

11 June 2026

**Palace Capital plc**  
("Palace Capital" or the "Company")

**Interim Results for the six months ended 31 March 2026**

Palace Capital (LSE: PCA) announces its unaudited results for the six months ended 31 March 2026.

Christian Kappelhoff-Wulff, Non-Executive Chairman, commented:

"These Interim Results are the first set of results since Valentin Pierburg and I joined the Board on 23 January 2026.

We would like to take this opportunity to express our sincere gratitude for the level of support we have received from a significant number of institutional and retail shareholders throughout the month of January 2026 in particular, and the continuing level of support received since.

Since joining the Board, we have acted swiftly and taken several steps that we believe will protect shareholder value. We are working rigorously to deliver the best possible outcome for shareholders.

While the portfolio valuation as at 31 March 2026 (published on 16 April 2026) was equally painful and disappointing, we believe the valuation is a more realistic reflection of the realisable value of the assets.

A number of shareholders have asked us to examine in detail the conduct of the previous Board. We continue to work on this task and will update shareholders as soon as practicable.

Separately today, we have published a circular convening a General Meeting to be held on 29 June 2026 to approve the resolution required to authorise the use of the Company's share buyback authority. We believe utilising that on-market buyback authority to be the most efficient means of returning capital to shareholders at the current time."

<b>Income statement metrics</b>	<b>Six months to 31 March 2026</b>	<b>Six months to 31 March 2025</b>	<b>Change</b>
Adjusted (loss)/profit before tax	£(0.1)m	£1.5m	(104)%
Adjusted earnings per share	(0.3)p	5.1p	(105)%
IFRS (loss)/profit before tax	£(5.4)m	£2.3m	
Basic earnings per share	(26.7)p	8.2p	
Dividends per share	7.5p	7.5p	
<b>Balance Sheet and operational metrics</b>	<b>31 March 2026</b>	<b>30 September 2025</b>	<b>Change</b>
NAV per share	210p	244p	(14)%
Cash returned to shareholders (including costs)	£-	£21.2m	
Net asset value	£42.5m	£49.4m	(14)%
Like-for-like portfolio valuation (decrease)/increase	(16.0)%	0.8%	
Total accounting return (6-month)	(10.9)%	0.2%	
Total shareholder return*	(14.6)%	5.9%	
Cash	£12.8m	£4.6m	

\*For the six months to the balance sheet date, this is unannualised and assumes reinvestment of dividends.

**Financial highlights**

- Adjusted loss before tax for the period was £0.1 million (six months to 31 March 2025: £1.5 million profit), primarily reflecting a reduction in income following asset disposals, which led to a £0.7 million decline in gross rental income. In addition, there was no dilapidations income recognised in the current period, equating to a further £0.4 million reduction in revenue versus the prior period. Interest income also decreased by £0.3 million, driven by lower average cash balances over the period.

The Group's cash balance of £12.8 million at the period end largely reflects proceeds from the sale of the Halifax investment property, completed in February 2026.

- IFRS loss before tax for the period of £5.4 million (March 2025: £2.3 million profit) predominantly due to the fair value loss on investment properties of £5.5 million (March 2025: £0.4 million gain), impairment loss on trading properties contributed a further £0.5 million (March 2025: £0.1 million).
- Dividends paid of 7.5 pence per share in the period (six months to March 2025: 7.5 pence).
- NAV per share decreased by 14% to 210 pence (September 2025: 244 pence) principally from fair value losses on investment properties and impairment of trading properties equivalent to 29.6 pence per share alongside the distribution of dividends in excess of the Group's adjusted earnings.
- Total property portfolio valuation decreased by 16% on a like-for-like basis compared to September 2025, with the largest decrease seen by the leisure asset in Northampton falling c.25% (£3.2 million) and the office portfolio declining c.11%, namely accounted for by the office at St James's Gate, Newcastle.
- Cash of £12.8 million as at 31 March 2026 (September 2025: £4.6 million), following receipt of the disposal proceeds from Unit 3A, St James' Gate, Newcastle and the investment property in Halifax.
- Administrative expenses in the half year were £1.1 million. Within this line item were expenses in relation to former directors and staff amounting to £0.3 million. The recurring administrative expenses are expected to stabilise below c.£0.8 million on an annualised basis.
- The Company has distributable reserves of £6.9 million and its ability to return cash to shareholders is currently limited to that amount. The Board has determined that the best use of these reserves is to utilise the existing share buyback authority in full and therefore the Board has not declared a dividend at this time.

### Operational highlights

- Sale of Broad Street Plaza, Halifax in February 2026 for £9.9 million, a 8.7% premium to its prior valuation.
- Sale of unit 3A St. James' Gate, Newcastle for £0.6 million.
- At St James' Gate, Newcastle, shortly following the period end the comprehensive refurbishment of two vacant floors has reached completion. This has created Grade A refurbished space while improving the building's EPC rating to a 'B'.

### Palace Capital plc

Christian Kappelhoff-Wulff, Non-Executive Chairman  
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### Cautionary Statement

This announcement does not constitute an offer of securities by the Company. Nothing in this announcement is intended to be, or intended to be construed as, a profit forecast or a guide as to the performance, financial or otherwise, of the Company or the Group whether in the current or any future financial period. This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. They may appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the directors, the Company or the Group concerning, amongst other things, the operating results, financial condition, prospects, growth, strategies and dividend policy of the Group or the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual operating results, financial condition, dividend policy or the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this announcement. In addition, even if the operating results, financial condition and dividend policy of the Group, or the development of the industry in which it operates, are consistent with the forward-looking statements contained in this

announcement, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, general economic and business conditions, industry trends, competition, changes in government and other regulation, changes in political and economic stability and changes in business strategy or development plans and other risks.

