

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

Governance at a Glance

Focus areas for 2025/2026

- Shareholder value
- Capital allocation
- Continued earnings growth
- Board succession

Key priorities for 2026/2027

- Maximise shareholder value
- Strategic Review
- Earnings growth
- Board succession

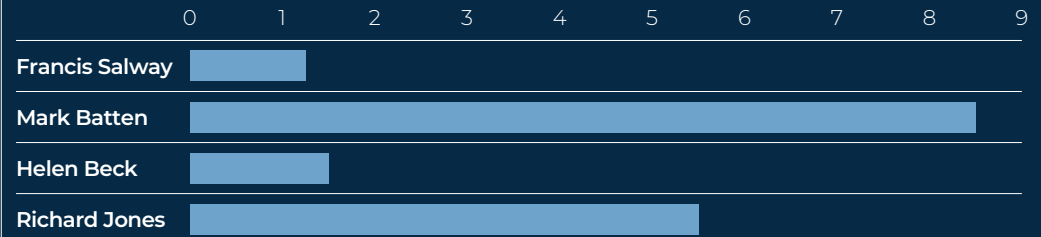
Board composition and experience

Board tenure

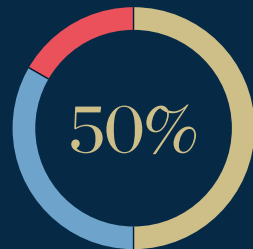
Non-Executive Director average tenure as at 31 March 2026

4.2 yrs

Tenure by Director

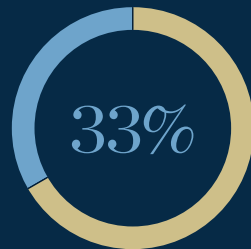


Board independence as at 31 March 2026



- Independent: 3
- Non-independent: 2
- Chair: 1

Board gender balance as at 31 March 2026



- Male: 4
- Female: 2

Demonstrating our skills

The skills matrix shows the level of expertise of our Board across a range of disciplines.

Skills	Francis Salway	Mark Batten	Helen Beck	Richard Jones	Michael Morris	Saira Johnston
Leadership and strategy	■	■	■	■	■	■
Real estate	■	■		■	■	■
Accounting/finance and risk		■				■
Remuneration	■		■		■	■
People, talent and culture	■	■	■		■	■
Other listed Board experience	■	■	■			
Corporate finance		■				
Governance	■	■	■	■	■	■
CEO or other operational experience	■	■	■	■	■	■
Sustainability			■		■	■

Director changes

There were no Director changes during the year.

Board and Committee attendance as at 31 March 2026

100%

AGM votes in favour of all resolutions July 2025

93%

Total dividend for 2026

3.8p



For more information about the Board and its activities:

Board of Directors pages 78 to 79

Leadership and Purpose pages 82 to 87

Governance at a Glance *continued*

Compliance with the UK Corporate Governance Code 2024 (the 'Code')

The Company complied with the relevant provisions set out in the 2024 version of the Code, which applied throughout the financial year ended 31 March 2026.

The Code is available on the FRC's website: www.frc.org.uk. Further detail on how the Code principles have been applied can be found on the pages set out here.

Board leadership and Company purpose		Composition, succession and evaluation		Areas for enhancement	
Effective and entrepreneurial Board promoting long-term sustainable success of the Company	74 to 75	Board appointment process and succession planning	91 to 93	Progress made during 2025	
Alignment of our purpose, values and strategy with our culture	82	Directors' skills, experience and knowledge	78 to 79	Provision or Principle	Enhancements during 2025
Governance framework and decision making	88	Annual Board performance review	92 to 93	Composition, succession and evaluation	
Effective stakeholder engagement	86 to 87	Audit, risk and internal control		17. Ensure plans are in place for orderly succession for both the Board and senior management positions	The Board considered succession focusing on both Board positions extending Mark Batten's appointment as well as senior management
Alignment of workforce policies and practices with our values	82	External and internal audit effectiveness and integrity of financial reporting	94 to 97	Audit, risk and internal control	
Division of responsibilities		Fair, balanced and understandable assessment of the Company's position	94 to 97	28. Robust assessment of the Company's emerging and principal risks	The Board has added cyber as a principal risk and identified Artificial Intelligence as an emerging risk
Leadership of an effective Board	88	Effectiveness of risk management and internal control framework	94, 96	Focus areas for 2026	
Division of responsibilities and Directors' independence	89	Remuneration		Provision or Principle	Enhancements during 2026
External appointments and conflicts	83, 91	Remuneration policies and practices aligned to purpose and values, supporting our long-term strategy	100 to 106	Composition, succession and evaluation	
Effective and efficient functioning Board and Board resources	83 to 85	Remuneration Policy	105 to 106	K. The Board and its committees should have a combination of skills, experience and knowledge	The Board will review the skills and experience requirements as part of succession planning for the next Non-Executive Director appointment
		Exercise of independent judgement in respect of 2025/2026 performance outcomes	107 to 115		

Board of Directors

We have the relevant skills and experience for future growth.

The Board is responsible for the long-term success of the business, providing leadership and direction with due regard and consideration to all stakeholders in the business.

Committee key

- A Audit and Risk Committee
- N Nomination Committee
- P Property Valuation Committee
- R Remuneration Committee
- Committee Chair

Francis Salway

N P R



Non-Executive Chair

Appointed to the Board

February 2025

Responsible for ensuring the Board is effective in setting and implementing the Company's direction and strategy including reviewing and evaluating the performance of the Chief Executive.

Key strengths and skills

- Extensive property and investment experience through both executive and non-executive roles
- Experienced Chair, SID and CEO, having led a FTSE 100 real estate company

Previous experience and appointments

- Chief Executive of Landsec
- Non-Executive Director and Senior Independent Director of NEXT plc
- Non-Executive Director of Peabody Housing Association
- Chair of Town and Country Housing
- Non-Executive Director of Cadogan Group Limited

Principal external commitments

- Non-Executive Director of Watkin Jones plc

Mark Batten

A N P R



Non-Executive Senior Independent Director

Appointed to the Board

October 2017

Responsible for financial reporting and accounting policies, audit strategy and the evaluation of internal controls and risk management systems.

Key strengths and skills

- Chartered Accountant and restructuring specialist
- Extensive experience in banking, insurance, real estate, debt structuring and restructuring
- Broad real estate knowledge

Previous experience and appointments

- Partner, PricewaterhouseCoopers LLP (restructuring and corporate valuation practices)
- Non-Executive Director, L&F Indemnity
- Senior adviser, UK Government Investments
- Non-Executive Director and Chair of the Finance Committee, Royal Brompton and Harefield NHS Clinical Group

Principal external commitments

- Chair, Assured Guaranty UK Limited and Non-Executive Director and Chair of Audit Committee, Assured Guaranty Ltd
- Senior Independent Director and Chair of the Audit and Risk Committee, Weatherbys Bank Limited
- Chair, Governing Body, Westminster School
- Non-Executive Director of Reliance National Insurance Company (Europe) Limited

Helen Beck

A N P R



Non-Executive Director

Appointed to the Board

August 2024

Responsible for leading on the recommendation of remuneration policies and levels, employee engagement and Board lead on sustainability.

Key strengths and skills

- Extensive expertise in human resources
- Over 25 years' experience in financial services, particularly in remuneration design and regulation

Previous experience and appointments

- Non-Executive Director of Ashmore Group plc and Chair of the Remuneration Committee
- Partner at Deloitte, Head of Financial Services Remuneration Practice
- Partner at Kepler Associates Limited
- Global Head of Reward at Standard Bank
- Senior executive roles at McLagan Partners Inc

Principal external commitments

- Non-Executive Director and Chair of the Remuneration Committee of St James's Place
- Non-Executive Director, Senior Independent Director and Chair of the Remuneration Committee of Funding Circle plc
- Non-Executive Director of Hampshire Trust Bank
- Independent member of the British Olympic Association's Remuneration Committee

Board of Directors *continued*

Richard Jones

A N P R



Non-Executive Director

Appointed to the Board

September 2020

Responsible for overseeing the review of the quarterly valuation process and making recommendations to the Board as appropriate.

Key strengths and skills

- Significant real estate investment experience
- Broad experience of property asset management
- Extensive experience of property valuation

Previous experience and appointments

- UK Managing Director on Aviva Investors' Global Real Estate Board
- Special Director, Ribston UK Industrial Property Unit Trust
- Non-Executive Director, Royal Brompton and Harefield Hospital NHS Foundation Trust
- Transport for London's Commercial Property Advisory Group

Principal external commitments

- Investment Committee, Henley Secure Income Property Unit Trust
- Investment Committee, Henley Secure Income Property Unit Trust II
- Special Advisor, Clearbell UK Strategic Trust

Michael Morris



Chief Executive

Appointed to the Board

October 2015

Responsible for overall strategic direction and execution of the Group's business model.

Key strengths and skills

- Successful track record of driving investment strategy and delivering results for shareholders
- Proven leadership skills
- In-depth understanding of real estate equity capital markets

Previous experience and appointments

- Over 30 years' wide-ranging commercial real estate market experience
- Senior Director and Fund Manager, ING Real Estate Investment Management

Principal external commitments

- None

Saira Johnston



Chief Financial Officer

Appointed to the Board

April 2024

Responsible for strategic financial planning and reporting for the Group and all operational matters.

Key strengths and skills

- Chartered Accountant with over 20 years' experience in finance and management roles
- In-depth knowledge of financial services, capital markets and real estate funds
- Expertise in debt and equity financing

Previous experience and appointments

- Chief Financial Officer, Gravis Capital Management Limited
- Group Financial Controller, Moorfield Group
- Director of Finance, CBRE Global Investors/ING Real Estate
- Investment Controller, Morgan Stanley Real Estate Fund

Principal external commitments

- Governor, University of Bedfordshire

Committee key

- A** Audit and Risk Committee
- N** Nomination Committee
- P** Property Valuation Committee
- R** Remuneration Committee
- Committee Chair



For more information about the Board and its activities:

Leadership and Purpose page 82

Our team

With extensive experience across real estate management and financial services, our team have an in-depth knowledge and understanding of the UK commercial property market.

Michael Morris
Chief Executive



Michael has over 30 years of experience within the UK commercial property sector and is responsible for the strategic direction and effective execution of the Group's business model. Michael is Chair of the Executive Committee and of the Transaction and Finance Committee and leads the Climate Action Working Group.

Saira Johnston
Chief Financial Officer



Saira is a Chartered Accountant with over 20 years of experience working in the real estate sector in a range of financial and operational roles. Saira is responsible for the financial strategy and reporting for the Group and is Chair of the Responsibility Committee and a member of the Transaction and Finance Committee.

Mark Alder
Head of Occupier Services



Mark is a Chartered Surveyor with over 30 years of property management experience. He is responsible for delivering effective property management and strengthening our relationship with our occupiers. Mark is Deputy Chair of the Health and Safety Committee and is a member of the Responsibility Committee.

Lucinda Christopherson
Executive Assistant to Chief
Executive and Office Manager



Lucinda is the Executive Assistant to the Chief Executive, Michael Morris, and also has responsibility for the day-to-day management of the office and oversees the administrative aspects of the Company. Lucinda is a member of the Health and Safety Committee.

James Forman
Director of Accounting



James is a Certified Accountant and has over 20 years of experience in the real estate sector. He is responsible for all accounting and financial reporting for the Group and is a member of the Transaction and Finance Committee.

Tim Hamlin
Head of Asset Management



Tim is a Chartered Surveyor with over 15 years of real estate experience and is responsible for creating and implementing asset-level business plans in line with the portfolio's strategic direction. Tim is a member of the Transaction and Finance Committee, the Responsibility Committee and is Chair of the Health and Safety Committee.

Our team *continued*

Tom Harrison

Asset Manager



Tom is a Chartered Surveyor with over five years of post-qualification experience. Tom is responsible for the comprehensive asset management of our portfolio, including lease transactions and overseeing capital expenditure projects.

Andy Lynch

Head of Building Surveying



Andy is a Chartered Surveyor with over 15 years of experience within the commercial real estate sector. Andy oversees refurbishment projects and other building matters across the portfolio, with a particular focus on environmental improvements. He is a member of the Climate Action Working Group.

Louisa McAleenanSenior Analyst – Research,
Strategy and Sustainability

Louisa has over 15 years of experience in real estate research and is responsible for all aspects of research and analysis, contributing to the direction of the Group's investment strategy. Louisa is a member of the Responsibility Committee and the Climate Action Working Group.

Lucy Stearman

Assistant Accountant



Lucy has over ten years of experience within financial services and assists with the accounting and financial reporting for the Group.

Kathy Thompson

Company Secretary



Kathy is a Chartered Secretary with over 15 years of experience within the financial services and property sectors, having previously qualified as a Chartered Accountant with PwC.

Leadership and Purpose

Our purpose is to be a responsible owner of commercial real estate, helping our occupiers succeed and being valued by all our stakeholders.

Our values

Our values were co-created by the team and are behaviours that guide our approach to running the business.

Positive

We are collaborative, upbeat and put people at the forefront. We foster strong relationships and invest in our shared success. We demonstrate this through our culture, our occupier focused approach and engagement with all our stakeholders.

Proactive

We are forward thinking, agile and adaptive. We demonstrate this through our asset management and dynamic positioning of the portfolio.

Principled

We are professional, diligent and strategic. We demonstrate this through our integrity and work ethic, our transparent reporting and alignment with our shareholders, and our commitment to sustainability and environmental initiatives.



For more information about the Board and its activities:

Board of Directors pages 78 to 79

Division of Responsibilities page 88

How the Board manages, monitors and embeds culture

The Board recognises its role in shaping the Company's culture, leading by example through its own behaviour and considering this as part of its annual performance review process.

