

PICTON PROPERTY INCOME LIMITED
(‘Picton’, the ‘Company’ or the ‘Group’)

Trading Update and Net Asset Value as at 30 June 2025

Picton announces a trading update ahead of today’s AGM, including its Net Asset Value (‘NAV’), for the quarter ended 30 June 2025.

Francis Salway, Chair of Picton, commented:

“I am pleased to report both positive total return and positive total shareholder return over the period. Modest valuation growth across the portfolio, together with our share buyback programme, funded by proceeds from recent office disposals, has driven continuing NAV per share growth.”

Michael Morris, Chief Executive of Picton, commented:

“We achieved letting success in the office sector following our upgrading programme, completed the refinancing of our revolving credit facility and undertook several key asset management transactions to de-risk income and create value. We remain focused on unlocking the reversionary potential within the portfolio, while reinvesting in our assets to enhance income and value.”

Financial highlights

- NAV/EPRA net tangible assets per share increased by 1.0% to 100.9 pence (31 March 2025: 100.0 pence)
- Total return for the quarter of 1.9% (31 March 2025: 2.4%)
- Total shareholder return for the quarter of 13.5% (31 March 2025: 13.5%)
- Share buyback programme continued with 9.1 million shares purchased and cancelled in the period for £6.9 million, a discount of 25% to the June 2025 NAV
- Weighted average interest rate on debt, fixed at 3.7% (31 March 2025: 3.7%), with weighted average maturity of 6.5 years
- Loan-to-value ratio (LTV) of 25.1% (31 March 2025: 24.1%)

Operational highlights

- Like-for-like portfolio valuation increase of 0.4%
- £2.6 million capital investment into the portfolio, including assets in Milton Keynes and Gloucester
- Secured planning for additional storey of residential at 50 Farringdon Road, London EC1
- Completed three lettings securing an annual rent of £0.4 million, 11% above the March ERV
- Renewed eight leases with a combined annual rent of £1.2 million, an increase of 13% on the previous passing rent
- Lease restructure in Carlisle with a premium received of £2.4 million
- Lease surrender in Chatham with a premium received of £0.8 million
- Occupancy of 91% (March 2025: 94%)

Dividend

- Interim dividend of 0.95 pence per share declared for the period from 1 April 2025 to 30 June 2025 and to be paid on 29 August 2025 (1 January 2025 to 31 March 2025: 0.95 pence per share)
- Annualised dividend equivalent to 3.8 pence per share, delivering a dividend yield of 4.8%, based on the share price at close of business on 28 July 2025
- Dividend cover for the quarter of 116%



THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE UK MARKET ABUSE REGULATION

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About Picton

Established in 2005, Picton is listed on the main market of the London Stock Exchange and is a constituent of a number of EPRA indices including the FTSE EPRA Nareit Global Index.

Picton owns and actively manages a £726 million UK commercial property portfolio, invested across 47 assets and with around 350 occupiers (as at 30 June 2025).

Through an occupier focused, opportunity led approach, Picton aims to be the consistently best performing diversified UK REIT and has delivered upper quartile outperformance and a consistently higher income return than the MSCI Quarterly Property Index since launch.

With a portfolio strategically positioned to capture income and capital growth, currently weighted towards the industrial sector, Picton's agile business model provides flexibility to adapt to evolving market trends over the long-term.

Picton has a responsible approach to business and is committed to being net zero carbon by 2040.

For more information please visit: www.picton.co.uk

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NET ASSET VALUE

The NAV of Picton as at 30 June 2025 was £530.3 million, or 100.9 pence per share, reflecting a 1.0% increase over the quarter or 1.9% on a total return basis.

The NAV attributable to the ordinary shares is calculated under IFRS and incorporates the independent market valuation as at 30 June 2025, including income for the quarter, but does not include a provision for the dividend this quarter, which will be paid in August 2025.

