solar PV panels and consumed on-site. Like-for-like figures indicate a decrease of 15% in total landlord-procured energy (2023: +15%), driven primarily by improved operational efficiency at Herbrand Street, which accounted for 87% of the total like-for-like reductions.

Total Scope 1 and Scope 2 (location-based) GHG emissions for the reporting year were 409 tonnes CO_2e, comprising 34% Scope 1 and 66% Scope 2 GHG emissions. We have achieved 100% procurement of REGO-backed renewable electricity in 2024, resulting in Scope 2 (market-based) GHG emissions of 0 tonnes CO_2e.

The Group procured a total of 11,306m^3 of water in 2024. However, this figure does not fully represent total water consumption across all assets within the defined organisational boundary, as most water usage is procured directly by occupiers. Reported water consumption increased significantly by 55%, partly reflecting a refund at Cambourne Park in 2023 where utility consumption had been based on estimated meter readings; actual meter readings were obtained in 2024, leading to a revision of the reported consumption. A significant increase was also observed at Rolling Stock Yard, due to occupiers operating at full capacity.

In 2024, the Group managed and reported a total of 42 tonnes of waste, with 100% diverted from landfill. Of this, 39% was reused or recycled, and 61% was incinerated with energy recovery. Like-for-like figures show a 56% decrease in total waste weight compared to the prior year because the waste management responsibility of Herbrand Street was taken under occupier remit starting from February 2024.

All of the Group's assets comply fully with the latest Minimum Energy Efficiency Standards ("MEES") requirements, with all floor areas holding an EPC rating of A to C. RSY has a BREEAM Excellent certification, while Building 2 at OTP is rated BREEAM Very Good. Buildings 1, 3,4, 5 and 6A (completed) and Buildings 6B, 7, 8 and 9 (in development) at OTP hold Interim BREEAM Excellent certifications.

		2024		2023	
EPRA indicator	**Certificate**	**Number of certificates**	**% of Floor area**[2]	Number of certificates	% of Floor area
Cert-Tot	**BREEAM Certificates – Completed Projects**				
	BREEAM Excellent	**1**	**8.5%**	1	10.0%
	BREEAM Interim Excellent	**5**	**35.5%**	3	25.7%
	BREEAM Very Good	**1**	**6.8%**	1	6.5%
	Total with Certification	**7**	**50.8%**	5	42.2%
	BREEAM Certificates – Development Projects				
	BREEAM Interim Excellent[1]	**2**	**n/a**	3	n/a
	EPC ratings				
	EPC A	**15**	**40.3%**	14	35.5%
	EPC B	**3**	**12.5%**	2	9.0%
	EPC C	**7**	**47.2%**	6	42.8%
	EPC D	**–**	**–**	1	12.7%
	EPC E or below	**–**	**–**	–	–
	Total	**25**	**100.0%**	23	100.0%

1 Buildings 8 and 9 are included on a joint certificate

2 Floor area includes investment portfolio and unit 6A which has reached practical completion

		Managed portfolio			Like-for-like		
EPRA Code	Measure	**2024**	2023	% change	**2024**	2023	% change
Energy consumption, MWh							
Elec-Abs, Elec-LfL	Landlord procured electricity	**4,627**	5,382	(14)%	**4,575**	5,343	(14)%
	Of which consumed by occupier	**3,317**	4,037	(18)%	**3,317**	4,037	(18)%
	Total on-site renewable electricity generation	**94**	127	(26)%	**94**	127	(26)%
	Proportion of procured and generated electricity from renewable sources	**100%**	59%	41%	**100%**	59%	41%
	Occupier procured electricity	**3,903**	2,761	41%	**2,344**	2,526	(7)%
DH&C-Abs, DH&C-LfL	Landlord-procured district heating and cooling	None of our assets are connected to, or benefit from, district heating and cooling.					
Fuels-Abs, Fuels-LfL	Landlord procured fuels	**3,298**	3,962	(17)%	**3,298**	3,962	(17)%
	Of which consumed by occupier	**2,542**	3,377	(25)%	**2,542**	3,377	(25)%
	Occupier-procured fuels	**1,134**	2,432	(53)%	**1,134**	1,656	(32)%
Total energy	**Total landlord procured**	**7,926**	9,345	(15)%	**7,873**	9,305	(15)%
	Of which consumed by occupier	**5,859**	7,414	(21)%	**5,859**	7,414	(21)%
	Landlord-procured and generated	**8,020**	9,472	(15)%	**7,967**	9,432	(16)%
	Proportion estimated	**0%**	1.4%	(1.4)%	**0%**	1.5%	(1.5)%
	Disclosure coverage of defined organisation boundary	**100%**	100%	–	**86%**	76%	10%
Energy intensity MWh/m^2							
Energy-Int	Landlord-procured and generated	**0.27**	0.31	(15)%	**0.30**	0.36	(15)%
	Occupier procured	**0.28**	0.28	0%	**0.34**	0.37	(8)%

