



Investor Presentation

Annual Results 2022

Robust Operations Delivering a Sector-leading
Covered Dividend

Introduction

- Overview and Portfolio
- Appendix



Stephen Inglis
Chief Executive Officer



Derek McDonald
Chief Operating Officer



Simon Marriott
Investment Director

Collecting Rents - delivering a robust yield of 11.3%

Earnings	<ul style="list-style-type: none"> • EPRA EPS 6.6p (2021: 6.6p) 	→ Robust earnings despite increased costs
Dividend	<ul style="list-style-type: none"> • Dividend 6.6p (2021: 6.5p) • Yield c. 11.3%* 	→ Continues to be fully covered 100% (2021: 102%)
EPRA NTA	<ul style="list-style-type: none"> • £379.2m; 73.5p (2021: £501.4m; 97.2p) 	→ Impacted by valuation
Key Initiatives	<ul style="list-style-type: none"> • Recycling capital into operationally optimal properties • Continued ESG progress • Driving portfolio rental yield; controlling costs 	→ Very strong FY rent collection 98.7%†† → Average yields: 8.4% acquisitions vs disposals c. 4.9% and c. 6.3% excluding vacant units
Portfolio	£789.5m (2021: £906.1m) <ul style="list-style-type: none"> • Like-for-like capital value decline of 12.1% vs MSCI Rest of UK offices - 17.3% • CAPEX £10.0m 	Highly geographically diversified → 154 properties; offices 129 → 1,076 tenants; office tenants 987 → Regional offices located across the main UK conurbations
Debt and Cash	<ul style="list-style-type: none"> • LTV 49.5% (2021: 42.4%) • Cash £50.1m (2021: £56.1m) • Debt 101% fixed, swapped or capped • WACC 3.5% 	→ Asset management plans progressing to bring back to long term target of 40%
Performance	Total Accounting Return <ul style="list-style-type: none"> • Since IPO** +24.2% • Annualised +3.1% Total Shareholder Return <ul style="list-style-type: none"> • Since IPO +1.4% • 2022 - 31.3% • Annualised +0.2% 	FTSE EPRA NAREIT UK Index → -16.9% → -31.9% → -2.6%

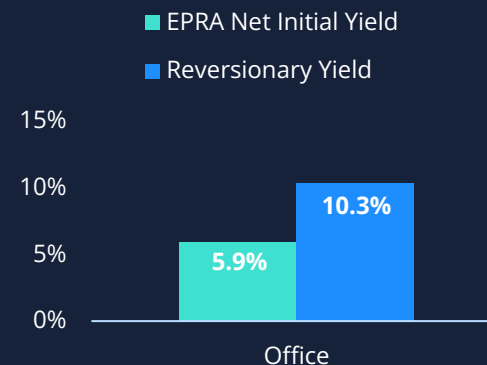
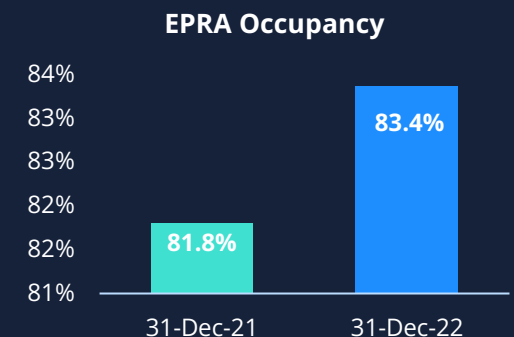
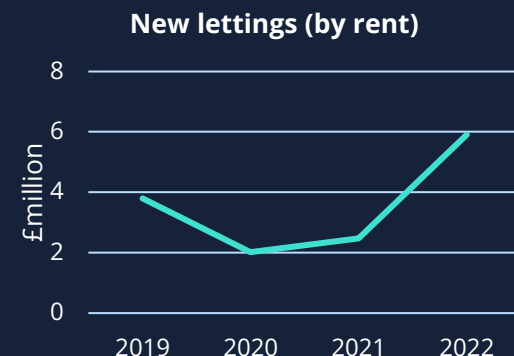
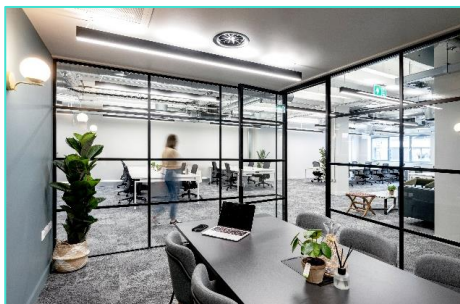
Diversified portfolio – delivering income

Proactive property asset management

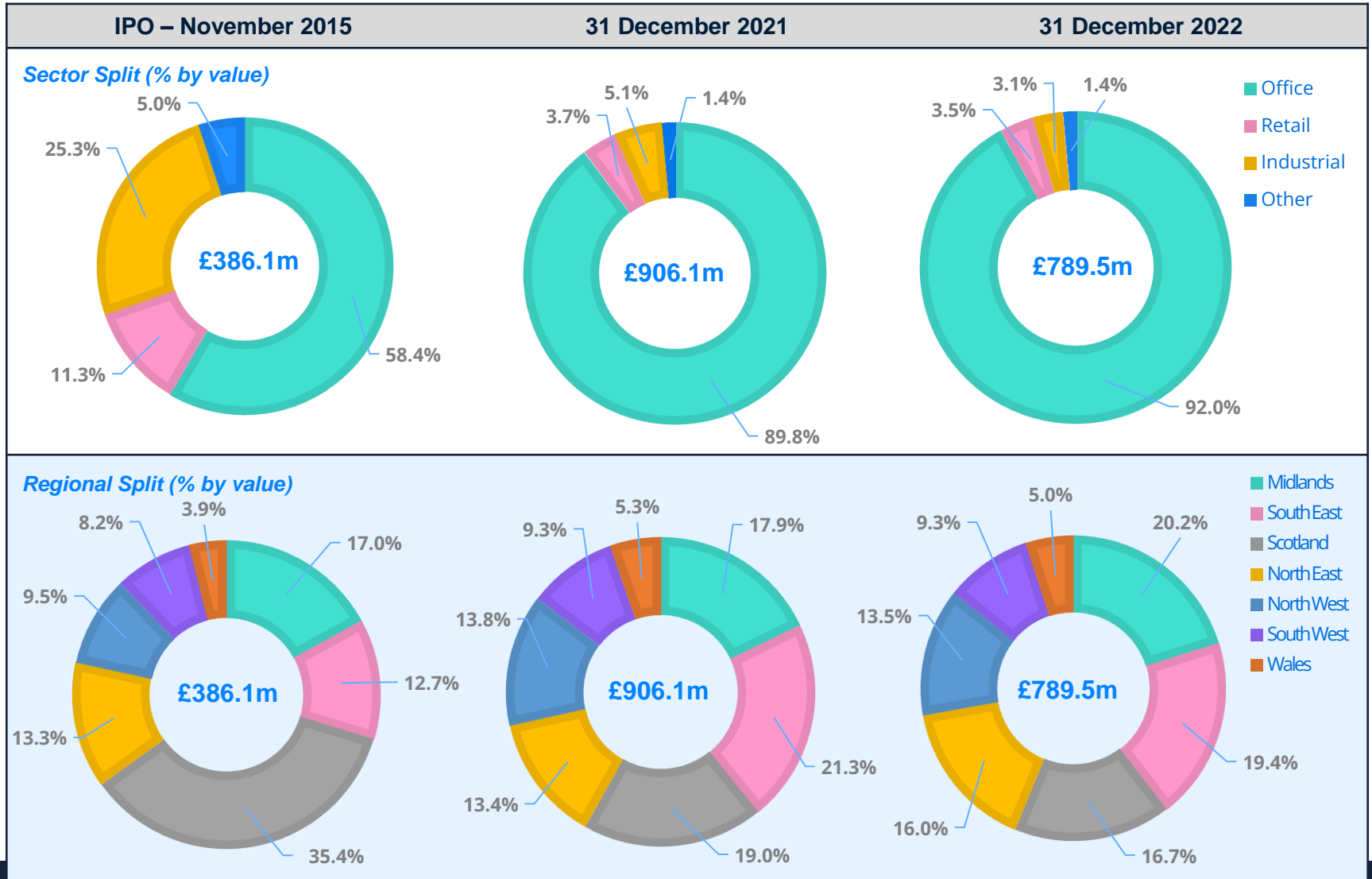
- 114 new lettings; £5.9m p.a. gross rent roll (2021: 55, £2.5m)
 - £74.7m of assets acquired (before costs) – NIY 8.4%
 - £84.1m of disposals (net of costs) – NIY 4.9% and 6.3% excluding vacant units
 - EPRA Occupancy (by ERV) 83.4% (2021: 81.8%); like-for-like 31 Dec 22 vs 31 Dec 21 82.1%
 - Expiries FY 2022: 70.2% of units remain let (2021: 69.6%)
- Focus on regional properties outside M25
 - Offices 91.8% (by value) (2021: 89.8%)
 - 63.1% - Business Parks
 - 31.5% - Central Business Districts
 - 5.4% - Edge of town
 - Retail 3.6% (by value) (2021: 3.7%)
 - Industrial 3.1% (by value) (2021: 5.1%)
 - Other 1.4% (by value) (2021: 1.4%)



