



Investor Presentation

Half Year to 30 June 2024

Resilient operational performance

Post Period – Transformational Successful Equity Fundraise



Introduction



Stephen Inglis
Chief Executive Officer



Derek McDonald
Chief Operating Officer



Simon Marriott
Investment Director

H1 2024 Summary

Portfolio

- £647.9m (2023: £700.7m)
- Like-for-like capital value decline of 5.1% after adjusting for disposals and CAPEX Vs MSCI Rest of UK offices Index decline of 6.4%
- Disposals £20.7m (net of costs); CAPEX £5.2m

Earnings

- EPRA EPS 2.1pps (H1 2023: 2.5pps) Post 1 for 10 share consolidation
- EPRA EPS 21.3pps (H1 2023: 24.6pps)

Dividend

- Q1 1.2pps
- Q2 2.2pps (ex-date post capital raise)

EPRA NTA

- £251.6m; 48.8pps (2023: £290.8m; 56.4pps)
- Proforma post capital raise & share consolidation NTA £371.3m; 219.8p

Performance

Total accounting return

- Since IPO* 7.5%
- Annualised 0.8%

Total shareholder return

- Since IPO (65.9)%
- HY 2024 (50.8)%
- Annualised (11.7)%

Highly geographically diversified
 → Asset management initiatives helping to mitigate valuation impact
 → 132 properties; offices 91.5% (by value)
 → 832 tenants; 759 office tenants
 → Regional offices located across the main UK conurbations

→ Inflationary cost pressures impacting other property expenses and irrecoverable costs

→ Delivering a fully covered dividend
 → Targeting 4.4pps for H2 2024

→ Continued tight monetary policy weighing upon valuations

→ Impacted by announcement of equity raise at 10pps



H1 2024 Summary

Key Portfolio Update

- Robust rent collections 2024
 - Very strong HY rent collection 98%* (2023: equivalent period 98.8%)
- Tenants back in the office
 - 4.1 days a week is the average
 - 102% active occupancy Vs pre-pandemic levels
- Rent roll £63.5m (2023: £67.8m)
 - 71.4% retention rate (floor area that remains let following lease expiry)
 - New lettings 8.4% above 2023 ERV
- Excellent EPC progress
 - Weighted average EPC scores improved to C 60 (2023: C 62)
- EPRA Occupancy
 - Remains robust (by ERV) 78% (2023: 80%)



Debt and Cash

- LTV 58.3% (2023: 55.1%)
 - Due to valuation decline
- Cash £25.7m (2023: £34.5m)
 - Asset management plans and a disposals programme are progressing to help bring LTV back to the long-term target of 40%
- Debt 100% fixed, swapped or capped
 - No current interest rate risk
- WACC 3.5% (2023: 3.5%)
 - Permanently repaid £17.4m of debt in HY 2024
- WACD 3 years (2023: 3.5 years)

Capital Structure

- 27 Jun 2024 – Announced £110.5m capital raise

→ Successful completion 18 July 2024

* Quarterly rental invoices include contractual rent for the preceding quarter

Diversified portfolio – delivering income

Proactive property asset management

- 44 new lettings; £2.1m pa gross rent roll - up 8.4% against December 2023 ERVs (H1 2023: 45; £1.2m pa)
- EPRA Occupancy (by ERV) 78.0% (June 2023: 82.5%)
- 71.4% retention rate (floor area that remains let following 2024 lease expiry)

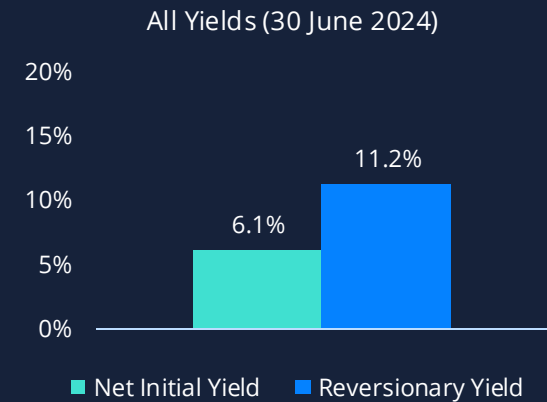
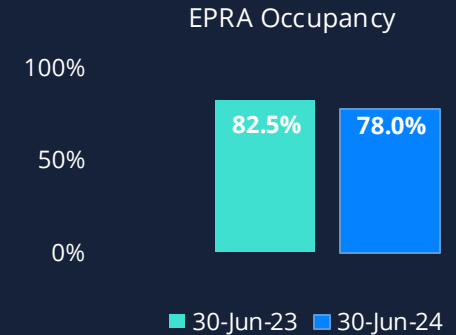
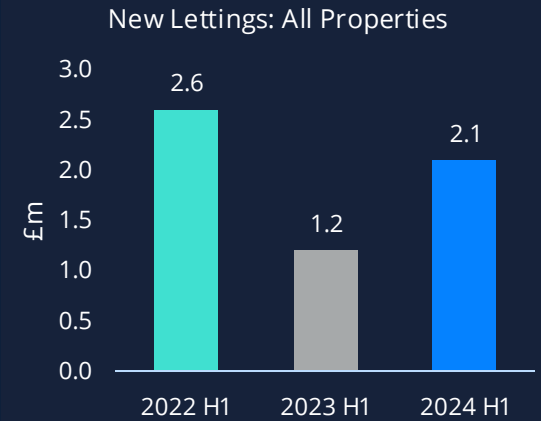
- Focus on regional properties outside M25
- Offices 91.5% (by value) (H1 2023: 92.0%)
 - 64.0% - Business Parks
 - 36.0% - In town
- Retail 3.1% (by value) (H1 2023: 3.5%)
- Industrial 3.4% (by value) (H1 2023: 3.0%)
- Other 1.9% (by value) (H1 2023: 1.5%)



Hampshire Corporate Park, Eastleigh

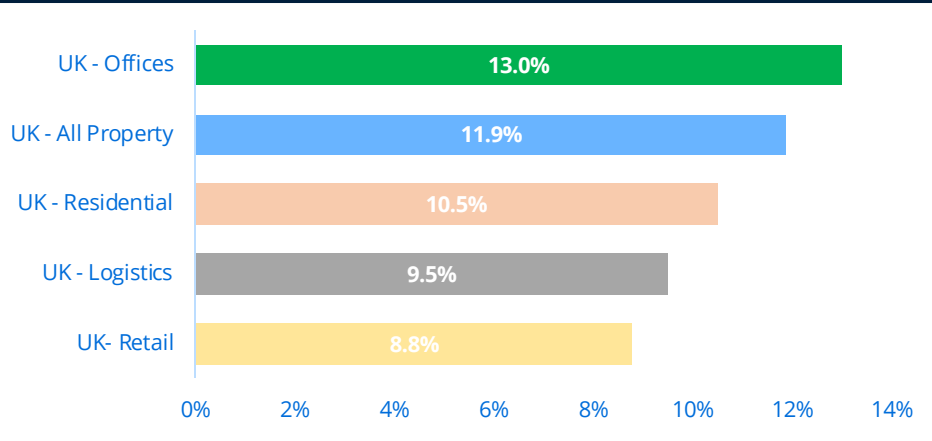


84 Albion Street, Leeds



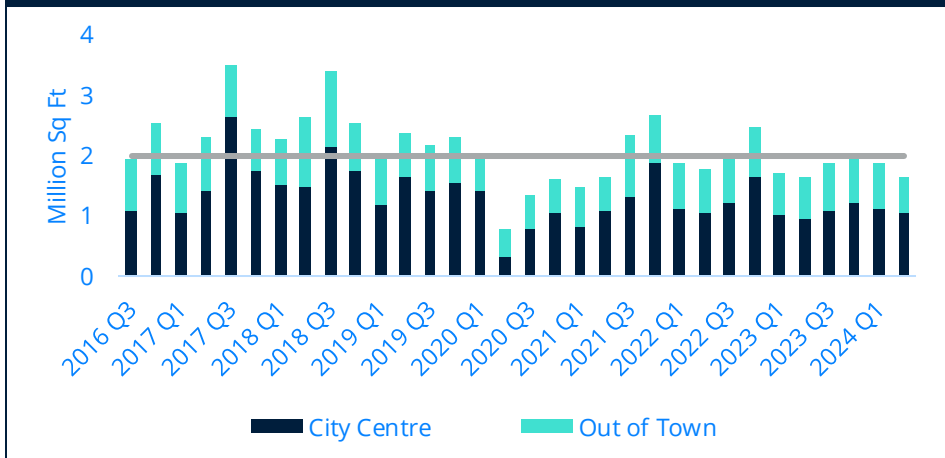
Capturing the income and value over the near term

Total return forecast (2024 - 2029) for UK Offices ahead of other property sectors at 13.0%

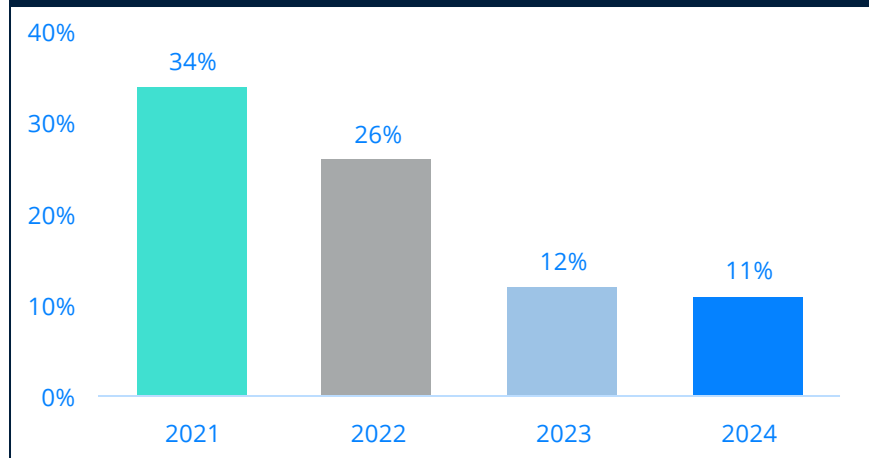


- Total return for UK offices expected to reach 13.0% over the next 5 years.
- The IMF forecast UK GDP growth of 0.5% in 2024 and 1.5% in 2025 (for fiscal years April-March).
- Management question - how to make hybrid work
- ONS data shows only 11% of workers reported working exclusively from home – down from 26% in mid - January 2022
- The most recent CEO Outlook published by KPMG shows that c. 87% of CEOs are more inclined to reward those employees that work from the office on a regular basis in the form of better projects, salary increases and promotions. The majority of respondents (64%) anticipate a full return to the office over the next three years