Other than in accordance with its legal or regulatory obligations, the Company does not accept any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

## **NON-EXECUTIVE CHAIRMAN'S STATEMENT**

During the period, the Company completed the sale of its investment property Broad Street Plaza, Halifax for £9.9 million at a 14.9% net initial yield. The sale price was 8.7% ahead of the September 2025 valuation. The Company also completed on the sale of unit 3A, St James' Gate, Newcastle for £0.6 million.

The Company remains debt free and the entire portfolio is unencumbered. The net cash position as at 31 March 2026 was £12.8 million.

Post period end, a further dividend of 3.75 pence per share for a total of £0.76 million was paid to shareholders on 21 April 2026. Additionally, the Company completed two share buybacks as announced on 21 April 2026 and 24 April 2026 for a total of 700,000 shares at a cost of c.£1.2 million.

Upon joining the Board, the Directors acted swiftly to identify and implement cost saving measures at both the head office level and on an individual property basis. In the interim results to 30 September 2025, it was noted that recurring administrative costs were expected to stabilise at c.£0.7 million; however, it appears that at least some of the necessary steps to achieve costs broadly in line with this level were yet to be actioned. Following the cost reduction measures the Board has taken, the current run rate for the Company's administrative costs is less than £0.8 million annualised and the Directors will continue to proactively seek out further opportunities to reduce spending.

### **Share buyback and dividend**

Following the dividend paid to shareholders on 21 April 2026 and the completion of the two share buybacks in April 2026, the Company's distributable reserves (at Palace Capital plc level) reduced to £6.9 million (unaudited).

Utilising the share buyback authority of 3,633,880 shares, if approved by shareholders at the General Meeting, will likely consume most of the Company's remaining distributable reserves.

The Board believes that it is in the best interests of shareholders to prioritise the share buyback over a further dividend at this point in time.

Dividends paid in relation to the 12 months ended 31 March 2026 already exceed the Group's unaudited property rental business profits and therefore its obligations under the REIT regime. Furthermore, dividends paid are in excess of the Group's unaudited adjusted earnings for this period.

The Board will consider reintroducing dividends after the share buyback has completed.

### **Christian Kappelhoff-Wulff**

Non-Executive Chairman

10 June 2026

## **OPERATIONAL REVIEW**

### **Portfolio overview**

As at 31 March 2026, the portfolio consisted of five properties (Sept 2025: six) comprising by value 59% office, 30% leisure and 11% residential, which were independently valued by CBRE at £31.3 million, a like-for-like decrease of 16% on the September 2025 valuation.

The value of the three office assets fell by 11%, with St James' Gate, Newcastle accounting for most of the valuation deficit.

The value of the remaining leisure asset, Sol, Northampton has fallen by 25% from £12.8 million as at 30 September 2025 to £9.6 million as at 31 March 2026. While the valuation decrease is significant, it is worth noting that Sol, Northampton was valued at £9.7 million as at 31 March 2025.

The value as at 31 March 2026 of the remaining eight residential properties at Hudson Quarter, York is £2.95 million, which is a 13% reduction on a like-for-like basis.

### **Hudson Quarter, York**

As at 31 March 2026 there were eight apartments at Hudson Quarter, York, which together with the associated parking, were valued at £3.1 million (the Group also owns the freehold interest of the developed site, valued at £0.3 million). Of these eight apartments, three were under offer at the valuation date for net proceeds broadly in line with the valuation (two of these sales have since completed on 1 April 2026 and 10 June 2026).

While the activity seen in the first quarter of 2026 suggests that interest in the scheme continues, recent geopolitical events have driven up UK gilt yields. Resulting higher mortgage rates have made buyers increasingly cautious and price sensitive.

City of York Council recently applied a “long term empty premium” of 200% to the council tax on the unsold apartments. Furnishing the unsold apartments would permit City of York Council to apply a premium of “only” 100%. This would result in a council tax saving of c.£5,000 per apartment on average and could improve the marketability of these unsold flats.

### **Sol, Northampton**

An increasing number of leisure asset transactions over the past year has driven investor interest, given the arbitrage opportunity between initial yields and cost of capital. The sector however is facing a complex environment driven by cautious consumer spending, persistent inflation, rising operating costs and fiscal policy changes. These challenges impacted pricing with yields moving out on secondary assets.

Taking into account recent transactional activity in the sector and the sale of Broad Street Plaza, Halifax (sold at a 14.9% net initial yield), the valuers have moved out the initial and equivalent yields to 16.2% and 17.5% respectively (from 11.4% and 12.7% as at 30 September 2025).

During the period, two units were let in Sol, Northampton. These lettings will contribute to the reduction of non-recoverable property costs going forward.

We have recently undertaken a line-by-line audit of the buildings operational costs and identified savings in excess of £50,000 / year. These savings are being implemented at present and further opportunities to increase the net operating income of the building are being actively explored.

Separately, the Company continues to implement the key recommendations of the fire strategy review.

The WAULT to expiry was 10.9 years (10.5 years to break) as at 31 March 2026.

### **St James' Gate, Newcastle**

The office market in Newcastle is highly competitive and dominated by higher-grade offices in the CBD with enhanced ESG credentials. Corporate occupiers continue to prioritise a “flight to quality” and the obsolescence of older stock is becoming more pronounced.

The Grade A refurbishment of the two vacant floors at 2 St James' Gate (at a cost of £1.49 million) has now completed. This has delivered a “best in class” sustainable workspace with all-electric VRF air conditioning, a contemporary look and feel, exposed ceiling services and LED intelligent lighting. As a result, the building has now achieved an EPC “B” rating. A successful letting of these two floors will need to be achieved before contemplating a sale of the asset.

Equally, while occupancy continues to increase under the management agreement with Orega (70% in May 2026) an even higher (and sustained) occupancy is required for the Company to receive the base rent envisaged under the management agreement.

Unit 3A was sold for £0.6 million and Unit 3C is on the market for £0.375 million following a strip out of the previous tenant's alterations putting it back to 'shell and core'.