		Managed portfolio			Like-for-like		
EPRA Code	Measure	2024	2023	% change	2024	2023	% change
Greenhouse gas emissions, tCO_2e							
GHG-Dir-Abs, GHG-Dir-LfL	Total direct GHG emissions, Scope 1	138	107	29%	138	107	29%
GHG-Indir-Abs, GHG-Indir-LfL	Total indirect GHG emissions, Scope 2 – location-based	271	279	(3)%	260	270	(4)%
	Total indirect GHG emissions, Scope 2 – market-based	0	79	(100)%	0	65	(100)%
	Indirect GHG emissions, Scope 3 (Landlord-procured occupier consumption)	1,152	1,454	(21)%	1,152	1,454	(21)%
	Indirect GHG emissions, Scope 3 (Occupier-procured consumption)	1,015	1,017	(0)%	693	826	(16)%
Total direct and indirect	Scope 1 and 2 (location-based)[1]	409	386	6%	399	377	6%
	Total scope 3	2,167	2,470	(12)%	1,845	2,280	(19)%
GHG-Int[2]	GHG emissions intensity, scope 1 and 2, tonnes CO_2e/m^2	0.01	0.01	6%	0.01	0.01	6%
Water consumption, m^3							
Water-Abs, Water-LfL	**Total landlord-procured**[3]	11,306	7,286	55%	9,857	7,286	35%
	Proportion estimated	2%	0%	2%	2%	0%	2%
	Disclosure coverage of defined organisation boundary	100%	100%	–	86%	76%	10%
Water-Int	Water intensity, landlord procured, m^3/m^2	0.38	0.24	55%	0.38	0.28	35%
Landlord waste management, tonnes and proportion of waste disposal route, %							
Waste-Abs, Waste-LfL	Recycled or reused	16	48	(66)%	16	48	(66)%
	Incineration with energy recovery	26	47	(46)%	25	47	(46)%
	Sent to landfill	–	–	–	–	–	–
	Total	42	95	(56)%	42	95	(56)%
	Proportion estimated	4%	0.4%	3.6%	4%	0.4%	3.6%
	Disclosure coverage of defined organisation boundary	100%	100%	–	86%	76%	10%

		Managed portfolio			Like-for-like		
EPRA Code	Measure	2024	2023	% change	2024	2023	% change
Waste-Abs, Waste-LfL	Recycled or reused	39%	50%	(11)%	39%	50%	(11)%
	Incineration with energy recovery	61%	50%	11%	61%	50%	11%

1 Scope 2 (location-based) GHG emissions used for reporting total emissions and GHG emissions intensity.
2 Utility consumption data and the associated GHG emissions data have been restated as we obtained actual data after the publication of the previous report.
3 FY 2023 restated reflecting more accurate data.

Social performance measures

The Group reports on all applicable EPRA sBPR social performance metrics. As an externally managed company with no employees, the applicable metrics are limited to those related to the Board, asset health and safety, and community engagement measures. Additionally, selected social performance measures have been voluntarily reported for the Investment Adviser, a separate legal entity responsible for managing the Group's administrative and asset management duties.