Office take-up of office space across the nine regional markets reached 3.5 million sq. ft. in H1 2024, 7.4% above the five year average



ONS data shows only 11% of workers reported working exclusively from home



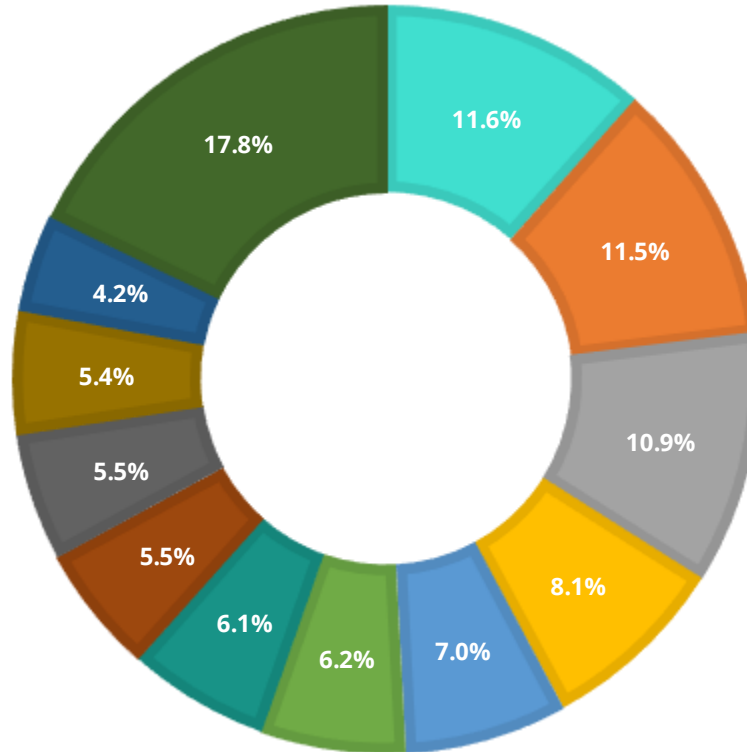
Source: CBRE, Avison Young, ONS (August 2024)

Blue Chip Tenants



De-risking through diversification – Occupier Base

- Diversified income - large tenant mix across £647.9m of assets (2023: £700.7m)
- Spread of assets – 132 properties (2023: 144)
- 832 tenants (2023: 978) across 1,305 units (2023: 1,483)
- Broad spread of tenant businesses
- A broad geographic spread
- The largest occupier represents only 2.7% of rent roll (2023: 2.5%)
- Top 15 tenants represent 22.5% of the Group's gross rent roll (2023: 21.5%)
- Largest single property accounts for only 2.8% of portfolio by value (2023: 2.8%)
- Office average rent £14.74 psf (HY 2023: £14.60 psf) remains good value
- High-quality tenants



- Information and communication
- Professional, scientific and technical activities
- Administrative and support service activities
- Wholesale and retail trade
- Financial and insurance activities
- Education
- Electricity, gas, steam and air conditioning supply
- Human health and social work activities
- Public sector
- Manufacturing
- Construction
- Other

**Other - Accommodation and food service activities, activities of extraterritorial organisations and bodies, activities of households as employers; undifferentiated goods, arts, entertainment and recreation, charity, mining and quarrying, other service activities, overseas company, public administration and defence; compulsory social security, real estate activities, registered society, transportation and storage, water supply, sewerage, waste management and remediation activities.*

ESG – Focused on delivering sustainability – Good Progress Across Portfolio

Environment

- On target to achieve current guidelines of EPC B rating by 2030
- EPC ratings progressing

Rating	31 December 2023	30 June 2024	Movement
B plus and Exempt	42.1%	56.3%	+1420bps
C	31.6%	25.5%	(614)bps
D	15.7%	11.5%	(424)bps
E and below	10.6%	6.7%	(385)bps

- Excluding Scotland:

Rating	31 December 2023	30 June 2024	Movement
B plus and Exempt	42.9%	49.2%	+630bps
C	32.4%	29.7%	(266)bps
D	15.8%	13.6%	(225)bps
E and below	9.0%	7.5%	(150)bps

- The weighted average EPC score continues to improve to C 60 (2023: C 62)
- GRESB rating two Green Stars in 2023
- CAPEX programme to H1 2024 £5.2m (2023: £10.2m) considers the choice of materials and equipment to mitigate impact and enhanced EPC rating and is in line with normal spending
- 68.7% of disposals (by floor area) had an EPC rating of D or below
- All sites visited regularly to enhance ESG standing



ESG – Focused on delivering sustainability – Good Progress Across Portfolio

Social

- Working with not-for-profit organisations
- Committed to making a positive difference in society with charitable donations; IM and AM match funding for good causes and encouraging staff to be active in their local communities
- LSPIM's dedication to supporting and empowering women through workplace culture has earned them a place on this year's UK's Best Workplaces™ for Women's list



- LSPIM certified as a 'Great Place to Work' (GPTW)







- Committed to promoting diversity in the workplace
- 80% of the Board are independent directors; 50% of the independent directors are female

Governance

- 100% independent Audit, Management Engagement and Remuneration, and the Nomination Committee
- Committed to establishing and maintaining high standards of corporate governance in line with best practice (fully AIC compliant)



Debt Facilities 30 June 2024

	Lender	Original Facility £'000	Outstanding Debt* £'000	Maturity Date	Gross loan to value** %	Annual Interest Rate %		Swaps\Caps: Notional £'000	Swap Rates Blend %
	Royal Bank of Scotland, Bank of Scotland & Barclays	128,000	115,961	Aug-26	56.1	2.40	Over 3mth £ SONIA	71,000 44,961	0.97 0.97
	Scottish Widows Ltd. & Aviva Investors Real Estate Finance	165,000	147,500	Dec-27	54.8	3.28	Fixed	n/a	
	Scottish Widows Ltd	36,000	36,000	Dec-28	48.8	3.37	Fixed	n/a	
	Santander UK	65,870	53,852	Jun-29	53.5	2.20	Over 3mth £ SONIA	45,522 8,529	1.39 1.39
		394,870	353,313						
	Retail Eligible Bond	50,000	50,000	Aug-24	n/a	4.50	Fixed		
		444,870	403,313						

Weighted Average Debt Duration

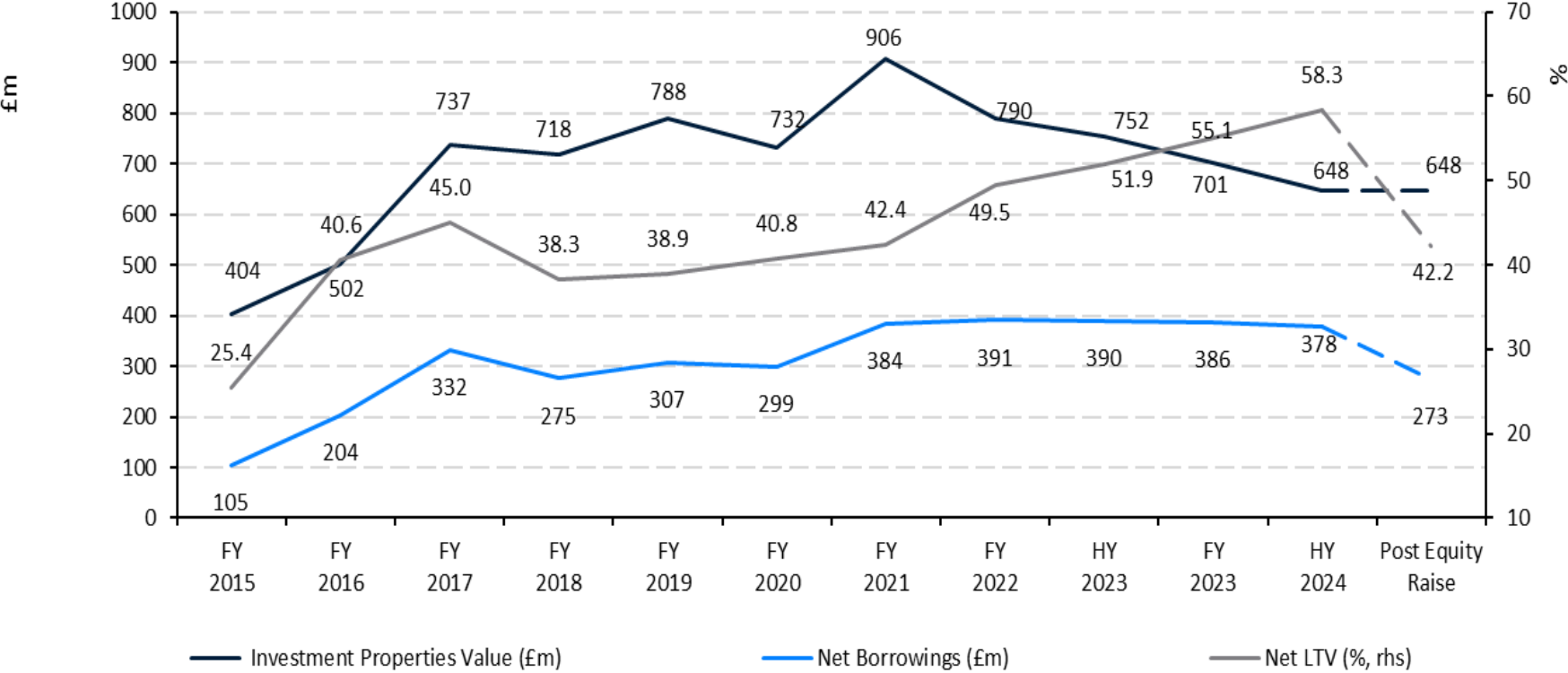
3.0 years

Weighted Average Cost of Debt

3.5%

*Before unamortised debt issue costs ** Based on Colliers International Property Consultants property valuations 30 June 2024

Net LTV – Proforma Post Equity Raise



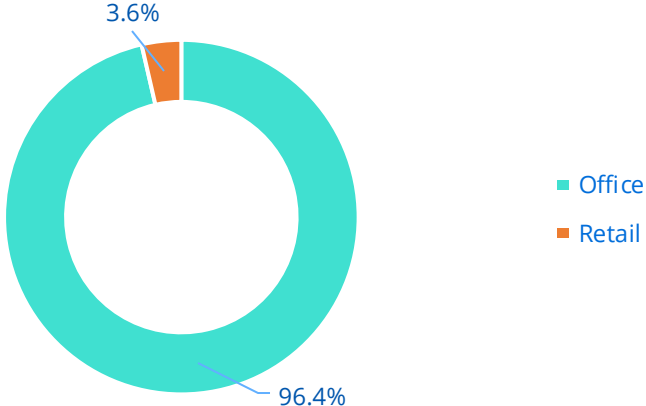
Summary – Disposal Programme Update

- Disposals totalled **£21.9m** (net of costs)
- Reflecting an **average net initial yield of 9.3% (10.7% excluding vacant assets)**
- 12 assets and 3 part sales in total during H1 2024
- Disposals of non-core and assets at the end of their business plans
- 40.0% vacancy rate for H1 2024 disposals
- 68.5% of disposals (by floor area) had an EPC rating of D or below