The Board acknowledges the importance of its people to the long-term success of the business and regularly reviews how culture remains embedded within the business through a variety of ways. During the year, this has included:

Management reporting – the Board receives regular updates on employee-related matters including compliance training, response to internal audit review findings, compliance with core policies and responsiveness to new operational initiatives.

Picton has a small team of 11 employees, with minimal staff turnover rates and sickness levels.

Performance and reward – the Board receives feedback from management on the interim and end-of-year performance reviews carried out for individual team members. In addition to base salary, employees are rewarded through participation in the employee share plans, which supports alignment between the Company's performance and that of employees.

Direct engagement – the Directors regularly meet with the whole team through informal lunchtime sessions as part of the quarterly Board meeting programme. This has allowed the Directors to provide updates on Company strategy and to respond to related questions from the team. This regular contact supports the strong and open culture and shared values across the Company.

Employee engagement

In place of our annual employee engagement survey, this year, Helen Beck, our designated Director for employee engagement, held individual meetings with members of the team to address any questions or concerns personally. This approach was considered more appropriate, recognising the team's size and in light of the Strategic Review. The Board has considered a summary of the feedback provided by Helen.

More detail is provided in the Sustainable Thinking section on page 60.

The role of the Board

Our Board is responsible for the long-term success of the business. It provides leadership and direction, with due regard to the views of all stakeholders in the business. The Board operates in an open and transparent way, and seeks to engage with its shareholders, occupiers, employees and the local communities where its property assets are situated.

The Board has full responsibility for the direction and control of the business and sets and implements strategy, within a framework of strong internal controls and risk management. It establishes the culture and values of the Company and ensures these are aligned with its strategy.

The Board has a schedule of matters reserved for its attention. This includes all significant acquisitions, disposals and leasing transactions, capital expenditure projects, new lending arrangements, capital allocation and dividend policy. The schedule of reserved matters was reviewed by the Board during the year and updated to ensure it continued to remain appropriate to the business.

The Board collectively has a range of skills and experience that are complementary and relevant to the business.

These are set out in the biographies of the individual Directors on pages 78 and 79 and illustrated in the skills matrix on page 76.

Leadership and Purpose *continued*

Board meetings

The Board has streamlined its regular meetings schedule, with four quarterly meetings and additional meetings to cover approval of annual policies, the Annual Report and half-year results.

Board education sessions are included in the meeting schedule, which comprise a mix of internal and externally led sessions with Board members providing input on areas to be covered.

The Chair also met with the Non-Executive Directors without the Executive Directors present during the year.

Strategy day

This year's strategy day was held off-site and included discussion of progress against our 2026 objectives, shareholder feedback and areas of focus for the Company's strategy in light of the Strategic Review. The day was structured with input from external advisers.

Board Committees

The Board has established four Committees. These are the Audit and Risk, Property Valuation, Nomination and Remuneration Committees and their membership is comprised solely of Non-Executive Directors. Each Committee operates within clearly defined terms of reference which are reviewed annually and these are available on the Company's website.

Conflicts of interest

Directors are required to notify the Company of any potential conflicts of interest and any conflicts are reviewed by the Board at each meeting. During the year, one potential conflict of interest was identified and an appropriate safeguarding measure put in place; however, the conflict did not ultimately materialise.

The process for obtaining Board approval for external appointments is included in the Nomination Committee Report.

Attendance at Board and Committee meetings

The scheduled Board and Committee meetings for the year are listed below. Papers are circulated on a timely basis to ensure that Directors have sufficient time to review and consider the matters proposed for discussion.

Board members	Date appointed	Board	Audit and Risk	Remuneration	Property Valuation	Nomination
Francis Salway	01.02.2025	7/7	–	5/5	4/4	2/2
Mark Batten	01.10.2017	7/7	3/3	5/5	4/4	2/2
Helen Beck	01.08.2024	7/7	3/3	5/5	4/4	2/2
Saira Johnston	01.04.2024	7/7	–	–	–	–
Richard Jones	01.09.2020	7/7	3/3	5/5	4/4	2/2
Michael Morris	01.10.2015	7/7	–	–	–	–
Total number of meetings		7	3	5	4	2

There was 100% attendance by all Board Directors throughout the year.

Ad hoc Board and Committee meetings

Additional meetings were convened as necessary to deal with other matters including the Strategic Review.



Leadership and Purpose *continued*

Board Activities

A wide range of matters were considered by the Board and key Board activities and approvals over the year are set out here.

Strategic

Impacted stakeholders



Activity

- Strategic initiatives seeking opportunities for scale and maximising value for shareholders
- Review of progress against objectives
- Portfolio strategy and activity including output of business plans and sector mix, in addition to planning applications and asset disposals
- Capital allocation and priorities
- Equity capital markets landscape

Outcomes

- Annual strategy review
- Approved disposal of key office asset, Stanford Building
- Approved extensions of share buyback programme in April and May 2025; and commencement of new programme in September 2025
- Commencement of the Strategic Review

Financial reporting and performance

Impacted stakeholders



Activity

- Portfolio and financial updates and forecasts
- Macroeconomic updates from external advisers
- Quarterly management accounts
- Annual operating budget
- Dividend recommendations
- Annual Report and half-year results
- Going Concern and Viability Statement
- Annual debt review

Outcomes

- Approved operating budget for the financial year
- Approved quarterly dividends and related Stock Exchange announcements
- Approved the Annual Report and half-year results and related Stock Exchange announcements

Operational

Impacted stakeholders



Activity

- Property valuations and reports from external valuer
- Operational performance
- Operational matters including updates on HR and IT
- Health and safety matters, fire safety and physical security

Outcomes

- Acceptance of quarterly independent valuations
- Approved annual Health and Safety Policy Statement

Risk management and internal controls

Impacted stakeholders



Activity

- Risk Management Policy, including a review of the risk matrix and appetite
- Risk trends for principal and emerging risks
- Internal audit review of findings and progress
- Review of property manager's internal controls report
- Evaluation of external auditor
- Review of requirements under the new Corporate Governance Code

Outcomes

- Approved risk matrix, appetite and principal and emerging risks
- Agreed deferral of internal audit plan in view of Strategic Review
- Recommended to shareholders the reappointment of the external auditor

Our stakeholders

- Our shareholders
- Our occupiers
- Our employees
- Local communities and charities
- Our suppliers

Leadership and Purpose *continued*

Board Activities *continued*

Stakeholder engagement

Impacted stakeholders



Activity

- Shareholder register analysis
- Shareholder feedback following annual and half-year results
- Launch of Strategic Review
- Market update from Company's brokers
- AGM planning
- Results of the occupier engagement survey

Outcomes

- Approved AGM Notice
- Approved commencement of Strategic Review

Governance

Impacted stakeholders



Activity

- Board Committee Chair Reports to the Board
- Company Secretary Report and governance updates
- Internal Board and Committee performance recommendations
- Review of NED tenure and reappointment
- Schedule of reserved matters for the Board
- Board Committees' terms of reference
- Modern Slavery Statement
- Annual review of policies

Outcomes

- Approved extension of NED appointment by one year, post nine-year tenure
- Approved updated schedule of reserved matters for the Board
- Approved Board Committees' terms of reference, including incorporating the FRC's External Audit: Minimum Standard
- Approved Modern Slavery Statement

Employees, culture and values

Impacted stakeholders



Activity

- Directors' Remuneration Report
- Executive Directors' fixed and variable remuneration
- Employees' fixed and variable remuneration
- Employee engagement – outcomes and actions
- Board and senior management succession planning
- Diversity and Inclusion policy

Outcomes

- Recommended to shareholders the Directors' Remuneration Report
- Approved fixed and variable remuneration for Executive Directors and other employees
- Annual approval of the Diversity and Inclusion Policy

Sustainability

Impacted stakeholders



Activity

- ESG strategy and policy framework
- Sustainability priorities
- Net zero strategy and target-setting aligned to SBTi near-term and net zero targets
- Capital expenditure to support continuing decarbonisation of assets
- Portfolio EPC trends

Outcomes

- Published net zero strategy
- Approved capital projects at four assets: Bristol, Colchester, Manchester and Rushden



Consideration of stakeholder engagement is on pages 10 to 11 and Section 172 Statement is on pages 86 to 87

Leadership and Purpose *continued*

Section 172 Statement

As the Company is registered in Guernsey, the UK Companies Act 2006 does not apply. However, in accordance with the UK Corporate Governance Code 2024 and as a matter of good governance, the Directors, individually and collectively as the Board, act as they consider most likely to promote the success of the Company for the benefit of stakeholders as a whole.

Consideration of these factors and other relevant matters is embedded into all Board decision making, strategy development and risk assessment throughout the year. We consider our key stakeholders to be our shareholders, our occupiers, our employees, our communities, and our suppliers. Working closely with our stakeholders is a key strategic priority. The primary ways in which the Board engages directly or delegates responsibility for engagement to management are set out here.

93%
2025: 88%
Of occupiers would recommend us as a landlord

Board engagement with stakeholders

Our shareholders

We rely on the support of our shareholders and their views are important to us. The long-term success of the business will deliver value for shareholders. The Chair, Chief Executive and Chief Financial Officer hold regular meetings with shareholders, the details of which are reported back to the Board.

In addition, our advisers obtain feedback and insights following shareholder meetings. There are also online investor presentations arranged following our Annual General Meeting and after the release of our results, which provide an opportunity for investors to raise questions.

Other Non-Executive Directors will engage with shareholders on specific matters as appropriate and all of the Directors attend the Annual General Meeting to meet with shareholders and to answer any questions they may have.

Our occupiers

One of our key priorities is to work with our occupiers, so that we can understand their needs and aim to meet their current and future requirements. The Board has delegated responsibility for engaging with occupiers to the Executive Committee which, with the team, is close to the ongoing communication with occupiers. This input supports proposals to the Board on material lease transactions, such as refurbishment projects.

Our employees

Helen Beck, one of our Non-Executive Directors, has responsibility for employee engagement.

The Board decided that in view of the Strategic Review and the size of the team, it was preferable to engage directly with team members through individual meetings, instead of conducting an employee engagement survey.

The Board has also engaged with the team informally over lunch when the quarterly Board meetings were held at Stanford Building.

Local communities and environment

We are committed to improving the impact of our buildings on local communities, whether providing space to local businesses, improving local areas or minimising the environmental impact of buildings themselves. The Responsibility Committee, which is chaired by the Chief Financial Officer, oversees sustainability initiatives.

The Board reviews progress on our key sustainability priorities as part of the quarterly reporting cycle. In addition, the Board reviewed our net zero carbon pathway commitment and target setting in more depth at this year's Board strategy day.

Suppliers

The Board has approved an ESG framework which includes a Supplier Code of Conduct. This sets out principles and standards that we expect so we can work together with our supply chain to achieve a responsible way of sourcing labour, goods and services. The Board delegates day-to-day implementation to the Executive Committee and reviews the Modern Slavery Statement annually.

Considering stakeholders in key Board decision making

The table overleaf sets out several examples of important decisions taken by the Board during the year. These decisions are not only material to the Group but are also significant to any of our key stakeholders. As part of the decision making process, the Board considers the feedback from stakeholder engagement as well as the need to act fairly between all shareholders and to maintain high standards of business conduct.

Leadership and Purpose *continued*

Section 172 Statement *continued*

Strategic focus areas

Actions and outcomes

Portfolio Performance

Sale of Stanford Building	The Board approved the sale of Stanford Building, our largest office asset by value, in line with our strategy of reducing exposure to the office sector and recycling capital from lower yielding assets. The sale completed in September 2025, and the proceeds were deployed into our share buyback programme and investment opportunities, as the Board continues seeking to maximise value for shareholders.
Investment into the portfolio	The Board is responsible for approving capital expenditure above £0.75 million and, during the year, there has been significant investment into our portfolio. The Board approved refurbishing and upgrading works at Tower Wharf, Bristol and Metro, Manchester properties, achieving full decarbonisation as a result, in addition to refurbishing Colchester Business Park and Rushden. These investments are aimed at enhancing space to retain and attract occupiers, improve sustainability credentials and grow income for existing shareholders.

Operational Excellence

Continuation of share buyback programme	The Board continued to review its capital priorities and the optimal use of surplus disposal proceeds. In assessing the options, the Board considered shareholder feedback and risk-adjusted returns. Accordingly, the Board authorised extensions to the programme in April and May, with increases of £2.5 million and £5.0 million, respectively, pursuant to shareholder approval at the July 2024 AGM. Additionally, in September, the Board approved a separate programme for £12.5 million under the authority granted at the July 2025 AGM; this programme was suspended on 13 January 2026 following the announcement of the Strategic Review.
Review of dividend	The Board is aware of the value of regular dividend payments to shareholders and reviews the level of dividend each quarter. In May 2025, the Board approved a 2.7% increase in the dividend to 0.95 pence per share, which has been maintained throughout the year.

Acting Responsibly

Shareholder value	The Board reviews its principal risks throughout the year, including the share price discount and ability to attract capital. On 13 January 2026, the Board approved the commencement of a Strategic Review. This will enable the Company to explore more options available to maximise value for shareholders.
Net zero strategy and targets	The Board received an update on progress against sustainability priorities and noted the recent work on target-setting, an updated net zero strategy and net zero action plan. These steps are key components of our Acting Responsibly strategic priority and delivering on our net zero carbon pathway commitment.