One North Bank, Sheffield



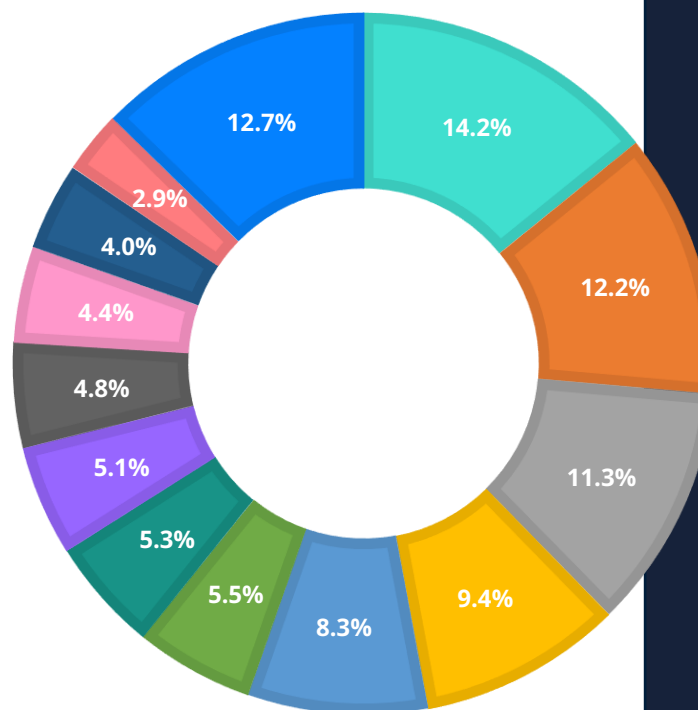
£789.5m Property Portfolio (FY 21 £906.1m)



Charts may not sum due to rounding

De-risking through diversification – Occupier Base

- Diversified income - large tenant mix across £789.5m of assets (2021: £906.1m)
- Spread of assets – 154 properties (2021: 168)
- 1,076 tenants (2021: 1,077) across 1,552 units (2021: 1,511)
- Broad spread of tenant businesses
- A broad geographic spread
- The largest occupier represents only 2.4% of rent roll (2021: 2.5%)
- Top 15 tenants represent 20.6% of the Group's gross rent roll (2021: 22.7%)
- Largest single property accounts for only 3.0% of portfolio by value (2021: 3.0%)
- Capital rate of £119.48 psf (2021: £124.70 psf)
- High-quality tenants







- Professional, scientific and technical activities
- Information and communication
- Administrative and support service activities
- Financial and insurance activities
- Wholesale and retail trade
- Public sector
- Electricity, gas, steam and air conditioning supply
- Human health and social work activities
- Manufacturing
- Education
- Construction
- Real estate activities
- 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, human health and social work activities, mining and quarrying, not specified, other service activities, public administration and defence; compulsory social security, real estate activities, registered society, residential, sole trader, transportation and storage, water supply, sewerage, waste management and remediation activities.

Blue Chip Tenants



Debt Facilities – Defensive Debt Profile

	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	125,676	Aug-26	50.8	2.40	Over 3mth £ SONIA	73,000 55,000	0.97 0.97
	Scottish Widows Ltd. & Aviva Investors Real Estate Finance	165,000	165,000	Dec-27	52.0***	3.28	Fixed	n/a	
	Scottish Widows Ltd	36,000	36,000	Dec-28	42.2	3.37	Fixed	n/a	
	Santander UK	65,870	64,116	Jun-29	44.9	2.20	Over 3mth £ SONIA	49,403 16,468	1.39 1.39
		394,870	390,792						
	Retail Eligible Bond	50,000	50,000	Aug-24	n/a	4.50	Fixed		
		444,870	440,792						

Weighted Average Debt Duration

4.5 years (2021: 5.5 years)

Weighted Average Cost of Debt

3.50% (2021: 3.3%)

- The Group WACD will not exceed 3.50% given the swaps and caps in place.

*Before unamortised debt issue costs ** Based on Cushman and Wakefield property valuations

***Following £7.5m repayment Gross LTV now at c. 50.9%

ESG – Focused on delivering sustainability

Environment

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

Rating	31 December 2021	31 December 2022	Movement
B plus	9.9%	16.9%	+700bps
C	33.0%	33.3%	+30bps
D	32.8%	27.2%	(560)bps
E and below	18.2%	16.0%	(220)bps
Exempt (Listed Building)	6.1%	6.7%	+60bps



- The weighted average EPC score continues to be improving to C (73) as at 31 December (2021: D (76))
- GRESB rating improved to 60 from 52
- CAPEX programme FY 22 £10.0m (2021: £6.8m) considers the choice of materials and equipment to mitigate impact and enhanced EPC rating
- All sites visited regularly to enhance ESG standing



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



Governance

- 71% of the Board are independent directors; 40% of the independent directors female
- 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)





Summary and Outlook

Office Market - What we are seeing

- **Vast majority of tenants back in the office**
 - 99% of our office tenants (by rental income) have returned either on a full-time or hybrid basis
- **Supply continues to contract**
 - Repurposing reducing supply
 - Inflation and interest rates impacting cost of build
 - Funding availability continues to be constrained as lenders stress test balance sheets
 - Developers experiencing margin pressures resulting in reduced projects
 - Planning will become tighter on new build projects given environmental impact and embodied carbon now a consideration
- **Challenges**
 - Cost of living crisis – tightening of monetary policy continues to impact all sectors of the economy
 - Uncertain economic outlook
 - Energy pricing – impacting commercial market
- **Opportunities include, but are not limited to**
 - Increase rent from a low base
 - Creating superior office space to meet the needs of our customers
 - Hybrid approach to leasing, including flexible leasing offering to increase occupancy across the portfolio

“We face risks from a prolonged work-from-home arrangement....”