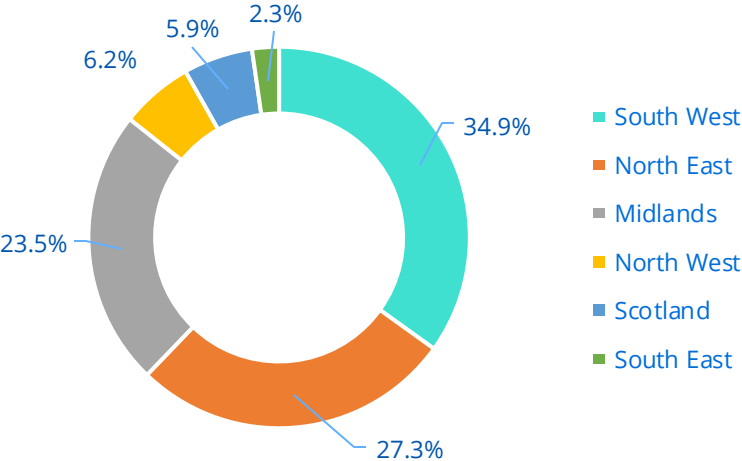
Future asset disposal programme of 54 assets totalling c. £106m. These comprise:

- 2 disposals contracted for c. £1.5 million
- 10 disposals totalling c. £12.4 million under offer and in legal due diligence
- 7 further disposals totalling c. £10.4 million are in negotiation
- 7 further disposals totalling c. £9.1 million are on the market
- 28 potential disposals totalling c. £73 million are being prepared for the market

H1 2024 Disposals by Sector



H1 2024 Disposals by Region





Summary of the Equity Capital Raise & Outlook

Key highlights of the £110m fully underwritten capital raise

Structure

- Fully pre-emptive
- Open offer
- Fully underwritten

→ 15 new ordinary shares for every 7 existing ordinary shares

Underwriter

- Bridgemere Group
- A board position appointment

→ Founder Steve Morgan CBE

→ Companies include: house building, property development and leisure

→ Cornerstone investor in legacy funds which consolidated into Regional REIT

→ Holding 18.7%

Pricing

- Issue Price 10.0p

Consolidation

- 1:10
- Effective date 29 Jul 2024

→ Increasing liquidity

Dividend

- Q2-Q4 2024
6.6p (post consolidation basis)

→ Fully covered dividend

Use of capital raise £110.5m gross proceeds



Repaid £50m retail bond August 2024



c. £26m to reduce bank borrowings - resulting in greater covenant headroom



Significantly reduce the LTV towards the long term target of 40%



c. £28m for accretive CAPEX and expenses

Proforma Statement of Financial Position - Post Equity Raise

	30 June 2024 £m	Net Proceeds £m	Bond Repayment £m	30 June 2024 (Post) £m
Total Assets	729.7	104.7	(50.0)	784.4
Total Liabilities	(463.1)	-	50.0	413.1
Net Assets	266.6	104.7	-	371.3
Total Equity	266.6	104.7	-	371.3
LTV	58.8%			42.2%
Shares in issue	515,736,583			162,088,483
IFRS (pence)	51.7p			229.1p
EPRA NTA (pence)	48.8p			219.8p

Outlook

Balance Sheet

- Short term liability removed
- Senior liability well managed
- Continued measured disposal programme

- LTV pressure removed (c. 42%)
- Greater financial flexibility and liquidity headroom

Revenue

- Rent collection remains strong
- ERV inflationary lag feeding through

- Evidenced over the life of the fund

CAPEX

- Enables product offering to be repositioned to match demand

- Ability to deliver rental growth and reduce vacancy

Board

- A Board position for Bridgemere

- Board changes in accordance with good governance Kevin McGrath (Chairman) and Dan Taylor

Dividend

- In accordance with UK REIT regime

- 90% Property Income distribution
- Retain income for CAPEX and reduce LTV

SUMMARY & FOCUS

- De-risked balance sheet
- Disposal of non-core assets
- Accretive CAPEX
- Grow the rent roll

- Stronger balance sheet
- Reduce LTV to longterm target of 40%
- Increase occupancy
- Providing vibrant customer led spaces



Appendix

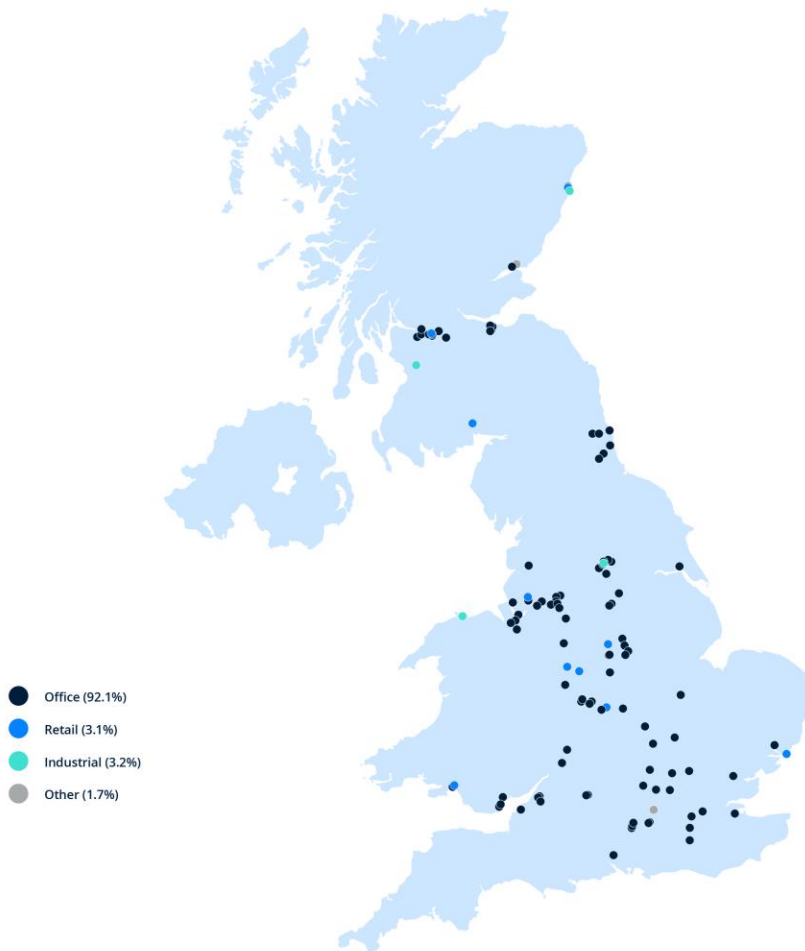
- **Property Portfolio**
- **Portfolio Activity**
 - Asset Management Initiatives (CAPEX)
 - Disposals
- **Financial Information**
- **Performance**



Property Portfolio

Overview – Specialised Platform and Geographically Diverse Portfolio

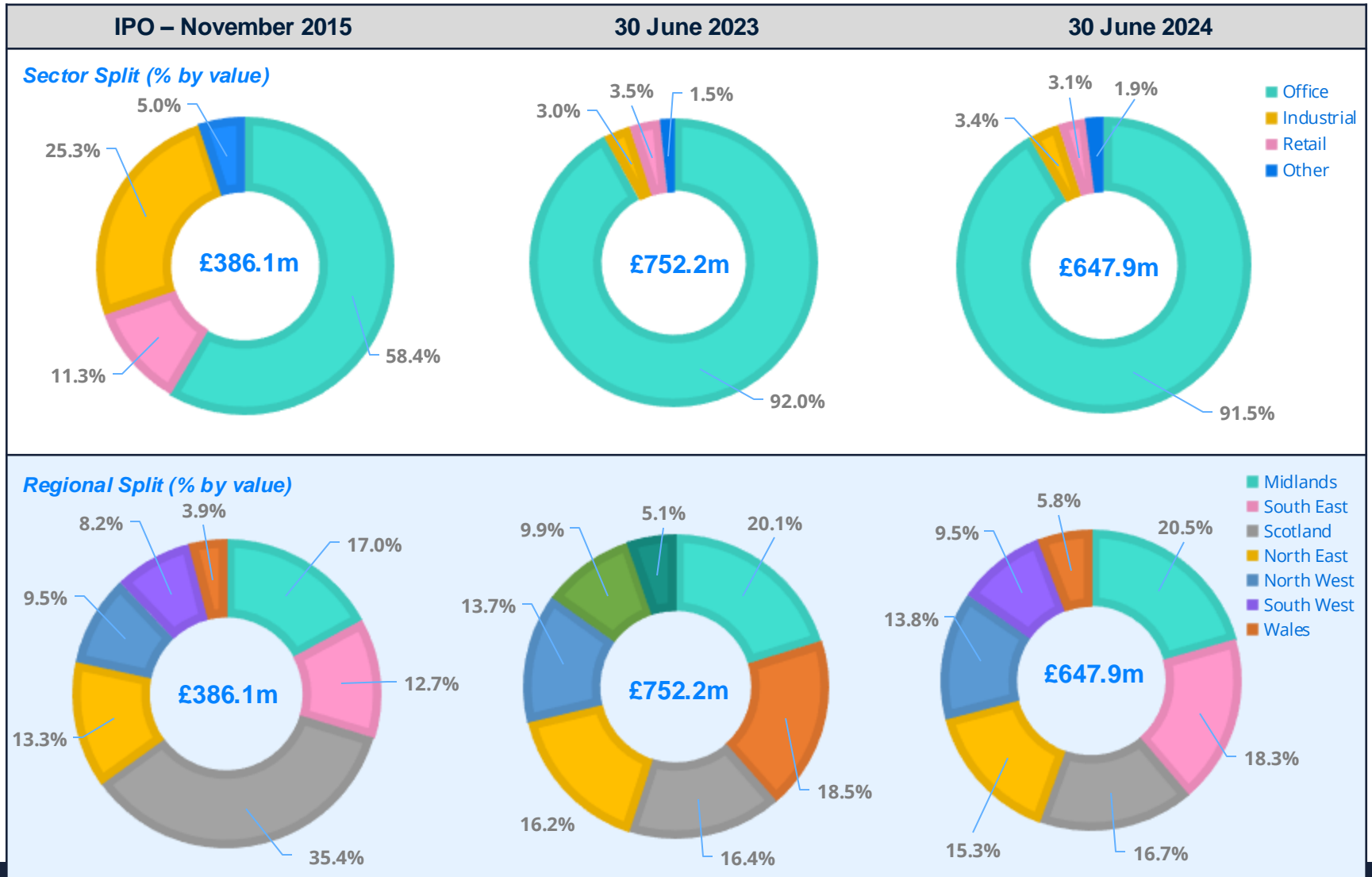
UK property locations
as at 30 June 2024