Division of Responsibilities

The Board

Chair:

Francis Salway

Comprises:

4 Non-Executive Directors and
2 Executive Directors

Responsibilities:

- The overall long-term success of the Group and creating value for shareholders
- Providing leadership and direction for the business
- Setting and overseeing the implementation of strategy
- Establishing the culture and values of the business
- Agreeing the Risk Management Policy and risk appetite
- The overall financial performance of the Group
- Appointing the Executive Directors
- Approving property and investment decisions and other commitments above £750,000
- Promoting wider stakeholder relationships
- Ensuring high standards of corporate governance across the Group

 [Read more on page 89](#)


Board Committees

Nomination:

Chair: Francis Salway

Comprises:

4 Non-Executive Directors

 [Read more on pages 91 to 93](#)

Responsibilities:


- Reviewing the structure, size and composition, including diversity, of the Board and its Committees
- Ensuring the Board and its Committees have the appropriate skills, knowledge and experience
- Overseeing succession planning
- Leading the Board appointment process and recommending Board appointments

Audit and Risk:

Chair: Mark Batten

Comprises:

3 Non-Executive Directors

 [Read more on pages 94 to 97](#)

Responsibilities:


- Overseeing the Group's financial and non-financial reporting
- Ensuring the integrity of the Group's financial statements
- Overseeing the risk management framework and system of internal controls
- Agreeing the internal audit plan and reviewing internal audit reports
- Reviewing the relationship with the external auditor and evaluating their performance
- Ensuring compliance with the UK Corporate Governance Code

Property Valuation:

Chair: Richard Jones

Comprises:

4 Non-Executive Directors

 [Read more on pages 98 to 99](#)

Responsibilities:


- Overseeing the independent valuation process
- Recommending the quarterly valuations to the Board
- Appointing the valuer and approving their remuneration
- Ensuring compliance with applicable standards

Remuneration:

Chair: Helen Beck

Comprises:

4 Non-Executive Directors

 [Read more on pages 100 to 115](#)

Responsibilities:

- Determining the remuneration policy and making recommendations to the Board
- Setting the remuneration packages of Executive Directors ensuring alignment of interests with shareholders and employees
- Reviewing remuneration and remuneration practices for the team
- Approving bonus and LTIP awards

Management Committees

Executive Committee:

Chair: Michael Morris

Comprises:

2 Executive Directors
and 1 senior executive

Responsibilities:

- Overseeing the development and delivery of strategy
- Monitoring financial and non-financial performance
- Managing the business day-to-day
- Assessing and monitoring the risk management framework and system of internal controls
- Determining employee remuneration and overseeing career development
- Overseeing the work of the Health and Safety Committee

Transaction and Finance Committee:

Chair: Michael Morris

Comprises:

2 Executive Directors and
senior management

Responsibilities:

- Reviewing and recommending relevant portfolio transactions to the Board
- Approving property investment decisions
- Monitoring portfolio costs
- Reviewing asset-level business plans
- Reviewing compliance with lending covenants

Responsibility Committee:

Chair: Saira Johnston

Comprises:

1 Executive Director, senior
management and employees

Responsibilities:

- Overseeing ESG strategy
- Overseeing the work of our sustainability advisers
- Overseeing the Climate Action Working Group and receiving updates on environmental matters
- Monitoring stakeholder engagement
- Approving our sustainability reporting
- Reviewing our ESG policies and recommending these to the Executive or Board for approval
- Monitoring compliance with relevant standards and legislation

Responsibilities of the Directors

The roles and principal responsibilities of each of the Directors are set out here. The Directors are supported by the Company Secretary who is responsible for ensuring compliance with Board procedures and the effective flow of information between the Board and its Committees and between senior management and the Non-Executive Directors.

Chair

Francis Salway

- Leads the Board and is responsible for the overall effectiveness of the Board
- Promotes Company culture and values
- Sets the agenda and tone of Board discussions and promotes open debate at meetings
- Ensures that all Directors receive full and timely information to enable effective decision making
- Ensures that the Board determines the nature, and extent, of the significant risks the Company is willing to embrace in the implementation of its strategy
- Leads the Board's annual performance review and ensures that all Directors receive appropriate induction and training
- Responsible for major shareholder and other stakeholder engagement and ensures the Board is informed of their views
- Fosters productive relationships between the Non-Executive and the Executive Directors
- Responsible for governance

Chief Executive

Michael Morris

- Leads the Group and articulates its vision, values and purpose
- Supports the Chair in promoting our culture, values and high standards of governance and behaviours throughout the Group
- Develops, recommends and executes strategy for the Group
- Responsible for the overall performance and day-to-day management of the business
- Ensures the Board receives comprehensive, accurate and high quality information in a timely manner
- Manages communication with shareholders and ensures that their views are represented to the Board

Senior Independent Director

Mark Batten

- Provides a sounding board for the Chair and is a trusted intermediary for the other Directors where necessary
- Leads the annual evaluation of the Chair
- Leads the succession process for the appointment of the Chair, working with the Nomination Committee
- Communicates with shareholders when other channels are not available or appropriate
- Acts as alternate to the Chair when not able to act due to conflict of interests

Non-Executive Directors

Mark Batten

Helen Beck

Richard Jones

- Bring independent sound judgement, objectivity, scrutiny and an external perspective to the decisions of the Board
- Bring a range of skills, experience and diversity of thought to the deliberations of the Board and constructively challenge management
- Monitor business progress against agreed strategy
- Review the internal controls and risk management framework and the integrity of financial information
- Determine the Remuneration Policy for the Group and approve performance targets in line with strategy

Executive Director

Saira Johnston

- Supports the Chief Executive in the formulation and execution of strategy
- Manages the financial operations of the Group
- Develops and maintains the system of financial controls within the Group
- Recommends the internal controls and risk management framework to the Audit and Risk Committee and the Board

Composition, Succession and Evaluation

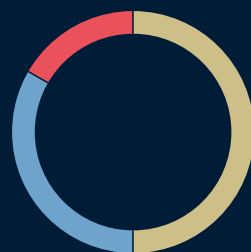
These charts set out the Board’s composition, tenure and diversity characteristics as at 31 March 2026.

The Board currently comprises the Chair, two Executive Directors and three independent Non-Executive Directors. The Non-Executive Directors bring a variety of skills and business experience to the Board. Their role is to bring independent judgement and scrutiny to the recommendations of the Executive Directors. Each of the Non-Executive Directors is considered to be independent in character and judgement.

As at 31 March 2026 the Board comprised 50% independent Non-Executive Directors, excluding the Chair.

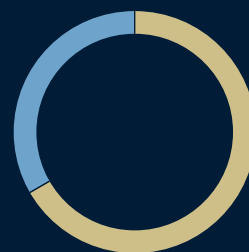
Board composition and diversity

Function



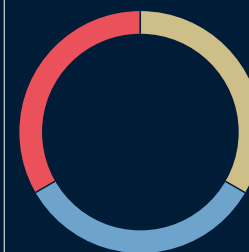
■ Independent 3
■ Non-independent 2
■ Chair 1

Gender



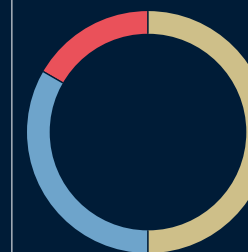
■ Male 4
■ Female 2

Age



■ 45 to 55 years 2
■ 55 to 65 years 2
■ 65 to 70 years 2

Tenure



■ 0 to 3 years 3
■ 3 to 9 years 2
■ 9 to 12 years¹ 1

1. Michael Morris, Chief Executive.

Ethnic representation

	Number of Board members	Percentage of the Board	Number of senior Board positions	Number in executive management	Percentage of executive management
White British	5	83%	3	1 ¹	50%
Mixed British Asian	1	17%	1	1	50%

Sex/gender representation

	Number of Board members	Percentage of the Board	Number of senior Board positions	Number in executive management	Percentage of executive management
Men	4	67%	3	1 ¹	50%
Women	2	33%	1	1	50%

1. Jay Cable, Senior Director and Head of Asset Management was a member of the Executive Committee until he passed away on 28 March 2026.



The **biographies of the Directors** can be found on pages 78 to 79, which set out their skills and experience, and their membership of each of the Committees

Composition, Succession and Evaluation *continued*

Nomination Committee

Members	Attendance
Francis Salway (Chair)	2/2
Mark Batten	2/2
Helen Beck	2/2
Richard Jones	2/2

Focus areas for 2025/2026

- Succession planning
- Annual Board performance review
- Directors' skills, experience and knowledge



The Committee is responsible for reviewing the composition of the Board to ensure it maintains an appropriate balance of skills, knowledge, experience and diversity, to fulfil its duties and provide effective leadership. It oversees the selection and nomination of new Board members, ensuring that appointments are made through a formal, rigorous, and transparent process, and that robust succession plans are in place for both the Board and senior management. The Committee also considers the outcomes of the Board's annual performance review, with particular attention to feedback relating to Board composition and succession planning.

The Committee also makes recommendations to the Board regarding the membership of the Audit and Risk, Nomination, Property Valuation and Remuneration Committees, after considering each Director's time commitments and relevant experience.

Terms of reference

The Committee's responsibilities are set out in its terms of reference and include the following:

- Reviewing and making recommendations on Board composition and size;
- Considering and advising on succession planning for the Board and senior management;
- Identifying and nominating suitable candidates to fill Board vacancies as they arise;
- Reviewing the results of the Board performance review on composition and succession;
- Reviewing time commitments and independence criteria for Directors; and
- Recommending appointments for membership to Board Committees.

Activity

The Committee met three times during the year ended 31 March 2026, which included the two scheduled meetings and one ad hoc meeting.

The Committee focused on routine matters as there were no new appointments or changes to the Board's composition.

This included reviewing the performance and constitution of the Committee and its terms of reference. A short questionnaire was completed by Committee members on its performance throughout the year, with the Committee concluding that it continued to operate effectively.

The Committee has reviewed both existing and new external appointments held by current Directors to ensure that the time commitments associated with these roles did not impact their continued ability to discharge their duties effectively; and to confirm that no Director is overboarded or falls short of the required independence requirements. The Committee concluded that the Non-Executive Directors continued to have sufficient time availability, as demonstrated by their attendance at the significant number of additional Board meetings arranged during the year to consider the Company's strategy. The Non-Executive Directors also continued to meet the independence criteria set out in the Code.

The Committee also considered the Board and senior management succession planning arrangements as part of its remit to oversee the development of a diverse and sustainable pipeline for succession. In doing so, it considered the skills and expertise needed for the Board in the future. As part of its annual review of longer term succession plans, the Committee reviewed the Board skills matrix (see page 76) to assess how the Board's capabilities are

Composition, Succession and Evaluation *continued*

evolving and to identify any areas where further developments or recruitment may be needed.

The Committee discussed succession planning for Mark Batten, whose tenure is due to conclude at the end of September 2026, as noted in last year's Annual Report. In light of the Strategic Review announced in January 2026, the Committee agreed that continuity on the Board would be beneficial during this period. Accordingly, the Committee agreed to invite Mark Batten to remain on the Board and approved a one-year extension to his appointment as a Non-Executive Director, Chair of the Audit and Risk Committee and as the Senior Independent Director, with effect from 1 October 2026.

The Committee also oversaw the actions taken in response to the recommendations from the internal Board performance review carried out at the end of 2024 and agreed the actions to be taken forward in response to the 2026 internal performance review. See pages 92 to 93 for further detail.

Senior management succession

In 2025 and early 2026, the Board considered succession for the wider team, and in particular for the Asset Management team. In early 2025, a new asset manager was appointed to provide additional resource to the team, whilst Jay Cable underwent cancer treatment. In addition to the guidance and training provided by Jay to our Director of Asset Management over many years, more formal professional and personal development training has been provided, leading to Tim Hamlin's promotion to Head of Asset Management with effect from May 2026.

Induction

A comprehensive induction programme is provided for all new Directors, which is tailored to reflect their individual background and experience. The process is overseen by the Chair and supported by the Company Secretary running throughout the first year of appointment, with regular progress reviews. I completed my induction programme during 2025.

Diversity and inclusion

All Directors remain committed to having a Board which is diverse in every respect.

Since my appointment on 1 February 2025, the Board no longer meets all three of the FCA's gender and diversity listing requirements. The Board remains mindful of these requirements and will take them into account when considering the next appointment, which is expected to arise as Mark Batten steps down. By way of background, prior to my appointment, the last three Board appointments were female.

The Company recognises that a diverse team is essential for our long-term business success. We value the unique contribution made by each individual and remain committed to treating all employees fairly and with respect.

Although we are a small team, equity, diversity and inclusion remain key considerations in our recruitment processes. We work closely with our recruitment partners to ensure these principles are embedded in their candidate recommendations, whilst each candidate is then assessed on merit having regard to the right balance of skills, experience and knowledge.

The Committee considered succession and the Board's skills, knowledge and experience.

Francis Salway
Chair of the Nomination
Committee

Board performance review

In accordance with the requirements of the Corporate Governance Code, the Board conducts an annual review of its own performance and effectiveness and that of its Committees.

At the end of 2024 an internal review was undertaken through a detailed questionnaire, prepared by the Company Secretary in conjunction with the Chair.

The table overleaf sets out actions identified following the review together with the progress during the year.



Composition, Succession and Evaluation *continued*

Progress against actions identified in the 2024/2025 performance review

Action	Progress during 2025/2026
1. To revert to a quarterly reporting cycle to streamline processes and facilitate debate and decision making	The Board adopted a quarterly reporting cycle. In addition, specific, shorter Board meetings were held to approve the half-year and Annual Results, and a strategy day was scheduled in March to cover strategy and objectives. This has supported a streamline of our Board reporting processes.
2. To refine our Board reporting templates	A new quarterly reporting pack has been developed to improve efficiency and the quality of information provided to the Board.
3. To introduce a thematic deep dive session at Board meetings	The Board has received presentations on a range of topics during the year including: <ul style="list-style-type: none"> - The impact of tariffs (internal) - A deep dive on asset business plans and environmental initiatives (internal) - Office sector review (internal) - The impact of AI on the real estate (and office) sector (external) - Key Takeover Code provisions briefing (external) - Macroeconomic and property market backdrop (external)
4. To include discussion of investor feedback and reflect on share price discount at the Board strategy meeting	The Board has considered investor feedback and reviewed share price performance at each of its quarterly meetings during the year.

