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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU 596/ 2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED

31 July 2025

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

Proposed Return of Capital to Shareholders by way of a Tender Offer

Notice of General Meeting

The Company is pleased to announce an intended return of capital to Shareholders by way of a Tender Offer pursuant to which Qualifying Shareholders are invited to tender some or all of their Ordinary Shares. It is proposed that up to 8,667,761 Ordinary Shares may be purchased under the Tender Offer for a maximum aggregate cash consideration of up to approximately £20.8 million. Qualifying Shareholders who participate in the Tender Offer will have a Guaranteed Entitlement to tender 3 Ordinary Shares for every 10 Ordinary Shares held, representing up to 30 per cent. of the Ordinary Shares held by them, at the Record Date, rounded down to the nearest whole number, at a price of 240 pence per Ordinary Share.

A Circular is expected to be published shortly (and will be made available on the Company's website at www.palacecapitalplc.com) which includes the background to, and reasons for, the Tender Offer and why the Board considers that the Tender Offer is in the best interests of Shareholders as a whole and why the Board unanimously recommends that Shareholders vote in favour of the Tender Offer Resolution which will be proposed at a General Meeting. The Tender Offer is conditional on the passing of the Tender Offer Resolution.

Key terms of the Tender Offer:

- The Tender Offer will be conducted at a price of 240 pence per Ordinary Share.
- The Tender Price represents a 9.6% premium to the Company's share price as at 29 July 2025 (the "Latest Practicable Date") and a discount to 31 March 2025 EPRA NAV of 4.4%.
- The Tender Offer will be open to all Qualifying Shareholders, being Shareholders on the Register on the Record Date (being 6pm on 26 August 2025).
- Each Qualifying Shareholder will be able to tender up to 30% of their Ordinary Shares held on the Record Date, which equates to 3 Ordinary Shares for every 10 Ordinary Shares held.
- Qualifying Shareholders are able to submit tenders in excess of their Guaranteed Entitlement ("Excess Tenders"). Excess Tenders will only be accepted to the extent that other Qualifying Shareholders tender less than their Guaranteed Entitlement or do not tender any Ordinary Shares.
- The Tender Offer will open on 31 July 2025 and will close at 1:00 p.m. on 26 August 2025 or such other date as may be determined in accordance with the Circular.
- Implementation of the Tender Offer is conditional upon, amongst other things, the approval of Shareholders of the Tender Offer Resolution.
- It is intended that Ordinary Shares successfully tendered will be cancelled by the Company.
- Assuming that the maximum number of Ordinary Shares are purchased under the Tender Offer and cancelled, the Company's issued share capital will be reduced by 8,667,761 Ordinary Shares to 20,224,774 Ordinary Shares following completion of the Tender Offer.

Steven Owen, Executive Chairman, commented:

"The Tender Offer announced today represents a further milestone in the Board's strategy of returning cash to shareholders with over £43 million returned since July 2022.

The format of the Tender Offer provides good flexibility, enabling those Qualifying Shareholders who wish to reduce their holdings an opportunity to do so at a market-driven price with a premium, whilst permitting those who wish to retain their current investment in the Company to do so."

Expected timetable of principal events

Announcement of this Tender Offer, publication of the Circular and the Notice of General Meeting
31 July 2025

Tender Offer opens 31 July 2025

Latest time and date for receipt of Voting Instructions 12.00 p.m. on 21 August 2025

General Meeting 12.00 p.m. on 26 August 2025

Announcement of results of the General Meeting 26 August 2025

Latest time and date for receipt of Tender Forms and share certificates in relation to the Tender Offer (i.e. close of Tender Offer) 1.00 p.m. on 26 August 2025

Latest time and date for receipt of TTE Instructions in relation to the Tender Offer (i.e. close of Tender Offer) 1.00 p.m. on 26 August 2025

Tender Offer Record Date 6.00 p.m. on 26 August 2025

Announcement of results of the Tender Offer 29 August 2025

CREST accounts credited with unsuccessfully tendered uncertificated holdings of Ordinary Shares not later than 1 September 2025

Purchase of Ordinary Shares under the Tender Offer 2 September 2025

CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares by 4 September 2025

Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares by 15 September 2025

Return of share certificates in respect of unsuccessful tenders of certificated Ordinary Shares by 15 September 2025

Despatch of balancing share certificates (in respect of certificated Ordinary Shares) for revised, certificated holdings in the case of partially successful tenders by 15 September 2025

All times are references to London (UK) times. Other than the date of the announcement of the Tender Offer, each of the above times and dates are indicative only and based on the Company's expectations as at the date of this announcement. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

Enquiries:

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Broker

Oliver Hardy

Heraclis Economides

Posting of Circular and Notice of General Meeting:

Full details of the Tender Offer will be included in a Circular which is expected to be published and available on the Group's website later today (www.palacecapital.com).