The March 2026 valuation of 2 St James' Gate was £8.45 million. This valuation includes a provision made by the valuers for capital expenditure in 2027, should tenants not renew leases.

### **Imperial Court and House, Leamington Spa**

The Company went under offer on Imperial Court and House, Leamington Spa in December 2025. We discovered that during the organised sale process the Company had received multiple bids and the sale being pursued was not at the highest bid received. Additionally, after having gone under offer, a further unsolicited offer was received from a new party at a significantly higher price. As a result of this, we decided to take a step back to make sure that we achieved the best possible outcome.

In addition, we became aware of a possibility to monetise the separate plot of land owned on Williams Street. The Company is currently exploring this and other asset management initiatives.

## The Forum, Exeter

The Forum, Exeter was marketed for sale in November 2025 and received a high level of interest before going under offer in February 2026.

A condition of the sale is vacant possession and we continue to make progress with tenants to achieve this outcome.

Unfortunately, as there is uncertainty in relation to the planning approval process required, there is a high degree of risk with regards to the expected completion.

## FINANCIAL REVIEW

The Group reported an adjusted loss before tax of £0.1 million for the six months to 31 March 2026 (six months to 31 March 2025: £1.5 million profit). This primarily reflects income foregone following disposals, alongside lower receipts from dilapidations and reduced interest income on cash deposits, partly offset by a decline in recurring administrative expenses.

NAV per share decreased by 14% to 210 pence (September 2025: 244 pence) principally due to the fair value loss on investment properties, impairment of trading properties and distribution of uncovered dividends.

The summary of the Group's financial results is as follows:

### Income Statement Summary

	6 months to 31 March 2026	6 months to 31 March 2025
Gross property income	£2.0m	£3.1m
Property operating expenses	£(1.2)m	£(0.9)m
Expected Credit Loss provision	£(0.1)m	£(0.1)m
<b>Net rental income</b>	<b>£0.7m</b>	<b>£2.1m</b>
Recurring administrative expenditure	£(0.8)m	£(1.0)m
Finance income	£0.1m	£0.4m
<b>Adjusted (loss)/profit before tax</b>	<b>£(0.1)m</b>	<b>£1.5m</b>
Tax	-	-
<b>Adjusted (loss)/profit after tax</b>	<b>£(0.1)m</b>	<b>£1.5m</b>
Payments to former Directors and staff (including associated costs)	£(0.3)m	£(0.1)m
Short term incentive plan charge (including associated costs)	-	£(0.4)m
(Loss)/profit on revaluations	£(6.0)m	£0.3m
Trading profit	-	£0.1m
Profit on disposal of investment properties	£0.9m	£1.0m
<b>IFRS (loss)/profit after tax</b>	<b>£(5.4)m</b>	<b>£2.4m</b>

Net rental income in the period reduced to £0.7 million (March 2025: £2.1 million) largely due to income lost through disposals. In the period to March 2025, the Group also received dilapidation income of £0.4 million (March 2026: nil).

In the half year to March 2026, additional property operating expenses were incurred due to increased vacancy while properties were prepared for vacant possession sale or refurbishments were taking place.

Recurring administrative expenditure reduced by £0.2 million, with the Group progressing towards stabilised administrative costs below £0.8 million annualised.

During the period, finance income reduced to £0.1 million (March 2025: £0.4 million) owing to the reduced cash position following the tender offer before the start of the current period. Of the £12.8 million cash held by the group at 31 March 2026, the majority reflects the sale proceeds of investment properties sold in February 2026.

## NAV Movement

NAV decreased by 34.2 pence per share or 14% to 210 pence (September 2025: 244 pence) during the period principally due to the fair value losses on the revaluation of investment property and impairment of trading properties contributing a loss of 29.6 pence per share. Furthermore, distribution of dividends equating to 7.5 pence per share were uncovered by adjusted earnings and profits made on disposal of investment properties.

Profits made on sale of investment properties contributed £0.9 million (4.6 pence per share) to NAV.

	£m	No. of shares (diluted)	Pence per share
<b>NAV as at 30 September 2025</b>	<b>49.4</b>	<b>20,224,775</b>	<b>244.3p</b>
Profit on sale of investment properties	0.9		4.6p
Adjusted earnings before tax	(0.1)		(0.3)p
Loss on revaluation of investment property	(5.5)		(27.4)p
Cash dividends paid	(1.5)		(7.5)p
Fair value adj. of trading properties	(0.4)		(2.2)p
Payments to former directors and staff (including associated costs)	(0.3)		(1.3)p
Other movements*	(0.0)		(0.1)p
<b>NAV at 31 March 2026</b>	<b>42.5</b>	<b>20,224,775</b>	<b>210.1p</b>

\*Other movements relate to deferred tax and trading property losses.

### Financing

The Group had no outstanding debt during the period and all assets are unencumbered (September 2025: gross debt £nil).

At 31 March 2026 the Group had cash of £12.8 million (September 2025: £4.6 million).

### STATEMENT OF PRINCIPAL RISKS

We consider there has been no material changes to the Company's principal risks, as set out in the Annual Report and Accounts for the year ended 31 March 2025 and summarised below.