Portfolio details
as at 30 June 2024

Sector	Properties	Valuation (£m)	% by valuation	Capital Values (£psf)
Office	113	592.8	91.5	114.02
Retail	13	20.4	3.1	76.82
Industrial	4	22.3	3.4	53.12
Other	2	12.5	1.9	131.81
Total	132	647.9	100.0	108.38

£647.9m Property Portfolio (H1 2023: £752.2m)



Diversified Income Stream

Portfolio details at 30 June 2024

Sector	Properties	Valuation (£m)	% by valuation	Sq. ft. (mil)	Occupancy (EPRA) (%)	WAULT to first break (yrs)	Gross rental income (£m)	Average rent (£psf)	ERV (£m)	Capital rate (£psf)	Yield (%)		
											Net initial	Equivalent	Reversionary
Office	113	592.8	91.5	5.2	77.0	2.8	57.7	14.74	78.3	114.02	6.0	10.3	11.5
Retail	13	20.4	3.1	0.3	94.0	3.2	2.7	11.09	2.3	76.82	8.8	9.4	9.9
Industrial	4	22.3	3.4	0.4	85.3	4.6	1.9	5.38	2.2	53.12	6.0	7.8	8.2
Other	2	12.5	1.9	0.1	98.5	10.0	1.1	12.48	0.9	131.81	8.3	8.1	6.8
Total	132	647.9	100.0	6.0	78.0	3.0	63.5	13.77	83.7	108.38	6.1	10.2	11.2

Region	Properties	Valuation (£m)	% by valuation	Sq. ft. (mil)	Occupancy (EPRA) (%)	WAULT to first break (yrs)	Gross rental income (£m)	Average rent (£psf)	ERV (£m)	Capital rate (£psf)	Yield (%)		
											Net initial	Equivalent	Reversionary
Scotland	29	108.3	16.7	1.1	72.8	4.0	10.3	13.34	16.3	95.16	4.8	10.7	12.0
South East	26	118.6	18.3	0.9	77.7	2.8	11.5	16.48	15.5	127.72	6.1	10.0	11.2
North East	19	99.4	15.3	0.8	76.8	2.7	9.0	13.40	11.7	117.13	5.6	9.7	10.7
Midlands	23	132.9	20.5	1.3	81.9	3.4	14.0	12.84	17.0	99.31	7.0	10.3	11.3
North West	17	89.6	13.8	0.9	72.4	1.8	9.0	13.48	12.0	100.74	6.0	10.6	11.9
South West	12	61.7	9.5	0.4	85.4	2.3	5.9	17.46	7.1	154.11	7.1	10.1	10.8
Wales	6	37.5	5.8	0.4	87.6	3.4	3.7	10.13	4.1	86.11	7.5	9.0	9.5
Total	132	647.9	100.0	6.0	78.0	3.0	63.5	13.77	83.7	108.38	6.1	10.2	11.2

Table may not sum due to rounding.

Top 15 Investments (Market Value)

Property	Sector	Anchor tenants	Market value (£m)	% of portfolio	Lettable area (Sq Ft)	EPRA Occupancy (%)	Annualised gross rent (£m)	% of gross rental income	WAULT to first break (years)
Eagle Court, Coventry Road, Birmingham	Office	Virgin Media Ltd, Rexel UK Ltd, Goldbeck Construction Ltd	18.3	2.8	132,690	54.5%	1.3	2.1	3.1
Hampshire Corporate Park, Eastleigh	Office	Aviva Central Services UK Ltd, Lloyd's Register EMEA, Complete Fertility Ltd, Silverstream Technologies (UK) Ltd	17.8	2.7	84,043	100.0%	1.8	2.8	3.2
300 Bath Street, Glasgow	Office	University of Glasgow, Glasgow Tay House Centre Ltd, Fairhurst Group LLP, London & Scottish Property Investment Management	17.5	2.7	156,853	84.0%	1.2	1.9	1.4
Norfolk House, Smallbrook Queensway, Birmingham	Office	Global Banking School Ltd, Accenture (UK) Ltd	17.2	2.7	118,530	98.9%	1.9	3.1	6.6
800 Aztec West, Bristol	Office	NNB Generation Company (HPC) Ltd, EDF EPR Engineering UK Ltd	16.2	2.5	73,292	100.0%	1.5	2.4	2.3
Manchester Green, Manchester	Office	Chiesi Ltd, Ingredion UK Ltd, Assetz SME Capital Ltd, Contemporary Travel Solutions Ltd	15.2	2.3	107,760	79.3%	1.5	2.3	2.2
Beeston Business Park, Nottingham	Office/ Industrial	Metropolitan Housing Trust Ltd, SMS Electronics Ltd, SMS Product Services Ltd	15.2	2.3	215,330	56.3%	1.1	1.7	5.5
Orbis 1, 2 & 3, Pride Park, Derby	Office	First Source Solutions UK Ltd, DHU Health Care C.I.C., Tentamus Pharma (UK) Ltd	13.7	2.1	121,883	100.0%	1.8	2.9	2.9
Oakland House, Manchester	Office	Please Hold (UK) Ltd, A.M.London Fashion Ltd, CVS (Commercial Valuers & Surveyors) Ltd	12.9	2.0	161,502	80.8%	1.1	1.8	1.7
Lightyear - Glasgow Airport, Glasgow	Office	Loganair Ltd, Rolls-Royce Submarines Ltd, Heathrow Airport Ltd	12.2	1.9	73,499	95.5%	1.4	2.2	5.0
Linford Wood Business Park, Milton Keynes	Office	IMServ Europe Ltd, Senceive Ltd, Aztech IT Solutions Ltd, Autotech Recruit Ltd	12.1	1.9	107,352	100.0%	1.4	2.2	2.1
Ashby Park, Ashby De La Zouch	Office	Ashfield Healthcare Ltd, Ceva Logistics Ltd, Brush Electrical Machines Ltd	11.7	1.8	87,872	100.0%	1.2	1.9	3.4
Portland Street, Manchester	Office	Evolution Money Group Ltd, Mott MacDonald Ltd, NCG (Manchester) Ltd, Simard Ltd	11.5	1.8	55,787	95.9%	1.1	1.7	1.5
Capitol Park, Leeds	Office	Hermes Parcelnet Ltd, BDW Trading Ltd	10.9	1.7	86,758	50.2%	0.7	1.1	3.4
1-4 Llansamlet Retail Park, Nantyllyn Rd, Swansea	Retail	Wren Kitchens Ltd, NCF Furnishings Ltd, A Share & Sons Ltd, Carpetright Ltd	10.5	1.6	74,425	100.0%	1.2	1.9	2.4
Total			212.7	32.8	1,657,576	84.9%	20.4	32.1	3.2

Table may not sum due to rounding.

Top 15 Occupiers (Share of Rental Income)

Tenant	Property	Sector	WAULT to first break (years)	Lettable area (Sq Ft)	Annualised gross rent (£m)	% of Gross rental income
EDF Energy Ltd	800 Aztec West, Bristol	Electricity, gas, steam and air conditioning supply	5.0	109,114	1.7	2.7
Global Banking School Ltd	Endeavour House, Sunderland Norfolk House, Smallbrook Queensway, Birmingham	Education	8.4	73,628	1.4	2.2
Virgin Media Ltd	Eagle Court, Coventry Road, Birmingham Southgate Park, Peterborough	Information and communication	3.2	75,309	1.3	2.1
Secretary of State for Housing, Communities and Local Government	1 Burgage Square, Merchant Square, Wakefield Albert Edward House, Preston Bennett House, Stoke On Trent Oakland House, Manchester Origin (Office), Bracknell Waterside Business Park, Swansea	Public sector	4.6	116,238	1.2	1.9
Firstsource Solutions UK Ltd	Orbis 1, 2 & 3, Pride Park, Derby	Administrative and support service activities	2.8	62,433	1.0	1.6
E.ON UK Plc	E.ON UK Plc	Electricity, gas, steam and air conditioning supply	0.8	99,142	0.9	1.5
Shell Energy Retail Ltd	Columbus House, Coventry	Electricity, gas, steam and air conditioning supply	0.5	53,253	0.9	1.4
NNB Generation Company (HPC) Ltd	800 Aztec West, Bristol	Electricity, gas, steam and air conditioning supply	1.6	41,743	0.9	1.4
SPD Development Company Ltd	Clearblue Innovation Centre, Bedford	Professional, scientific and technical activities	9.5	58,167	0.8	1.3
Aviva Central Services UK Ltd	Hampshire Corporate Park, Eastleigh	Other service activities	1.4	42,612	0.8	1.2
Odeon Cinemas Ltd	Kingscourt Leisure Complex, Dundee	Information and communication	11.3	41,542	0.8	1.2
Care Inspectorate	Compass House, Dundee Quadrant House, Dundee	Public sector	3.8	51,852	0.7	1.1
Please Hold (UK) Ltd	Oakland House, Manchester	Professional, scientific and technical activities	1.2	60,362	0.6	1.0
SpaMedica Ltd	1175 Century Way, Thorpe Park, Leeds Albert Edward House, Preston Fairfax House, Wolverhampton Southgate Park, Peterborough The Foundation Chester Business Park, Chester	Human health and social work activities	2.5	40,529	0.6	1.0
University of Glasgow	300 Bath Street, Glasgow	Education	0.2	29,885	0.6	0.9
Total			4.1	955,809	14.3	22.5

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Investment Property Activity

Investment properties bridge 30 June 2024 (£m)