There is no guarantee that the Tender Offer will take place. The Tender Offer is conditional on, among other things, the approval of the Tender Offer Resolution by Shareholders and will not proceed if any of the Tender Conditions are not satisfied or waived by Deutsche Numis or the Company (as the case may be) or if it is withdrawn by Deutsche Numis or the Company at any point prior to the announcement of the results of the Tender Offer.

Notice in relation to overseas persons:

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any person who is subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions might constitute a violation of the relevant laws or regulations of such jurisdiction.

Forward-looking statements:

This announcement includes "forward-looking statements" which include all statements other than statements of historical fact, including, without limitation, those regarding the Group's financial position, business strategy, plans

Historical fact, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. Whilst the Directors consider these statements to be reasonable based upon information currently available, they may prove to be incorrect. However, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law.

No profit forecast or estimates:

Unless otherwise stated, no statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Group, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow from the Group.

Numis Securities Limited (trading as Deutsche Numis) ("Deutsche Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Palace and no one else in connection with the proposed Tender Offer and will not be responsible to anyone other than Palace for providing the protections afforded to clients of Deutsche Numis nor for providing advice in relation to the proposed Tender Offer or any other matter referred to herein. Neither Deutsche Numis nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with the proposed Tender Offer or any matter referred to herein.

Proposed Return of Capital to Shareholders by way of a Tender Offer for 3 Ordinary Shares for every 10 Ordinary Shares held at 240 pence per Ordinary Share and Notice of General Meeting

Introduction

On 5 June 2025, the Company announced that it intended to return capital to Shareholders by way of a Tender Offer pursuant to which Qualifying Shareholders are invited to tender some or all of their Ordinary Shares.

It is proposed that up to 8,667,761 Ordinary Shares may be purchased under the Tender Offer for a maximum aggregate cash consideration of up to approximately £20.8 million and Qualifying Shareholders who participate in the Tender Offer will have a Guaranteed Entitlement to tender 3 Ordinary Shares for every 10 Ordinary Shares held, representing up to 30 per cent. of the Ordinary Shares held by them, at the Record Date, rounded down to the nearest whole number, at a price of 240 pence per Ordinary Share.

To the extent that Qualifying Shareholders tender for less than the total overall amount that may be returned to Shareholders pursuant to the Tender Offer, or where the Board decides not to proceed with the Tender Offer in accordance with terms of the Tender Offer, the Board will consider alternative options regarding how best to deploy any cash or capital surplus or to return value to Shareholders, including by way of a further tender offer, a share buy-back programme or by way of dividend, taking into consideration the then prevailing market and economic conditions and other relevant factors at the relevant time.

Tender Offer

Background and reasons for the Tender Offer

Subject to certain conditions including the passing of the Tender Offer Resolution by Shareholders at the General Meeting as a special resolution, the Tender Offer will be implemented by Deutsche Numis (acting as principal and not as agent, nominee or trustee) at the Tender Price giving Qualifying Shareholders the opportunity to tender Ordinary Shares through the Tender Offer for cash. The Tender Offer Resolution will give the Directors authority to buy back up to 8,667,761 Ordinary Shares, at the Tender Price of 240 pence per Ordinary Share, for a maximum aggregate cash consideration of up to approximately £20.8 million.

Update on delivery of strategic objectives

As announced with the Company's full year results for the financial year ended 31 March 2025 (FY25), we continued to progress our strategy to return capital to Shareholders through the disposal of investment and residential properties. This was achieved through the sale of £35.0 million of assets at 6.0% above the 31 March 2024 valuation and returning cash of £21.7 million to Shareholders by way of a successful, oversubscribed tender offer in July 2024, which contributed an additional 2.0 pence to EPRA NTA per share. Since the updated strategy of the Company was announced in July 2022, we have returned over £43 million of cash to Shareholders. In addition, dividends paid to Shareholders since July 2022 total approximately £17.9 million.