<b>MARKET CYCLE ECONOMIC AND CAPITAL STRUCTURE AND POLITICAL</b>	<b>LIQUIDITY</b>	<b>PORTFOLIO STRATEGY</b>
<p><b>Risk description</b> Failure to react appropriately to changing market conditions and adapt our corporate strategy could negatively impact shareholder returns. A downturn in the market could reduce the appetite in the investment market, leading to lower valuations and affecting our disposal strategy and ability to return capital to shareholders.</p> <p>Uncertainty in the UK economic landscape, global supply chain issues, inflation and interest rates brings risks to the property market, supply chains and to occupiers' businesses. This can significantly impact market sentiment and our ability to extract value from our properties resulting in lower shareholder returns, reduced liquidity and increased occupier failure.</p>	<p><b>Risk description</b> An inappropriate level of gearing or failure to comply with debt covenants or manage re-financing events could put pressure on cash resources and lead to a funding shortfall for operational activities.</p> <p>Increasing costs of borrowing and increasing interest rates could affect the Group's ability to borrow.</p>	<p><b>Risk description</b> An inappropriate investment strategy that is not aligned to overall corporate purpose objectives, economic conditions, or tenant demand may result in lower investment returns.</p>
<b>ASSET MANAGEMENT</b>	<b>VALUATION</b>	<b>TENANT DEMAND AND DEFAULT</b>
<p><b>Risk description</b> Failure to implement asset business plans and elevated risks associated with refurbishment could lead to longer void periods, higher arrears</p>	<p><b>Risk description</b> Decreasing capital and rental values could impact the Group's portfolio valuation leading to lower returns. Higher cost of debt can lead to</p>	<p><b>Risk description</b> Failure to adapt to changing occupier demands and/or poor tenant covenants may result in us losing significant tenants, which</p>

and overall investment performance, adversely impacting returns and cashflows. property yields to be pushed out and valuations to fall as a result. Increasing gilt yields, can leave property investment less attractive unless the desired return can be achieved. could materially impact income, capital values and profit. Rising inflation, interest rates and living costs could impact tenant businesses, such as the leisure industry, as demand falls for discretionary spending.

#### **BUSINESS CONTINUITY AND CYBER SECURITY**

##### **Risk description**

Business disruption as a result of physical damage to buildings, Government policy and measures implemented in response to pandemics, cyber attacks or other operational or IT failures or unforeseen events may impact income and profits.

#### **PEOPLE**

##### **Risk description**

An inability to attract or retain staff with the right skills and experience may result in significant underperformance or impact the overall effectiveness of our operations. Health and Safety of staff and others including tenants both physically and mentally and providing a safe and healthy environment in our properties is of utmost importance. Failure to do so could lead to staff and tenant ill health, litigation and regulatory issues, negative media and market sentiment against the Company.

#### **CLIMATE CHANGE**

##### **Risk description**

Longer term failure to anticipate and prepare for transition and physical risks associated with climate change including increasing policy and compliance risks associated with existing and emerging environmental legislation could lead to increased costs and the Group's assets becoming obsolete or unable to attract occupiers or purchasers.

#### **REGULATORY AND TAX**

##### **Risk description**

Non-compliance with the legal and regulatory requirements of a public real estate company, including the REIT regime, could result in convictions or fines and negatively impact reputation.

#### **Statement of Directors' Responsibilities**

The Directors confirm that the condensed set of consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the six months and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial period; and
- material related-party transactions in the six months period and any material changes in the related-party transactions described in the last annual report.

The Directors of Palace Capital plc are listed on the Company website [www.palacecapitalplc.com](http://www.palacecapitalplc.com)

By order of the Board

**Christian Kappelhoff-Wulff**

Non-Executive Chairman

10 June 2026

Palace Capital plc  
**Condensed consolidated statement of comprehensive income**  
For the six months ended 31 March 2026

	Notes	Unaudited 6 months to 31 March 2026 £000	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
Revenue	3	3,550	7,597	5,128	13,245
Cost of sales	4	(2,792)	(5,532)	(2,838)	(7,868)
Movement in expected credit loss		(122)	(122)	(98)	(353)
<b>Net property income</b>		<b>636</b>	<b>1,943</b>	<b>2,192</b>	<b>5,024</b>
Administrative expenses		(1,074)	(3,137)	(1,500)	(2,889)
Operating (loss)/profit before gains and losses on property assets		(438)	(1,194)	692	2,135
Profit on disposal of investment properties		940	1,195	1,002	1,502
(Loss)/gain on revaluation of investment properties	9	(5,542)	(5,184)	373	(2,868)
Impairment of trading properties	9	(450)	(516)	(61)	(61)
<b>Operating (loss)/profit</b>		<b>(5,490)</b>	<b>(5,699)</b>	<b>2,006</b>	<b>708</b>
Finance income		75	564	362	850
Finance expense		-	-	9	(126)
Debt termination costs		-	(5)	(35)	(35)
<b>(Loss)/profit before taxation</b>		<b>(5,415)</b>	<b>(5,140)</b>	<b>2,342</b>	<b>1,397</b>
Taxation	5	6	6	25	25
<b>(Loss)/profit after taxation for the period and total comprehensive (loss)/profit attributable to owners of the Parent</b>		<b>(5,409)</b>	<b>(5,134)</b>	<b>2,367</b>	<b>1,422</b>
Basic (and diluted) earnings per ordinary share	6	(26.7)p	(21.4)p	8.2p	4.5p

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Palace Capital plc  
**Condensed consolidated statement of financial position**  
For the six months ended 31 March 2026

	Notes	Unaudited 31 March 2026 £000	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
<b>Non-current assets</b>				
Investment properties	9	18,230	33,799	33,363
Trade and other receivables	11	5,722	7,112	5,021
		<b>23,952</b>	<b>40,911</b>	<b>38,384</b>
<b>Current assets</b>				
Assets held for sale	9	3,670	-	9,875
Trading property	9,10	3,065	3,955	4,340
Trade and other receivables	11	1,382	2,676	2,201
Cash and cash equivalents	12	12,781	4,645	22,222
		<b>20,898</b>	<b>11,276</b>	<b>38,638</b>
<b>Total assets</b>		<b>44,850</b>	<b>52,187</b>	<b>77,022</b>
<b>Current liabilities</b>				
Trade and other payables	13	(2,334)	(2,739)	(3,277)