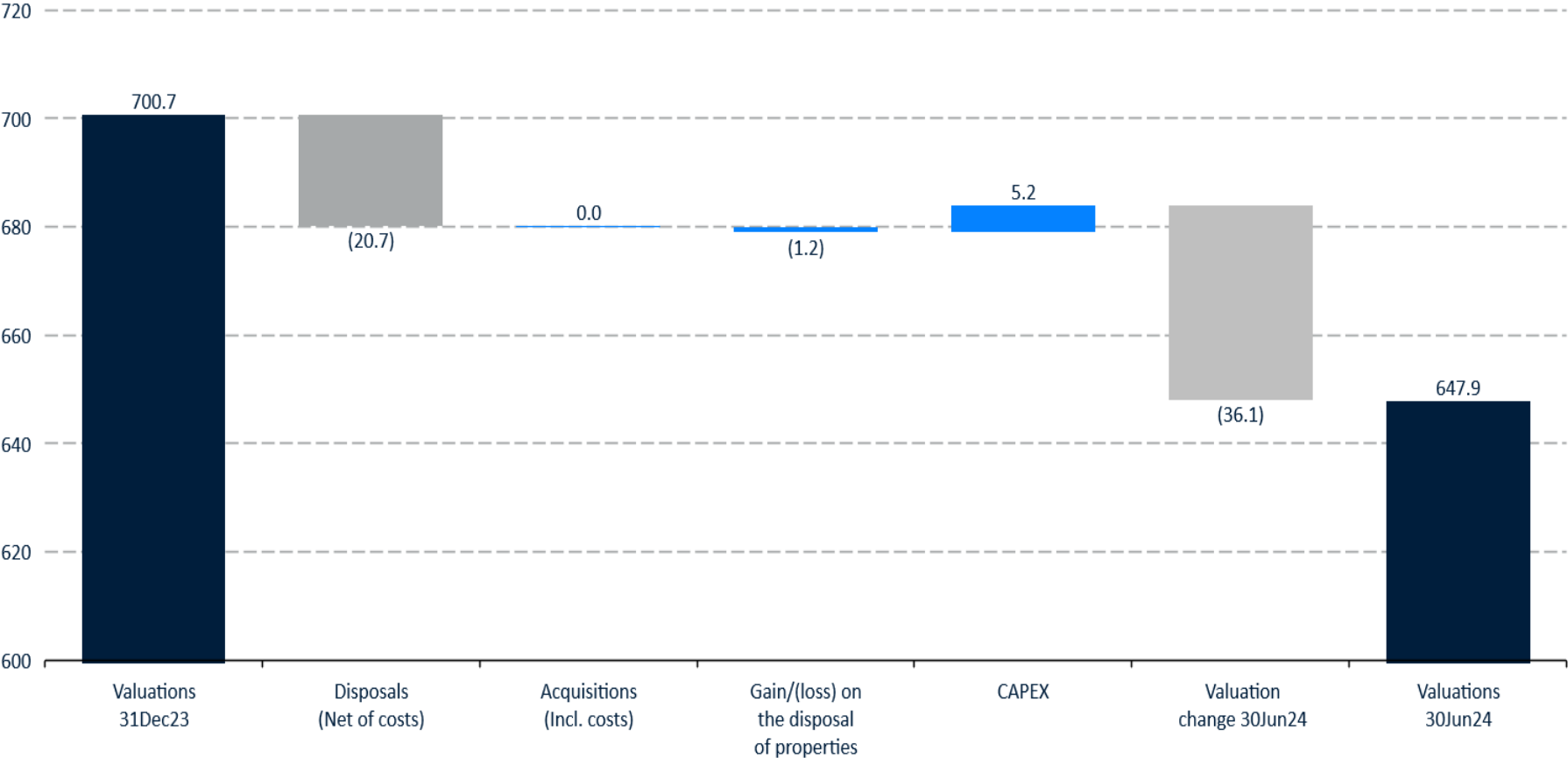


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Geographically Diversified Office Led Portfolio Focused on the UK Regions

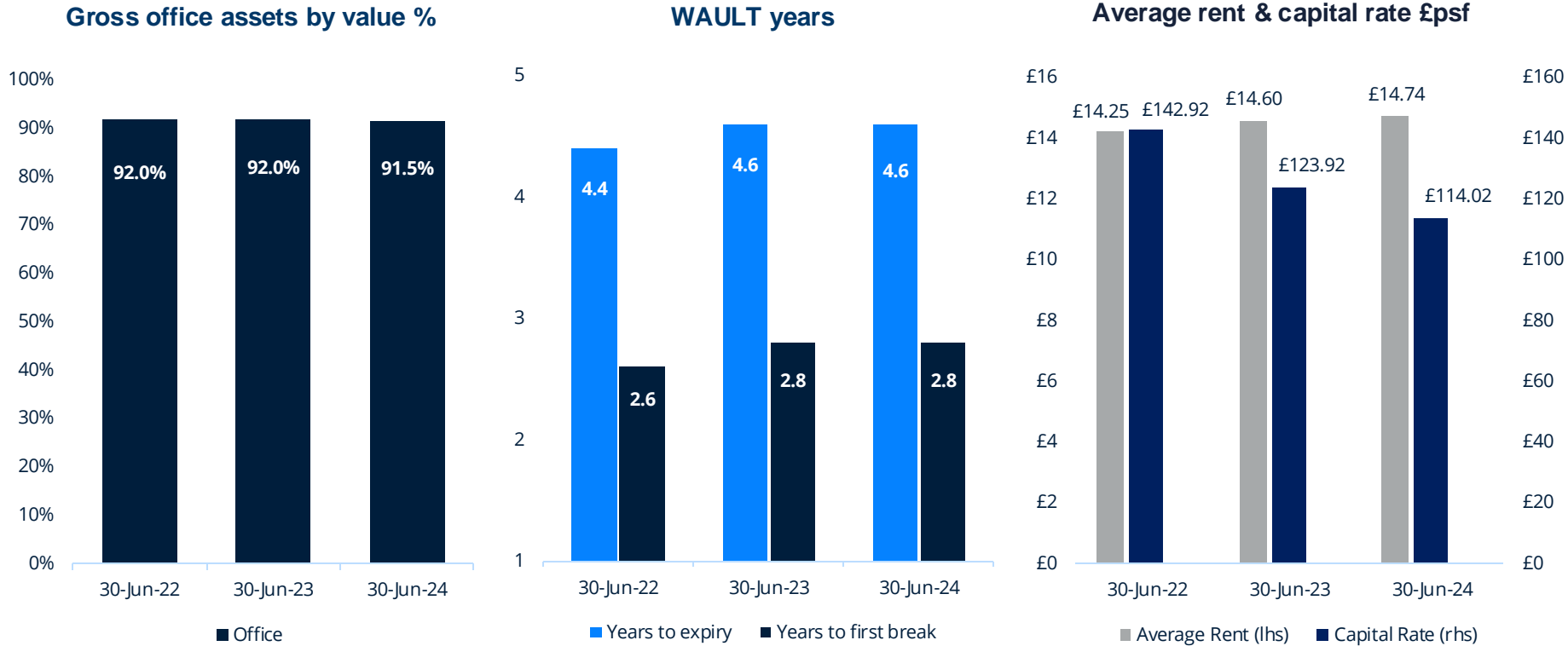
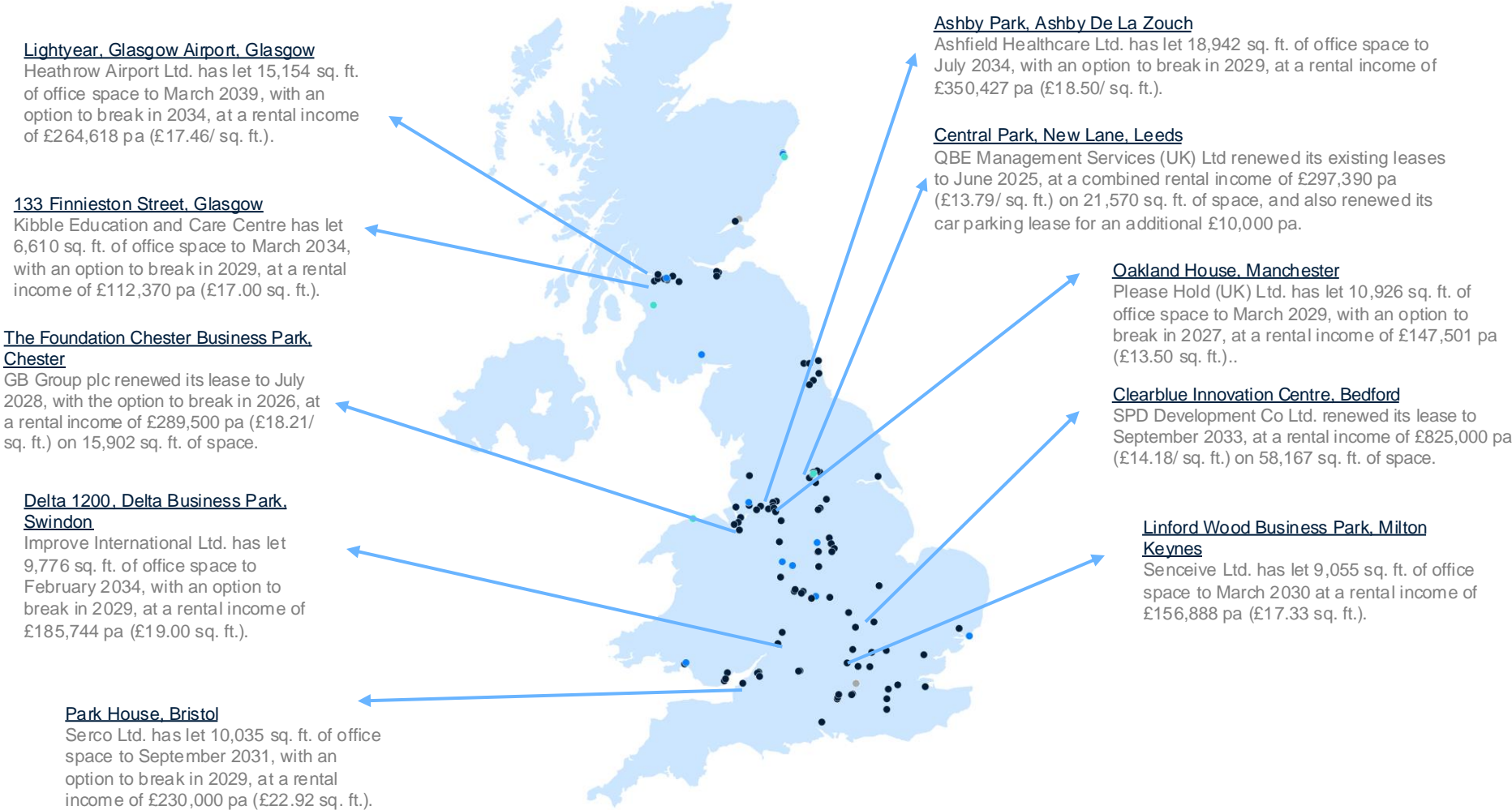


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H1 2023 Portfolio Highlights

Major lettings and renewals successfully secured across the regions



Rent Collections – remain strong

Rent collected vs invoiced (%)