Silicon Valley Bank Annual Report (31 December 2022)

“Amazon ends fully remote work, demands staff return to office”

Daily Telegraph (17 February 2023)

“Footfall in January on UK high streets was up +17.2% on weekdays, compared to 2022, with workers returning to the office”

Internet Retailing (2 February 2023)

“Management by squares....a working environment that's less honest and more prone to procrastination”

JP Morgan CEO Jamie Dimon (14 August 2022)

“It is harder to have a challenging call over Zoom. Ideas like hedging interest rate risk often come up over lunch or in small meetings.”

Nicholas Bloom professor at Stanford University

Office Market - What we are seeing

- **No substitute for face-to-face collaboration**

- Culture, community, creativity, value - add productivity
- Collaborative working
- Training
- Talk of recession is drawing people back to the office

- **Hybrid working**

- Tailwind of the return to the office
- Management question of the moment is, how to make hybrid work
- ONS data shows that despite the rise in hybrid working as a result of Covid-19, the vast majority of people do not work from home, with only 16% of workers reporting that they worked exclusively from home – down from 21% in January 2022.

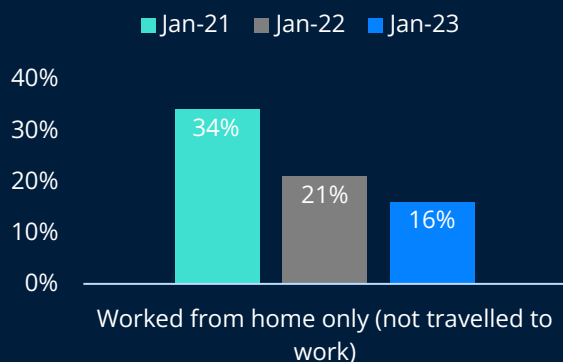


300 Bath Street, Glasgow

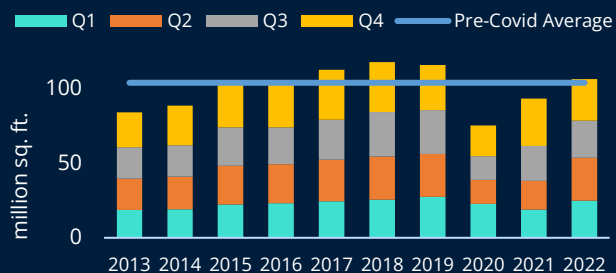


Orbis 1 & 2, Pride Park, Derby

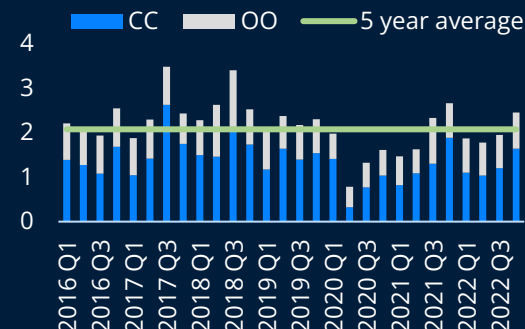
Worked from home only (not travelled to work)



European Office Market Take Up



Big 9 UK Office Market Take Up



Outlook – Positioned for long term income and value

Quarterly income stream to our shareholders

- Increased annual dividend 6.6p (2021: 6.5p)
- Continues to be one of the highest yielding REITS
- Committed to paying regular quarterly dividends to our shareholders

Underpinned by rent and long term capital growth

- Rent Collection remain strong
- Uplifts achieved with renewals rates - at ERV or higher often above passing rent
- Individual asset management plans include a substantial or complete underwrite for alternative use

Strategy pivot to all office portfolio

- Recycling assets promptly into higher yielding properties with favourable asset management opportunities
- Continue tracking assets of >£280m which meet our criteria
- Improved ESG credentials (GRESB green star awarded) and rating improved from 52 to 60
- EPC ratings continue to improve
- Improved disclosure

ESG



A compelling de-risked asset backed proposition with a strong yield underpinned by long term capital value appreciation and by alternative uses



Appendix

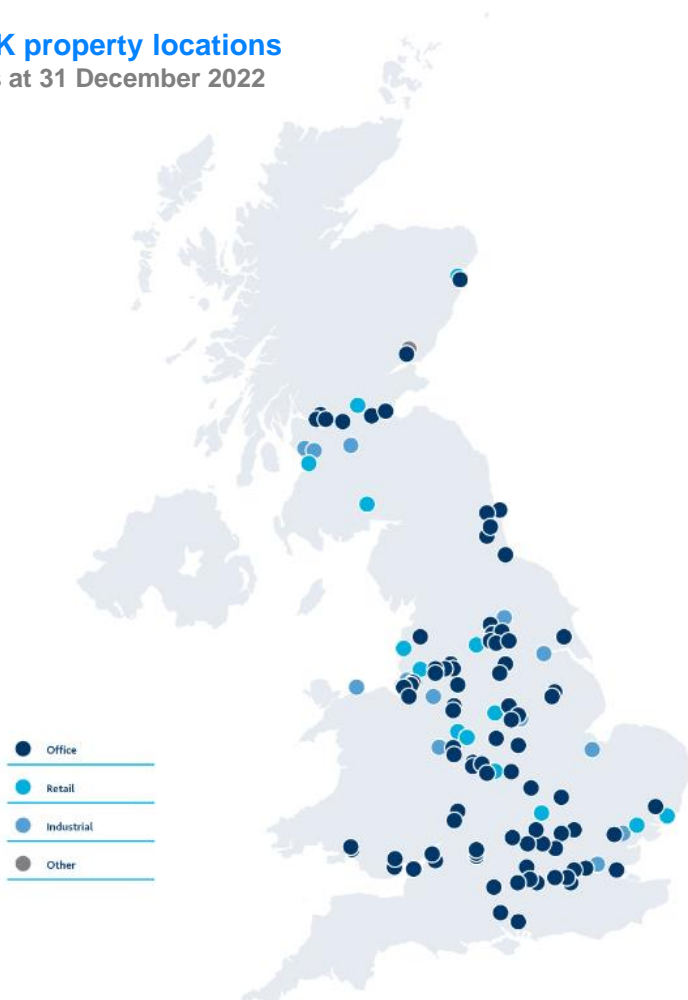
- Property Portfolio
- Portfolio Activity
 - Asset Management Initiatives (CAPEX)
 - Acquisitions
 - Disposals
- Financial Information
- Performance
- Glossary



Property Portfolio

Overview – Specialised Platform and Geographically Diverse Portfolio

UK property locations
as at 31 December 2022



Portfolio details
as at 31 December 2022

Sector	Properties	Valuation (£m)	% by valuation	Capital Values (£psf)
Office	129	725.1	91.8%	125.88
Retail	18	28.5	3.6%	85.82
Industrial	4	24.6	3.1%	58.64
Other	3	11.4	1.4%	117.75
Total	154	789.5	100.0%	119.48

Diversified Income Stream

Portfolio details at 31 December 2022

Sector	Properties	Valuation	% by valuation	Sq. ft.	Occupancy (EPRA)	WAULT to first break	Gross rental income	Average rent	ERV	Capital rate	Yield (%)		
		(£m)		(mil)	(%)	(yrs)	(£m)	(£psf)	(£m)	(£psf)	Net initial	Equivalent	Reversionary
Office	129	725.1	91.8%	5.8	82.8%	2.7	65.7	14.50	85.7	125.88	5.9%	9.0%	10.3%
Retail	18	28.5	3.6%	0.3	93.7%	4.1	3.2	10.59	3.1	85.82	8.5%	9.2%	10.1%
Industrial	4	24.6	3.1%	0.4	85.2%	5.9	1.9	5.27	2.2	58.64	5.5%	8.0%	8.7%
Other	3	11.4	1.4%	0.1	93.6%	10.2	0.9	15.20	0.9	117.75	6.9%	8.5%	9.7%
Total	154	789.5	100.0%	6.6	83.4%	3.0	71.8	13.65	92.0	119.48	6.0%	9.0%	10.2%