EPRA Code	Measure	2024	2023
Group			
Diversity-Emp	Board gender diversity %	Female 50% Male 50%	Female 50% Male 50%
	Investment Adviser gender diversity %	Female 45% Male 55%	Female 64% Male 36%
Diversity-Pay	Board salary ratio of men to women, reported by median basic salary	(10.5)%	(10.5)%
	Investment Adviser ratio of men to women, reported by median basic salary	32%	46.1%
H&S-Asset	Proportion of asset health and safety assessments	100%	100%
H&S-Comp	Asset health and safety compliance, number of incidents unresolved within the required timeframe	—	—
Comty-Eng	Community engagement, impact assessments and development programmes, proportion of assets	—	—
Investment Adviser			
Emp-Training	Employee training and development, average hours/year/employee	12.5	12
Emp-Dev	Proportion of employees with performance appraisals	100%	100%
Emp-Turnover	New hires and rate of new employee hire	2 and 15%	1 and 8%
	Total number of employee turnover and rate	2 and 15%	1 and 8%
H&S-Emp	Absentee rate (per days scheduled)	0.1%	0.1%
	Injury rate (per 100 hours worked)	–	–
	Lost day rate	–	–
	Number of work related fatalities	–	–

Governance performance measures

This section provides a high-level summary of governance performance measures associated with the Board. For comprehensive information on the Group's governance performance measures, including Board profiles, nomination procedures, and processes for managing potential conflicts of interest, please refer to pages 62 to 75 of this report.

Non-Executive Director Sally Ann Forsyth, who chairs the Group's Sustainability Committee, brings significant expertise in developing and implementing strategies to enhance social and environmental impacts within the life sciences industry.

Richard Howell leads the ESG strategy at Primary Health Properties PLC, including the development of a net zero carbon strategy.

Michael Taylor, as a Director at the British Heart Foundation, possesses extensive experience in creating and executing strategies to improve the social and environmental impacts of funding bodies in the life sciences sector.

EPRA Code	Measure	2024	2023
Composition of the highest governance body			
Gov-Board	Number of Non-Executive Board members	**4**	4
	Average tenure on the governance body (months)	**37**	25
	Number of Non-Executive Board members with competencies relating to ESG topics	**3**	3
Gov-Select	Process for nominating and selecting the highest governance body	See corporate governance section, pages 62 to 75	
Gov-Col	Process for managing conflicts of interest		

PROPERTY PORTFOLIO
AS AT 31 DECEMBER 2024

Property	Town	Postcode	Area (sq ft)
Oxford Technology Park[1]	Oxford	OX5 1GN	508,400
Cambourne Park, Science & Technology Campus	Cambridge	CB23 6DW	230,400
7-11 Herbrand Street	London	WC1N 1EX	68,600
Rolling Stock Yard	London	N7 9AS	53,900
The Merrifield Centre	Cambridge	CB1 3LQ	12,600

1 Full build-out area. Area practically complete, as at 31 December 2024, was 237,900 (31 December 2023: 173,400 sq ft).

The Company was incorporated on 27 July 2021. This Annual Report and Financial Statements covers the period from 1 January 2024 to 31 December 2024.

The Company's ordinary shares were admitted to trading on AIM on 19 November 2021 following IPO, and the Group's operations, therefore, commenced on this date. Following the Company's migration to the Premium Listing Segment of the Main Market of the London Stock Exchange ("LSE"), its shares were cancelled from AIM on 1 December 2022 and admitted to trading on the Main Market of the LSE.

Capital structure

The Company's share capital consists of ordinary shares of £0.01 each. At shareholder meetings, members present in person, or by proxy, have one vote on a show of hands and, on a poll, have one vote for each ordinary share held. Shareholders are entitled to receive such dividends as the Directors resolve to pay out of the assets attributable to ordinary shares. Holders of ordinary shares are entitled to participate in the assets of the Company attributable to the ordinary shares in a winding up of the Company. The ordinary shares are not redeemable. As at the date of this report, there were 350,000,000 ordinary shares in issue, none of which are held in treasury.

Investment objective

The Company's investment objective is to provide shareholders with an attractive level of total return. The focus will be capital growth, whilst also providing a growing level of income by investing primarily in a diversified portfolio of UK properties that are leased, or intended to be leased, to occupiers operating in the life science sector.

