

Quarterly update: 31 December 2025

Downing Estate Planning Service

Helping your clients support the next generation

Through the Downing Estate Planning Service (DEPS) your clients invest in companies that we believe will qualify for Business Relief, providing them with inheritance tax relief on their investment after two years and if held at the time of death.

DEPS investors currently own shares in either Pulford Trading Limited or Bagnall Energy Limited, or a mix of the two companies. Pulford trades predominantly in asset-backed trading businesses and Bagnall in energy & infrastructure.

3-4.5%*

Annual target return

*Not guaranteed.

Past performance is not a reliable indicator of future returns.

£1.1bn

combined market cap

Share price movement (last 12 months¹)

+4.13%

Pulford Trading

+3.56%

Bagnall Energy

¹ 1 January 2025 to 31 December 2025, net of fees

Our commitment to sustainability

As a certified B Corporation and a signatory to the Principles for Responsible Investment and the UK Stewardship Code, Downing has made a firm and public commitment to responsible investing.

We utilise Environmental, Social and Governance (ESG) as a set of tools in the investment process. This includes actively identifying, considering, monitoring and managing ESG factors throughout the period of our ownership, to potentially enhance value and mitigate risk.

Whilst DEPS does not have a sustainable objective, underlying assets within both strategies may possess sustainable investment characteristics. For the asset-backed strategy, some sectors have the potential to provide a positive societal benefit. The energy and infrastructure strategy has focus on core renewables such as solar, wind and hydropower, which may offer climate change mitigation and de-carbonisation benefits.

For more information on Downing's responsible investment reports and policies, please visit www.downing.co.uk/responsible-investing



Signatory to:

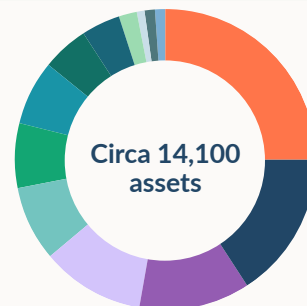


Quarterly performance summary

Both portfolio companies have a combined return of 3.85% in the last 12 months. Returns are net of all Downing ongoing fees.

More information is given in the rest of this report.

Portfolio sector split by value*



- 25% Solar
- 16% Property development
- 12% Hydropower
- 11% Wind
- 8% Specialist education
- 7% Elderly care
- 7% Specialist care
- 5% Wholesale finance
- 4% Hospitality
- 2% Early years education
- 1% Battery storage
- 1% Grid services
- 1% Funeral care

*Please note these figures are from the management accounts and subject to change.



Gabriel wind farm, Northeast Sweden



Downend Nursery, Bristol

Asset-backed strategy

Pulford Trading Ltd

Investment strategy

Pulford's portfolio continues to make a positive impact on communities both now and for the future. The portfolio has:

A focus on outcomes

Pulford's portfolio continues to make a positive impact on communities both now and for the future. The portfolio has:

- Seventeen care homes that will offer 1,035 beds for elderly residents
- 50 specialist care homes that will offer 338 places catering to those with physical disabilities, learning disabilities and mental health conditions
- Eight early years education nurseries, which will offer up to 626 places to preschool children
- Thirteen special educational needs schools' sites, which offer up to 986 school places to children
- Eleven funeral care sites that provide funeral services to approximately 1,380 families a year

Investment activity and company update

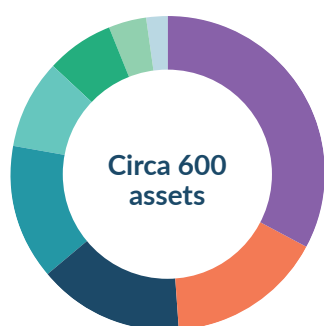
During the quarter, Pulford successfully exited a portfolio of five specialist elderly care homes to a global real estate investor. The homes provide a total of 392 beds and provide high quality nursing care to adults with complex mental and physical health needs. More information on this exit is in the case study on page 4.