2023

2024

(%)	Q1	Q2	2023 Total	Q1	Q2	2024 Total
Rent Paid	99.5	98.2	98.8	98.2	97.8	98.0

Quarterly rental invoices include contractual rent for the proceeding quarter as at 30.08..2024



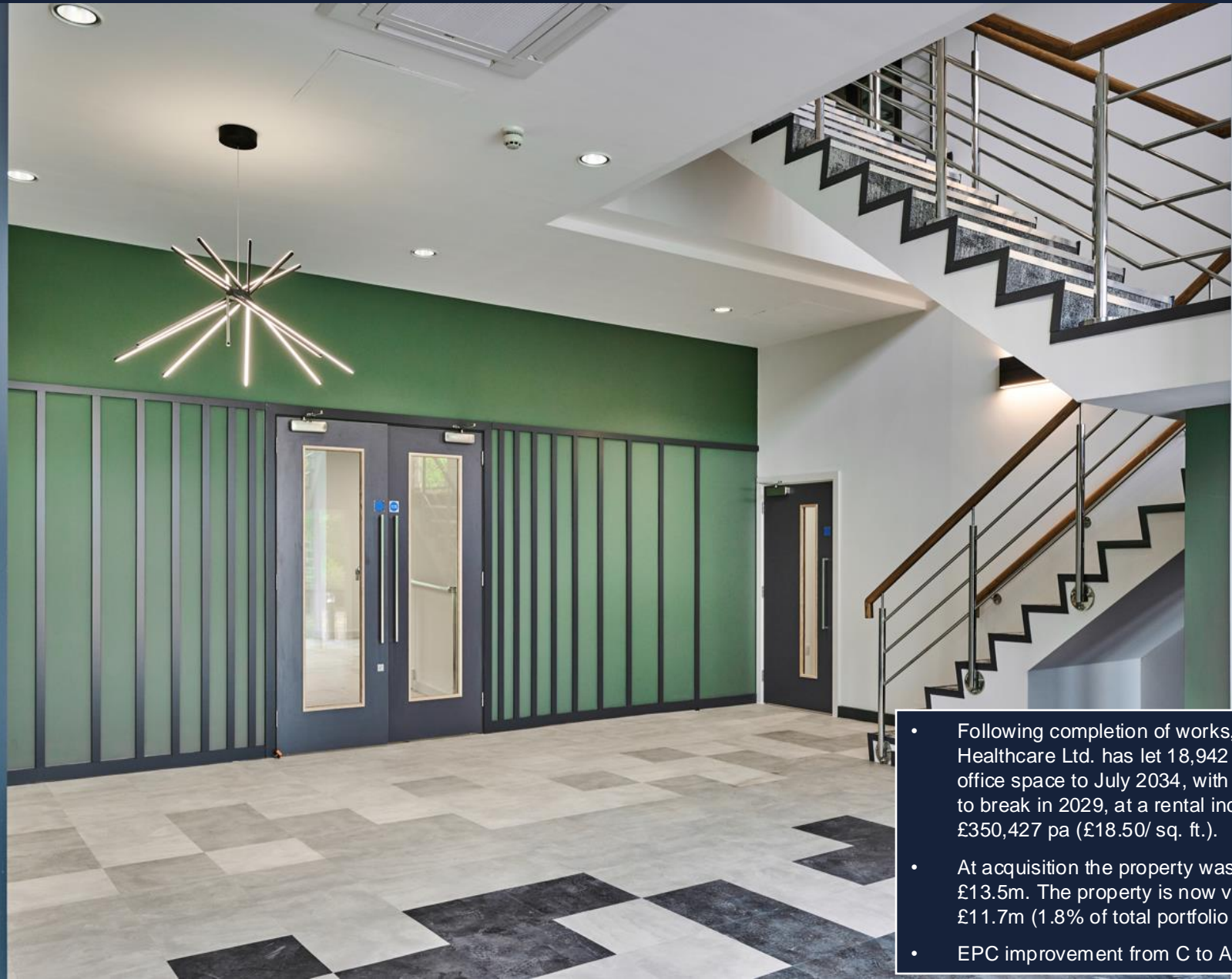
Portfolio Activity – Asset Management Initiatives (CAPEX)

BEFORE: Ashby Park, Ashby De La Zouch



- Acquired in March 2017
- Approximately £2.6 million has been spent on refurbishing a 1990's office building which was being utilised by the former tenant as a hybrid unit with light industrial on ground floor and offices on first floor. The refurbishment converted the entire building to offices across both floors. A new entrance reception was added at the front of the building. The office space was extensively refurbished with brand new M&E including a brand new air conditioning system with exposed services on both ground and first floors, the first floor had a vaulted ceiling finish which looks incredibly impressive. As part of the refurbishment the EPC was improved to A (18)

AFTER: Ashby Park, Ashby De La Zouch



- Following completion of works, Ashfield Healthcare Ltd. has let 18,942 sq. ft. of office space to July 2034, with an option to break in 2029, at a rental income of £350,427 pa (£18.50/ sq. ft.).
- At acquisition the property was valued at £13.5m. The property is now valued at £11.7m (1.8% of total portfolio value)
- EPC improvement from C to A

BEFORE: Hampshire Corporate Park, Eastleigh



- Acquired in January 2015
- Q2 2023 Refurbishment of the remaining 1st floor void unit and common parts complete to provide high quality office space and building wide amenities for tenant. These include, 12 on site electrical car charges, new male, female, and gender-neutral showers, WC's and changing facilities, internal secure lockers and bike racks, internal and external space for tenants to meet and relax, high quality reception and new landscaped areas

AFTER: Hampshire Corporate Park, Eastleigh



- At acquisition the property was valued at £14.0m. The property is now valued at £19.0m (2.7% of total portfolio value)
- The asset is now fully let with an annual rent roll of £1.8m
- EPC improvement from C to B

BEFORE: Coach Works, Leeds



- Acquired in 2013, the building is well located in Leeds City Centre in the heart of Leeds creative quarter
- Extensive refurbishment project undertaken to reposition the property in the market. Phase 1 element covering a total of 20,126 sq. ft. of refurbishment costing £2.2m
- The Phase 2 refurbishment of just under 3,000 sq. ft. of office space in CW 1 refurbished along with a brand new reception at a total cost of £0.5m

AFTER: Coach Works, Leeds



- In 2015 the property valued at £8.0m. The property is now valued at £10.7m (1.5% of total portfolio value)
- The Coach Works is now 82.4% let with an annual rent roll of £0.9m
- EPC improvement from C to B

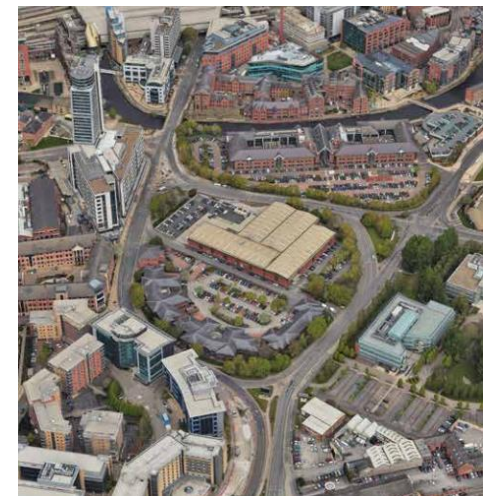
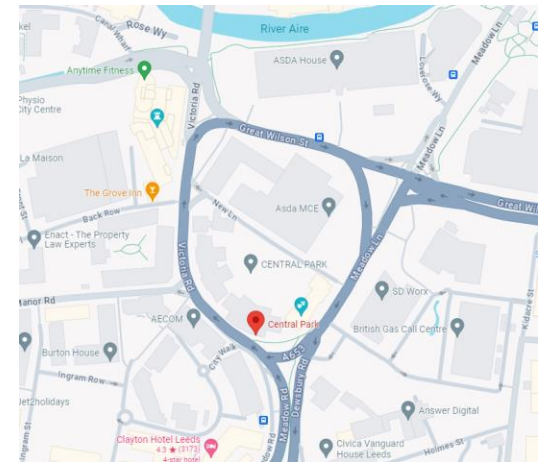
AFTER: Coach Works, Leeds



Examples of future CAPEX

Central Park/Victoria Park, Leeds

- Cap ex – est £350k - £500k (fees)
- Project – c. 7-acre island site situated to south of river within 5 min walk of Leeds Station. Sites currently remain safeguarded for HS2. Planning advice sought from Quod advises if it was not for the existence of the HS2 Safeguarding Direction then the planning prospects of securing permission for a high density comprehensive mixed-use development of up to 14 storeys/1000 units would be good
- Asset Management – Central Park – 3 x 2-storey pavilion offices providing 57,674 sq ft/current vacancy 27% rising to 64% by June 25 at the latest
- Current values – Central Park £8.45M/Victoria Park £5m – combined £13.45m
- Indicative GDV - £200m plus



Examples of future CAPEX



**Eagle Court,
Birmingham**

- **Total cost: £4.2m**
- **Detail of works:**
 - Tenant Wellness Hub | £440k
 - Reception & Common Areas | £65 psf
 - CAT A refurb incl. new VRF (Total est. £2.9m)



**Chilworth House,
Eastleigh**

- **Total cost: £3.5m**
- **Detail of works:**
 - Improvement and ESG works required to secure ongoing occupation of Aviva for 10-year lease with break at year 5



**Clearblue Innovation
Centre, Bedford**

- **Total cost: £0.8m**
- **Detail of works:**
 - EPC improvement works as part of agreed terms for 10-year lease extension



**Linford Wood, Milton
Keynes**

- **Total cost: £2.5m**
- **Detail of works:**
 - Progress AC replacement to renew tenant leases
 - Update common areas to progress managed space leases, improve rents; introduce amenity block to increase attractiveness
 - General site improvements due to age of development



Disposals



Miller Court, Tewkesbury

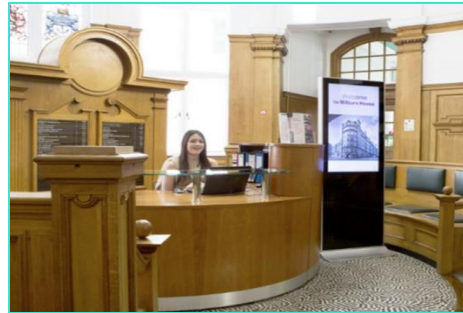
- Acquired in December 2017 for £7.0m
- Sold for £5.7m. This represents a substantial uplift of 5.6% against the most recent valuation at 31 December 2023.
- The 48,090 sq. ft. of business park office space comprising of 20 individual units let on 17 separate leases. The property is let to a diverse range of tenants including Weird Fish Ltd, Freeman Technology and Sky Garden Ltd.