Investment policy

The Company seeks to achieve its investment objective by investing in a diversified portfolio of properties across the UK, which are typically leased, or intended to be leased, to occupiers operating in, or providing a benefit to, the life science sector ("life science properties"). Life science is the branch of sciences concerned with all processes affecting living organisms. This encompasses servicing and the study of the breadth of life systems, and the structure and behaviour of living things.

Companies operating in the life science sector include, but are not limited to, those involved in the innovation, development and/or production of assets directly, or indirectly, for human health purposes. These assets include compounds, products and devices derived and designed for application in numerous fields.

The Company does not limit itself in relation to the types of properties it acquires or develops, but examples may include wet and dry laboratories, offices, incubators and co-working space, manufacturing and testing facilities, and data centres. The Company retains flexibility to acquire individual buildings, a group of buildings across a single science park or the entirety of a science park.

This may include purchasing or developing buildings that are leased, or intended to be leased, to occupiers providing ancillary services to employees of companies operating in, or providing a benefit to, the life science sector.

The Company typically invests in income-producing assets. The Company focuses on investing where it believes that the underlying property is consistent with the overarching objective of providing shareholders with capital growth, whilst also providing a growing level of income. Investment decisions are based on analysis and due diligence, including, but not limited to, location, occupier profile and demand, rental growth prospects, lease terms and/or asset management/enhancement opportunities.

The Company may acquire properties either directly or through corporate structures (whether onshore or offshore) and also through joint venture or other shared ownership or co-investment arrangements. In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will seek, through contractual and other arrangements to, inter alia, ensure that each investment is operated and managed in a manner that is consistent with the Company's investment policy.

Any asset management or development opportunities that the Company pursues are conducted in such a way as to minimise any development risk, typically through the use of forward funding or similar arrangements. Asset management opportunities may include, but are not limited to, refurbishing or extending existing assets, or where the Company may seek to maximise or change alternative use values of existing operational assets. The Company may, from time to time, invest in development opportunities without a forward-funding arrangement, including pre-developed land or land where planning permission may be required, subject to a restriction that maximum exposure to these developments will not exceed 15% of gross asset value.

It is anticipated that properties will be held for the long term. However, the Company may undertake opportunistic disposals of properties considered to be in the best interests of shareholders.

The Company invests in, and actively manages, its assets with the objective of reducing and diversifying risk and, in doing so, maintains the following investment restrictions:

- No individual building will represent more than 35% of gross asset value, reducing to 25% of gross asset value by 31 December 2023.
- The Company targets a portfolio with no one occupier accounting for more than 20% (but subject to a maximum of 30%) of the higher of either (i) gross contracted rents or (ii) the valuer's ERV of the Company's portfolio including developments under forward-funding agreements, as calculated at the time of investing or leasing.
- The aggregate maximum exposure to assets under development, including forward fundings, will not exceed 50% of gross asset value, reducing to 30% of gross asset value by 31 December 2023. Within this limit, the maximum exposure to developments, as measured by the expected gross development cost, which are not under forward-funded arrangements, will not exceed 15% of gross asset value at the commencement of the relevant development.
- No more than 10% of gross asset value will be invested in properties that are not life science properties.

In addition, the Company will not invest more than 10% of gross asset value in other alternative investment funds or closed-ended investment companies.

Compliance with the above restrictions is calculated immediately following investment and non-compliance resulting from changes in the price or value of assets following investment is not considered as a breach of the investment restriction.

The Company defines: (i) "gross asset value" as "the value of the assets of the Company and its subsidiaries from time to time, determined in accordance with the accounting policies adopted by the Company"; (ii) "gross contracted rents" as "the total rent receivable on a property plus rent contracted from expiry of rent-free periods and uplifts agreed under the leases contracted on the Company's portfolio of properties"; and (iii) "ERV" as "the estimated annual open market rental value of lettable space".

Gearing

The level of gearing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements and the structure of the Company. It is envisaged that an LTV ratio of between 30% and 40% would be the optimal capital structure for the Company over the longer term. However, in order to finance value-enhancing opportunities, the Company may temporarily incur additional gearing, subject to a maximum LTV ratio of 55%, at the time of an arrangement.

Debt is secured at asset level and, potentially, at Company or special purpose vehicle level, depending on the optimal structure for the Company and having consideration to key metrics, including lender diversity, debt type and maturity profiles.