Region	Properties	Valuation	% by valuation	Sq. ft.	Occupancy (EPRA)	WAULT to first break	Gross rental income	Average rent	ERV	Capital rate	Yield (%)		
		(£m)		(mil)	(%)	(yrs)	(£m)	(£psf)	(£m)	(£psf)	Net initial	Equivalent	Reversionary
Scotland	38	131.6	16.7%	1.3	76.7%	3.4	11.8	13.46	17.3	103.84	4.7%	9.8%	11.7%
South East	27	153.1	19.4%	1.0	76.5%	2.6	12.2	16.23	16.9	148.93	4.9%	8.5%	9.7%
North East	24	126.1	16.0%	1.1	86.9%	3.3	11.7	12.88	14.2	117.84	5.8%	9.2%	10.4%
Midlands	26	159.1	20.2%	1.4	90.3%	3.2	15.4	13.13	18.7	113.25	6.3%	9.0%	10.0%
North West	19	106.8	13.5%	0.9	79.4%	2.3	9.9	13.17	12.9	115.03	6.6%	9.1%	10.5%
South West	14	73.1	9.3%	0.5	92.3%	2.0	7.0	16.44	7.9	154.49	7.7%	8.5%	9.6%
Wales	6	39.6	5.0%	0.4	91.3%	4.3	3.8	10.23	4.0	91.02	7.3%	8.3%	9.2%
Total	154	789.5	100.0%	6.6	83.4%	3.0	71.8	13.65	92.0	119.48	6.0%	9.0%	10.2%

Table may not sum due to rounding.

Top 15 Occupiers (Share of Rental Income)

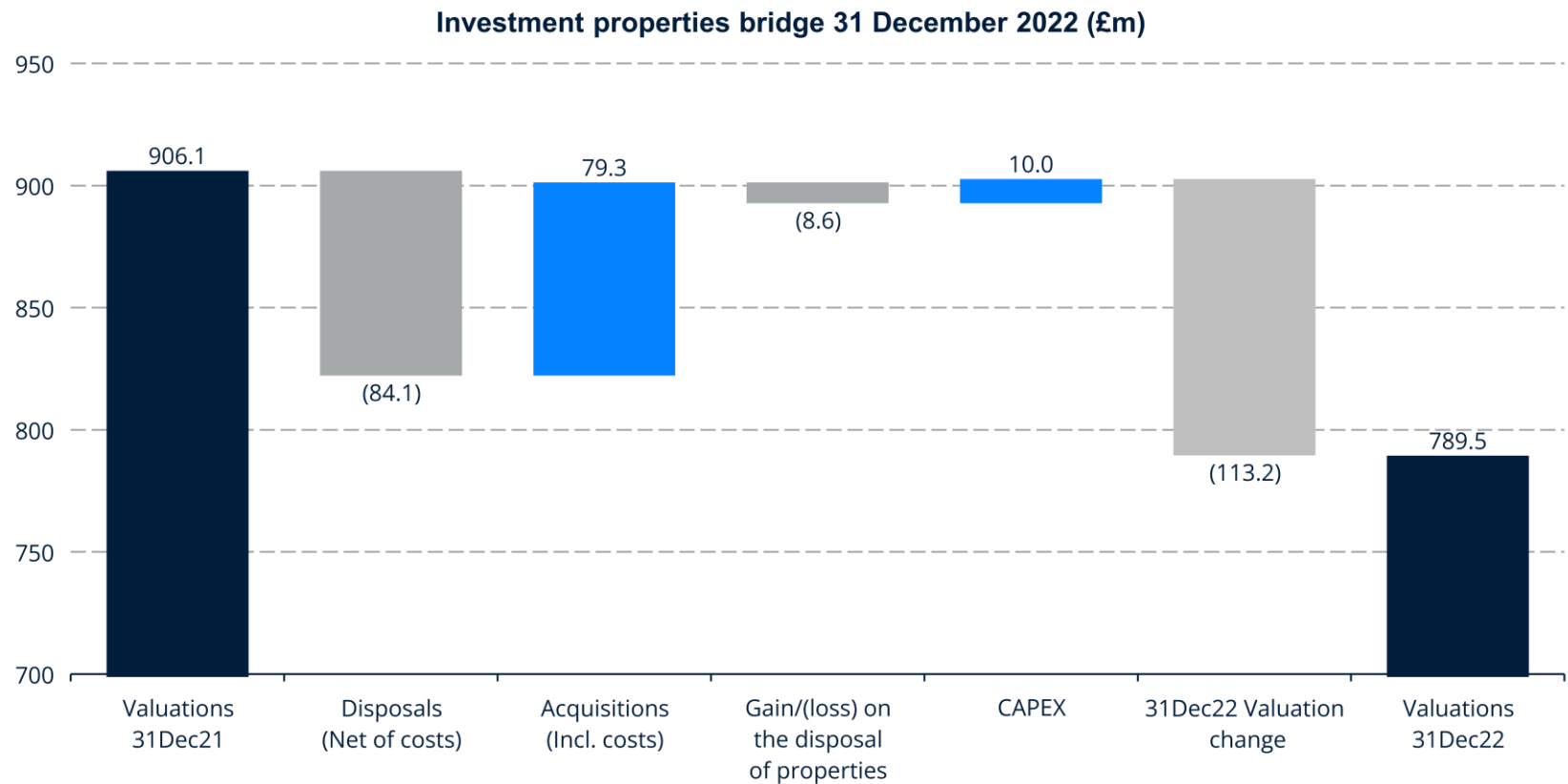
Tenant	Property	Sector	WAULT to first break (years)	Lettable area (Sq Ft)	Annualised gross rent (£m)	% of Gross rental income
Virgin Media Limited	Eagle Court, Coventry Road, Birmingham Southgate Park, Peterborough	Information and communication	1.0	107,830	1.7	2.4%
TUI Northern Europe Ltd	Columbus House, Coventry	Professional, scientific and technical activities	1.0	53,253	1.4	1.9%
NHS	Aspect House, Bennerley Road, Nottingham Capitol Park, Leeds Equinox North, Almondsbury, Bristol Park House, Bristol St James Court, Bristol Wren House, Chelmsford	Public sector	1.4	85,324	1.3	1.8%
Secretary of State for Communities & Local Government	1 Burgage Square, Merchant Square, Wakefield Albert Edward House, Preston Bennett House, Stoke-On-Trent Oakland House, Manchester Waterside Business Park, Swansea	Public sector	4.2	108,915	1.1	1.5%
EDF Energy Limited	Endeavour House, Sunderland	Electricity, gas, steam and air conditioning supply	7.8	77,565	1.0	1.4%
First Source Solutions UK Ltd	Orbis 1, 2 & 3, Pride Park, Derby	Administrative and support service activities	4.3	62,433	1.0	1.4%
E.ON UK Plc	Two Newstead Court, Nottingham	Electricity, gas, steam and air conditioning supply	2.3	99,142	0.9	1.3%
John Menzies Plc	2 Lochside Avenue, Edinburgh	Professional, scientific and technical activities	0.6	43,780	0.9	1.2%
NNB Generation Company (HPC) Ltd	800 Aztec West, Bristol	Electricity, gas, steam and air conditioning supply	1.1	41,743	0.9	1.2%
Global Banking School Limited	Norfolk House, Smallbrook Queensway, Birmingham	Education	9.9	44,245	0.8	1.2%
SPD Development Co Ltd	Clearblue Innovation Centre, Bedford	Professional, scientific and technical activities	2.8	58,167	0.8	1.1%
Aviva Central Services UK Limited	Hampshire Corporate Park, Eastleigh	Other service activities	1.9	42,612	0.8	1.1%
Odeon Cinemas Ltd	Kingscourt Leisure Complex, Dundee	Information and communication	12.8	41,542	0.7	1.0%
SpaMedica Limited	1175 Thorpe Park, Leeds, Leeds Albert Edward House, Preston Ill Acre, Princeton Drive, Stockton On Tees Fairfax House, Wolverhampton Southgate Park, Peterborough The Foundation Chester Business Park, Chester	Human health and social work activities	3.4	50,656	0.7	1.0%
Edvance SAS	800 Aztec West, Bristol	Electricity, gas, steam and air conditioning supply	1.7	31,549	0.7	0.9%
Total			3.4	948,756	14.8	20.6%