Since 1 April 2025, the Company completed the sale of HQ Office, York, a freehold, multi-let building, for a gross consideration of £10.0 million, which, after adjusting for rent top ups, was in line with the 31 March 2024 valuation. There were ten apartments remaining at Hudson Quarter, York, valued at £4.3 million as at 31 March 2025, at the time of the announcement of the full year 2025 results in June 2025 but since then one apartment has gone under

time of the announcement of the full year 2025 results in June 2025 but since then one apartment has gone under offer.

The Company has been in a net cash position since April 2024 and in line with the terms of the loan agreement with Scottish Widows, the Company repaid the outstanding £8.0 million loan (£7.9 million net of the loan break gain) in March 2025, in advance of the completion of the sale of the NHS units at Halifax as reported on 11 April 2025. The Company is now debt free, the portfolio is entirely unencumbered and as at 29 July 2025 the Company had cash of approximately £29.3 million, compared with £22.2 million as at 31 March 2025.

Total investment properties sold since the change of strategy in July 2022 amount to £145.6 million (£160.3 million including residential apartments).

The Company currently has five investment properties remaining, which were valued at £39.0 million as at 31 March 2025. Halifax is expected to be marketed for sale in September or the fourth quarter of 2025, subject to market conditions, following its part disposal in March 2025. The Leamington sale, which was under offer as at 6 June 2025, did not progress but the Company will continue to seek to dispose of this asset. The three other properties require the completion of ongoing asset management activities in order to be ready for sale.

Further to the Company's announcement of its full year 2025 results, current trading and the Company's asset management activities remain in-line with plan.

As previously reported, the Board remains of the view that conditions in the investment market for certain types of assets, particularly leisure assets, were such that, in the Board's view, the sale of these assets should be deferred until market demand and pricing improve, particularly given the high income yield and long unexpired lease terms. We remain of this view although we expect market conditions to improve later this year assuming that financial markets are less volatile than at present. The increase in bank lending to UK real estate businesses seen over the last twelve months is encouraging and the Board believes this should bring more liquidity to property investment markets as should further interest rate reductions which are expected during 2025.

Palace Capital continues to reduce its level of administrative expenses in line with its strategy with a reduction of £1.1 million in total administrative expenses in FY25 and since 1 July 2025 there has been a significant reduction in headcount from six to three executives. This together with other cost reduction measures when fully implemented are expected to result in annualised administrative expenses of approximately £1.3 million from 1 July 2025.

Following consultation with certain Shareholders, the Directors believe that it is now appropriate to return further capital to Shareholders. This reflects the Directors' belief that share buy backs (including by way of tender offer) are an appropriate means of returning capital to Shareholders.

The Board regularly reviews capital allocation to optimise long-term returns for Shareholders and has explored various options for returning capital to Shareholders. The Board has determined that the proposed Tender Offer, to be made at an appropriate premium to the price per Ordinary Share on the Latest Practicable Date, is the most suitable way of returning capital to Shareholders in a quick and efficient manner, taking account of the relative costs, complexity and timeframes of the possible methods available, as well as the likely tax treatment for and equality of treatment of Shareholders.

The Board of Directors of the Company considers the Tender Offer to be in the best interests of Shareholders as a whole, among other reasons, because:

- the Tender Offer is available to all Qualifying Shareholders regardless of the size of their holding;
- the Tender Price represents a premium of 9.6% to the Company's Ordinary Shares closing price of 219 pence on 29 July 2025 and a discount to 31 March 2025 EPRA NAV of 4.4%;
- the Tender Offer provides Qualifying Shareholders who wish to reduce their holdings of Ordinary Shares with an opportunity to do so at a market-driven price with a premium;
- the Tender Offer enables Ordinary Shares to be sold free of commissions or charges that would otherwise be payable if Qualifying Shareholders were to sell their Ordinary Shares through their broker; and
- the Tender Offer permits Shareholders who wish to retain their current investment in the Company and their Ordinary Shares to do so, as no Shareholder is required to participate in the Tender Offer, providing Shareholders with flexibility.

The Board considers that up to approximately £20.8m is the right amount at this time to return to Shareholders taking into account possible future working capital and business requirements including asset management plans relating to the remaining assets.