Use of derivatives

The Company may utilise derivatives for efficient portfolio management only. In particular, the Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with the gearing limits as part of the Company's portfolio management.

Cash management policy

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("cash and cash equivalents").

There is no restriction on the amount of cash and cash equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash and cash equivalents position.

REIT status

The Company intends to continue conducting its affairs so as to enable it to remain qualified as the principal company of a REIT group for the purpose of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).

Changes to, and breach of, the investment policy

Any material change to the Company's investment policy set out above will require the prior approval of shareholders by way of an ordinary resolution at a general meeting.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the AIFM shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

Share dealing and share prices

Shares can be traded through your usual stockbroker. The Company's shares are admitted to trading on the LSE.

Share register enquiries

The register for the ordinary shares is maintained by MUFG Corporate Markets (UK) Limited. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300. You can also email **infosharedeal@cm.mpms.mufg.com**. Changes of address and mandate details can be made over the telephone, but all other changes to the register must be notified in writing to the Registrar: MUFG Corporate Markets (UK) Limited, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Electronic communications from the Company

Shareholders have the opportunity to be notified by email when the Company's Annual Report, Half-yearly Report and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, please contact the Registrar using the details shown on the inner back cover. Please have your investor code to hand.

Share capital and net asset value information

Ordinary 1p shares	350,000,000
SEDOL Number	BP5X4Q2
ISIN	GB00BP5X4Q29

Sources of further information

Copies of the Company's Annual and Half-yearly Reports are available from the Company Secretary, who can be contacted at **labs_cosec@cm.mpms.mufg.com** and, together with stock exchange announcements and further information on the Company, are also available on the Company's website, **lifesciencereit.co.uk**.

Financial calendar

16 April 2025

Announcement of final results

3 June 2025

Annual General Meeting

30 June 2025

Half-year end

September 2025

Announcement of half-yearly results

31 December 2025

Year end

Adjusted earnings per share ("Adjusted EPS")
EPRA EPS adjusted to exclude one-off costs, divided by the weighted average number of shares in issue during the period

AGM
Annual General Meeting

AIC
The Association of Investment Companies

AIFM
Alternative Investment Fund Manager

AIM
A market operated by the London Stock Exchange

Association of Investment Companies
The Company is a member of the AIC

BREEAM
Building research establishment environmental assessment method

BREEAM Interim Excellent
Interim BREEAM certifications indicate the performance of the building at the design stage of assessment

Carbon neutrality
Purchasing carbon reduction credits equivalent to emissions released without the need for emission reductions to have taken place

Company
Life Science REIT plc

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

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

EPC
Energy performance certificate

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

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

EPRA earnings
IFRS profit after tax excluding movements relating to changes in fair value of investment properties, gains/losses on property disposals, changes in fair value of financial instruments and the related tax effects

EPRA earnings per share ("EPRA EPS")
A measure of EPS on EPRA earnings designed to present underlying earnings from core operating activities based on the weighted average number of shares in issue during the period

EPRA guidelines
The EPRA Best Practices Recommendations Guidelines September 2024

EPRA NAV/EPRA NDV/EPRA NRV/EPRA NTA per share
The EPRA net asset value measures figures divided by the number of shares outstanding at the balance sheet date

EPRA net disposal value ("EPRA NDV")
The net asset value measure detailing the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their value or liability, net of any resulting tax

EPRA net initial yield ("EPRA NIY")
The annualised passing rent generated by the portfolio, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

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

EPRA net tangible assets ("EPRA NTA")
An EPRA net asset value measure with adjustments made for the fair values of certain financial derivatives and assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability

EPRA sBPR

European public real estate association sustainable best practice recommendations

EPRA 'topped-up' net initial yield

The annualised passing rent generated by the portfolio, topped up for contracted uplifts, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

EPRA vacancy rate

Total open market rental value of vacant units divided by total open market rental value of the portfolio, excluding development property and land

EPS

Earnings per share

Equivalent yield

The weighted average rental income return expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

ERV

The estimated annual open market rental value of lettable space as assessed by the external valuer

EU taxonomy

A classification system that aims to provide a clear definition of what should be considered as 'sustainable' economic activity

FCA

Financial Conduct Authority

Fitwel

A real estate certification that measures a building against seven health impact categories

FRI

A full repairing and insuring lease, known as a FRI lease, is a commercial lease which gives the occupier sole responsibility for the maintenance, repair, and insurance of the asset for the duration of their lease.