Table may not sum due to rounding.

Top 15 Investments (Market Value)

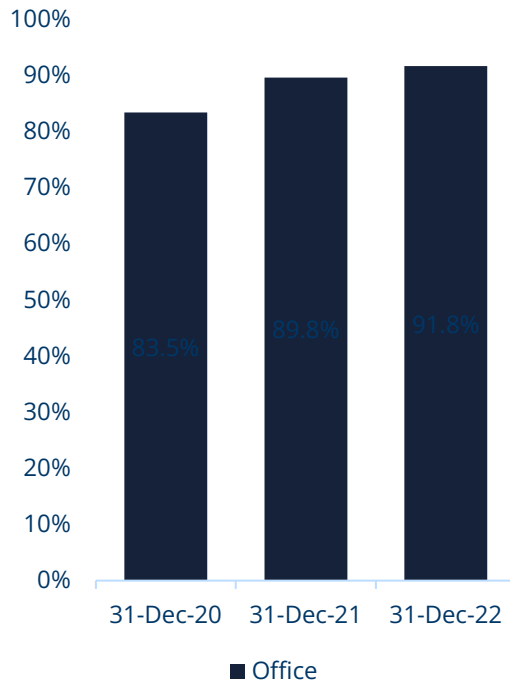
Property	Sector	Anchor tenants	Market value (£m)	% of portfolio	Lettable area (Sq Ft)	EPRA Occupancy (%)	Annualised gross rent (£m)	% of gross rental income	WAULT to first break (years)
300 Bath Street Glasgow, Glasgow	Office	University of Glasgow, Glasgow Tay House Centre Ltd, Fairhurst Group LLP, London & Scottish Property Investment Management	23.6	3.0%	156,853	89.1%	1.2	1.7%	2.9
Buildings 2 & 3, Bear Brook Office Park, Aylesbury	Office	Utmost Life and Pensions Ltd, Agria Pet Insurance Ltd, International Fire Consultants Ltd	20.9	2.6%	140,791	100.0%	0.8	1.1%	4.0
Hampshire Corporate Park, Eastleigh	Office	Aviva Central Services UK Ltd, Lloyd's Register EMEA, Complete Fertility Ltd, National Westminster Bank Plc	19.5	2.5%	84,043	99.8%	1.7	2.3%	4.0
Eagle Court, Coventry Road, Birmingham	Office	Virgin Media Ltd, Rexel UK Ltd, Coleshill Retail Ltd	19.4	2.5%	132,979	82.6%	2.0	2.8%	0.9
Beeston Business Park, Nottingham	Office	Metropolitan Housing Trust Ltd, SMS Electronics Ltd, Heart Internet Ltd	17.2	2.2%	215,330	100.0%	1.4	2.0%	5.6
800 Aztec West, Bristol	Office	NNB Generation Company (HPC) Ltd, Edvance SAS	16.5	2.1%	73,292	100.0%	1.5	2.1%	1.4
Orbis 1, 2 & 3, Pride Park, Derby, Derby	Office	First Source Solutions UK Ltd, DHU Health Care C.I.C., Tentamus Pharma (UK) Ltd	16.5	2.1%	121,883	100.0%	1.8	2.5%	4.4
Norfolk House, Smallbrook Queensway, Birmingham	Office	Global Banking School Ltd, Accenture (UK) Ltd, HP Asia Ltd	15.6	2.0%	115,780	100.0%	1.4	1.9%	7.2
Linford Wood Business Park, Milton Keynes	Office	MServ Europe Ltd, Market Force Information (Europe) Ltd, Autotech Recruit Ltd	15.1	1.9%	107,352	92.2%	1.5	2.1%	2.0
Manchester Green, Manchester	Office	Chiesi Ltd, Ingredion UK Ltd, Assetz SME Capital Ltd, Contemporary Travel Solutions Ltd	14.7	1.9%	107,760	80.6%	1.4	1.9%	2.4
Capitol Park, Leeds	Office	Hermes Parcelnet Ltd, NHS Shared Business Services Ltd, BDW Trading Ltd	14.0	1.8%	98,340	82.4%	1.3	1.8%	2.8
Portland Street, Manchester	Office	Evolution Money Group Ltd, Mott MacDonald Ltd, NCG (Manchester) Ltd, Simard Ltd	13.1	1.7%	55,787	95.5%	1.1	1.5%	2.9
Ashby Park, Ashby De La Zouch	Office	Ceva Logistics Ltd, Brush Electrical Machines Ltd, Ashfield Healthcare Ltd	12.7	1.6%	91,034	100.0%	0.9	1.2%	4.0
Templeton On The Green, Glasgow	Office	The Scottish Ministers, The Scottish Sports Council, Noah Beers Ltd, The Wise Group	12.1	1.5%	142,520	92.9%	1.3	1.8%	4.3
The Lighthouse - Salford Quays, Manchester	Office	Pearson Education Ltd, EQUANS Regeneration Ltd	11.8	1.5%	64,275	54.6%	0.7	1.0%	1.8
Total			242.7	30.7%	1,708,019	90.6%	19.9	27.8%	3.3