2025/2026 performance review

For this financial year, the Committee made a decision to conduct an internal rather than an external review. The Committee felt that this approach was more appropriate given Board changes in the prior year and the Strategic Review announcement. To facilitate the internal review, Board members engaged in a workshop session during the March Board strategy meeting, where consideration was given to a number of structured questions along with a discussion on themes for improvement.

The results of the workshop were discussed and the Board agreed to take forward the following actions in 2026/2027.

- To coordinate at least one Board meeting per year to be based at or near one of the Company's property assets, to facilitate site visits by the Board
- To streamline governance reporting including more focus on forward-looking discussion papers to support long-term scenario planning
- To review the adviser panel and ensure the current advisers are appropriate for the size of the Picton team, and the advice and support provided

For each of the Board Committees, a short questionnaire was completed and the results were discussed at the workshop. There were some minor improvement areas and it was agreed these would be considered and addressed as appropriate over the course of the year.

Overall, the internal review concluded that the Board, its Committees and the individual Directors continue to operate very effectively.

Tenure and re-election

The tenure of Non-Executive Directors, including the Chair, is limited to nine years in accordance with the UK Corporate Governance Code. The Chief Executive has held a position on the Board as Executive Director for just over ten years.

As mentioned earlier, whilst Mark Batten's nine-year tenure on the Board will end on 30 September 2026, the Committee recommended a one-year extension to his appointment to 30 September 2027, which was approved by the Board. This will ensure there is continuity on the Board whilst the Company undertakes its Strategic Review.

The provisions of the Corporate Governance Code recommend that all Directors be subject to annual re-election at the Annual General Meeting. The Board will follow this recommendation and all Directors will be proposed for re-election at the Annual General Meeting in September 2026.

Francis Salway


Chair of the Nomination Committee
11 June 2026

Audit, Risk and Internal Control

The Board has established procedures to manage risk, oversee the framework of internal controls and determine its risk appetite to achieve its long-term strategic objectives.


Audit and Risk Committee

The Audit and Risk Committee Report describes the Committee's activities in discharging its responsibilities during the year.

 Further details are provided in the Audit and Risk Committee Report

Property Valuation Committee

The Property Valuation Committee has oversight of the independent valuer and valuation process and recommends the quarterly valuations to the Board following its review of the external valuer's methodology and assumptions.

 Further details are provided in the Property Valuation Committee Report on page 98

Mark Batten has recent, relevant financial expertise for the purposes of satisfying the Code and collectively the Committee members have a broad range of financial, commercial and property expertise, sufficient to fulfil their responsibilities in relation to both financial and risk matters and to be able to advise the Board.

Audit and Risk Committee

Members	Attendance
Mark Batten (Chair)	3/3
Helen Beck	3/3
Richard Jones	3/3

Focus areas for 2025/2026

- Annual and Interim Report
- Implementation of the 2024 UK Corporate Governance Code and Minimum Audit Standard
- Internal audit review and findings
- Risk Management Policy, and principal and emerging risks review
- External auditor evaluation



Meetings of the Audit and Risk Committee are attended by the Chair, Chief Executive and Chief Financial Officer, and external auditor and internal auditor. The external auditor is given the opportunity to discuss matters without management present.

Terms of reference

The Committee's terms of reference set out its responsibilities which include consideration of the following:

- Financial reporting, including significant accounting judgements and accounting policies;
- Development of a comprehensive Risk Management Policy for adoption by the Group;
- Evaluation of the Group's risk profile and risk appetite, and whether these are aligned with its investment objectives;
- Ensuring that key risks, including climate-related risks, are being effectively identified, measured, managed, mitigated and reported;
- Internal controls, controls testing and risk management;
- Ensuring compliance with the FRC's Minimum Audit Standard;
- The Group's relationship with the external auditor, including effectiveness and independence;
- Internal audit and assurance services, including review of reports and assessment of control weaknesses; and
- Reporting responsibilities.

Audit, Risk and Internal Control *continued*

Activity

The Audit and Risk Committee met three times during the year ended 31 March 2026 and considered the following routine matters:

- Draft Annual and Interim Reports for the year ending 31 March 2026 for the Group, including the fair, balanced and understandable assessment;
- Audit and accounting key judgements and issues of significance;
- Going concern and viability assessments;
- Valuation process and external valuer effectiveness;
- Risk Management Policy and appetite;
- Risk matrix, principal and emerging risks and mitigating controls;
- External audit reports to the Committee including audit plan and fees;
- The effectiveness of the audit process and the independence of KPMG Audit Limited;
- Internal audit reports, findings and recommendations;
- The effectiveness of internal controls and risk management;
- Stock Exchange announcements for the annual and half-year results and quarterly dividends;
- Corporate Governance Code and Minimum Audit Standard compliance;
- Economic Crime and Corporate Transparency Act 2023 and failure to prevent fraud compliance;
- Impact of Strategic Review on financial reporting; and
- Committee effectiveness.

Financial reporting and significant reporting matters

The Committee reviews all financial information published in the annual and half-year financial statements including the accounting policies adopted by the Group, the presentation and disclosure of the financial information and the key judgements applied by management in preparing the financial statements.

The Directors are responsible for preparing the Annual Report. At the request of the Board, the Committee considered whether the 2026 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's strategy, business model and performance. Following its review, the Committee was satisfied that these requirements had been met.

Key areas of judgement

Valuation of investment properties

The principal area of judgement by the Committee in reviewing the financial statements is the valuation of the Group's investment properties.

The valuations are performed quarterly by the external valuer and are overseen by the Property Valuation Committee. These are a key component of both the annual and half-year financial statements and are inherently subjective, requiring significant judgement. Members of the Property Valuation Committee, together with members of the Picton team, meet with the external valuer each quarter to review the valuations and underlying assumptions, including those applied in the year-end valuation process.

The Chair of the Property Valuation Committee reported to the Audit and Risk Committee at its meeting on 27 April 2026 and confirmed that the following matters had been considered in discussions with the external valuer:

- Current property market conditions and prevailing trends;
- Quarter-on-quarter changes focusing on movements greater than 5%;
- Impact of break notices and capital expenditure on the valuation;
- Property portfolio yields;
- Letting activity and vacancies;
- Covenant strength and lease lengths;
- Estimated rental values; and
- Comparable market evidence

The Audit and Risk Committee reviewed the report from the Chair of the Property Valuation Committee, including the assumptions underpinning the valuation. The Committee assessed the appropriateness of these assumptions in light of current market trends and conditions and examined valuation movements compared with previous quarters. Following its review, the Committee concluded that the valuation was appropriate for inclusion in the financial statements.

The external auditor presented its findings to the Committee and reported that there were no areas of concern or difficulties in performing its audit procedures. In particular, no issues were identified regarding management's assumptions or judgements in preparing the financial statements, including in relation to the key judgement area, valuation of investment properties.

The Committee is satisfied that the 2026 Annual Report is fair, balanced and understandable.

Mark Batten

Chair of the Audit and Risk Committee

Audit, Risk and Internal Control *continued*

Strategic Review

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.

An emphasis of matter referencing the non-binding offer has been included in the auditor's report. Their opinion is not modified in respect of this matter.

There were no other key areas of judgement which the Audit and Risk Committee identified in conjunction with the external auditor.

Other key areas of judgement

Climate change is not considered a key audit matter by our external auditor. Please refer to our climate related disclosures on pages 64 to 72 for further information on climate change.

Fair, balanced and understandable

The Committee is satisfied that the 2026 Annual Report is fair, balanced and understandable and includes the necessary information as set out here, and it has confirmed this to the Board.

Risk management

The Board has ultimate responsibility for risk management and internal controls within the Company and adopts a structured approach to consider these. The Board reviews the Risk Management Policy at least annually to ensure it aligns with the Company's strategic priorities.

The Committee is responsible for overseeing the development and implementation of the Risk Management Policy including a review of the principal and emerging risks alongside risk scoring, control effectiveness and risk appetite. The Committee reports to the Board on these matters.

During the year, the Committee reviewed its Risk Management Policy and confirmed that there were no changes required.

The Risk Management Policy is intended to:

- Identify principal risks that may significantly affect strategic goals and objectives;
- Define risk appetite and parameters for risks;
- Embed a risk culture which underpins the evaluation and identification of risks and protects shareholder value; and
- Meet legal and regulatory requirements.

The Committee also reviewed the updated risk matrix which identifies the risks within each business area and related activities. The scoring of the risks and control effectiveness were considered and helped define the principal risks. The Committee noted some changes in risk trends which were in line with expectations and the operating environment. Whilst the principal risks remained unchanged, additional emerging risks were identified and cyber risk was determined to be worthy of separate consideration having been previously included as an operational risk. Further detail is provided on pages 43 to 49.

In relation to emerging risks, the Committee specifically considered the Company's exposure to cyber risk, both within its own operations and through those of its largest outsourced supplier, CBRE. The Committee noted the controls currently in place to mitigate these risks as far as practical.

The Committee is satisfied that the risk management processes in place, on behalf of the Board, remain robust and appropriate for the year.

Internal controls

The Committee is responsible for reviewing the adequacy and effectiveness of internal controls on behalf of the Board.

The Committee reviews the system of internal controls through its risk management process, oversight and challenge of management reporting

and reviewing findings from the internal assurance services. This review has been in place throughout the full financial year, and up to the date of the approval of the financial statements. The Board is satisfied that the system of internal controls and risk management framework remain effective.

BDO provides internal audit and assurance services to the Group. The Committee agrees to a programme of reviews with the most recent scope areas covering capital expenditure, IT controls and a review of previous findings completed last year. This year the Committee has been focused on progressing previous findings and the smooth implementation of a new accounting system rather than new scope areas. Given the new finance system introduced during the year and the Strategic Review, the Committee agreed to defer a decision on future scope until late 2026.

The Committee has also considered key service providers and, in this context, has received and reviewed a copy of CBRE Limited's Real Estate Accounting Services Control Report as at 31 December 2025. This report was prepared in accordance with International Standard on Assurance Engagements 3402 and provides comfort on the suitability of the design and operating effectiveness of controls of the property management accounting services. There were no issues or areas of concern raised in the Control Report and a bridging letter has been provided to give comfort on controls in place for the period from 1 January to 31 March 2026.

Finally, the Audit and Risk Committee has held discussions with the external auditor to ensure there are no issues of concern in relation to the audit of the financial statements. Representatives of senior management were not present for these discussions.



For more information:

Climate-related disclosures
page 64

Risk management page 42

Audit, Risk and Internal Control *continued*

2024 UK Corporate Governance Code

The Committee reviewed its compliance with the new 2024 UK Corporate Governance Code and considered the requirements set out in the FRC's Audit Committees and the External Audit: Minimum Standard. Throughout the year, both management and KPMG provided regular updates to the Committee.

The requirements under Provision 29 of the Code will apply for the 2026/2027 financial year. Management, supported by BDO, has been developing the Company's approach to achieve compliance with Provision 29, to ensure that the Board is positioned to meet these requirements next year.

External auditor

Independence and objectivity

The Committee is responsible for monitoring the external auditor's independence and objectivity.

The Group operates a policy that non-audit work is not awarded to the external auditor where there is any risk that its independence could be compromised. The Committee monitors the level of fees incurred for non-audit services to ensure they remain immaterial, and seeks confirmation, where appropriate, that separate personnel are involved in any non-audit services provided to the Group. The Committee must approve in advance all non-audit assignments to be carried out by the external auditor.

The external auditor has not been engaged to perform non-audit work during the financial year ending 31 March 2026 (2025: £nil).

The fees payable to the Group's auditor and its member firms are as follows:

	2026 £000	2025 £000
Audit fees	227	218
Interim review fees ¹	–	38
Non-audit fees	–	–
	227	256

1. For the half-year results for 30 September 2025, the Committee decided to no longer engage KPMG to perform an independent review.

KPMG has provided written confirmation of its independence to the Committee and the Committee has concluded that KPMG has remained independent and objective throughout the year.

Oversight of external auditor and audit process

The Committee is responsible for overseeing and assessing the effectiveness and quality of the external auditor and the external audit process throughout the year, taking into consideration relevant UK professional and regulatory requirements. The Committee Chair and the Finance team meet with the audit partner and audit team members outside of the regular Committee meetings, to discuss audit matters raised during the year.

In 2025, an assessment of the external auditor and the audit process was carried out by way of a questionnaire and completed by Committee members, the remaining Board Directors and members of the finance team.

As part of this assessment, the Committee considered:

- The external auditor's qualifications, expertise and resources;
- The external auditor's independence and objectivity;
- The extent to which the external auditor demonstrated professional scepticism and challenged management's assumptions during the audit, particularly in relation to the quarterly portfolio valuations;
- The overall performance of the audit team in terms of audit quality and delivery of service; and
- The level of remuneration.

The Committee also considers the external audit plan, setting out the auditor's assessment of the key audit risk areas and reporting received from the external auditor in respect of the year-end report and accounts.

The Committee concluded from the results of the assessment that it was satisfied as to the qualifications and expertise of the KPMG audit partner and team; and with the overall quality of the audit process.

KPMG Audit Limited has been external auditor to the Group since 2009 and following a tender process carried out in February 2020 was reappointed for a further ten-year term. The current audit engagement partner, Steve Stormonth, has completed four years as audit partner.

The Committee recommends that KPMG Audit Limited is recommended for reappointment at the next Annual General Meeting.

Mark Batten

Chair of the Audit and Risk Committee
11 June 2026

During the year, the Committee reviewed its compliance with the new 2024 UK Corporate Governance Code.

