



Occupier focused Opportunity led

Picton Property Income Limited
Shareholder Update – December 2025



Quarterly highlights



■■■ We have continued to deliver positive financial performance over the period, with a sixth consecutive quarter of growth in NAV per share. We have seen modest portfolio valuation growth and our share buyback programme has also been value accretive, utilising proceeds from asset disposals in the prior period.

Our recently announced strategic review will explore all options available to continue to ensure we maximise value for shareholders.

Francis Salway
Chair



■■■ During the quarter we secured £1.1 million of lettings across all sectors including offices in Colchester and industrial assets in Gloucester and Harlow, which is encouraging. We have also taken back some industrial space, which we are upgrading ahead of re-leasing.

As a result, our portfolio has significant reversionary upside, which we are seeking to capture. We start 2026 with a current pipeline of £1.6 million of new lettings agreed subject to contract, across all sectors.

Michael Morris
Chief Executive

Corporate summary

*As at 27 January 2026

£524m Net assets	£426m Market capitalisation*	£209m Borrowings	4.6% Dividend yield*	23% Loan to value
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Financial

- NAV/EPRA net tangible assets per share increased by 0.9% to 102.4 pence (September 2025: 101.5 pence)
- Total return for the quarter of 1.8% (September 2025: 1.5%)
- 7.8 million shares purchased and cancelled in the period for £6.0 million, a discount of 25% to the December 2025 NAV
- Weighted average interest rate on debt, fixed at 3.7% (September 2025: 3.7%), with weighted average maturity of 6.0 years
- Loan to value ratio (LTV) of 22.9% (September 2025: 22.4%)
- EPRA net disposal value of 106.2 pence reflecting fair value of debt (September 2025: 105.9 pence)

Dividend

- Interim dividend of 0.95 pence per share declared for the period from 1 October 2025 to 31 December 2025 and to be paid on 27 February 2026 (1 July 2025 to 30 September 2025: 0.95 pence per share)
- Annualised dividend of 3.8 pence per share, reflecting a dividend yield of 4.6%, based on the share price at close of business on 27 January 2026
- Dividend cover for the quarter of 112%

Portfolio

- Like-for-like portfolio valuation increase of 0.6% (0.3% net of capital expenditure), to £699.1 million
- £2.5 million invested into the portfolio, including:
 - office upgrades in Milton Keynes and Chatham
 - acquisition of freehold (previously held long leasehold) industrial asset in Cardiff
- Completed eight lettings, securing an annual rent of £1.1 million, 5% above the March 2025 ERV
- Renewed six leases with a combined annual rent of £0.5 million, an increase of 47% on the previous passing rent
- Secured first occupier for refurbished office in Colchester, 49% ahead of the previous rent
- Secured £3.6 million from exiting occupiers at two key industrial assets where the ERV is over 40% higher than the previous passing rent
- Occupancy of 83% (September 2025: 90%), with change principally reflecting the above industrial transactions
- Post quarter end leasing pipeline (73 offices) - terms agreed subject to contract for annual rent of £1.6 million, 7% ahead of the March 2025 ERV

Portfolio summary

46 Number of assets	£699m Property value	4.9% Net initial yield	7.4% Reversionary yield	83% Occupancy
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Strategic Review

On 13 January 2026, the Board announced that it was undertaking a Strategic Review to consider all options available to maximise value for shareholders. While scale and liquidity are not the sole determinants of performance or valuation, the Board is cognisant of the challenges facing the listed UK real estate sector and recognises that Picton's current size may no longer be optimal as a standalone listed entity. Whilst the Company is in a strong financial and operational position, the Board believes it is important to be proactive and has initiated this process, which will take into account the views of shareholders and other key stakeholders.

Share buyback programme

In September 2025, we announced a further extension of our share buyback programme which initially commenced in January 2025. We ceased the programme on 12 January 2026 until further notice as a result of the Strategic Review.

Portfolio update

Valuation

The independent property valuation increased by £4.4 million or 0.6% to £699.1 million. This increase was before capital expenditure of £2.5 million.

The valuation movement after capital expenditure (including an acquisition as detailed below) was £1.8 million or 0.3%.

The property portfolio has a net initial yield of 4.9% and a reversionary yield of 7.4%.

Industrial

During the quarter we completed five lettings for a combined rental of £0.9 million per annum, 3% ahead of the March 2025 ERV. We also renewed three leases securing £0.3 million per annum, 53% ahead of the previous passing rent and 9% ahead of the March 2025 ERV.