In the quarter, Pulford deployed over £115m across a combination of new and existing UK businesses, including over £46m of funding into the elderly care sector.

Following the elderly care home exits in 2025, Pulford has focused on redeploying capital and rebuilding exposure to the sector, supported by ever-increasing demand and the ongoing shortage of high-quality assets. As part of this strategy, Pulford has provided funding to a well-established care home operator to acquire and operate four newly built elderly care homes in Scotland (Glasgow, Largs, Edinburgh and Perth) from a reputable and trusted developer. Together, these homes are expected to deliver a total of 269 beds for local communities.

In addition, Pulford continued to deploy capital selectively into property development, committing £40m during the quarter across 32 transactions with experienced residential developers across the UK. This included funding for a redevelopment project in Hammersmith, London, involving the conversion of a former office building into 28 high-quality residential units. The scheme benefits from a prime location and strong underlying demand, reflecting Pulford's focus on well-located assets and disciplined lending opportunities.

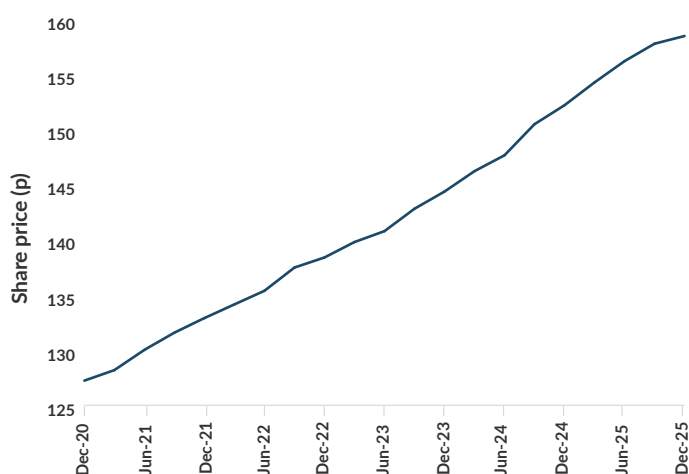
Portfolio sector split by value*



- 33% Property development
- 16% Specialist education
- 15% Elderly care
- 14% Specialist care
- 9% Wholesale finance
- 7% Hospitality
- 4% Early years education
- 2% Funeral care

*Please note these figures are from the management accounts and subject to change.

Pulford's share price increased in the quarter by 0.44% to 158.49p



Quarterly share price movement - net of ongoing costs and fees

| Pulford Trading Ltd | Annual returns to 30 September each year* | | | | | | | | | | | |
|---------------------|---|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| | 1 January 2025 to 31 December 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| | 4.13% | 4.85% | 5.37% | 3.88% | 4.49% | 5.99% | -4.98% | 1.47% | 4.01% | 4.05% | 5.68% | 4.86% |

*The company financial year for Pulford Trading runs from 1 October to 30 September.

All performance data is net of ongoing costs and fees. Past performance is not a guide to future performance.

Energy and infrastructure strategy

Bagnall Energy Ltd

Investment strategy

Bagnall's investment strategy focuses on interests in renewable energy generation, energy infrastructure and other infrastructure assets.

A focus on outcomes

Bagnall's portfolio now contains circa 13,500 assets, which are forecast to generate 577,933 MWh of electricity every year. This is enough energy to power 214,049 UK homes annually and would result in 272,259 tonnes of CO2 being avoided – the same as 1,601,523 trees being planted.