Audit, Risk and Internal Control *continued*

Property Valuation Committee

Members	Attendance
Richard Jones (Chair)	4/4
Mark Batten	4/4
Helen Beck	4/4
Francis Salway	4/4

Focus areas for 2025/2026

- Transition to new valuer
- Review of quarterly valuations



Terms of reference

The Committee's terms of reference set out its responsibilities, and are reviewed annually. These include reviewing the quarterly valuation reports prepared by the external valuer, in accordance with the Royal Institution of Chartered Surveyors Red Book valuation standards, before they are submitted to the Board, focusing on:

- Significant adjustments from prior quarters;
- Assessment of individual property valuations;
- Management commentary;
- Identification of significant asset-specific issues for management's attention;
- Material or unexplained movements in the Company's net asset value;
- Compliance with applicable standards and guidelines;
- Review of the valuer's findings or recommendations; and
- Consideration of the appointment, remuneration and removal of the Company's valuer, with recommendations provided to the Board as appropriate.

Activity

The Committee met four times during the financial year ending 31 March 2026, overseeing the transition from CBRE Limited ('CBRE') to Knight Frank LLP ('Knight Frank'). Additionally, members of the Property Valuation Committee, together with management, met quarterly with Knight Frank to review the valuations and assess the underlying assumptions incorporated into the year-end valuation process.

These valuations are undertaken in accordance with the Royal Institution of Chartered Surveyors Red Book valuation standards. The matters which were considered included:

- Current property market conditions and prevailing trends;
- Quarter-on-quarter changes focusing on movements greater than 5%;
- Impact of break notices and capital expenditure on the valuation;
- Property portfolio yields;
- Letting activity and vacancies;
- Covenant strength and lease lengths;
- Estimated rental values; and
- Comparable market evidence.

Audit, Risk and Internal Control *continued*

In April 2025, the Committee considered market trends confirming these had been fully reflected in the quarterly valuation reports. The Committee was also satisfied with the valuation process carried out by CBRE throughout the previous financial year and noted Knight Frank's appointment as new external valuer for the Group, in line with the new RICS requirement for the mandatory periodic review of UK valuers.

At the July 2025 meeting, the Committee reviewed Knight Frank's delivery of its first portfolio valuation following appointment, noting the smoothness of the transition from CBRE to Knight Frank and that the valuation process for the June 2025 quarter had been conducted efficiently and without issue.

In October 2025, the Knight Frank team updated the Committee on current real estate market conditions and the future outlook and highlighted emerging trends.

In January 2026, the Committee reviewed its constitution, performance and terms of reference as part of the broader internal Board and Committee evaluation process. The Committee concluded that it continued to operate effectively and was satisfied with the outcome of the review.

In March 2026, Knight Frank advised that it would include a market conditions statement with the 31 March 2026 quarterly valuation noting that the valuation was prepared during a period of geopolitical tension arising from the Iran conflict commencing on 28 February 2026. Knight Frank drew attention to the resulting increase in global risk premiums, disrupted supply chain conditions, and heightened volatility in energy markets; and highlighted that such instability could affect financing conditions, inflation, and investor sentiment, with behaviour capable of changing rapidly

during periods of heightened volatility. Knight Frank therefore recommended that the valuation was closely monitored as it continued to track how market participants respond to these evolving market conditions.

External valuer

Knight Frank was appointed as external valuer for the Group effective June 2025. Knight Frank is responsible for carrying out a valuation of the Group's property assets each quarter, the results of which are incorporated into the Group's half-year and annual financial statements, and quarterly net asset statements. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors Red Book valuation standards.

As this is Knight Frank's first year of appointment the Committee agreed to defer its annual assessment of the external valuer's performance until April 2026. The Committee confirmed at the April meeting, that it was satisfied with Knight Frank's performance during the year, having considered the breadth of experience of the team, their objectivity, independence, and consistency of approach.

Richard Jones

Chair of the Property Valuation Committee
11 June 2026

 We appointed
Knight Frank as our
new external valuer,
effective June 2025.

Remuneration Report

Remuneration Committee

Members	Attendance
Helen Beck (Chair)	5/5
Mark Batten	5/5
Richard Jones	5/5
Francis Salway	5/5

Other attendees at Committee meetings during the year were Michael Morris and Saira Johnston. Neither participated in discussions relating to their own remuneration.



Focus areas for 2025/2026

- Executive Director remuneration
- Employee remuneration
- Impact of Strategic Review

Terms of reference

The principal responsibilities of the Committee as set out in the terms of reference include the following matters:

- Review the ongoing appropriateness and relevance of the Directors' Remuneration Policy;
- Determine the remuneration of the Chair, Executive Directors and such members of the executive management as it is designated to consider;
- Review the design of all share incentive plans for approval by the Board; and
- Appoint and set the terms of reference for any remuneration consultants.

Advisers

During the year, Deloitte LLP has provided independent advice in relation to market data, share valuations, share plans administration and content of the Remuneration Report. Total fees for the year were £34,250 (calculated on a time spent basis). Deloitte LLP is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. In addition, Deloitte also provided taxation services and advice to the Company during the year. The Committee has reviewed the nature of this additional advice and is satisfied that it does not compromise the independence of the advice that it has received.

Annual statement

Dear Shareholders

Introduction

On behalf of the Board, I am pleased to introduce the Remuneration Committee Report for the year ended 31 March 2026.

This report comprises three sections:

- This annual statement;
- Summary of the Remuneration Policy; and
- The Annual Report on Remuneration for the year ended 31 March 2026.

The Committee had five scheduled meetings during the year and attendance is set out on page 83.

I would like to thank shareholders for their support at the 2025 AGM and approval of the Remuneration Report, which received over 99% of the votes in favour.

The key areas of focus during the year included consideration and approval of annual salary increases and the level of incentive opportunity for the Executive Directors in the context of the Strategic Review.

The Committee also assessed performance against the variable remuneration targets for the year ended 31 March 2026, approved the grant of awards under the Company's share schemes and reviewed the employees' remuneration to ensure this remained aligned with that of the Executive Directors.

Remuneration Report *continued*

Group performance and alignment

We have set out on pages 19 to 22, the Key Performance Indicators (KPIs) that we currently use to monitor the success of the business.

All employees, including Executive Directors, are part of the LTIP share plans which ensures alignment across the whole business and vest over three years.

In addition, all employees are subject to bonus deferrals which are linked to the Company's share price and deferred over two years.

In order to appropriately align remuneration with business performance we incorporate KPI metrics within our incentive schemes so they determine an element of variable remuneration. These are set out in the table below.

In assessing Company performance, the Committee has considered the three strategic pillars and notes the following highlights:

Portfolio Performance

- Total property return: 5.9% ahead of MSCI Index of 5.4%
- Property income return: 5.2% ahead of MSCI Index 4.8%

Operational Excellence

- EPRA EPS: 4.0 pence
- Total return: 6.1%
- EPRA NTA increase of 2% to 102 pence per share

Acting Responsibly

- Total shareholder return: 12.6%
- EPC ratings (A-C) increased from 83% to 86%

Our remuneration approach supports strong alignment between Company performance and the team.

Remuneration for the year ending 31 March 2026

Directors' remuneration will be paid in line with the Policy, which was approved by the shareholders at the 2024 AGM.

Annual bonus

As disclosed in last year's Remuneration Report, the annual bonus for the year ended 31 March 2026 for the Executive Directors had a maximum opportunity of 145% of salary and was based 60% on two equally weighted financial metrics and 40% on corporate metrics linked to objectives across the Company's three strategic priorities. Based on performance during the year, outturn against these metrics is 92% of salary which represents 63% of the maximum. 60% of this bonus will be deferred in shares for two years.

The Board has for some time been carefully considering strategic options to maximise value for shareholders and determined that it would be in the best interests of shareholders as a whole to formalise this into the Strategic

Review launched in January 2026. This process has involved significant levels of additional work on the part of the Executive Directors given the limited resources available within Picton to support such a review. To recognise this, the Committee determined that it would be appropriate for them to have an additional bonus opportunity of up to 30% of salary based on an assessment of supplementary tasks and goals related to the Strategic Review that were not envisaged at the start of the financial year. The Committee's assessment of performance resulted in a payment of 23% of salary which represents 77% of the maximum. This additional bonus will be 100% deferred in shares for two years.

Overall annual bonus for the year was therefore 115% of salary (out of a maximum total opportunity of 175% of salary which remains within the Remuneration Policy limit). Further details on the outcomes can be found on pages 108 to 109, and further details on the Company's KPI performance can be found on pages 19 to 22.

Variable remuneration metrics for year ending 31 March 2026

Measure	Comparator	Annual bonus 1 year	LTIP 3 year
Financial metrics			
Total return (TR)	Absolute target range	✓	
Total property return (TPR)	Relative to MSCI UK Quarterly Property Index	✓	✓
Total shareholder return (TSR)	Relative to EPRA Nareit UK Index		✓
EPRA EPS	Absolute target range		✓
Corporate objectives		✓	
Strategic Review related activities		✓	

Remuneration Report *continued*

When approving, the Committee considered whether the formulaic outcome of the bonus represented a fair reflection of the underlying performance in the period, and concluded no adjustment was appropriate.

Long-term Incentive Plan awards (performance period to 31 March 2026)

The LTIP is designed to ensure alignment between employees and the long-term success of the Company. For awards made under the LTIP in June 2023, vesting is calculated based on three equally weighted performance conditions, measured over a three-year period to 31 March 2026.

Based on the TSR, TPR and EPS metrics, the 2023 LTIP will vest at 44% of the awards granted. Further details can be found on pages 110 to 111.

When approving, the Committee considered whether the formulaic outcomes of the LTIP represented a fair reflection of the underlying performance in the period, and concluded no adjustment was appropriate.

Remuneration for the year ending 31 March 2027

During the year, the Committee reviewed the competitiveness of the Executive Directors' remuneration arrangements relative to market. In light of the significant gap identified between our Executive Directors and their peers, the Committee determined that incentive opportunities for the year ending 31 March 2027 should be set at 175% and 150% of salary for the annual bonus and LTIP respectively. Both of these opportunity levels remain within the limits of the existing Remuneration Policy. Total pay opportunity of our Executive Directors remains relatively modest compared to peers and also heavily dependent upon performance. More details on remuneration for the year ending 31 March 2027 are set out below.

Salary reviews

The Committee reviewed the salary increases of the Executive Directors and considered the increases for other employees as part of the process. Reflecting the individual and business performance, we have approved increases of 2% for the Executive Directors to take effect from 1 April 2026. This compares to an increase of 3% across all employees.

Annual bonus measures

The Executive Directors will have an annual bonus opportunity of 175% of salary. The current expectation is that the bonus will be determined 40% by corporate objectives and 60% by financial metrics (total return and relative total property return – equally weighted). However, the Committee will keep this structure under review and will update it as necessary dependent upon the conclusion of the Strategic Review.

2026 LTIP awards

It is anticipated that an LTIP award will be granted to both Executive Directors in 2026 in shares worth 150% of salary. Due to the ongoing Strategic Review, performance measures and targets are yet to be confirmed by the Committee. Full details will be disclosed on RNS when finalised and agreed.

Employee remuneration and engagement

The Committee has reviewed employee remuneration and sought feedback from our advisers Deloitte. The Committee determined that there should be a standard increase of 3% in base salaries with effect from 1 April 2026.

In addition, the total annual employee bonus, excluding Executive Directors, is expected to be circa 50% of salaries reflecting the more challenging market conditions during the year.

During the year, I have met the team and discussed the results of last year's employee engagement survey. I also met with them subsequent to the announcement of the Strategic Review.

100%

of employees participate
in employee share schemes

100%

of employees subject
to bonus deferrals linked
to share price

Remuneration Report *continued*

UK Corporate Governance Code

We have considered the provisions of the Code in respect of remuneration and believe that our approach remains compliant. In particular, we operate a consistent level of pension provision across our workforce; LTIP awards are only released to Executive Directors after the three-year vesting period and the two-year hold period; and malus and clawback provisions apply to all incentive awards.

We have provisions in the rules of our remuneration share plans that prevent, other than in exceptional circumstances, accelerated vesting of awards when an employee leaves Picton. We also have post-employment shareholding guidelines in place.

The Remuneration Policy and its components are clearly set out in this report and the rules of the variable remuneration schemes are available to all employees. We use standard performance metrics, which are also key performance indicators for the business, to create alignment and determine awards. There are clear target and maximum levels for each metric.

The Committee believes that the variable remuneration schemes in place are fair and proportionate and align the remuneration of the team with the Group's performance. We are also satisfied that the remuneration structure does not encourage inappropriate risk-taking. The Committee does retain discretion over formulaic outcomes if it considers that these are not a fair reflection of the Group's performance.

Chair and Non-Executive Director fees

The Committee has reviewed the fees and approved an increase of 2% in base fees in line with the Executive Directors.

Conclusion

The Committee continues to be satisfied that the remuneration structure continues to support the medium to long-term value to shareholders.

I would like to thank shareholders for their support. I am committed to maintaining an ongoing dialogue with shareholders and welcome any questions ahead of the AGM.

I will be attending the 2026 AGM and would be pleased to answer any questions you may have on this report.