In Harlow, we let a unit simultaneously with a lease surrender from an insolvent occupier at £0.6 million per annum, 4% ahead of the March 2025 ERV and 5% ahead of the previous passing rent. In Gloucester, we let the final vacant unit at £0.1 million per annum, 8% ahead of the March 2025 ERV. In Radlett we renewed a lease at £0.2 million per annum, 63% ahead of the previous passing rent and 9% ahead of the March 2025 ERV.

During the period we invested £0.6 million into our industrial assets, including the completion of a refurbishment at Gloucester which followed a lease regear agreed last year, retaining the largest occupier on the estate.

This also includes the acquisition of the freehold of an industrial unit in Cardiff for £0.2 million, which was previously held under a long leasehold interest.

During the period we took back two distribution units which have impacted occupancy. In Rushden we received £2.5 million from the outgoing occupier, comprising £1.7 million in respect of dilapidations and a break penalty of £0.8 million. Whilst we have had initial encouraging occupier interest, the unit is currently undergoing refurbishment ahead of re-leasing. At Radlett we received £1.1 million, via a pre-agreed dilapidations

settlement of £0.6 million and a surrender premium of £0.5 million. We have had initial positive engagement with the local planning authority and intend to submit a planning application next month to extend and reconfigure the unit. The reversionary potential of these two units is over 40% ahead of the previous total passing rent of £2.6 million per annum.

Industrial occupancy was 86%, wholly reflecting the above two transactions (September 2025: 98%).

Office

During the quarter we completed three lettings at £0.2 million per annum, 14% ahead of the March 2025 ERV. We also renewed two leases securing £0.1 million per annum, 37% ahead of the March 2025 ERV and 35% ahead of previous passing rent.

In Colchester, at the refurbished Building 200, we secured the first occupier at a rent 6% ahead of the March 2025 ERV and 49% ahead of the previous rental level for the building.

During the period we invested £1.6 million into our office assets, completing refurbishment works at Milton Keynes, commencing a common area upgrade at Chatham and progressed decarbonisation works at Bristol and Salford Quays. Office occupancy was 73% (September 2025: 75%).

Retail and leisure

At Gloucester Retail Park we restructured a lease due to end in 2027 at £0.1 million per annum on a new ten-year term, 35% ahead of the current passing rent and 10% ahead of the March 2025 ERV. Retail occupancy was 95% (September 2025: 95%).



Full details of the Company's December's NAV
www.picton.co.uk/investors/shareholder-centre/nav-statements

Portfolio allocation



South East	47%
Rest of UK	20%



London and South East	12%
Rest of UK	9%



Retail Warehouse	8%
High Street – Rest of UK	2%
Leisure	2%

Key dates

Financial year end: 31 March
Half year: 30 September

Dividend payments:
February/May/August/November

Contacts

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Top ten assets

<https://www.picton.co.uk/about-us/our-top-10-properties/>



Top ten occupiers

<https://www.picton.co.uk/about-us/our-top-10-occupiers/>



Annual reporting

<https://www.picton.co.uk/investors/annual-report-2025/>



Sustainability reporting

<https://www.picton.co.uk/sustainability/performance-and-reporting/>



Latest NAV

<https://www.picton.co.uk/investors/shareholder-centre/nav-statements/>

IMPORTANT INFORMATION

This newsletter is issued by Picton Property Income Limited ('Picton') and is intended for Picton shareholders and not intended for wider distribution. It is not a recommendation to deal or refrain from dealing in the shares of Picton. Any shareholder who requires advice on their investment in Picton should contact their stockbroker, bank or independent financial adviser.

RULE 29 OF THE TAKEOVER CODE (THE 'CODE')

Following the publication of the Company's Strategic Review and Commencement of Formal Sale Process on 13 January 2026, the Company is in an offer period for the purposes of the Code. The Unaudited NAV as at 31 December 2025 (the 31 December NAV) and the portfolio valuation of £6991 million (the Portfolio Valuation) constitute asset valuations in accordance with Rule 29.1 of the Code. The Takeover Panel has confirmed that there is no requirement to publish a valuation report under Rule 29 in respect of the 31 December NAV or the Portfolio Valuation unless and until a firm offer is announced for the Company. Accordingly, in the event of a firm offer being announced for the Company, a valuation report in accordance with Rule 29 of the Code on the 31 December NAV or the Portfolio Valuation or any subsequent net asset value or portfolio valuation published by the Company prior to date of such offer will be published in due course and by no later than the publication of any offer document or scheme document in relation to such offer.