The Tender Offer is separate, and in addition, to the share buy-back programme approved by Shareholders on 9 July 2025 at its annual general meeting (the "2025 AGM") (the "Buy-Back Programme"). Pursuant to the Buy-Back Programme, the Company is entitled to repurchase up to a maximum of 4,330,880 shares representing approximately 15% of the then issued share capital. Since the 2025 AGM no Ordinary Shares have been purchased under the Buy-Back Programme.

Therefore, the Tender Offer is being proposed in addition to the Buy-Back Programme approved by Shareholders at the 2025 AGM.

Principal Terms of the Tender Offer

Subject to certain conditions (including the Tender Offer Resolution being passed at the General Meeting), Deutsche Numis will implement the Tender Offer by acquiring, as principal (and not as agent, nominee or trustee), the successfully tendered Ordinary Shares at the Tender Price. Ordinary Shares purchased by Deutsche Numis pursuant to the Tender Offer will be purchased by Deutsche Numis as principal (and not as agent, nominee or trustee) and such purchases will be on-market purchases in accordance with the provisions of the Act and the rules of the London Stock Exchange and the FCA.

Conditional upon the Tender Offer becoming unconditional and subject to the terms thereof, Deutsche Numis has the right to require the Company to purchase from it (and the Company has the right to require Deutsche Numis to sell to it) any Ordinary Shares acquired by Deutsche Numis under the Tender Offer pursuant to the Repurchase Agreement at the Tender Price. If either the put option or call option under the Repurchase Agreement is exercised, Deutsche Numis shall sell such Ordinary Shares to the Company, at a price per Ordinary Share equal to the Tender Price, pursuant to the Repurchase Agreement. Purchases of Ordinary Shares by the Company pursuant to the Repurchase Agreement will also be on-market purchases in accordance with the provisions of the Act and the rules of the London Stock Exchange and the FCA. The Company intends that all of the Ordinary Shares purchased by the Company pursuant to the Repurchase Agreement in connection with the Tender Offer will be cancelled.

Qualifying Shareholders must consider carefully all of the information contained in the Circular as well as their personal circumstances when deciding whether to participate in the Tender Offer.

The maximum number of Ordinary Shares that may be purchased under the Tender Offer, being up to 8,667,761 Ordinary Shares, will equate to approximately 30 per cent. of the Issued Ordinary Share Capital at the Tender Offer Record Date, for a maximum aggregate cash consideration of up to approximately £20.8 million ("Maximum Tendered Shares"). As at 29 July 2025, there were 28,892,535 Ordinary Shares in issue. No shares were held in treasury.

If the Maximum Tendered Shares are acquired by Deutsche Numis pursuant to the Tender Offer and subsequently repurchased by the Company for cancellation pursuant to the Repurchase Agreement, the total number of Ordinary Shares of the Company in issue following such cancellation will be 20,224,774 Ordinary Shares. It is intended that successfully tendered Ordinary Shares which are subsequently purchased by the Company pursuant to the Repurchase Agreement will be cancelled and will not rank for any future dividends.

How to Participate in the Tender Offer

Qualifying Shareholders are not obliged to tender any Ordinary Shares if they do not wish to do so. If no action is taken by Qualifying Shareholders, there will be no change to the number of Ordinary Shares that they hold and they will receive no cash as a result of the Tender Offer.

Each Qualifying Shareholder who wishes to participate in the Tender Offer is entitled to submit a tender to sell some or all of their Ordinary Shares.

The total number of Ordinary Shares tendered by any Qualifying Shareholder should not exceed the total number of Ordinary Shares registered in the name of that Qualifying Shareholder at the Record Date. For example, a Qualifying Shareholder may decide to tender fifty per cent. (50%) of their Ordinary Shares, but if a Qualifying Shareholder returned a tender purporting to offer for sale more than one hundred per cent. (100%) of their Ordinary Shares, they would be deemed to have tendered only the number of Ordinary Shares actually owned by that Shareholder on the Record Date, with the tender in respect of any additional shares being deemed invalid.

The Tender Offer will open on 31 July 2025 (unless such date is altered by Deutsche Numis in consultation with the Company in accordance with the terms and conditions of the Tender Offer). The Tender Offer will close at 1.00 p.m. on 26 August 2025 and tenders received after that time will not be accepted (unless the Closing Date is extended by Deutsche Numis (in consultation with the Company) in accordance with the terms and conditions of the Tender Offer).