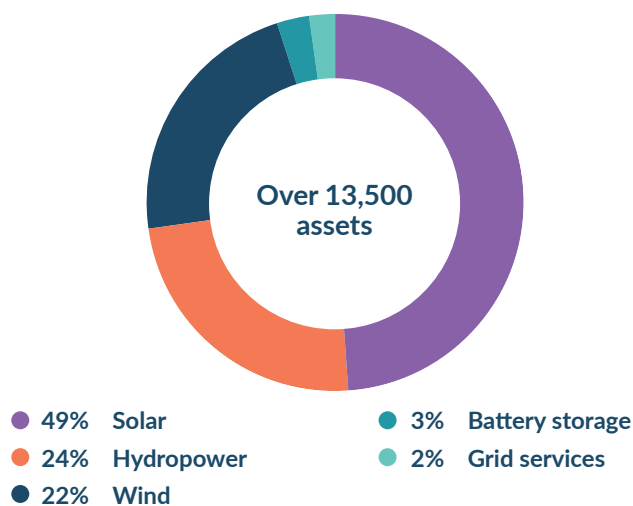
Investment activity and company update

During the quarter, Bagnall acquired a company in which is already held a 25% ownership stake. The newly acquired portfolio is high quality and primarily comprises core renewables, with a particular focus on UK based solar with Government-backed subsidies and hydropower in the Nordics. These are exactly the type of assets that Bagnall wants to own and are complementary to the existing portfolio. The remaining two assets sit in the grid infrastructure sector, which are critical to the operations of the energy system. Both assets benefit from high levels of fixed revenues. A significant proportion of the

new portfolio's revenues over the next ten years are fixed in nature, either from Government-backed subsidies or contracted income. This aligns to Bagnall's strategy of risk mitigation against power price movements through acquiring fixed revenue assets.

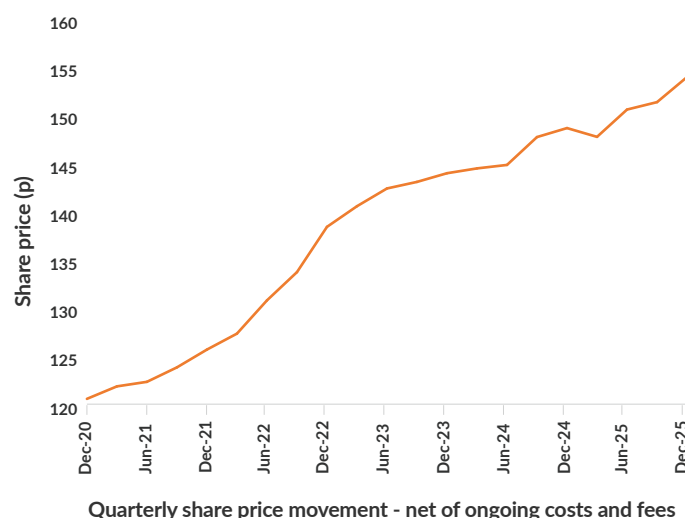
Overall, technical performance for the quarter was above expectations. The hydropower portfolio benefitted from high reservoir levels, and the wind portfolio delivered strong results in the Nordic region, despite the solar portfolio experiencing lower-than-expected sunlight levels. Financial performance, however, fell below expectations due to higher-than-anticipated maintenance costs across the portfolio and weaker power prices in the Nordic region. However, the wind portfolio's participation in ancillary markets helped offset part of the impact from lower prices.

Portfolio sector split by value*



*Please note these figures are from the management accounts and subject to change.

Bagnall's share price increased in the quarter by 1.72% to 153.91p



| Bagnall Energy Ltd | Annual returns to 30 September each year* | | | | | | | | | | | |
|--------------------|---|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| | 1 January 2025 to 31 December 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| | 3.56% | 2.45% | 3.25% | 7.00% | 7.97% | 4.42% | -2.03% | 0.11% | 1.35% | 3.16% | 5.54% | 3.68% |

*The company financial year for Bagnall Energy runs from 1 October to 30 September.