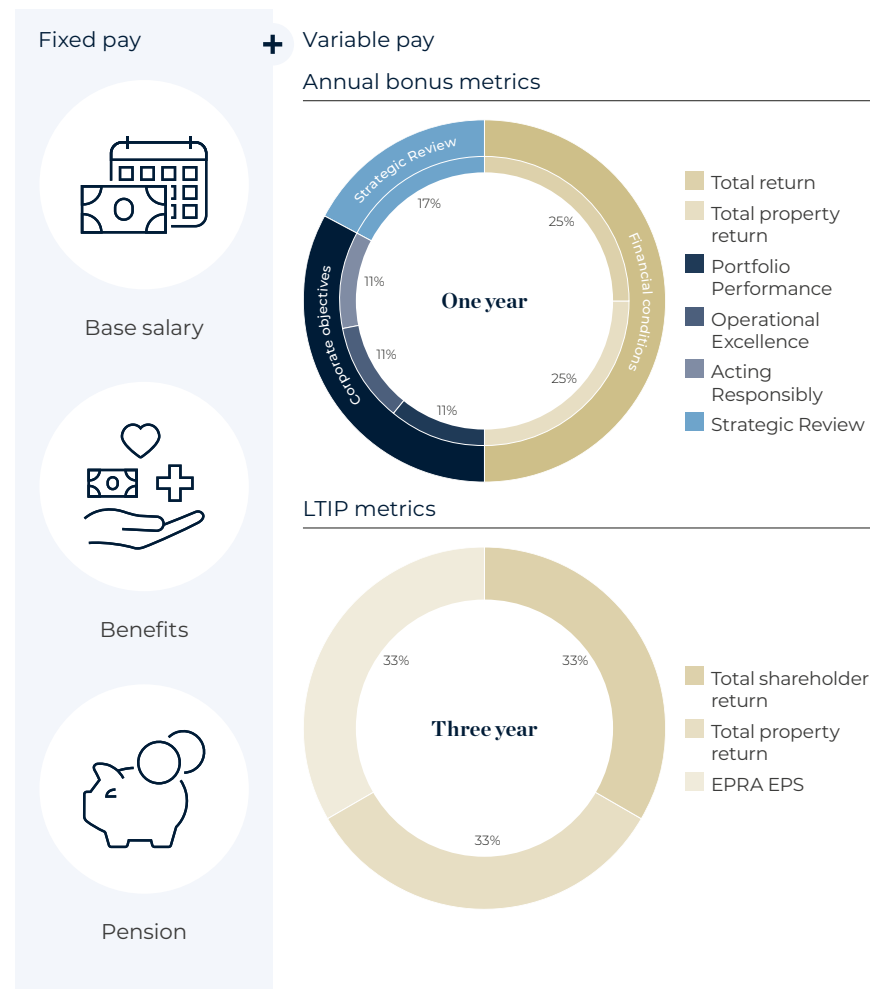
Helen Beck

Chair of the Remuneration Committee
11 June 2026

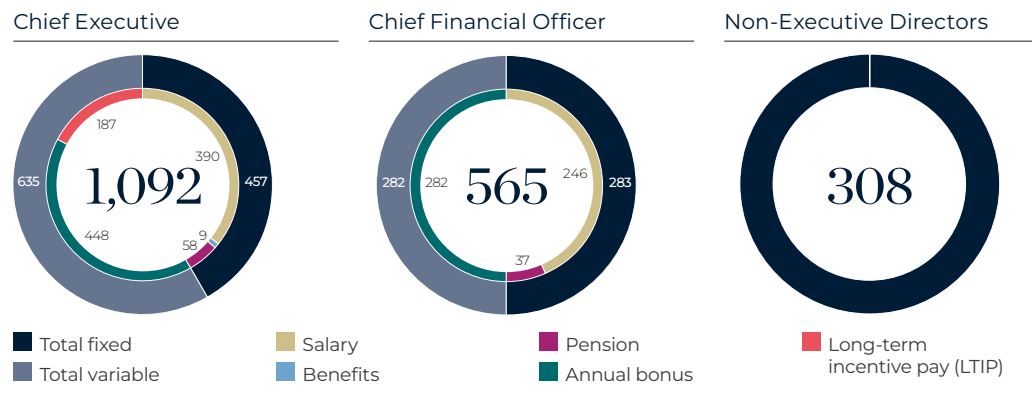
Remuneration Report *continued*

Remuneration at a Glance

The components of remuneration for the year ending 31 March 2026



The single figure of remuneration for the Directors for the year ending 31 March 2026 (in £000s)



The potential remuneration of the Executive Directors for the year ending 31 March 2027

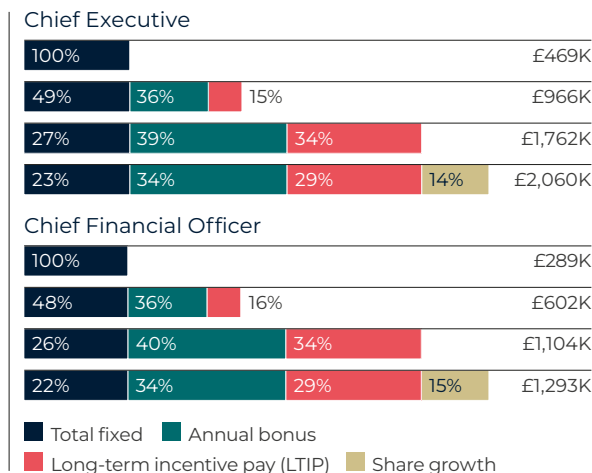
The following charts show the composition of the Executive Directors' remuneration at three performance levels:

Fixed pay – base salary from 1 April 2026, benefits and pension salary supplement of 15% of base salary

On target – fixed pay plus target vesting for the annual bonus (at 50% of maximum opportunity for illustrative purposes) and threshold vesting for the LTIP (at 25% of maximum award)

Maximum – fixed pay plus maximum vesting for both the annual bonus (175% of base salary) and the LTIP 150% of base salary

Maximum with share price growth – maximum scenario incorporating assumption of 50% share price growth during LTIP vesting period



Other than where stated, the charts do not incorporate share price growth or dividend equivalent awards.

Remuneration Report *continued*

Directors' Remuneration Policy

A summary of the Remuneration Policy approved at the 2024 AGM is shown below and on the page overleaf. A full version of the Policy can be found on pages 116–119 of the 2024 Annual Report.

Remuneration Policy Table

Base salary



Purpose	A base salary to attract and retain Executives of appropriate quality to deliver the Group's strategy.
Operation	Base salaries are normally reviewed annually with changes effective on 1 April. When setting base salaries the Committee will consider relevant market data, as well as the scope of the role and the individual's skills and experience.
Maximum	No absolute maximum has been set for Executive Director base salaries. Any annual increase in salaries is set at the discretion of the Remuneration Committee taking into account the factors stated in this table and the following principles: <ul style="list-style-type: none"> – Salaries would typically be increased at a rate no greater than the average employee salary increase – Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group) – Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower than typical salary

Benefits



Purpose	Part of a competitive remuneration package.
Operation	This principally comprises: <ul style="list-style-type: none"> – Private medical insurance – Life assurance – Permanent health insurance The Committee may agree to provide other benefits as it considers appropriate.
Maximum	Benefits are provided at market rates.

Pension



Purpose	Part of a competitive remuneration package.
Operation	The Company has established defined contribution pension arrangements for all employees. For Executive Directors the Company currently pays a monthly salary supplement in lieu of Company pension contributions, although retains discretion to alternatively offer the defined contribution arrangements.
Maximum	A consistent rate of pension provision applies to all employees, including Executive Directors.

Annual bonus

Purpose	A short-term incentive to reward Executive Directors on meeting the Company's annual financial and strategic targets and on their personal performance.
Operation	At least 50% of the annual bonus will be paid in the Company's shares and deferred for two years. The Committee has discretion to amend the required level of deferral upwards or downwards as appropriate including discretion to waive the requirement for deferral for a departing Executive Director or where dealing restrictions prevent share awards being granted. Any use of this discretion would be clearly disclosed and explained in the relevant Remuneration Report. Dividend equivalents will be paid at the end of the deferral period (in the form of shares or cash).
Maximum	The maximum bonus permitted under the Policy will be 175% of base salary.
Performance measures	The annual bonus is based on a range of financial, strategic, ESG, operational and individual targets (measured over a period of up to one year) set by the Committee. The weightings will also be determined annually to ensure alignment with the Company's strategic priorities, although at least 50% of the award will usually be assessed on corporate financial measures. <p>For corporate financial measures, 50% of the maximum bonus opportunity will be payable for on-target performance and, if applicable, up to 25% for threshold performance.</p>
Clawback	Malus and clawback provisions may be applied in the event (within two years of bonus determination/grant of the deferred bonus shares) of a material misstatement of the audited financial results, an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted or is released, a material failure of risk management, material misconduct on the part of the award holder or a corporate failure.

Remuneration Report *continued*

Directors' Remuneration Policy *continued*

Long-term Incentive Plan

Purpose	Align Executive Directors' interests with those of shareholders and to promote the long-term success of the Company.
Operation	<p>Awards are granted annually usually in the form of a conditional share award or nil cost option.</p> <p>Awards will normally vest at the end of a three-year period subject to meeting the performance conditions and continuing employment.</p> <p>The Remuneration Committee may award dividend equivalents (in the form of shares or cash) on awards that vest.</p> <p>The Committee will usually apply a holding period of a further two years to awards that vest.</p>
Maximum	Annual awards with a maximum value of up to 150% of base salary may be made.
Performance measures	<p>Vesting will be subject to performance conditions, aligned to the corporate strategy, as determined by the Committee on an annual basis. The Committee has the flexibility to vary the number of conditions and their weighting for each award.</p> <p>For threshold levels of performance up to 25% of the award vests, rising usually on a straight-line basis to 100% for maximum performance.</p>
Clawback	Malus and clawback provisions may be applied in the event (within five years of grant) of a material misstatement of the audited financial results, an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted or is released, a material failure of risk management, material misconduct on the part of the award holder or a corporate failure.

Shareholding guidelines

Purpose	To align Executive Directors with the interests of shareholders.
Operation	<p>Whilst in employment, Executive Directors are expected to build up and thereafter maintain a minimum shareholding equivalent to 200% of base salary.</p> <p>The Committee will review progress towards the guideline on an annual basis and has the discretion to adjust the guideline in what it feels are appropriate circumstances.</p> <p>Executive Directors will also be expected to remain compliant with the above guideline for a period of two years post-employment. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.</p>
Maximum	Not applicable.

Fees

Purpose	To provide competitive Director fees.
Operation	<p>Annual fee for the Chair, and annual base fees for other Non-Executive Directors.</p> <p>Additional fees for those Directors with additional responsibilities such as chairing a Board Committee, acting as Senior Independent Director or where a Director incurs significant additional time commitment. Additional fees would also be payable in the event a Non-Executive Director temporarily took on an Executive Director role. All fees will be payable monthly in arrears in cash.</p> <p>Fees will usually be reviewed independently every three years.</p> <p>The independent Non-Executive Directors are not eligible to receive share options or other performance-related elements or receive any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a Non-Executive Director may receive the grossed-up costs of travel as a benefit. Non-Executive Directors are entitled to reimbursement of reasonable expenses.</p>
Maximum	The Company's Articles set an annual limit for the total of Non-Executive Directors' remuneration of £425,000.
Other	No performance measures or clawback.

Remuneration Report *continued*

Annual Report on Remuneration

Breakdown of Directors' total remuneration in the year ending 31 March 2026

		Salary/fees £000	Benefits £000	Pension salary supplement £000	Total fixed £000	Annual bonus £000	Deferred bonus £000	Long-term Incentive Plan £000	Total variable £000	Total £000
Executive										
Michael Morris	2026	390	9	58	457	143	305	187	635	1,092
	2025	380	6	57	443	169	206	179	554	997
Saira Johnston	2026	246	–	37	283	90	192	–	282	565
	2025	240	–	36	276	106	130	–	236	512
Non-Executive										
Francis Salway	2026	128	–	–	128	–	–	–	–	128
	2025	31	–	–	31	–	–	–	–	31
Mark Batten	2026	66	–	–	66	–	–	–	–	66
	2025	61	–	–	61	–	–	–	–	61
Richard Jones	2026	57	–	–	57	–	–	–	–	57
	2025	56	–	–	56	–	–	–	–	56
Helen Beck	2026	57	–	–	57	–	–	–	–	57
	2025	37	–	–	37	–	–	–	–	37
Lena Wilson	2025	93	5	–	98	–	–	–	–	98
Maria Bentley	2025	19	–	–	19	–	–	–	–	19
Total (audited)										
	2026	944	9	95	1,048	233	497	187	917	1,965
	2025	917	11	93	1,021	275	336	179	790	1,811

Lena Wilson stepped down as a Director on 31 January 2025 and her successor, Francis Salway, was appointed to the Board as Chair on 1 February 2025. Maria Bentley stepped down from the Board on 30 July 2024 and her successor, Helen Beck, was appointed to the Board on 1 August 2024.

Benefits for the Executive Directors comprise private medical insurance and life assurance. Non-Executive Directors are reimbursed expenses incurred in connection with travel and attendance at Board meetings. These expenses are taxable where the meetings take place at the Company's main office. The Company settles the tax on behalf of the Non-Executive Directors.

Executive Directors receive a salary supplement of 15% of base salary in lieu of Company pension contributions.

Remuneration Report *continued*

Annual Report on Remuneration *continued*

The figures for 2025 Executive Directors' LTIP have been restated to reflect the actual share price at vesting (80.05 pence) rather than the average for the quarter ended 31 March 2025 (65.26 pence). The restatement represents an increase in the value of the 2022 LTIP awards of £29,000 for Michael Morris.

The value of LTIP awards for 2026 is based on the number of shares to be awarded to the Executive Directors in respect of the June 2023 LTIP awards and the average share price over the quarter ended 31 March 2026 of 82.11 pence, and the estimated value of dividend equivalents.

Payments to past Directors or payments for loss of office

As disclosed in the 2024 Remuneration Report, the 2022 LTIP award held by the former CFO, Andrew Dewhirst, vested during the year on a time pro-rated basis following a performance assessment (details of which are on page 126 of the 2025 Annual Report). In addition, 2023 Deferred Bonus Plan awards held by Andrew also vested during the year.