Acquisition Price	£7.0m
Valuation Dec 23	£5.4m
Sale Price (before costs)	£5.7m
Net Initial Yield	10.5%
Uplift against Dec 23 value	5.6%

Milburn House, Newcastle

- Acquired in June 2013 for £3.0m
- The 112,124 sq. ft. office property was multi-let to 34 tenants at time of disposal
- Over the period of ownership of this property, the asset manager completed a number of new lettings and lease renewals
- The site was sold in February 2024 for £3.0m, in line with pre-sale valuation



Acquisition Price	£3.0m
Valuation Dec 23	£3.0m
Sale Price (before costs)	£3.0m
Net Initial Yield	13.0%
Uplift against Dec 23 value	0.0%



Financial Information

Delivering on Strategy

Portfolio – Active management

	Dec 2023	Jun 2024	Change
Investment Property*	£700.7m	£647.9m	(£52.8m)
Acquisitions before costs	-	-	-
Acquisition Net Initial Yield	-	-	-
Disposals net of costs	£25.0m	£20.7m	(£4.3m)
Disposal Net Initial Yield	4.9%	9.3%	4.4pp
CAPEX	£10.2m	£5.2m	(£5.0m)

Portfolio diversification

Office	92.1%	91.5%	(0.6pp)
Scotland**	16.2%	16.7%	0.5pp

Debt

Weighted Average Cost of Debt	3.5%	3.5%	-
Weighted Average Duration	3.5yrs	3.0yrs	(0.5yrs)
Fixed and hedged	100.0%	100.0%	-

Return

Total Accounting Return since IPO***	12.7%	7.5%	(5.2pp)
Total EPRA Annual Accounting Return	1.5%	0.8%	(0.7pp)
Dividends declared HY (29 July '24 share consolidation 10:1)	2.85p	Q1: 1.20pps Q2: 2.20pps	N/A

* Per Colliers International Property Consultants Valuation of £647.925m excl. adjustment for Accounting treatment under IAS 40 amounting to £14.8m) **Long term exposure target to Scotland of 15% ***IPO 06.11.2015 – NAV plus dividend pps;
'pp': percentage points

Financial – Statement of Comprehensive Income

	Half Year End 2023 (£0,000)	Half Year End 2024 (£'000)	Change (£'000)*
Rental and property income	44,415	44,232	(183)
Property costs	(18,438)	(20,403)	(1,965)
Net rental and property income	25,977	23,829	(2,148)
Administrative & other expenses	(5,341)	(4,724)	617
Operating profit (loss) before gains/(losses) on property assets/other investments	20,636	19,105	(1,531)
Gains(loss) on the disposal of investment properties & right of use asset	(403)	(1,156)	(753)
Change in fair value of investment properties & of right of use asset	(29,560)	(37,927)	(8,367)
Operating profit/(loss)	(9,327)	(19,978)	(10,651)
Net finance income/expense, impairment of goodwill and net movement in fair value of derivative financial instruments	(2,808)	(7,133)	(4,325)
Profit/(loss) before tax	(12,135)	(27,111)	(14,976)
Taxation	-	-	-
Profit/(loss) after tax for the period (attributable to equity shareholders)	(12,135)	(27,111)	(14,976)
Earnings/(losses) per share – basic	(2.4)p	(5.3)p	(2.90)p
Earnings/(losses) per share - diluted	(2.4)p	(5.3)p	(2.90)p
EPRA earnings/(losses) per share – basic*	2.5p	2.1p	(0.40)p
EPRA earnings/(losses) per share – diluted*	2.5p	2.1p	(0.40)p

Table may not sum due to roundings.
* Pre 1 for 10 share consolidation on 29 July 2024

Financial – Statement of Financial Position

	Year-end Dec 2023 (£'000)	Half year-end Jun 2024 (£'000)	Change		Year-end Dec 2023 (£'000)	Half year-end Jun 2024 (£'000)	Change
Assets Non-current Assets				Liabilities			
Investment properties*	687,695	633,166	(54,529)	Current liabilities	(99,251)	(103,215)	(3,964)
Right of use assets	10,987	10,918	(69)				
Other non-current assets and derivative financial instruments	16,394	16,041	(353)	Non-current liabilities			
				Bank and loan borrowings - non current	(365,603)	(348,427)	17,176
Current assets				Lease liabilities	(11,475)	(11,460)	15
Current assets	32,837	43,887	11,050	Total liabilities	(476,329)	(463,102)	13,227
Cash and cash equivalents	34,505	25,690	(8,815)	Net assets	306,089	266,600	(39,489)
Total assets	782,418	729,702	(52,716)	Share capital	513,762	513,762	-
				Retained earnings/accumulated (losses)	(207,673)	(247,162)	(39,489)
				Total equity	306,089	266,600	(39,489)
				Net assets per share – basic	59.3p	51.7p	(7.6p)
				Net assets per share – diluted	59.3p	51.7p	(7.6p)
				EPRA net tangible value per share **	56.4p	48.8p	(7.6p)

*£647.925m (Colliers International Property Consultants Valuation of £647.925m less adjustment for Accounting treatment under IAS 40 amounting to £14.8m)

**EPRA Net Reinstatement Value(NRV): 30 June 2024 57.1p (31 December 2023: 65.3p); Net Disposal Value(NDV): 30 June 2024 53.4p (31 December 2023: 62.2p)

Cash Flow

Cash bridge 30 June 2024 (£m)

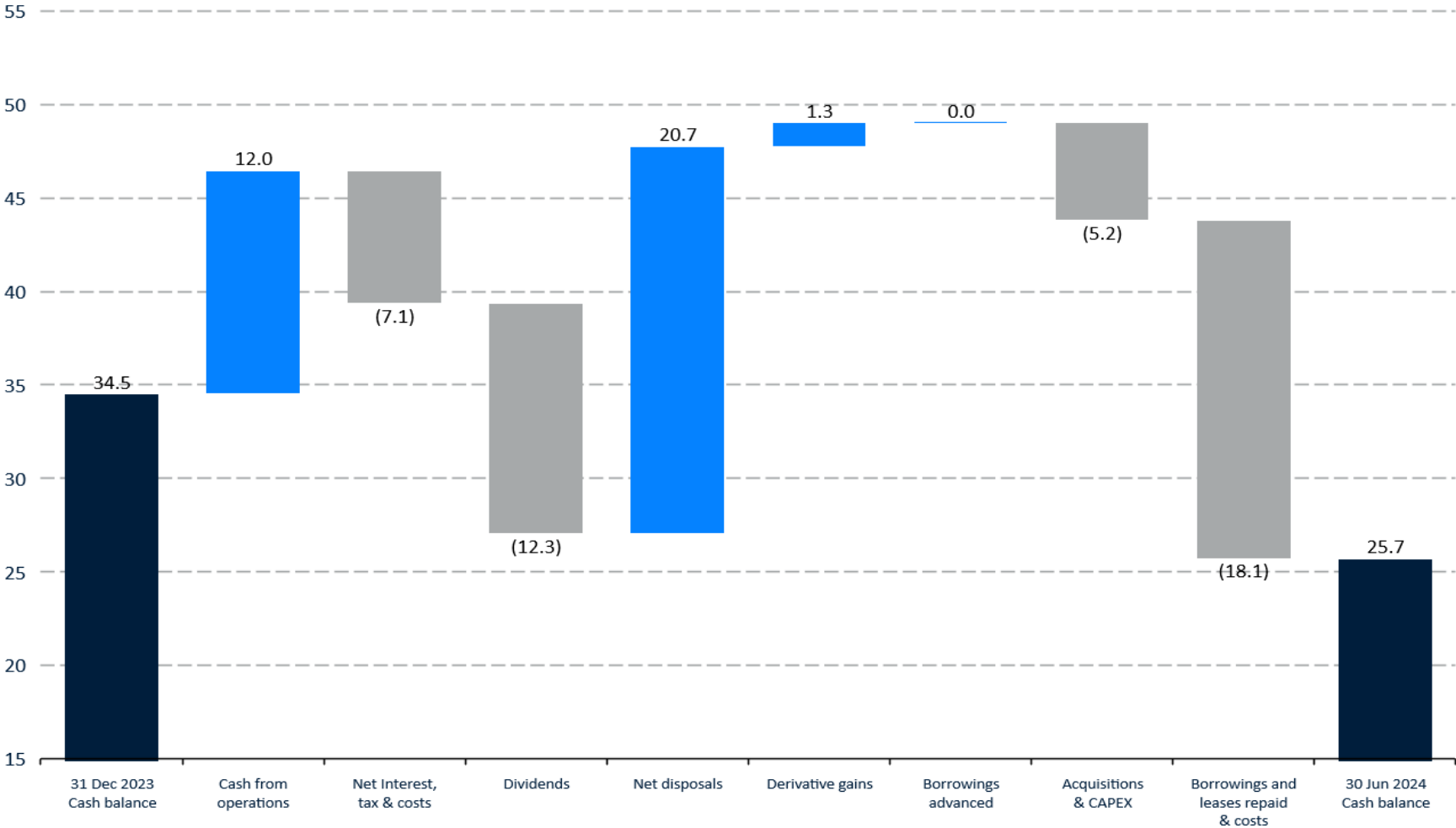


Table may not sum due to rounding.