	30 Jun 2025	31 March 2025	31 Dec 2024	30 Sept 2024
	£million	£million	£million	£million
Investment properties*	707.1	704.1	718.9	702.9
Other assets	24.9	24.1	26.6	25.2
Cash	27.1	35.3	23.5	28.2
Other liabilities	(19.5)	(20.5)	(22.2)	(21.1)
Borrowings	(209.3)	(209.6)	(210.0)	(210.4)
Net Assets	530.3	533.4	536.8	524.8
Net Asset Value per share	100.9p	100.0p	98.5p	96.3p

*The investment property valuation is stated net of lease incentives and includes the value of owner-occupied property.

The movement in NAV can be summarised as follows:

	Total £million	Movement %	Per share Pence
NAV at 31 March 2025	533.4		100.0
Movement in property values*	2.8	0.5	0.5
Net income after tax for the period	5.8	1.1	1.1
Dividends paid	(5.0)	(0.9)	(0.9)
Purchase and cancellation of own shares	(6.9)	0.4	0.4
Employee share awards	0.2	(0.1)	(0.2)
NAV at 30 June 2025	530.3	1.0	100.9

*The movement in property values includes the unrealised valuation movement and a gain on disposal in respect of the lease restructure in Carlisle.

As at close of business on 30 June 2025, the Company's share price of 80.4 pence reflected a 20% discount to the NAV of 100.9 pence per share.

DIVIDEND DECLARATION

A separate announcement has been released today declaring a dividend of 0.95 pence per share in respect of the period 1 April 2025 to 30 June 2025 (1 January 2025 to 31 March 2025: 0.95 pence).

Dividend cover for the quarter was 116%.

DEBT

Total borrowings as at 30 June 2025 reduced to £209.3 million, with all debt drawn under long-term, fixed-rate facilities.

The weighted average debt maturity profile is approximately 6.5 years and the weighted average interest rate is fixed at 3.7%. The net LTV ratio, calculated as total debt less cash, as a proportion of gross property value, is 25.1% (31 March 2025: 24.1%).

During the period we refinanced our £50 million revolving credit facility, for an initial term of three years with the option of two one-year extensions. The facility currently remains undrawn.

SHARE BUYBACK PROGRAMME

In May, we announced a further extension of our share buyback programme, which initially commenced in January 2025. During the quarter, £6.9 million of shares were purchased and cancelled at an average price of 75 pence per share, equivalent to a discount of 25% against the June 2025 NAV.

Our annual share buyback authority is expected to be renewed at today's AGM and as such we will continue to consider the use of share buybacks, as part of our capital allocation strategy in the coming year.

MARKET BACKGROUND

The MSCI UK Monthly Property Index showed a total return for All Property for the three months to June 2025 of 1.7%, comprising an income return of 1.4% and capital growth of 0.3%.

All Property rental growth was 0.7% for the three months to June 2025 (March 2025: 0.9%). On a rolling three-month basis, All Property rental growth has remained positive since February 2021. The All Property Net Initial Yield was 5.2% in June 2025, compared to 5.3% in March 2025. The market performance for the three months to June for All Property and the three main sectors is shown below.

In terms of capital growth, 100% of industrial segments, 20% of office segments and 50% of retail segments experienced positive capital growth in the period. The two office segments that had positive capital growth were in central London. For the retail sector, there was no concentration of positive capital growth by property type or geography.

In terms of rental growth, 100% of industrial segments, 90% of office segments and 69% of retail segments were positive for the quarter ending June 2025.

Three months to June 2025	All Property	Industrial	Office	Retail
Total Return	1.7%	2.0%	0.8%	1.8%
Income Return	1.4%	1.2%	1.3%	1.7%
Capital Growth	0.3%	0.8%	-0.5%	0.1%
Number of segments with positive growth	17	7	2	8
Number of segments with negative growth	16	0	8	8
ERV Growth	0.7%	0.9%	0.7%	0.4%
Number of segments with positive growth	27	7	9	11
Number of segments with negative growth	6	0	1	5

(Source: MSCI UK Monthly Property Index)

PORTFOLIO UPDATE

Valuation

During the quarter, we appointed Knight Frank LLP as our external valuer, effective June 2025.

The independent property valuation increased by £2.8 million to £726.0 million. The property portfolio has a net initial yield of 4.9% and a reversionary yield of 7.4%.