Malus and clawback

Annual bonus and LTIP awards are subject to malus and clawback provisions as set out in the Remuneration Policy. The potential time periods within which these provisions can be applied have been set by the Remuneration Committee so as to be consistent with the risk profile of the business and in line with UK market practice. There has been no application of malus and clawback provisions in respect of the Executive Directors during the year.

Executive Directors' remuneration for the year ending 31 March 2026

Annual bonus

As disclosed in last year's Remuneration Report, the annual bonus for the year ended 31 March 2026 for the Executive Directors had a maximum opportunity of 145% of salary and was based 60% on two equally weighted financial metrics and 40% on corporate objectives. Additionally, as discussed in the Committee Chair's letter, the Committee agreed that the Directors should have an additional opportunity of up to 30% of salary linked specifically to supplementary tasks and goals related to the Strategic Review that were not envisaged at the start of the financial year. The maximum bonus opportunity of 175% remains within the Remuneration Policy limit.

Annual bonus – financial metric outcomes

Performance condition	Basis of calculation	Range	Actual	Awarded (% of maximum)	Awarded (% of salary)
Total return	Less than 6% – 0%	N/A	6.1%	51%	22%
Bonus weighting: 30%	Equal to 6% – 50%				
	Between 6% and 14% – straight-line basis between 50% and 100%				
Total property return versus MSCI Index	Less than median – 0%	Median 5.6%	5.9%	60%	26%
Bonus weighting: 30%	Equal to median – 50%	Upper quartile 7.1%			
	Equal to upper quartile – 100%				

Remuneration Report *continued*

Annual Report on Remuneration *continued*

Annual bonus – corporate objective outcomes

Performance condition	Assessment	Awarded (% of maximum)	Awarded (% of salary)
Portfolio Performance Bonus weighting: 13.3%	<ul style="list-style-type: none"> - Completed disposal of highest value London office asset at 1% ahead of valuation - Total return of 6.1% - Outperformed the MSCI benchmark 50bps - Portfolio activity increase of 27% 	59%	12%
Operational Excellence Bonus weighting: 13.3%	<ul style="list-style-type: none"> - Proactive capital recycling and share buyback programme extended - NAV growth of 2% to 102 pence per share - Maintained gearing at 24% - New finance systems implemented 	78%	15%
Acting Responsibly Bonus weighting: 13.3%	<ul style="list-style-type: none"> - Total shareholder return of 12.6% and broadened the shareholder register - Improved scores on occupier engagement - Embedding ESG strategy and net zero target-setting 	88%	17%
Subtotal outturn from financial and corporate objectives (max 145% of salary)		63%	92%

Annual bonus – Strategic Review

	Assessment	Awarded (% of maximum)	Awarded (% of salary)
Max 30% of salary	<ul style="list-style-type: none"> - Working with advisers and interested parties to evaluate potential options including information provision and stakeholder engagement 	77%	23%

The overall annual bonus outcome for the Executive Directors is set out in the table below:

	Maximum bonus opportunity	Financial metrics (% of salary)	Corporate objectives (% of salary)	Strategic Review (% of salary)	Total bonus (% of salary)	Total bonus £000
Michael Morris	175%	48%	44%	23%	115%	448
Saira Johnston	175%	48%	44%	23%	115%	282

The Committee was satisfied that the above performance was achieved within an acceptable risk profile. As discussed in the Committee Chair's statement on page 100, the Committee considered the formulaic bonus outcome in the context of the Group's overall performance over the year and concluded that it was satisfied the formulaic outcome was a fair reflection of overall Group performance.

In line with the Policy, the Committee has determined that 60% of this year's bonus award related to financial metrics and corporate objectives will be deferred and 100% related to the Strategic Review will be deferred. The deferred element is paid in shares, usually vesting after two years, with a cash amount equivalent to the dividends accrued since the award date.

Remuneration Report *continued*

Annual Report on Remuneration *continued*

Long-term Incentive Plan

The LTIP awards granted on 14 June 2023 were subject to performance conditions for the three years ended 31 March 2026. Based on the performance over the period, the LTIP will vest at 44% of the awards granted.

2023 LTIP award performance conditions

Performance condition	Basis of calculation	Range	Actual	Weighting (% of award)	Awarded (% of maximum)
Total shareholder return versus comparator group ¹ (and absolute TSR underpin)	Less than median – 0% Equal to median – 25% Equal to upper quartile – 100%	Median – 19.7% Upper quartile – 40.3%	29.6% (between median and upper quartile)	33.3%	62.4%
Total property return versus MSCI Index	Less than median – 0% Equal to median – 25% Equal to upper quartile – 100%	Median – 4.1% Upper quartile – 5.5%	4.9%	33.3%	69.4%
Growth in EPRA EPS	For the year ended 31 March 2026 Less than 4.2pps: 0% Equal to 4.2pps: 25% Between 4.2pps and 4.55pps: straight-line basis between 25% and 100%	N/A	4.0p	33.3%	Nil

1. Comparator group comprised abrdn Property Income Trust Limited, AEW UK REIT plc, Balanced Commercial Property Trust Limited, Custodian Property Income REIT plc, Ediston Property Investment Company PLC, NewRiver REIT PLC, Regional REIT Limited, Schroder Real Estate Investment Trust Limited, Supermarket Income REIT PLC, UK Commercial Property REIT Limited, Urban Logistics REIT plc, Warehouse REIT plc, Workspace Group PLC. CT Property Trust Limited was excluded from the group following its delisting within the first six months of the performance period.

The Committee was satisfied that the above performance was achieved within an acceptable risk profile. As discussed in the Committee Chair's statement on page 100, the Committee considered the formulaic LTIP outcome in the context of the Group's overall performance during the performance period and concluded that it was satisfied the formulaic outcome was a fair reflection of overall Group performance during the period.

Based on the vesting percentage above, the shares awarded and their estimated values using an average share price of 82.11 pence for the quarter ended 31 March 2026 are shown below. The shares awarded are subject to a further two-year post-performance holding period.

2023 LTIP awards to Executive Directors

Director	Maximum number of shares at grant	Number of shares vesting	Number of lapsed shares	Estimated value ^{1,2} £
Michael Morris	456,408	200,576	255,832	186,907

1. The estimated value includes dividend equivalent awards which will be made in relation to vested LTIP awards at the point of vesting. The value of the dividend equivalent awards is £22,214 (Michael Morris).

2. The average share price for the quarter ended 31 March 2026 is higher than the share price at grant, so £8,000 of the estimated value of the awards relates to share price growth.

LTIP awards to Executive Directors during 2025

The CFO was not granted an LTIP award in June 2024, instead granted a larger than standard award of shares worth 150% of salary in June 2025, with shares worth 40% of salary subject to performance conditions applicable to all other employees' June 2024 LTIP grant and the remainder of the award (shares worth 110% of salary) subject to the same performance conditions applicable to all other LTIP awards granted in June 2025. The Committee agreed this performance structure to ensure that the CFO was appropriately incentivised relative to her period of employment from April 2024 and also to provide alignment with the performance conditions for awards granted to the Chief Executive and other employees since her appointment.

Remuneration Report *continued*

Annual Report on Remuneration *continued*

2025 LTIP awards to Executive Directors

The following awards in the Long-term Incentive Plan were granted to the Executive Directors on 30 June 2025:

	Number of shares	Basis (% of salary)	Face value per share (£)	Award face value (£)	Performance period	Threshold vesting
Michael Morris	604,953	125%	0.8053	487,188	1 April 2025 to 31 March 2028	25%
Saira Johnston	122,185	40%	0.8053	98,400	1 April 2024 to 31 March 2027	25%
	336,011	110%	0.8053	270,600	1 April 2025 to 31 March 2028	25%

The face value is based on a weighted average price per share, being the average of the closing share prices over the three business days immediately preceding the award date.

Awards will vest subject to the achievement of three equally weighted performance conditions (relative total shareholder return (TSR) and absolute TSR underpin, relative total property return and EPRA EPS).

	Performance period 1 April 2024 to 31 March 2027	Performance period 1 April 2025 to 31 March 2028
Relative TSR	Comparator group of peers (listed on page 126 of 2025 Annual Report) Less than median: 0% Equal to median: 25% Equal to upper quartile: 100%	Comparator of EPRA Nareit UK Index Less than Index: 0% Equal to Index: 25% Equal to Index + 4% per annum: 100%
Relative total property return versus MSCI Index	Less than median: 0% Equal to median: 25% Equal to upper quartile: 100%	Less than median: 0% Equal to median: 25% Equal to upper quartile: 100%
Growth in EPRA EPS	For the year ended 31 March 2027 Less than 4.2p: 0% Equal to 4.2p: 25% Equal to 4.6p: 100%	For the year ended 31 March 2028 Less than 4.46p: 0% Equal to 4.46p: 25% Equal to 4.84p: 100%

Summary of Executive Directors' share awards

Awards under the Long-term Incentive Plan normally vest three years after the grant date and are subject to a further two-year holding period. Awards under the Deferred Bonus Plan normally vest two years after the grant date.

Outstanding number of awards under LTIP and Deferred Bonus Plan

	Date of grant	Performance period	Market value on date of grant	At 1 April 2025	Granted in year	Exercised in year	Lapsed in year	As at 31 March 2026
Michael Morris								
2022 LTIP	17 June 2022	1 April 2022 to 31 March 2025	94.47p	437,473	–	(197,279)	(240,194)	–
2023 LTIP	14 June 2023	1 April 2023 to 31 March 2026	78.10p	456,408	–	–	–	456,408
2024 LTIP	6 June 2024	1 April 2024 to 31 March 2027	67.47p	528,316	–	–	–	528,316
2025 LTIP	30 June 2025	1 April 2025 to 31 March 2028	80.53p	–	604,953	–	–	604,953

Remuneration Report *continued*

Annual Report on Remuneration *continued*

Outstanding number of awards under LTIP and Deferred Bonus Plan *continued*

	Date of grant	Performance period	Market value on date of grant	At 1 April 2025	Granted in year	Exercised in year	Lapsed in year	As at 31 March 2026
Michael Morris								
2023 DBP	14 June 2023	N/A	78.10p	301,997	–	(301,997)	–	–
2024 DBP	6 June 2024	N/A	67.47p	241,129	–	–	–	241,129
2025 DBP	30 June 2025	N/A	80.53p	–	254,740	–	–	254,740
				1,965,323	859,693	(499,276)	(240,194)	2,085,546
Saira Johnston								
2024 LTIP	30 June 2025	1 April 2024 to 31 March 2027	80.53p	–	122,185	–	–	122,185
2025 LTIP	30 June 2025	1 April 2025 to 31 March 2028	80.53p	–	336,011	–	–	336,011
2024 DBP	6 June 2024	N/A	67.47p	355,713	–	–	–	355,713
2025 DBP	30 June 2025	N/A	80.53p	–	160,834	–	–	160,834
				355,713	619,030	–	–	974,743

Statement of Directors' shareholdings

Directors and employees are encouraged to maintain a shareholding in the Company's shares to provide alignment with investors. Executive Directors are required to maintain a shareholding of 200% of base salary and the CFO is currently in the process of building up to the required shareholding. The Executive Directors intend to retain at least 50% of any share awards (post-tax) until the guidelines are met.

Director shareholdings including connected persons

	Beneficial holding 2026	Beneficial holding 2025	Holding as a % of salary ¹	Outstanding LTIP awards	Outstanding DBP awards
Michael Morris	1,378,931	1,114,789	272%	1,589,677	495,869
Saira Johnston	35,434	35,434	11%	458,196	516,547
Francis Salway	275,000	–	–	–	–
Mark Batten	38,000	38,000	–	–	–
Helen Beck	20,371	–	–	–	–
Richard Jones	53,845	53,845	–	–	–

1. The holding as a percentage of salary does not include the outstanding LTIP and DBP awards.

The percentage holding for the Executive Directors is based on base salaries as at 31 March 2026 and a share price of £0.769 as at 31 March 2026.

There have been no changes in these shareholdings between the year-end and the date of this report.

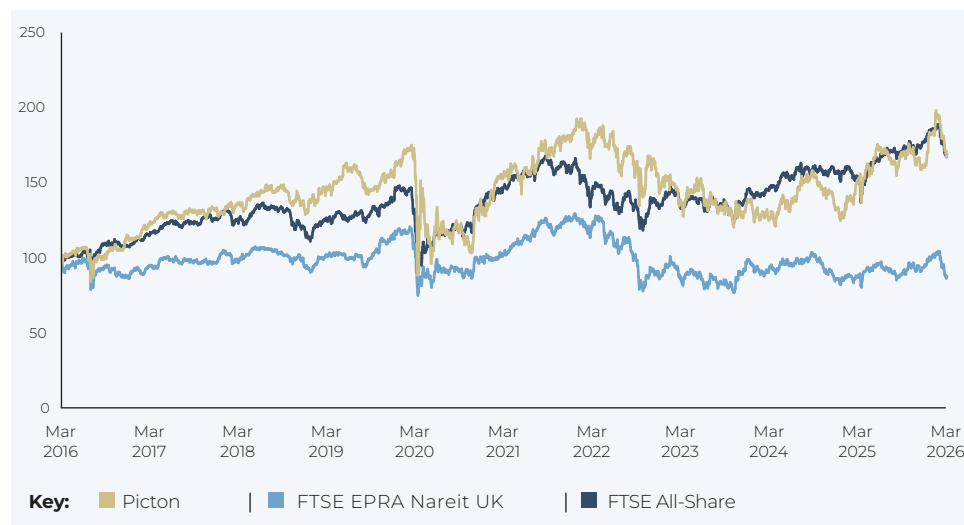
Remuneration Report *continued*

Annual Report on Remuneration *continued*

Historical total shareholder return performance

The graph below shows the Company's total shareholder return (TSR) since 31 March 2016 as represented by share price growth with dividends reinvested, against the FTSE All-Share Index and the FTSE EPRA Nareit UK Index. These indices have been chosen as they provide comparison against relevant sectoral and pan-sectoral benchmarks.

