

Chair's Introduction

Dear Shareholder – On behalf of the Board, I am delighted to introduce our 2026 Corporate Governance Report.



The Board continues to operate with an established and robust governance framework, supporting promotion of the long-term sustainable success of the business.

The year in review

Our focus this year has been to unlock value for shareholders and we started the year with a continuation of our share buyback programme, followed by a further £34.5 million of an office disposal.

We had considered recycling capital into higher yielding new asset acquisitions, however we concluded it was more appropriate to extend the share buyback programme in Autumn 2025.

We have also continued to invest into our assets, to future-proof them, reduce obsolescence, and attract and retain occupiers. This in turn will drive rental and value growth on new lettings and other lease events and is evident in the portfolio valuation metrics over the year.

With a number of key portfolio lease events and macroeconomic headwinds it has been harder to grow earnings this year and as such the Board believes it is appropriate to maintain the current dividend level until we deliver an improvement in occupancy.

We have revised our net zero strategy in light of our decarbonisation progress, and aim to reduce our Scope 1 and 2 emissions to net zero by 2035, whilst allowing more time to achieve an overall net zero target by 2045, recognising some of the challenges with occupier led emissions.

Set against a backdrop of continued consolidation within the REIT sector, a focus on scale and liquidity and embedded material discounts to net asset value widespread across the sector, in January of this year, we announced the launch of a Strategic Review. Through this process we aim to further unlock value for shareholders.

On 12 May 2026, a non-binding indicative all-share offer ('Proposed Offer') from LondonMetric Property Plc and Schroder Real Estate Investment Trust Limited was announced.

This is subject to further due diligence and any Formal Offer is subject to shareholder approval. Further details will be communicated in due course.

Throughout this process there has been continued engagement with our shareholders through either direct or online meetings and webinars hosted through Investor Meet Company. I would particularly like to thank shareholders for their continued engagement and constructive feedback received over the year.

Board composition and diversity

There have been no new appointments or changes to the Board's composition during the year. However, in light of the Strategic Review announced in January, the Board approved a one-year extension to Mark Batten's appointment as a Non-Executive Director, with effect from 1 October 2026, ensuring continuity is maintained during this process.

The Board remains mindful of the FCA's listing requirements on gender and diversity and whilst currently only two of the three requirements are met, the Board will consider this for its next appointment, which is expected to be as Mark Batten steps down from the Board.

Chair's Introduction *continued*

Our stakeholders

The Board recognises that understanding the views of our stakeholders is fundamental to our long-term success and details of how we engage are set out on pages 86 to 87.

During the year, I have continued to engage with shareholders, alongside our Chief Executive, Michael Morris, and our Chief Financial Officer, Saira Johnston. We appreciate the feedback from our shareholders, particularly in respect of our approach to capital allocation and commencing the Strategic Review. We recognise we have a diverse range of shareholders and have sought to get their input to facilitate discussion at Board meetings and ensure all views are taken into consideration.

Our occupier focused approach is embedded within our purpose, values and business model and in line with previous years, we carried out occupier surveys for our multi-let offices and selected industrial and retail buildings, at the end of 2025. The Board has reviewed the overall results, which were very pleasing, with 93% recommending Picton as a landlord. The valuable feedback received will be used to help shape next year's engagement strategy.

Our employees are key stakeholders and although we have a small team, I have been impressed by all that has been achieved in difficult circumstances.

Jay Cable

The Board and I would like to pay tribute to Jay Cable, who sadly lost his battle with cancer in March this year. Jay was involved with the Company since its IPO and we would like to acknowledge his significant contribution to the success of the business.

Board performance review

Our Board performance review was carried out internally this year and the Board has considered the findings and recommendations for improvement. The Board has concluded that overall it was satisfied with its own performance and that of the Board Committees which continue to operate effectively.

 **Further details are provided in the Nomination Committee Report**

Annual General Meeting

Our Annual General Meeting was held in July 2025 and I am pleased to report that all resolutions were approved, with at least 93% of votes in favour. I would like to thank our shareholders for their continuing support. Our forthcoming AGM will be held in September 2026.

UK Corporate Governance Code

Picton is for the first time, subject to the 2024 UK Corporate Governance (the 'Code') for the year ended 31 March 2026 and our Statement of Compliance with the Code is set out within the Directors' Report on page 116. I am pleased to report that we have fully complied with the Code this year and details of how the Board and the Committees have complied with the Provisions and applied the Principles of the Code are described in this and the following sections of the Corporate Governance Report.

Reporting

I am pleased that last year's Annual Report and sustainability reporting both maintained EPRA Gold awards, reflecting our aim to report our activities and results clearly and concisely. In line with previous years, we will publish all of our sustainability data in a separate report online, which will be available shortly.

Conclusion

I would like to take this opportunity to thank my fellow Board colleagues for their support over what has been a busy year, and to the entire Picton team for their hard work, commitment and dedication over the year.

Francis Salway

Chair

11 June 2026