Tender Forms which have been, or are deemed to be, validly and properly completed (for Ordinary Shares held in certificated form) and submitted to Equiniti acting as Receiving Agent and TTE Instructions which have settled (for Ordinary Shares held in uncertificated form) will become irrevocable and cannot be withdrawn except with the consent of Deutsche Numis (having consulted the Company) in its absolute discretion.

Purchase of Ordinary Shares

Successfully tendered Ordinary Shares will be purchased from Qualifying Shareholders by Deutsche Numis (acting as principal and not as agent nominee or trustee), free of commission and dealing charges. Conditional upon the Tender Offer becoming unconditional and subject to the terms thereof, Deutsche Numis has the right to require the Company to purchase from it (and the Company has the right to require Deutsche Numis to sell to it) any Ordinary Shares acquired by Deutsche Numis under the Tender Offer pursuant to the Repurchase Agreement at the Tender Price. If either the put option or call option under the Repurchase Agreement is exercised, such Ordinary Shares will be repurchased by the Company from Deutsche Numis pursuant to the terms of the Repurchase Agreement and subsequently will be cancelled by the Company. Any rights of Qualifying Shareholders who do not participate in the Tender Offer will be unaffected by the Tender Offer.

All Shareholders who tender Ordinary Shares will receive the Tender Price, subject, where applicable, to the scaling-down arrangements as set out in the Circular to be published later today.

If more than the overall limit of Ordinary Shares that may be repurchased pursuant to the Tender Offer are validly tendered by Qualifying Shareholders and the Tender Offer is therefore oversubscribed, acceptances of validly tendered Ordinary Shares will be scaled-down to determine the extent to which individual tenders are accepted. Accordingly, where scaling-down applies, beyond a Qualifying Shareholder's Guaranteed Entitlement, there is no guarantee that all of the Ordinary Shares which are tendered by Qualifying Shareholders will be accepted for purchase.

Depending on the level of participation in the Tender Offer, it is possible that Deutsche Numis will purchase, as principal, Ordinary Shares pursuant to the Tender Offer such that Deutsche Numis' interest in Ordinary Shares would carry 30 per cent. or more of the Company's voting rights. Such an acquisition would ordinarily trigger an obligation to

make a mandatory offer pursuant to Rule 9 of the Takeover Code. The Takeover Panel have, following consultation, granted a waiver from this obligation as a result of Deutsche Numis' acquisition of Ordinary Shares from Qualifying Shareholders pursuant to the Tender Offer. Further details are set out in the Circular to be published later today.

Guaranteed Entitlement

The Guaranteed Entitlement is only relevant if the Tender Offer is oversubscribed. Tenders in respect of up to 30 per cent. of each holding of Ordinary Shares of every Qualifying Shareholder on the Record Date will be accepted in full at the Tender Price and will not be scaled down. This percentage is known as the "**Guaranteed Entitlement**". Qualifying Shareholders may tender Ordinary Shares in excess of their Guaranteed Entitlement. However, if the Tender Offer is oversubscribed, the tender of such excess Ordinary Shares will only be successful to the extent that other Qualifying Shareholders have tendered less than their Guaranteed Entitlement.

Circumstances in which the Tender Offer may not proceed

There is no guarantee that the Tender Offer will take place. The Tender Offer is conditional on the passing of the Tender Offer Resolution as set out in the Notice of General Meeting and on the satisfaction of the other Tender Conditions specified in the Circular. In particular, the Tender Offer is conditional on the receipt by 1.00 p.m. on the Closing Date of valid tenders in respect of at least 288,925 Ordinary Shares (representing approximately 1% of the Company's issued share capital as at the Latest Practicable Date).

Deutsche Numis has reserved the right at any time prior to the announcement of the results of the Tender Offer, in consultation with the Company, to extend the period during which the Tender Offer is open and/or vary the aggregate value of the Tender Offer, based on economic or market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements. Deutsche Numis has also reserved the right, in certain circumstances, to not proceed with the Tender Offer. Any such decision will be announced by the Company through a Regulatory Information Service as soon as practicable thereafter.

To the extent that Qualifying Shareholders tender for significantly less than the total amount that may be returned to Shareholders pursuant to the Tender Offer, or where Deutsche Numis decides not to proceed with the Tender Offer, the Company will consider alternative options regarding how best to deploy any such cash or capital surplus or to return cash to Shareholders, including by way of a share buy-back programme or by way of dividend, taking into consideration the then prevailing market conditions and other relevant factors at the relevant time.