Income and Cost Focused

	Half year-ended 30 June 2023	Half year-ended 30 June 2024	Change*
Net rental and property income	£34.3m	£32.2m	(£2.1m)
Operating profit before gains/losses on property assets/other investments	£20.6m	£19.1m	(£1.5m)
IFRS EPS	(2.4p)	(5.3p)	(2.9p)
EPRA EPS**	2.5p	2.1p	(0.4p)
EPRA cost ratio (incl. direct vacancy costs)	39.9%	40.6%	+0.7pps
EPRA cost ratio (excl. direct vacancy costs)	17.3%	13.4%	(3.9pps)
Dividend declared for the period (Post equity raise and 1 for 10 share consolidation)	2.85p	Q1 '24: 1.20p Q2 '24: 2.20p	N/A

- Rental income continues to remain robust. If the portfolio was fully occupied per Colliers International Property Consultants view of market rents the Rent roll at 30 Jun 2024 would be £83.7m pa. (31 Dec 2023: £87.0m)**
- The EPRA cost ratio (incl. direct vacancy costs) increased ostensibly due to an increase in the level of property expenses incurred relative to the level of rental income.
- Loss before tax 30 Jun 2024 £27.1m (30 Jun 2023: loss £12.1m); including loss on the disposal of investment properties £1.2m (30 Jun 2023: loss £0.4m) and loss in the change in fair value of investment properties of £37.9m (30 Jun 2024: loss £29.5m).
- EPRA EPS 30 June 2024 2.1p (30 Jun 2023: 2.5p) paying a Q1 '24 dividend of 1.20p and Q2 '24 dividend post equity capital raise and one for ten share consolidation of 2.20p

*Rounded to whole numbers

**Excluding service charge income and other similar items

pps: percentage points

Financial Position

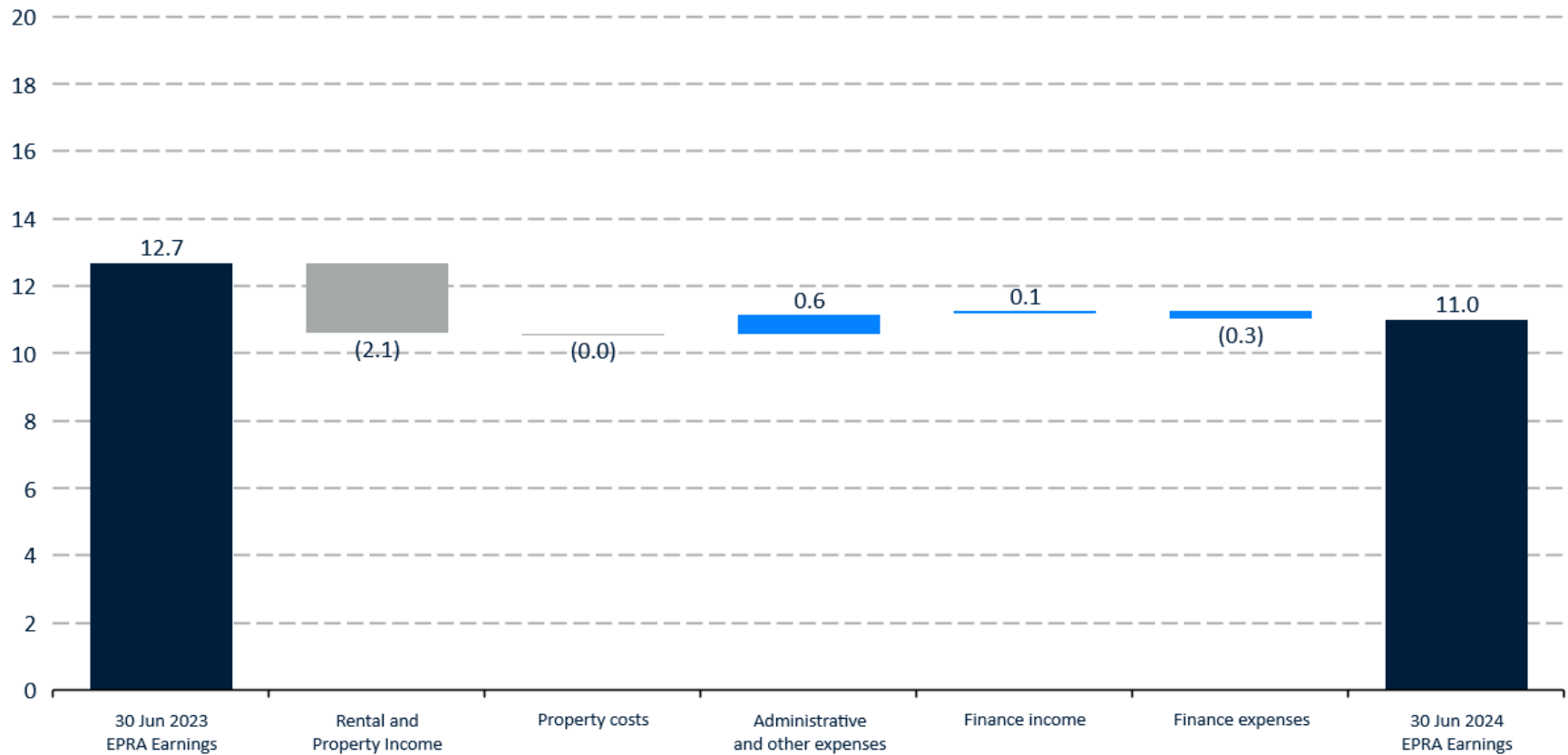
	Year ending 31 Dec 2023	Half-year ending 30 June 2024	Change
Investment Property	£700.7m	£647.9m	(£52.8m)
IFRS NAV (fully diluted)	59.3p	51.7p	(7.6p)
EPRA NTA* (fully diluted)	56.4p	48.8p	(7.6p)
Borrowings (incl. retail eligible bond)	£420.8m	£403.3m	(£17.5m)
Weighted average cost of debt (incl. hedging)	3.5%	3.5%	-
Net Loan-to-value	55.1%	58.3%	3.2pp
EPRA Occupancy	80.0%	78.0%	(2.0pp)
EPRA Occupancy like-for-like	80.8%	78.0%	(2.8pp)
Rent roll like-for-like	£65.5m	£63.5m	(£2.0m)

- Investment properties on a like-for-like valuation decrease of 5.1%, after adjusting for capital expenditure, acquisitions and disposals during the period.
- Borrowings decreased by a net £17.5m following cash repayments.
- EPRA Occupancy of 78.0%, with planned refurbishment programmes impacting ERV amounting to £3.1m
- Total accounting returns to shareholders since IPO of 7.5%, and annualised total accounting rate of return 0.8%.

**EPRA Net Reinstatement Value(NRV): 30 June 2024 57.1p (31 December 2023: 65.3p); Net Disposal Value(NDV): 30 June 2024 53.4p (31 December 2023: 62.2p)

HY 2024 - Earnings

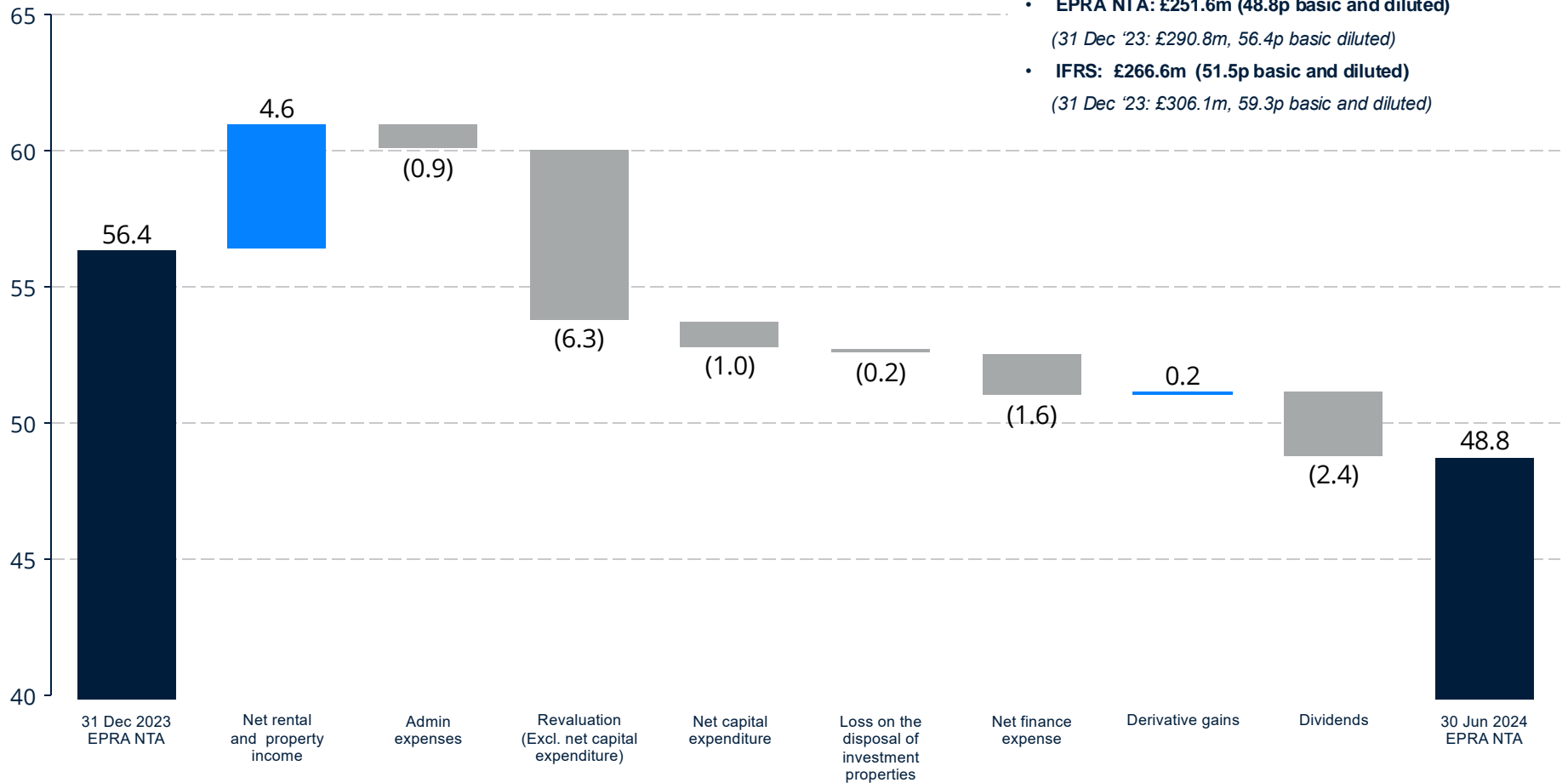
EPRA Earnings bridge 30 June 2024 (£m)



- Earnings variance between 30 June 2023 Vs 30 June 2024
- Excluding the Recoverable service charge income/expenditure and other similar items

EPRA NTA Bridge

EPRA Net Tangible Asset - Bridge 30 June 2024



- **EPRA NTA: £251.6m (48.8p basic and diluted)**
(31 Dec '23: £290.8m, 56.4p basic diluted)
- **IFRS: £266.6m (51.5p basic and diluted)**
(31 Dec '23: £306.1m, 59.3p basic and diluted)

Table may not sum due to rounding.

**EPRA Net Reinstatement Value(NRV): 30 June 2024 57.1p (31 December 2023: 65.3p); Net Disposal Value(NDV): 30 June 2024 53.4p (31 December 2023: 62.2p)



Performance



Cost Focused

EPRA cost ratio excl. direct costs

NewRiver	34%
AEW UK REIT	27%
Warehouse REIT	23%
Picton Property	23%
Urban Logistics REIT	21%
Custodian	18%
Regional REIT Ltd	13%

Average(Excl. RGL) 24%

EPRA cost ratio incl. direct costs

Regional REIT Ltd	41%
NewRiver	37%
AEW UK REIT	35%
Picton Property	32%
Warehouse REIT	24%
Custodian	22%
Urban Logistics REIT	19%

Average(Excl. RGL) 28%

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