<b>Creditors: amounts falling due within one year</b>	<b>(2,334)</b>	<b>(2,739)</b>	<b>(3,277)</b>
<b>Net current assets</b>	<b>18,564</b>	<b>8,537</b>	<b>35,361</b>

#### Non-current liabilities

Short term incentive plan provision	-	-	(1,209)
Deferred tax liability	(25)	(31)	(32)
<b>Net Assets</b>	<b>42,491</b>	<b>49,417</b>	<b>72,504</b>

#### Equity

Called up share capital	14	2,022	2,022	2,889
Merger reserve		3,503	3,503	3,503
Capital redemption reserve		2,957	2,957	2,090
Capital reduction reserve		38,303	39,820	63,182
(Accumulated losses)/retained earnings		(4,294)	1,115	840
<b>Equity shareholders' funds</b>		<b>42,491</b>	<b>49,417</b>	<b>72,504</b>

Basic (and diluted) NAV per ordinary share	7	210p	244p	251p
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The accompanying notes form an integral part of these condensed consolidated interim financial statements. The condensed consolidated interim financial statements were approved by the Board of Directors on 10 June 2026.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Palace Capital plc

#### Condensed consolidated statement of changes in equity

For the six months ended 31 March 2026

	Share Capital £000	Treasury Shares Reserve £000	Other Reserves £000	Capital Reduction Reserve £000	(Accumulated Losses)/ Retained Earnings £000	Total equity £000
<b>As at 31 March 2024</b>	<b>3,756</b>	<b>-</b>	<b>4,726</b>	<b>89,931</b>	<b>(639)</b>	<b>97,774</b>
Total comprehensive profit for the year	-	-	-	-	1,422	1,422
Share based payments	-	-	-	-	57	57
Dividends paid	-	-	-	(4,658)	-	(4,658)
Tender offer	-	(22,091)	-	-	-	(22,091)
Cancellation of treasury shares	(867)	22,091	867	(22,091)	-	-
<b>As at 31 March 2025 (Audited)</b>	<b>2,889</b>	<b>-</b>	<b>5,593</b>	<b>63,182</b>	<b>840</b>	<b>72,504</b>
Total comprehensive profit for the period	-	-	-	-	275	275
Dividends paid	-	-	-	(2,167)	-	(2,167)
Tender offer	-	(21,195)	-	-	-	(21,195)
Cancellation of treasury shares	(867)	21,195	867	(21,195)	-	-
<b>As at 30 September 2025 (Unaudited)</b>	<b>2,022</b>	<b>-</b>	<b>6,460</b>	<b>39,820</b>	<b>1,115</b>	<b>49,417</b>
Total comprehensive loss for the period	-	-	-	-	(5,409)	(5,409)
Dividends paid	-	-	-	(1,517)	-	(1,517)
<b>As at 31 March 2026 (Unaudited)</b>	<b>2,022</b>	<b>-</b>	<b>6,460</b>	<b>38,303</b>	<b>(4,294)</b>	<b>42,491</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Palace Capital plc

#### Condensed consolidated statement of cash flows

For the six months ended 31 March 2026

		<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
	Notes				
<b>Operating activities</b>					
(Loss)/profit before taxation		<b>(5,415)</b>	(5,140)	2,342	1,397
Finance income		<b>(75)</b>	(564)	(362)	(850)
Finance expense		-	-	(9)	126
Loss/(gain) on revaluation of investment property portfolio	9	<b>5,542</b>	5,184	(373)	2,868
Profit on disposal of investment properties		<b>(940)</b>	(1,195)	(1,002)	(1,502)
Impairment of trading properties	9	<b>450</b>	516	61	61
Debt termination costs		-	5	35	35
Amortisation of right of use asset		-	-	9	38
Share-based payment		-	-	28	57
Decrease/(increase) in trade and other receivables		<b>1,499</b>	(1,066)	1,285	500
(Decrease) in trade and other payables		<b>(407)</b>	(2,156)	(61)	(149)
Decrease in trading property		<b>440</b>	816	1,171	3,725
<b>Net cash generated from/(used in) operations</b>		<b>1,094</b>	<b>(3,600)</b>	<b>3,124</b>	<b>6,306</b>
Interest received		<b>75</b>	564	362	850
Interest and other finances charges paid		-	-	18	(102)
<b>Net cash flows from/(used in) operating activities</b>		<b>1,169</b>	<b>(3,036)</b>	<b>3,504</b>	<b>7,054</b>
<b>Investing activities</b>					
Capital expenditure on refurbishment of investment property		<b>(1,946)</b>	(1,796)	(64)	(175)
Proceeds from disposal of investment properties		<b>10,430</b>	20,275	7,812	30,637
<b>Net cash flow generated from investing activities</b>		<b>8,484</b>	<b>18,479</b>	<b>7,748</b>	<b>30,462</b>
<b>Financing activities</b>					
Bank loan repaid		-	(5)	(8,152)	(8,311)
Dividends paid	8	<b>(1,517)</b>	(3,684)	(2,166)	(4,658)
Tender offer		-	(21,195)	-	(22,091)
<b>Net cash flow used in financing activities</b>		<b>(1,517)</b>	<b>(24,884)</b>	<b>(10,318)</b>	<b>(35,060)</b>
<b>Net increase/(decrease) in cash</b>		<b>8,136</b>	<b>(9,441)</b>	<b>934</b>	<b>2,456</b>
Opening cash and cash equivalents	12	<b>4,645</b>	22,222	21,288	19,766
<b>Closing cash and cash equivalents</b>	12	<b>12,781</b>	<b>12,781</b>	<b>22,222</b>	<b>22,222</b>

Palace Capital plc

## Notes to the condensed consolidated financial statements

For the six months ended 31 March 2026

### 1 General information

These financial statements are for Palace Capital plc (“the Company”) and its subsidiary undertakings (together “the Group”).

The Company’s shares are admitted to trading on the Main Market of the London Stock Exchange. The Company is domiciled and registered in England and Wales and incorporated under the Companies Act 2006. The address of its registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT.