TSR: Picton versus EPRA Nareit and FTSE All-share



Chief Executive pay

The table below shows the remuneration of the Chief Executive for the past eight years, together with the annual bonus percentage and LTIP vesting level. The Company has only had a Chief Executive since 1 October 2018 and therefore the table below shows his remuneration for these years.

	Total remuneration (£000)	Annual bonus (% of maximum)	LTIP vesting (% of maximum award)
2026	1,092	66% ¹	44%
2025	968	68%	45%
2024	882	54%	49%
2023	902	77%	52%
2022	816	64%	54%
2021	836	76%	67%
2020	769	70%	67%
2019	920	79%	83%

1. 2026: the maximum bonus award was increased from 145% to 175% in light of the Strategic Review.

Relative importance of spend on pay

The table below shows the expenditure and percentage change in staff costs compared to other key financial indicators.

	31 March 2026 £000	31 March 2025 £000	% change
Employee costs	4,554	4,444	2%
Dividends	19,738	20,159	3% ¹
EPRA earnings	20,888	22,840	(4%) ¹

1. Calculated on a pence per share basis.

Remuneration Report *continued*

Annual Report on Remuneration *continued*

Implementation of Remuneration Policy for the year ending 31 March 2026

Change from prior year

Executive Directors

Base salaries	Michael Morris (Chief Executive) – £397,750 Saira Johnston (Chief Financial Officer) – £251,000	2% increase in the Executive Director base salaries. The average increase for the rest of the workforce is 3%.
Pension and benefits	15% salary supplement in lieu of pension plus standard other benefits.	No change.
Annual bonus¹	Maximum bonus of 175% of salary with at least 50% of any bonus deferred in shares for two years. The current expectation is that 60% of bonus will be determined by corporate financial metrics of absolute total return and relative total property return with the remaining 40% determined by corporate and personal measures. However, the Committee will keep this structure under review and will update it as necessary dependent upon the conclusion of the Strategic Review.	As outlined in the Committee Chair's letter, the annual bonus opportunity is set at 175% of salary.
LTIP¹	It is anticipated that an LTIP award will be granted to both Executive Directors in 2026 over shares worth 150% of salary. Due to the ongoing Strategic Review, performance measures and targets are yet to be confirmed by the Committee. Full details will be disclosed when finalised and agreed.	As outlined in the Committee Chair's letter, the LTIP opportunity is set at 150% of salary for both Executive Directors (prior year Chief Executive: 125%, CFO: 150%).

Non-Executive Directors

Fees	Chair – £130,250 Director – £50,180 Supplementary fee for Committee Chairs and for the Senior Independent Director – £8,200	The base fees payable from 1 April 2026 have increased by 2%. There has been no change to supplementary fees.
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1. The Remuneration Committee has discretion to override the formulaic outcomes in both the annual bonus and LTIP.

The Committee also confirms that performance has been achieved within an acceptable risk profile before payouts are made. Incentive payouts are subject to malus and clawback provisions.

Remuneration Report *continued*

Annual Report on Remuneration *continued*

Percentage change in remuneration

The table below shows the percentage change in total remuneration for each of the Directors compared to the average remuneration of the employees of the Group.

	Change from 31/3/25 to 31/3/26 ¹			Change from 31/3/24 to 31/3/25			Change from 31/3/23 to 31/3/24		
	Salary/fees	Benefits	Bonus ²	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Michael Morris	2.5%	7.1%	(4.2)%	–	3.4%	26.6%	15.0%	15.0%	(24.8)%
Saira Johnston	2.5%	2.5%	(4.2)%	–	–	–	–	–	–
Andrew Dewhurst	–	–	–	(100.0)%	(100.0)%	(100.0)%	15.0%	15.0%	(24.8)%
Lena Wilson	(100.0)%	–	–	(23.5)%	–	–	4.5%	–	–
Francis Salway	310.3%	–	–	–	–	–	–	–	–
Mark Batten	7.0%	–	–	11.5%	–	–	4.8%	–	–
Maria Bentley	(100.0)%	–	–	(66.1)%	–	–	4.8%	–	–
Helen Beck	53.7%	–	–	–	–	–	–	–	–
Richard Jones	2.5%	–	–	1.8%	–	–	4.8%	–	–
Average of all other employees	0.4%	(2.2)%	(6.1)%	6.6%	22.6%	8.6%	10.1%	12.5%	(15.6)%

	Change from 31/3/22 to 31/3/23			Change from 31/3/21 to 31/3/22		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Michael Morris	15.0%	16.0%	30.4%	15.0%	15.8%	9.4%
Andrew Dewhurst	15.0%	16.4%	30.4%	15.0%	16.1%	9.4%
Lena Wilson	0.0%	–	–	11.2%	–	–
Mark Batten	0.0%	–	–	10.5%	–	–
Maria Bentley	0.0%	–	–	16.7%	–	–
Richard Jones	0.0%	–	–	16.7%	–	–
Average of all other employees	8.8%	21.2%	(5.9)%	6.4%	15.0%	13.2%

1. The percentage increases shown for Francis Salway and Helen Beck are artificially high as they joined the Board during the 2025 financial year and so their fees for that year were not in respect of a full year. The large percentage reductions for Andrew Dewhurst, Lena Wilson and Maria Bentley reflect their stepping down as Directors.

2. The percentage change in bonus includes business as usual bonus amounts.

Statement of voting at the last Annual General Meeting

The following table sets out the voting for the Remuneration Report, which was approved by shareholders at the Annual General Meeting held on 30 July 2025, representing 57.67% of the issued share capital of the Company; and also for the Remuneration Policy, which was approved by shareholders at the Annual General Meeting held on 30 July 2024, representing 59.47% of the issued share capital of the Company.

	Remuneration Report		Remuneration Policy	
	Votes cast	%	Votes cast	%
For	301,961,707	99.29	325,633,104	98.61
Against	2,144,734	0.71	4,591,492	1.39
Votes cast	304,106,441	100.0	330,224,596	100.0
Withheld	15,445		15,668	

Helen Beck

Chair of the Remuneration Committee

11 June 2026

Directors' Report

The Directors of Picton Property Income Limited present the Annual Report and audited financial statements for the year ended 31 March 2026.

The Company is registered under the provisions of the Companies (Guernsey) Law, 2008.

Principal activity

The principal activity of the Group is commercial property investment in the United Kingdom.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income.

The Company is a UK Real Estate Investment Trust (REIT) and must distribute to its shareholders at least 90% of the profits on its property rental business for each accounting period as a Property Income Distribution (PID).

As set out in Note 10 to the consolidated financial statements, the Company has paid four interim dividends in the year at 0.95 pence per share, making a total dividend for the year ended 31 March 2026 of 3.8 pence per share (2025: 3.7 pence). All four interim dividends were paid as PIDs.

Directors

The Directors of the Company who served throughout the year are:

- Francis Salway
- Mark Batten
- Helen Beck
- Saira Johnston
- Richard Jones
- Michael Morris

There have been no new appointments to the Board during the year and therefore all of the Directors will offer themselves for re-election at the Annual General Meeting.

The Directors' interests in the shares of the Company as at 31 March 2026 are set out in the Remuneration Report.

2024 UK Corporate Governance Code Compliance Statement

The Board confirms that for the year ended 31 March 2026 the principles of good corporate governance contained in the 2024 UK Corporate Governance Code have been consistently applied.

The Company is fully compliant with the Code.

Listing

The Company is listed on the main market of the London Stock Exchange.

Share capital

The issued share capital of the Company as at 31 March 2026 was 513,827,021 (2025: 536,400,000) ordinary shares of no par value, including 3,119,446 ordinary shares which are held by the Trustee of the Company's Employee Benefit Trust (2025: 2,942,959 ordinary shares).

The Directors have authority to buy back up to 14.99% of the Company's ordinary shares in issue, subject to the renewal of this authority from shareholders at each Annual General Meeting. Any buyback of ordinary shares is, and will be, made subject to Guernsey law, and the making and timing of any buybacks are at the absolute discretion of the Board. The share buyback programme, announced on 30 January 2025, was extended on 4 April and 22 May by £2.5 million and £5.0 million respectively with 24,016,391 ordinary shares being purchased under the shareholder authority granted in 2024. A new buyback programme, totalling £12.5 million, was announced on 11 September 2025 under the shareholder authority granted at the 2025 AGM. Under this shareholder programme 9,762,184 ordinary shares were purchased up until 12 January 2026 when the programme was suspended following the Company's announcement of a Strategic Review process. A total of 22,572,979 shares were purchased by the Company during the year, which represents 4.208% of the share capital issued as at 31 March 2025.

At the 2025 Annual General Meeting, shareholders gave the Directors authority to issue up to 53,063,920 shares (being 10% of the Company's issued share capital as at 21 May 2025) without having to first offer those shares to existing shareholders. No ordinary shares have been issued under this authority, which expires at this year's Annual General Meeting. At the forthcoming Annual General Meeting in September, resolutions will be presented to increase this authority in line with the 2022 Pre-Emption Group's Statement of Principles.

Shares held in the Employee Benefit Trust

The Trustee of the Picton Property Income Limited Long-term Incentive Plan holds 3,119,446 ordinary shares in the Company in a trust to satisfy awards made under the Long-term Incentive Plan and the Deferred Bonus Plan. The Trustee has waived its right to receive dividends on the shares it holds.

Directors' Report *continued*

Statement of going concern

The Directors have focused on assessing whether the going concern basis remains appropriate for the preparation of the financial statements for the year ended 31 March 2026. In making their assessment the Directors have considered the principal and emerging risks relating to the Group. They have also considered a number of scenarios, varying lease assumption and costs, over varying timescales, to determine the impact on financial performance, asset values, capital expenditure and loan covenants. Future lease events over the assessment period have been considered on a case-by-case basis to determine the range of most likely outcomes. More details regarding the Group's business activities, together with the factors affecting performance, investment activities and future development, are set out in the Strategic Report.

Further information on the financial position of the Group, including its liquidity position, borrowing facilities and debt maturity profile, is set out in the Financial Review and in the consolidated financial statements.

Under all of these scenarios the Group has sufficient cash resources to continue its operations, and remain within its loan covenants, for a period of at least 12 months from the date of these financial statements.

The Directors have also considered the non-binding indicative all-share offer by LondonMetric Property Plc and Schroder Real Estate Investment Property Trust Limited made on 12 May 2026. The offer is subject to further negotiations and ongoing due diligence however the Directors' understanding is that should the offer proceed, based on the indicative terms, this will not impact upon the going concern status of the Company.

Based on the above and their knowledge of the portfolio and market, the Directors have therefore continued to adopt the going concern basis in preparing the financial statements.

Viability assessment and statement

The UK Corporate Governance Code requires the Board to make a 'viability statement' which considers the Company's assessment of the future prospects for the Company, in order that the Board can state that the Company will be able to continue its operations over the period of their assessment.

As outlined in the Statement of going concern above, on 12 May 2026, the Board received a non-binding indicative all-share offer by LondonMetric Property Plc and Schroder Real Estate Investment Property Trust Limited. The offer is subject to further negotiations and ongoing due diligence. The Board has therefore prepared this viability statement on a continuing basis.

The Board conducted this review over a five-year timescale, considered to be the most appropriate for long-term investment in commercial property. The assessment has been undertaken taking into account the principal and emerging risks and uncertainties faced by the Group which could impact its investment strategy, future performance, financing and liquidity.

The major risks identified were those relating to a persistently higher bond yield environment and geopolitical uncertainty as well as the inability to raise capital, portfolio and investment risks.

In the ordinary course of business, the Board reviews quarterly forecasts, including forecast market returns. The forecasts include assumptions on lease events and expenditure. For the purposes of the viability assessment of the Group, the model covers a five-year period and is stress tested under various scenarios.

The Board considered a number of scenarios and their impact on the Group's property portfolio and financial position. These scenarios included different levels of rent collection, occupier defaults, void periods and incentives within the portfolio, and the consequential impact on property costs and loan covenants. Forecast movements in capital values were based on input from external economic consultants. The Group's long-term loan facilities mature after the assessment period, and the Board has assumed that the Group will continue to have access to, but is not reliant on, its revolving credit facility. The Board considered the impact of these scenarios on its ability to continue to pay dividends at different rates over the assessment period.

These matters were assessed over the period to 31 March 2031 and will continue to be assessed over rolling five-year periods.

The Directors consider that the scenario testing performed was sufficiently robust and that even under stressed conditions the Company remains viable.

Based on their assessment, and in the context of the Group's business model and strategy, the Directors expect that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 March 2031.

Substantial shareholdings

Based on notifications received and on information provided by the Company's brokers, the Company understands the following shareholders held a beneficial interest of 3% or more of the Company's issued share capital as at 31 May 2026.

	% of issued share capital
Columbia Threadneedle Investments	15.8
Rathbones Group plc	6.7
The Vanguard Group Inc.	5.0
BlackRock Inc.	4.8
Premier Miton Investors (UK)	4.2

Directors' Report *continued*

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that he or she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

On 1 October 2025 KPMG Channel Islands Limited (the 'Auditor') changed its name to KPMG Audit Limited. KPMG Audit Limited served as independent auditor throughout the year and has expressed its willingness to continue in office as the Company's auditor and a resolution proposing its reappointment will be submitted at the Annual General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards, as issued by the IASB, and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper 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 Company and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal controls as they determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement in respect of the Annual Report and financial statements

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, 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.

By Order of the Board

Saira Johnston

11 June 2026