Investment Property Activity – Proactive Strategy

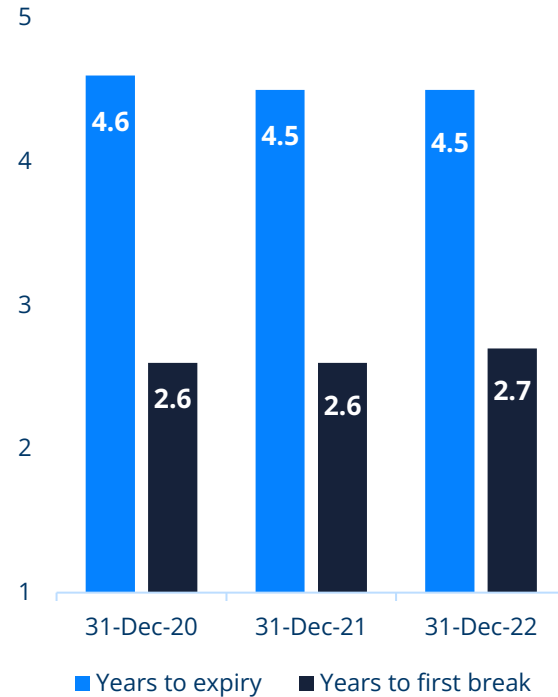


Geographically Diversified Office Led Portfolio Focused on the UK Regions

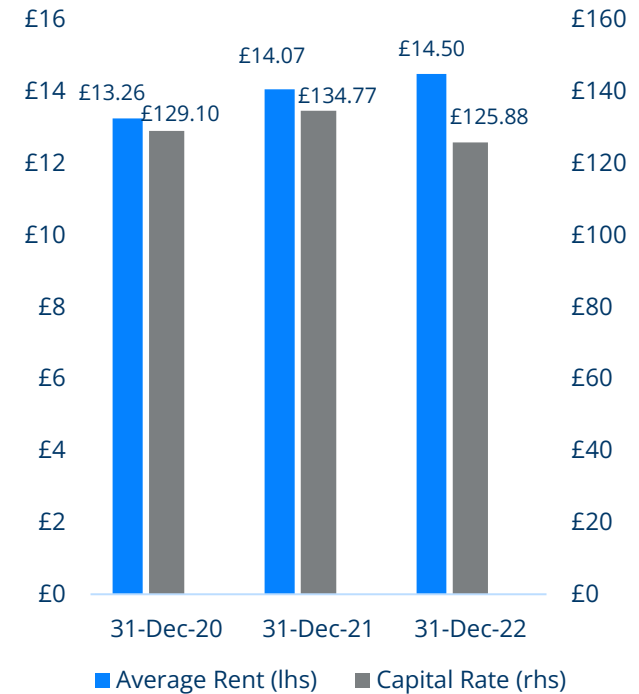
Gross office assets by value - %*



WAULT - years



Average Rent & Capital rate - £psf



Regional REIT – Specialised Office Platform

Specialised Expert Management Team

- Asset Management Team
- Hugely experienced senior management team, managing assets over the past 30 years, including previous downturns
 - 2008-12 increased income across the portfolio

- 73 Staff
- Proven operational platform
- Unique vertically integrated manager
- Granular property management
- Multiple touch points with our customers



Strategy – Office focus

- De-risked through diversification
- Occupier
 - Geography
 - Business Sector
 - WAULT

- Large number of income streams
- Across the regions
 - Across 154 properties post acquisition
 - Across 1,076 tenants post acquisition



Disciplined Debt Management

- Following principles:
- Long duration
 - Flexibility
 - Significant covenant headroom

- Robust balance sheet focused on cash management
- Significant cash



Shareholder Commitment

Quarterly uninterrupted dividend

Regular high yielding distributions

FY 2022 Portfolio Highlights

Major lettings and renewals successfully secured across the regions

300 Bath Street, Glasgow

The Firm of Fairhurst Consulting Structural and Civil Engineers has leased 10,262 sq. ft. for ten years with the option to break in 2027 at a rent of £209,652 pa (£20.43/ sq. ft.)

Eagle Court, Birmingham

Two new lettings that when combined provide a rental income of £155,670 pa.

- Brook Sports Ltd. has let 4,032 sq. ft. for 10 years with the option to break in 2027 at a rental income of £74,814 pa (£18.56/ sq. ft.).
- 4,492 sq. ft. of space has been let to Enerveo Ltd. for five years, with the option to break in 2025 at a rental income of £80,856 pa (£18.00/ sq. ft.).

Norfolk House, Birmingham

44,245 sq. ft. of previously vacant Grade A office space has been let to Global Banking School. The annual rent amounts to £840,991 pa (£19.01/ sq. ft.), with a 15-year lease including an option to break after 10 years

1&2 Rivermead Court Buildings, Bristol

The remaining available space has been let to Edwards Ltd.. The lease is for 10 years with a break option in 2026 at a rent of £261,870 pa (£14.11/ sq. ft.)

Portland Street, Manchester

Evolution Money Group Ltd. renewed its lease for a further ten years, with the option to break in 2027, at a rental income of £290,000 pa (£24.77/ sq. ft.) on 11,706 sq. ft. of space, representing an uplift of 15.2% from previous rent

The Coach Works, Leeds

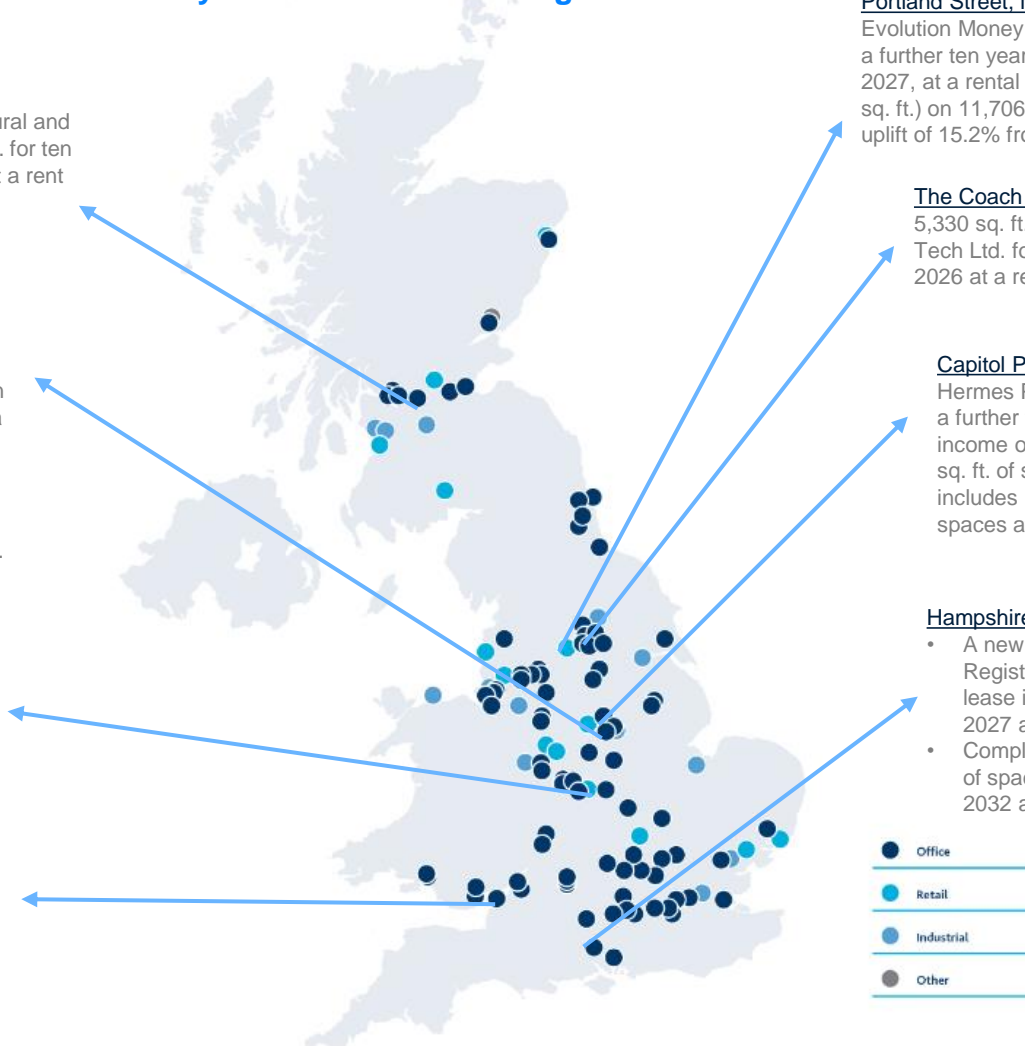
5,330 sq. ft. of space has been let to Abstract Tech Ltd. for 6 years with the option to break in 2026 at a rent of £143,225 pa (£26.87/ sq. ft.)