The breakdown of valuation movements over the quarter are shown below:

Sector	Portfolio allocation	Like-for-like valuation change	Capital expenditure
Industrial	64.2%	0.6%	£0.8 million
South East	45.4%		
Rest of UK	18.8%		
Office	24.3%	0.5%	£1.5 million
London City and West End	8.3%		
South East	7.4%		
Rest of UK	8.6%		
Retail and Leisure	11.5%	-1.1%*	£0.3 million
Retail Warehouse	7.6%		
High Street – Rest of UK	2.3%		
Leisure	1.6%		
Total	100%	0.4%	£2.6 million

*Excludes premium payment received in respect of lease restructure as detailed below.

A breakdown of key activity by sector is detailed below:

Industrial

During the quarter we completed five lease renewals and regears for a combined rental of £0.4 million per annum, 28% ahead of the previous passing rent and 3% ahead of March 2025 ERV. In Harlow, we agreed a lease extension with a top ten occupier that completed following the quarter end, at an annual rent of £1.0 million, 23% ahead of March 2025 ERV and 25% ahead of the previous passing rent.

We refurbished a unit in Warrington that is currently under offer and are progressing other asset improvement works relating to previously agreed lease extensions.

Industrial occupancy remains high at 98%.

Office

In Bristol, we leased space that was refurbished earlier in the year at an annual rent of £0.3 million, in line with the March 2025 ERV. We also extended an existing lease due to expire in December 2025 at an annual rent of £0.2 million, which was 3% below the previous passing rent. A suite was returned on the ground floor as an occupier expanded to another floor in the building, and this space will be refurbished ahead of re-leasing.

We leased the residential element at Stanford Building, London WC2 at an annual rent of £0.1 million, 16% ahead of the March 2025 ERV and secured a lease renewal of an office floor, 6% ahead of the previous passing rent and in line with the March 2025 ERV.

At 50 Farringdon Road, London EC1 we secured approval, via permitted development rights, to create an additional floor of residential accommodation above the offices. The consent allows for the creation of a new fourth storey, comprising 13 residential flats totalling approximately 8,200 sq ft, all with views across the London skyline towards St Paul's Cathedral. This was the first Class AB Permitted Development application approved by the London Borough of Islington, enabling residential accommodation to be built above existing commercial assets without the need for a full planning application. We have secured vacant possession of the upper floor to facilitate the development and are reviewing the strategy with advisers.

In Chatham, Kent we have surrendered a lease that was due to expire in January 2026, and received a premium of £0.8 million. The space will be upgraded ahead of re-leasing.

Office occupancy reduced to 78%, principally reflecting the above asset management activity.

Retail and leisure

In Leeds, we surrendered a lease due to expire in November 2026. A new letting was agreed with completion following the quarter end, at an annual rent of £0.1 million, 64% ahead of the previous passing rent and 27% ahead of the March 2025 ERV.

In Carlisle, we restructured a hotel lease which was due to expire in 2031 to a new 99-year lease. As part of the transaction we also leased a small retail unit and the annual rent has been reduced from £0.2 million to £0.1 million, but in return we received a premium of £2.4 million. The June 2025 valuation reduced by £1.2 million, relative to March 2025, to principally reflect the revised leasing arrangements.

Retail occupancy remained stable at 94%.



Top 10 Holdings

Asset	Sector	Location
Parkbury Industrial Estate, Radlett, Hertfordshire	Industrial	South East
River Way Industrial Estate, Harlow, Essex	Industrial	South East
Stanford Building, Long Acre, London, WC2	Office	London
Datapoint, Cody Road, London, E16	Industrial	London
Lyon Business Park, Barking, London	Industrial	Outer London
Shipton Way, Rushden, Northamptonshire	Industrial	East Midlands
50 Farringdon Road, London, EC1	Office	London
Sundon Business Park, Luton, Bedfordshire	Industrial	South East
Tower Wharf, Cheese Lane, Bristol	Office	South West
Trent Road, Grantham	Industrial	East Midlands

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