The nature of the Company’s operations and its principal activities are that of property investment in the UK.

### Basis of preparation

The condensed consolidated financial information included in this half yearly report has been prepared in accordance with the UK-adopted IAS 34 “Interim Financial Reporting”. The current period information presented in

this document is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The interim results have been prepared in accordance with applicable UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). These standards are collectively referred to as "IFRS".

The accounting policies and methods of computations used are consistent with those as reported in the Group's Annual Report for the year ended 31 March 2025 and are expected to be used in the Group's Annual Report for the period ended 30 September 2026.

The financial information for the year ended 31 March 2025 presented in these unaudited condensed Group interim financial statements does not constitute the Company's statutory accounts for that period but has been derived from them. The Report and Accounts for the year ended 31 March 2025 were audited and have been filed with the Registrar of Companies. The Independent Auditor's Report on the Report and Accounts for the year ended 31 March 2025 was unqualified and did not contain statements under s498(2) or (3) of the Companies Act 2006. The financial information for the six-month periods ended 31 March 2025, 30 September 2025 and 31 March 2026 are unaudited and have not been subject to a review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board.

The interim report was approved by the Board of Directors on 10 June 2026.

Copies of this statement are available to the public on the Company's website, [www.palacecapitalplc.com](http://www.palacecapitalplc.com).

## Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern which included the current economic headwinds coupled with the Group's cash resources, rental income, disposals of investment and trading properties, committed capital and other expenditure, share buybacks and dividend distributions. The financial position of the Group, its cash flows and liquidity position are described in these financial statements.

As at 31 March 2026 the Group had £12.8 million of unrestricted cash and cash equivalents and a property portfolio valued at £31.3 million. The Directors have reviewed the forecasts for the Group over the 12 months from the date of signing this report.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Interim Report.

## 2 Segmental reporting

During the period, the Group operated in one business segment, being property investment in the UK and as such no further information is provided.

## 3 Revenue

	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
Gross rental income	2,018	4,237	2,728	6,450
Dilapidations and other property related income	25	172	410	479
Gross property income	2,043	4,409	3,138	6,929
Trading property income	409	777	1,261	3,990
Service charge income	1,098	2,411	729	2,326
<b>Total revenue</b>	<b>3,550</b>	<b>7,597</b>	<b>5,128</b>	<b>13,245</b>

## 4 Cost of sales

	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
Void costs	879	1,306	837	1,436

Legal, lettings and consultancy costs	361	984	75	318
Property operating expenses	1,240	2,290	912	1,754
Trading property costs of sales	454	831	1,197	3,788
Service charge expense	1,098	2,411	729	2,326
<b>Total cost of sales</b>	<b>2,792</b>	<b>5,532</b>	<b>2,838</b>	<b>7,868</b>

## 5 Taxation

	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
Deferred tax	(6)	(6)	(25)	(25)
Tax credit	(6)	(6)	(25)	(25)

As a UK REIT, the income profits of the Group's UK property rental business are exempt from corporation tax, as are any gains it makes from the disposal of its properties, provided they are not held for trading. The Group is otherwise subject to UK corporation tax at the prevailing rate.

## 6 Earnings per share

Basic earnings per share and diluted earnings per share have been calculated on profit/(loss) after tax attributable to ordinary Shareholders for the year (as shown on the Consolidated Statement of Comprehensive Income) and for the earnings per share, the weighted average number of ordinary shares in issue during the period (see table below) and for diluted weighted average number of ordinary shares in issue during the period (see table below).

	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
(Loss)/profit after tax attributable to ordinary Shareholders for the year	<b>(5,409)</b>	(5,134)	2,367	1,422
	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
Weighted average number of shares for basic earnings per share	<b>20,224,775</b>	23,984,762	28,887,209	31,325,057
Dilutive effect of share options	-	-	-	-
Weighted average number of shares for diluted earnings per share	<b>20,224,775</b>	23,984,762	28,887,209	31,325,057
<b>Basic (and diluted) earnings per ordinary share</b>	<b>(26.7)p</b>	(21.4)p	8.2p	4.5p

The Group financial statements are prepared under IFRS which incorporates non-realised fair value measures and non-recurring items. Alternative Performance Measures ("APMs"), being financial measures, which are not specified under IFRS, are also used by management to assess the Group's performance. This includes an adjusted earnings measure which is based on the recurring earnings before tax, this is the basis on which the Directors consider dividend cover. This figure represents the net income generated from operational activities after excluding investment property revaluations and gains and losses on disposals, changes in fair value of financial instruments and one off costs (including finance termination costs, share-based payments being a non-cash expense, as well as payments to former Directors and Staff, and the Short Term Incentive Plan provision ('STIP'), which are one-off exceptional items. The STIP is excluded from adjusted earnings as the provision is deemed not to be in the ordinary course of business and the performance criteria of the plan is based on the selling of assets. The plan was designed to be back end loaded in terms of paying out in order to be aligned with shareholders' interests and is therefore deemed to be an exceptional item as it does not reflect earnings from trading in the portfolio as it is capital in nature. The corporation tax charge (excluding deferred tax movements, being a non-cash expense) is deducted to calculate the adjusted earnings per share, if the charge is in relation to recurring earnings.).