Capitol Park, Leeds

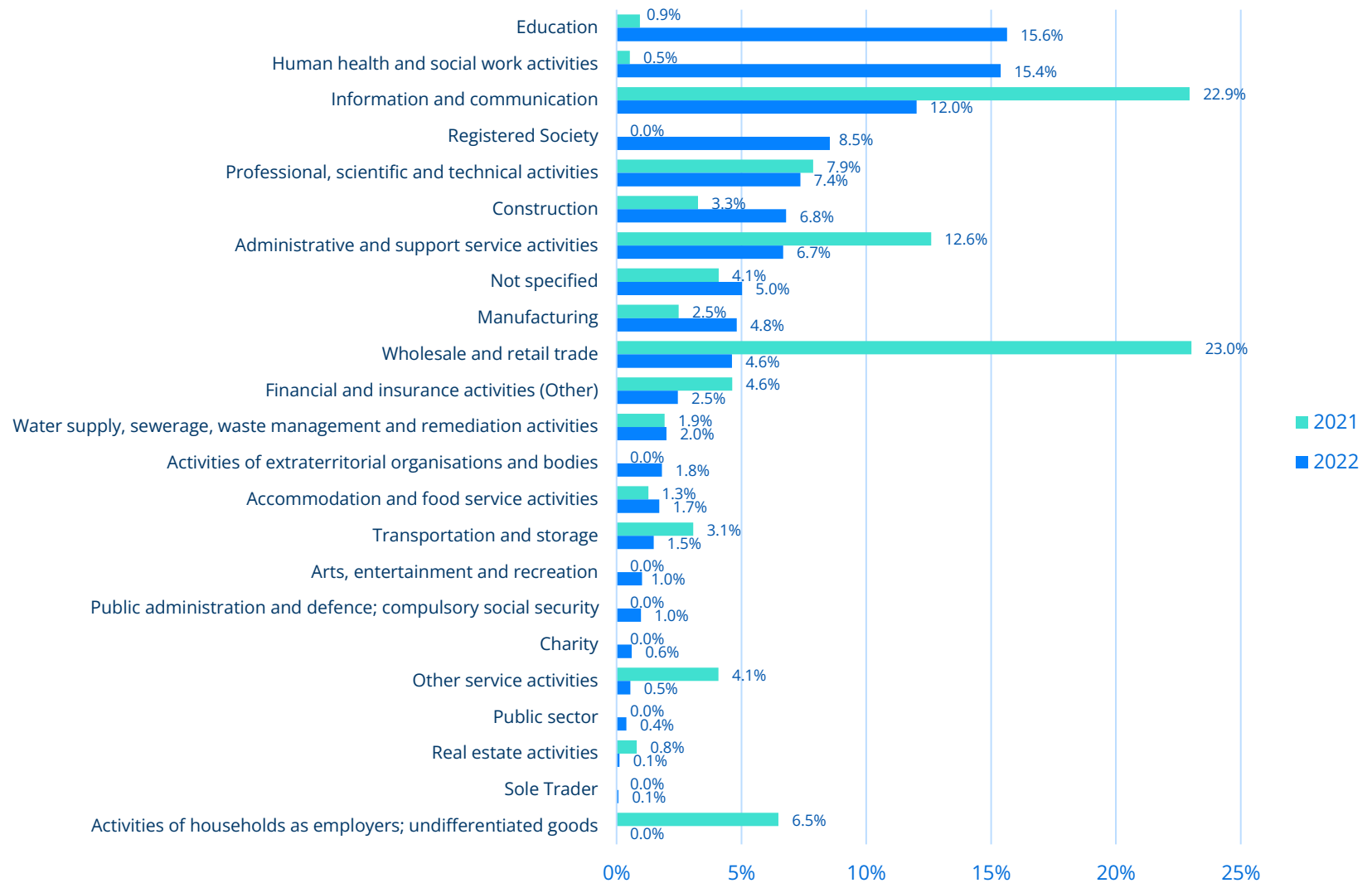
Hermes Parcelnet Ltd (Evri) renewed its lease for a further five years to December 2028, at a rental income of £473,045 pa (£18.34/ sq. ft.) on 25,790 sq. ft. of space. Moreover, the tenancy also includes provision of additional car parking spaces at a rent of £25,632 pa

Hampshire House, Eastleigh

- A new lease has been signed with Lloyd's Register EMEA for 21,025 sq. ft. of space. The lease is for 10 years with a break option in 2027 at a rent of £504,600 pa (£24.00/ sq. ft.).
- Complete Fertility Ltd. has leased 9,928 sq. ft. of space for 15 years with a break option in 2032 at a rent of £287,921 pa (£29.00/ sq. ft.).

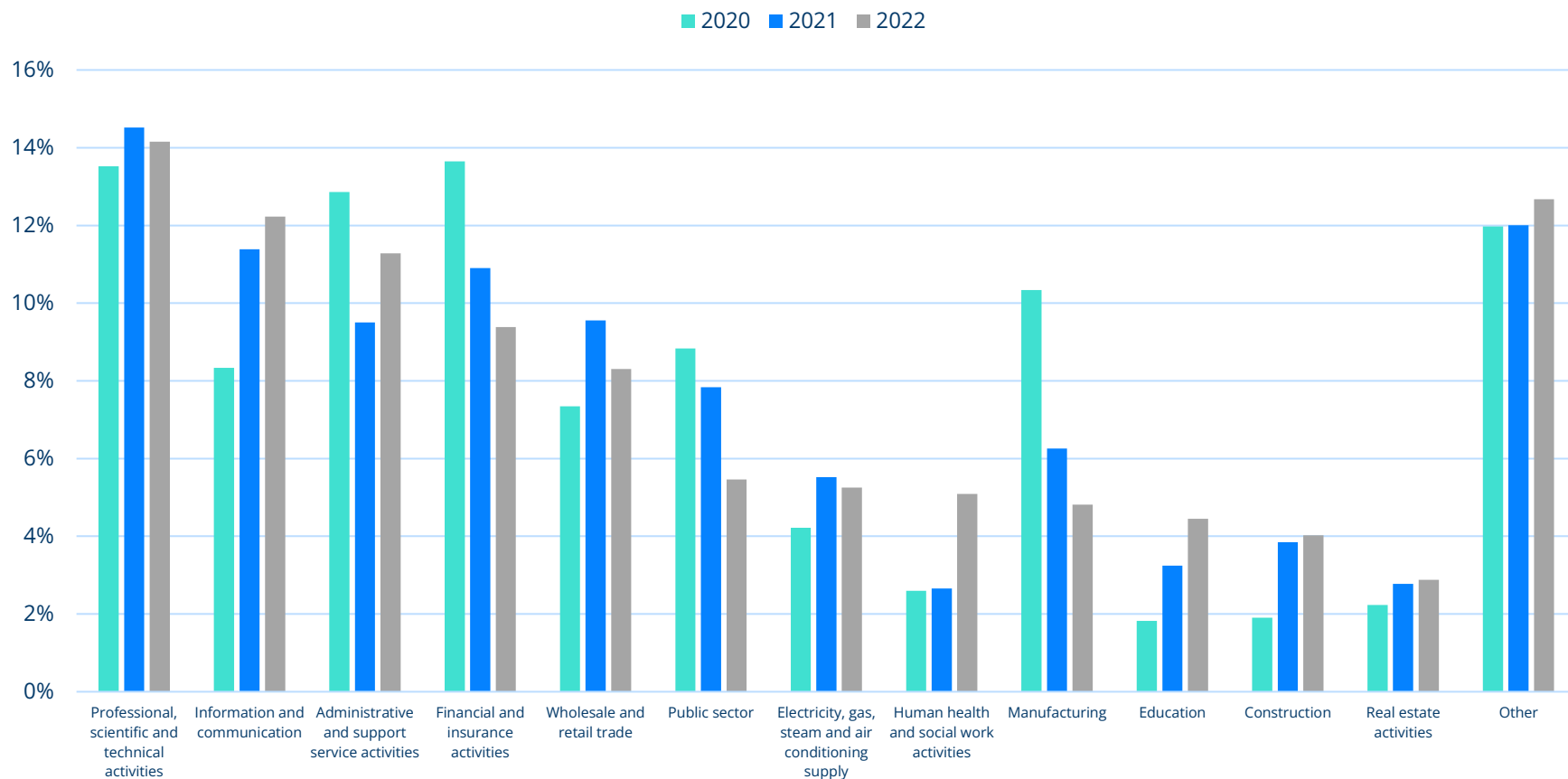


New Lettings by Industry Type (% of Gross Rent)