GAV

Gross asset value

Group

Life Science REIT plc and its subsidiaries

IASB

International Accounting Standards Board

IFRS

International Financial Reporting Standards

IFRS earnings per share ("EPS")

IFRS earnings after tax for the year divided by the weighted average number of shares in issue during the period

IFRS NAV per share

IFRS net asset value divided by the number of shares outstanding at the balance sheet date

Interest cover

Adjusted operating profit before gains on investment properties, interest and tax divided by the underlying net interest expense

Investment property

Completed buildings, excluding development property and land, also referred to as investment assets

Like-for-like rental income movement

The increase/decrease in contracted rent of properties owned throughout the period under review, expressed as a percentage of the contracted rent at the start of the period, excluding acquisitions, disposals, development property and land

Like-for-like net rental income movement

The increase/decrease in net rental income of properties owned throughout the period under review, expressed as a percentage of the net rental income at the start of the period, excluding acquisitions, disposals, development property and land

Like-for-like valuation movement

The increase/decrease in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, net of capital expenditure

Loan to value ratio ("LTV")

Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments

Main Market

The premium segment of the London Stock Exchange's Main Market

NAV
Net asset value

Net equivalent yield ("NEY")
The weighted average rental income return expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

Net initial yield (“NIY”)
Contracted rent at the balance sheet date, expressed as a percentage of the investment property valuation, plus purchasers’ costs, excluding development property and land

Net rental income
Gross annual rental income receivable after deduction of ground rents and other net property outgoings, including void costs and net service charge expenses

Net reversionary yield (“NRY”)
The anticipated yield to which the net initial yield will rise (or fall) once the rent reaches the ERV

Net zero carbon
The overall balance between emitting and absorbing carbon in the atmosphere

Occupancy
Total open market rental value of the units leased divided by total open market rental value, excluding development property and land, equivalent to one minus the EPRA vacancy rate

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

Passing rent
Gross annual rental income currently receivable on a property as at the balance sheet date less any ground rents payable under head leases

Property income distribution (“PID”)
Profits distributed to shareholders that are subject to tax in the hands of the shareholders as property income. PIDs are usually paid net of withholding tax (except for certain types of tax-exempt shareholders). REITs also pay out normal dividends called non-PIDs

RCF
Revolving credit facility

Real Estate Investment Trust (“REIT”)
A listed property company that qualifies for, and has elected into, a tax regime that is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties

Scope 1 and 2 emissions
GHGs released directly and indirectly from the Group e.g. company offices, company vehicles and energy purchased by the Group

Scope 3 emissions
All other GHGs released indirectly by the Group, upstream and downstream of the Group’s business

SONIA
Sterling Overnight Index Average

Task Force on Climate-related Financial Disclosures (“TCFD”)
An organisation established with the goal of developing a set of voluntary climate-related financial risk disclosures to be adopted by companies to inform investors and the public about the risks they face relating to climate change

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

Total cost ratio
EPRA cost ratio, excluding one-off costs calculated both including and excluding vacant property costs

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

Weighted average unexpired lease term (“WAULT”)
Average unexpired lease term to first break or expiry weighted by contracted rent across the portfolio, excluding development property and land

CONTACT DETAILS OF THE ADVISERS

Alternative Investment Fund Manager

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(part of IQ-EQ)
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London SE1 2AQ

Investment Adviser

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Hertfordshire WD17 1HP

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London W1T 3PT

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www.lifesciencereit.co.uk

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Exeter EX1 1TS

Auditor

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Corporate Broker and Financial Adviser

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London EC2Y 9LY

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London EC1A 4HD

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Property Manager

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London W1G 0JD

Registrar

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Leeds LS1 4DL

Email: shareholderenquiries@cm.mpms.mufg.com
Website: mpms.mufg.com

Company Secretary and registered office

MUFG Corporate Governance Limited

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Planting trees to catch carbon
22039900788
Printed on Carbon Captured paper

The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

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