Full terms and conditions of the Tender Offer

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in the Circular expected to be published later today.

General Meeting to approve the Tender Offer Resolution

The Tender Offer requires the approval by Shareholders of the Tender Offer Resolution at a General Meeting of the Company. For this purpose, the Company is convening the General Meeting for 12.00 p.m. on 26 August 2025 to consider and, if thought fit, pass the Tender Offer Resolution to authorise and to approve the terms under which the Tender Offer will be effected.

The Tender Offer Resolution must be passed on a poll by at least seventy-five per cent. (75%) of the votes validly cast by those Shareholders present in person or by proxy and entitled to vote at the General Meeting. Deutsche Numis will not purchase Ordinary Shares pursuant to the Tender Offer unless the Tender Offer Resolution is duly passed.

A summary of action to be taken by Shareholders is set out in the Circular.

Recommendation by the Board

The Directors consider that the Tender Offer is in the best interests of the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Tender Offer Resolution. The Board makes no recommendation to Qualifying Shareholders in relation to participation in the Tender Offer itself. Whether or not Qualifying Shareholders decide to tender all, or any, of their Ordinary Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their own financial and tax position. Shareholders are required to take their own decision and are recommended to consult with their duly authorised independent financial or professional adviser.

The following definitions apply throughout this announcement and the Circular:

Act the Companies Act of England and Wales 2006, as amended from time to time

Articles or Articles of association the articles of association of the Company, as amended from time to time

Board or Board of Directors or Directors the directors of the Company as at the date of the Circular, whose names are set out in the Circular

Business Day any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business

certificated form or certificated in relation to a share, a share, title to which is recorded in the relevant register of the share concerned as being held in certificated form (that is, not in CREST)

Circular the document to be published by the Company and sent to Shareholders relating to the proposed Tender Offer and Notice of General Meeting

Closing Date 26 August 2025 or such other date as may be determined in accordance with the Circular in relation to the Tender Offer

Company or Palace Capital Palace Capital plc, a public limited company incorporated in England and Wales with registered number 05332938 and registered office at Thomas House, 84 Eccleston Square, London England SW1V 1PX United Kingdom

CREST the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced

CREST the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument

CREST Manual the rules governing the operation of CREST as published by Euroclear

CREST Member a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)

CREST Participant a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

CREST Proxy Instruction a proxy appointment or instruction made via CREST authenticated in accordance with Euroclear's specifications and containing the information set out in the CREST Manual CREST Regulations the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time

CREST Sponsor a CREST Participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)

CREST Sponsored Member a CREST Member admitted to CREST as a sponsored member

CTA 2010 the UK Corporation Tax Act 2010 (as amended from time to time)

Deferred Bonus Scheme the deferred bonus share scheme under the Remuneration Policy approved by shareholders at the 2023 Annual General Meeting

Deutsche Numis Numis Securities Limited

Disclosure and Transparency Rules the Disclosure Guidance and Transparency Rules of the FCA made under Part VI of FSMA, as amended from time to time

Distribution any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made

Electronic Tender the inputting and settlement of a TTE Instruction in accordance with the procedures set out in the Circular which constitutes or is deemed to constitute a tender of Ordinary Shares pursuant to and on the terms of the Tender Offer as set out in the Circular

EPRA NTA is the Net Asset Value adjusted to reflect the fair value of trading properties and to exclude deferred taxation and derivatives

Equiniti Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Euroclear Euroclear UK & International Limited, the operator of CREST

FCA the Financial Conduct Authority of the United Kingdom

Form of Proxy the paper proxy form available from the Registrar upon request; or the electronic proxy form to appoint a proxy electronically using the Equiniti Shareview website or (for institutional investors only) by using the Proxymity platform on www.proxymity.io, as the case may be, in each case, to be used in connection with the General Meeting and to be completed and submitted in accordance with the instructions thereof and the terms and conditions of the Circular (including the notes to the Notice of the General Meeting set out in the Circular)

FSMA Financial Services and Markets Act 2000, as amended from time to time

General Meeting the general meeting of the Company to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place 78 Cannon Street, London EC4N 6AF at 12.00 p.m. on 26 August 2025, or any adjournment thereof, notice of which is set out in the Circular