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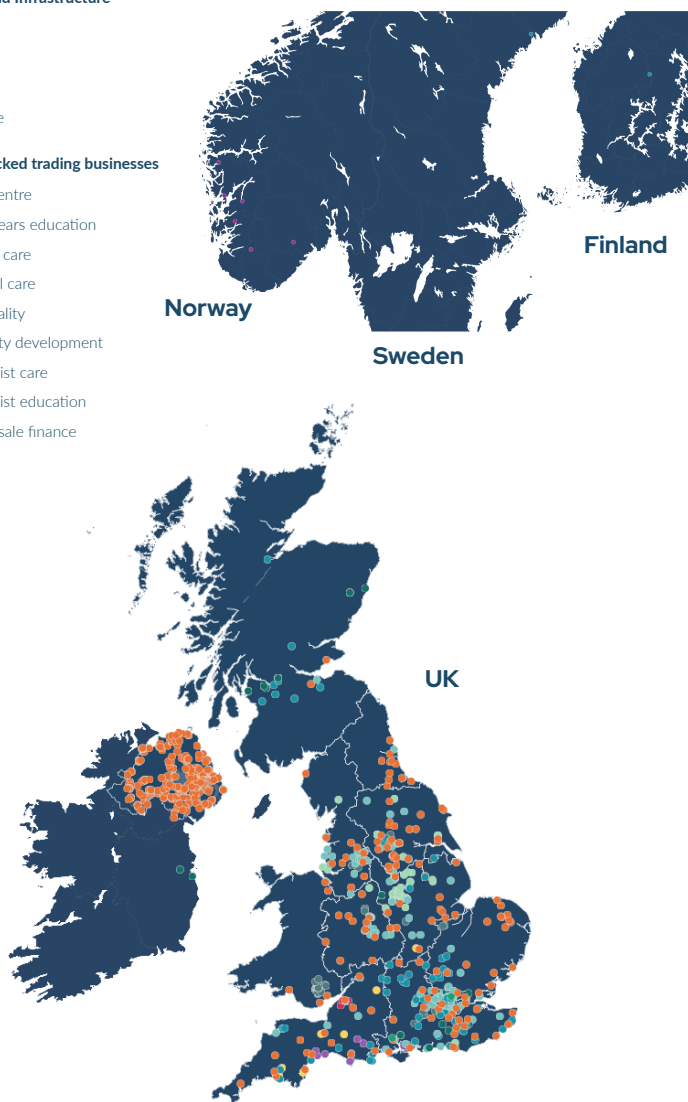
DEPS asset map

Energy and Infrastructure

- Hydro
- Solar
- Wind
- Storage

Asset-backed trading businesses

- Data centre
- Early years education
- Elderly care
- Funeral care
- Hospitality
- Property development
- Specialist care
- Specialist education
- Wholesale finance



For illustrative purposes map at September 2025

Case study:

During the quarter, Pulford successfully exited a portfolio of five elderly specialist care homes managed by long-term partner Care Concern Group - selling to a global real estate investor.

This exit demonstrates both the quality of the assets and operators within the business, and the sustained demand for high-quality, needs-based care services. The portfolio comprises five trading homes acquired over a three-year period, delivering specialist nursing care for adults with complex mental and physical health needs, including dementia, across 392 beds. It also includes an 80-bed home currently undergoing full refurbishment, which will be acquired on a turnkey basis in 2026.

Care Concern will continue to operate the homes, ensuring continuity of high-quality specialist care for residents. This outcome reflects the strong market demand for services supporting higher-acuity, needs-based residents and stands as a testament to the quality of the complex care environments our operators strive to deliver.



| Annual Performance | Annual returns to 30 September each year* | | | | | | | | | | | |
|-----------------------|---|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| | 1 January 2025 to 31 December 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| 50/50 Pulford/Bagnall | 3.85% | 3.66% | 4.31% | 5.42% | 6.18% | 5.23% | -3.56% | 0.81% | 2.70% | 3.61% | 5.61% | 4.27% |

*The company financial years for Pulford and Bagnall run from 1 October to 30 September.

All performance data is net of ongoing costs and fees. Past performance is not a guide to future performance.

For more information on this performance summary please call us on 020 7630 3319, or email sales@downing.co.uk

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