The earnings per ordinary share for the period is calculated based upon the following information:

	<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited Year to 31 March 2026 £000	Unaudited 6 months to 31 March 2025 £000	Audited Year to 31 March 2025 £000
<b>(Loss)/profit after tax attributable to ordinary shareholders for the period</b>	<b>(5,409)</b>	(5,134)	2,367	1,422
<b>Adjustments:</b>				
Loss/(gain) on revaluation of investment property portfolio	<b>5,542</b>	5,184	(373)	2,868
Profit on disposal of investment properties	<b>(940)</b>	(1,195)	(1,002)	(1,502)
Impairment of trading properties	<b>450</b>	516	61	61
Trading loss/(profit)	<b>46</b>	55	(64)	(202)
Debt termination costs	-	5	35	35
Expenses in relation to former Directors & Staff (including associated costs)	<b>265</b>	576	60	175
Share-based payments	-	-	28	57
Short term incentive plan provision (including associated costs)	-	1,018	379	644
<b>Adjusted (loss)/profit after tax for the period</b>	<b>(46)</b>	1,025	1,491	3,558
Deferred tax	<b>(6)</b>	(6)	(25)	(25)
<b>Adjusted (loss)/profit before tax for the period</b>	<b>(52)</b>	1,019	1,466	3,533
Basic (and diluted) adjusted EPS	<b>(0.3)p</b>	4.2p	5.1p	11.3p

## 7 Net asset value per share

	<b>Unaudited 31 March 2026</b>	Unaudited 30 September 2025	Audited 31 March 2025
Number of ordinary shares issued at the end of the period	20,224,775	20,224,775	28,892,535
Dilutive effect of share options	-	-	-
<b>Number of diluted ordinary shares for diluted net assets per share</b>	<b>20,224,775</b>	<b>20,224,775</b>	<b>28,892,535</b>
<b>Net assets attributable to shareholders (£000)</b>	42,491	49,417	72,504
Basic (and diluted) NAV per share	210p	244p	251p

## 8 Dividends

		<b>Unaudited 6 months to 31 March 2026 £000</b>	Unaudited 6 months to 30 September 2025 £000	Audited Year to 31 March 2025 £000
<b>Ordinary dividends paid</b>				
2024 Interim dividend: 3.75p per share	19 April 2024	-	-	1,408
2024 Final dividend: 3.75p per share	25 August 2024	-	-	1,084
2025 Interim dividend: 3.75p per share	25 October 2024	-	-	1,083
2025 Interim dividend: 3.75p per share	27 December 2024	-	-	1,083
2025 Interim dividend: 3.75p per share	22 April 2025	-	1,083	-

2025 Final dividend: 3.75p per share	14 July 2025	-	1,084	-
2026 Interim dividend: 3.75p per share	24 October 2025	<b>758</b>	-	-
2026 Interim dividend: 3.75p per share	30 January 2026	<b>758</b>	-	-
		<b>1,517</b>	<b>2,167</b>	<b>4,658</b>

On 19 March 2026 an interim dividend of 3.75p per share was announced, this was paid on 21 April 2026.

## 9 Property Portfolio

	Total investment properties £000
At 1 April 2024	73,845
Additions – refurbishments	175
Loss on revaluation of investment properties	(2,868)
Transfer to assets held for sale	(9,412)
Disposals	(28,377)
<b>At 31 March 2025 (Audited)</b>	<b>33,363</b>
Additions – refurbishments	78
Gain on revaluation of investment properties	358
Disposals	-
<b>At 30 September 2025 (Unaudited)</b>	<b>33,799</b>
Additions – refurbishments	1,946
Loss on revaluation of investment properties	(5,542)
Transfer to assets held for sale	(3,660)
Disposals	(8,313)
<b>At 31 March 2026 (Unaudited)</b>	<b>18,230</b>

	Investment properties £000	Trading properties £000	Assets held for sale £000	Total property portfolio £000
At 1 April 2024	73,845	8,126	-	81,971
Additions – refurbishments	175	-	-	175
Additions – trading properties	-	63	-	63
Loss on revaluation of properties	(2,868)	-	-	(2,868)
Transfer to assets held for sale	(9,412)	-	9,412	-
Impairment of trading properties	-	(61)	-	(61)
Disposals	(28,377)	(3,788)	-	(32,165)
<b>At 31 March 2025 (Audited)</b>	<b>33,363</b>	<b>4,340</b>	<b>9,412</b>	<b>47,115</b>
Additions – refurbishments	78	-	-	78
Additions – trading properties	-	57	-	57
Gain on revaluation of properties	358	-	-	358
Impairment of trading properties	-	(66)	-	(66)
Disposals	-	(376)	(9,412)	(9,788)
<b>At 30 September 2025 (Unaudited)</b>	<b>33,799</b>	<b>3,955</b>	<b>-</b>	<b>37,754</b>
Additions – refurbishments	1,946	-	-	1,946
Additions – trading properties	-	15	-	15
Loss on revaluation of properties	(5,542)	-	-	(5,542)
Transfer to assets held for sale	(3,660)	-	3,660	-
Impairment of trading properties	-	(450)	-	(450)
Disposals	(8,313)	(455)	-	(8,768)
<b>At 31 March 2026 (Unaudited)</b>	<b>18,230</b>	<b>3,065</b>	<b>3,660</b>	<b>24,955</b>

The property portfolio has been independently valued at fair value. The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 (“the Red Book”) and incorporate the

recommendations of the International Valuation Standards and the RICS valuation – Professional Standards UK January 2014 (Revised April 2015) which are consistent with the principles set out in IFRS 13.

The valuer in forming its opinion makes a series of assumptions, which are typically market related, such as net initial yields and expected rental values, and are based on the valuer’s professional judgement. The valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently.

At 31 March 2026, the Group’s property portfolio was externally valued by CBRE, a Royal Institution of Chartered Surveyors (“RICS”) registered independent valuer. A reconciliation of the valuations carried out by the external valuer to the carrying values shown in the balance sheet was as follows:

	<b>Unaudited 31 March 2026 £000</b>	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
Property portfolio valuation	<b>31,305</b>	45,535	53,235
Less trading properties at lower of cost and net realisable value	<b>(3,065)</b>	(3,955)	(4,340)
Less lease incentive balance in accrued income	<b>(6,340)</b>	(7,781)	(5,657)
Less assets held for sale	<b>(3,660)</b>	-	(9,412)
Less lease incentive balance included in accrued income on assets held for sale	<b>(10)</b>	-	(463)
<b>Carrying value of investment properties</b>	<b>18,230</b>	33,799	33,363

#### *Valuation process*

The valuation reports produced by the independent valuers are based on information provided by the Group such as current rents, terms and conditions of lease agreements, service charges and capital expenditure. This information is derived from the Group’s financial and property management systems and is subject to the Group’s overall control environment.