Group the Company and its subsidiaries and subsidiary undertakings

Guaranteed Entitlement has the meaning given to that term in the Circular (as calculated in accordance with the terms of the Circular)

HMRC H.M. Revenue & Customs

Issued Ordinary Share Capital the issued Ordinary Shares in the capital of the Company at the Tender Offer Record Date

Latest Practicable Date 29 July 2025, being the latest practicable date prior to the publication of the Circular

London Stock Exchange London Stock Exchange PLC

Long Term Incentive Plan the long term incentive plan in line with the Remuneration Policy approved by shareholders at the 2023 Annual General Meeting

MAR the Market Abuse Regulation (EU) 5964/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018

member account ID the identification code or number attached to any member account in CREST

Notice of General Meeting the notice of the General Meeting which appears in the Circular

Official List the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA

Ordinary Shares the ordinary shares of £0.10 each in the capital of the Company

Overseas Shareholders a Shareholder who is a resident in, or a national or citizen of, a jurisdiction outside the United Kingdom

Participant ID the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant

Qualifying Property Rental Business the property-rental business of a REIT as defined in section 519 of the CTA 2010

Qualifying Shareholder Shareholders who are entitled to participate in the Tender Offer, being those who are on the Register on the Tender Offer Record Date and excluding those with a registered address in a Restricted Jurisdiction

REIT UK Real Estate Investment Trust

Repurchase Agreement the Repurchase Agreement, dated 31 July 2025, between Deutsche Numis and the Company, the terms of which are summarised in the Circular

Register the Company's register of members

Registrar and Receiving Agent Equiniti Limited, Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH as Registrar and Receiving Agent

Regulatory Information Service a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website

Restricted Jurisdiction means: (i) the United States, Brazil and the Republic of South Africa and any other jurisdiction where the mailing of the Circular or the accompanying documents, or the extension of the Tender Offer, in the manner contemplated by the Circular into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction; or (ii) any country, region or territory which is the subject of Sanctions (including, without limitation, Cuba, Iran, North Korea, Syria, Russia, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic)

Sanctions means any sanctions administered or enforced by the US Government (including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury of the US Department of State, and including

Office of Foreign Assets Control of the U.S. Department of Treasury or the U.S. Department of State, and including, without limitation, the designation of a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant competent governmental or regulatory authority, institution or agency which administers economic, financial and/or trade sanctions

Shareholder Helpline the helpline operated by Equiniti available to Shareholders in connection with the Tender Offer

Shareholders holders of Ordinary Shares from time to time

Subsidiary a subsidiary as that term is defined in section 1159 of the Act

Substantial Shareholder any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the Group to be liable to pay tax under Regulation 10 of the Real Estate Investment Trusts (Breach of Conditions) Regulations 2006 (as such regulations may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person, and the term "**Substantial Shareholding**" shall be construed accordingly

Takeover Code the City Code on Takeovers and Mergers

Takeover Panel the Panel on Takeovers and Mergers

Tender Conditions shall have the meaning given in the Circular

Tender Form the form enclosed with the Circular for use by Shareholders who hold Ordinary Shares in certificated form in connection with the Tender Offer

Tender Offer the invitation to Shareholders to tender Ordinary Shares on the terms and conditions set out in the Circular and also, in the case of certificated Ordinary Shares only, the Tender Form (and, where the context so requires, the associated repurchase of such Ordinary Shares by the Company from Deutsche Numis pursuant to the Repurchase Agreement)

Tender Offer Record Date or Record Date close of business (6.00 p.m., UK time) on 26 August 2025 or such other time and date as may be determined by the Company in its sole discretion in the event that the Closing Date is altered in accordance with the Circular

Tender Offer Resolution the special resolution to be proposed at the General Meeting, as set out in the Notice of General Meeting

Tender Price 240 pence being the price per Ordinary Share at which Ordinary Shares will be purchased pursuant to the Tender Offer

TFE Instruction a transfer from escrow instruction (as defined by the CREST Manual)

TTE Instruction a transfer to escrow instruction (as defined by the CREST Manual)

UK Listing Rules the listing rules made by the FCA under Part VI of FSMA, as amended from time to time and contained in the FCA's publication of the same name

uncertificated form recorded on the register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertified Securities Regulations, may be transferred by means of CREST

United Kingdom or UK United Kingdom of Great Britain and Northern Ireland

United States the United States of America, its territories and possessions, any state of the United States, and the District of Columbia

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