In addition, the valuation reports are based on assumptions and valuation models used by the independent valuers. The assumptions are typically market related, such as yields and discount rates, and are based on their professional judgment and market observations. Each property is considered a separate asset, based on its unique nature, characteristics and the risks of the property.

The Head of Property is responsible for the valuation process, verifies all major inputs to the external valuation reports, assesses the individual property valuation changes from the prior year valuation report and holds discussions with the independent valuers. When this process is complete, the valuation report is recommended to the Audit Committee, which considers it as part of its overall responsibilities.

The key assumptions made in the valuation of the Group’s investment properties are:

- The amount and timing of future income streams;
- Anticipated maintenance costs and other landlord’s liabilities; and
- An appropriate yield

#### *Valuation technique*

The valuations reflect the tenancy data supplied by the group along with associated revenue costs and capital expenditure. The fair value of the commercial investment portfolio has been derived from capitalising the future estimated net income receipts at capitalisation rates reflected by recent arm’s length sales transactions.

#### **Assets held for sale**

	<b>Unaudited 31 March 2026 £000</b>	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
Assets held for sale	<b>3,670</b>	-	9,875

Assets held for sale consist of the commercial offices of Hudson Quarter, York as at 31 March 2025 and the commercial office at The Forum, Exeter as at 31 March 2026. In accordance with the Group’s accounting policy, these properties are classified as held for sale. The offices had been valued by CBRE based on information

provided by the Group such as current rents, terms and conditions of lease agreements, service charges and capital expenditure. Assets held for sale as at 31 March 2026 included £10,000 (31 March 2025: £463,000) of lease incentives which are released on the sale of the asset.

## 10 Trading property

	<b>Total £000</b>
At 1 April 2024	8,126
Costs capitalised	63
Impairment of trading properties	(61)
Disposal of trading properties	(3,788)
<b>At 31 March 2025 (Audited)</b>	<b>4,340</b>
Costs capitalised	57
Impairment of trading properties	(66)
Disposal of trading properties	(376)
<b>At 30 September 2025 (Unaudited)</b>	<b>3,955</b>
Costs capitalised	15
Impairment of trading properties	(450)
Disposal of trading properties	(455)
<b>At 31 March 2026 (Unaudited)</b>	<b>3,065</b>

The Group developed a large mixed-use scheme at Hudson Quarter, York. Part of the approved scheme consisted of residential units which the Group is in the process of selling. As a result, the residential element of the scheme is classified as trading property.

## 11 Trade and other receivables

	<b>Unaudited 31 March 2026 £000</b>	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
<b>Current</b>			
Trade receivables	82	1,049	817
Prepayments and accrued income	780	854	921
Other taxes	36	-	38
Other debtors	484	773	425
	<b>1,382</b>	<b>2,676</b>	<b>2,201</b>
<b>Non-current</b>			
Accrued income	5,722	7,112	5,021
	<b>5,722</b>	<b>7,112</b>	<b>5,021</b>
<b>Total trade and other receivables</b>	<b>7,104</b>	<b>9,788</b>	<b>7,222</b>

## 12 Cash and cash equivalents

	<b>Unaudited 31 March 2026 £000</b>	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
Cash and cash equivalents	12,781	4,645	22,222

## 13 Trade and other payables

	<b>Unaudited 31 March 2026 £000</b>	Unaudited 30 September 2025 £000	Audited 31 March 2025 £000
<b>Current</b>			
Trade payables	20	19	86
Accruals	497	370	304
Deferred rental income	661	1,075	1,206
Other taxes	-	222	918
Other payables	1,156	1,053	763
	<b>2,334</b>	<b>2,739</b>	<b>3,277</b>

## 14 Share capital

Authorised, issued and fully paid share capital is as follows:

	<b>Unaudited 31 March 2026</b>	Unaudited 30 September 2025	Audited 31 March 2025
Share capital – £000	<b>2,022</b>	2,022	2,889
Ordinary 10p shares	<b>20,224,775</b>	20,224,775	28,892,535
<b>Share capital – number of shares in issue</b>	<b>20,224,775</b>	20,224,775	28,892,535

Movement in ordinary authorised share capital is as follows:

	Total number of shares
<b>As at 31 March 2025 (Audited)</b>	<b>28,892,535</b>
Shares repurchased 2 September 2025	(8,667,760)
<b>As at 30 September 2025 (Unaudited)</b>	<b>20,224,775</b>
<b>As at 31 March 2026 (Unaudited)</b>	<b>20,224,775</b>

No shares are held in Treasury.

## 15 Post balance sheet events

On 17 April 2026, the Company announced a share buyback programme of up to 400,000 ordinary shares. On 20 April 2026, 400,000 ordinary shares were purchased at a volume-weighted average price paid per share of 173.00 pence, these shares were held in treasury.

On 23 April 2026, the Company announced a further share buyback programme of up to 300,000 ordinary shares. On 23 April 2026, 300,000 ordinary shares were purchased at a volume-weighted average price paid per share of 169.75 pence, these shares were held in treasury.

On 10 June 2026, the 700,000 ordinary shares held in treasury were cancelled, following this cancellation the Company had 19,524,775 ordinary shares of 10 pence each in issue.

On 1 April 2026, the Group completed the sale of one of the residential apartments in York, held as trading property. On 10 June 2026, the Group completed the sale of one further apartment. Both sales were broadly in line with the valuation as at 31 March 2026.