Diverse Customer Base

Tenant by SIC Code as at June 2020, June 2021 and June 2022 (% of gross rent)



Rent Collections – trending back to normality

Rent Collected vs invoiced (%)

	2021					2022				Total
(%)	Q1	Q2	Q3	Q4	2021 Total	Q1	Q2	Q3	Q4	2022† Total
Rent Paid	98.3	98.0	97.7	96.8	97.7	99.2	99.0	98.3	98.3	98.7

Quarterly rental invoices include contractual rent for the proceeding quarter
 ‡ 98.7% Actual rent collected; monthly rents 0.0%, deals agreed 0.0% as at 17.03.2023



Portfolio Activity – Asset Management Initiatives (CAPEX)

300 Bath Street, Glasgow

- Acquired in 2013, 300 Bath Street is the largest single asset (by value) in the portfolio at £23.6m (3.0% of the portfolio)
- Landmark Grade A office building (Grade A spec) in Glasgow City Centre offering column free floor plates up to 30,000 sq. ft.
- At acquisition, the building was dominated by the occupation of Barclays who had a lease over several floors which provided a substantial ongoing net income position with an opportunity to redevelop/reposition the building at expiry
- The first and second floors were comprehensively refurbished in 2016 with Regus, under their Spaces brand, taking the second floor shortly thereafter
- As anticipated as part of the business plan for the asset, Barclays initiated their lease break options and vacated the property in November 2021 providing the opportunity to update and reposition the building to deliver contemporary Grade A specification space at a cost effective rent
- The asset has been re-branded from “Tay House” to 300 Bath Street. Works are due to complete on the comprehensive reconfiguration of the entrance to the building and refurbishment of the reception and common areas. The works will also include the provision of an amenity block providing updated wellness facilities including cycle storage, gym and showers. This paves the way for a fresh branding and marketing the available office space. The former Barclays’ floors will be refurbished as part of the scope of works



- **Acquisition Price £25.0m**
- **Valuation Dec 22 £23.6m**
- **ERV (Dec 22) £3.3m**
- **Floor Area 156,853 sq ft**
- **Gross Rent Roll £1.2m**

300 Bath Street, Glasgow

Works on the proposed refurbishment commenced in February 2022 and are forecast to complete in April 2023 (basement works in March 2023). The works will present an opportunity for comprehensive repositioning of the asset in a market with limited supply of high-quality large floor plates in an improving location. The proposals were key in securing the recent Fairhurst letting

Summary Description of Works

- Relocation of entrance onto Bath Street elevation
- Introduction of new business lounge area for waiting guests and informal meetings and small event space
- New basement amenity to include gym area, showers and cycle racks
- Refurbishment of 4th Floor (East)

New Entrance

External Works

- Replacement of existing curtain walling to be replaced by new glazed entrance
- Installation of new automatic doors
- Installation of new canopy
- Existing glazed sections at current entrance to be replaced
- Water ingress at existing entrance to be investigated and remedied
- External brickwork to be painted

Internal Works

- Addition of new reception desk
- Accessible platform lift to be installed

Central Park, Leeds

- Acquired in August 2021
- Situated in the southern office core of Leeds City Centre. Victoria Road running to the West is the main thoroughfare into Leeds from the south via the M621. Junction 3 of the M621 lies just to the south
- Central Park comprises three, two storey, refurbished, good quality office buildings, with open plan accommodation, raised flooring and 168 parking spaces. Within walking distance to the city centre and Crown Point Retail Park

Proposal

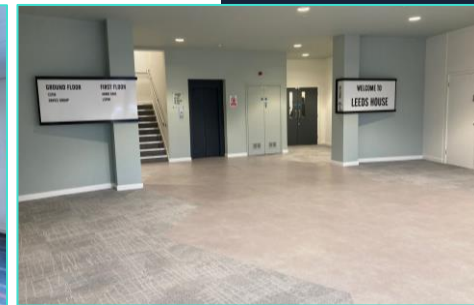
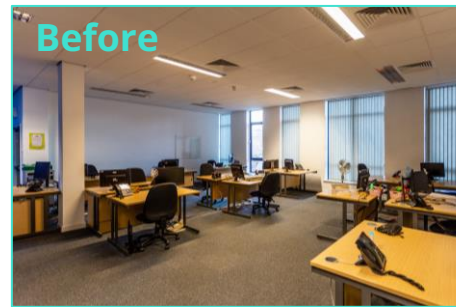
- Works are required to refurbish the vacant first floor office suite. An extensive programme of works will bring the offices up to a modern standard, increase the life expectancy of the building

Summary Description of Works

- Refurbishment of the common areas of the building
- Full renovation of the toilets from the original build in the late 80's to include super loos.
- Improvement to the reception area, toilets, showers, stairwell, lighting, lifts, doors, floor coverings.
- New VRF system throughout the refurbished office space replacing the previous wet system.
- Replace suspended raised access flooring.
- LED lighting with PIR sensors throughout.
- Phase 2 will include the refurbishment of the whole of the ground floor and part first floor

Latest Deal

- A 5 year lease of 4,400 sq. ft. of refurbished space was agreed to Akari Care at a headline rent of £19 per ft



- **Acquisition Price £10.5m**
- **Valuation Dec 22 £9.2m**
- **ERV (Dec 22) £1.0m**
- **Floor Area 57,674 sq ft**
- **Gross Rent Roll £0.9m**

Hampshire Corporate Park, Eastleigh

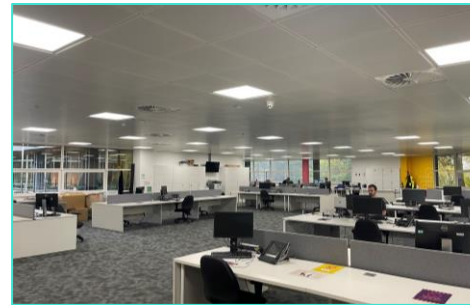
- Acquired in January 2015 comprising Chilworth House and Hampshire House. Chilworth House was wholly let to Aviva Health until December 2018. Hampshire House combined lettings with the Royal Bank of Scotland, secured until 2021, and with Aviva, the latter exiting in December 2016

Chilworth House

- New 10-year lease agreed in 2019 with Aviva for c. 42,612. sq. ft. at a rent of £775,000 pa, (£18.19.per sq ft) 15.7% ahead of the previous rent. There is a tenant break option in 2024
- June 2022 a new Energy Performance Certification rating of 'B' was obtained, an improvement from the previous 'C' rating

Hampshire House

- Lease completed in 2021 with Royal Bank of Scotland to downsize into 5,408 sq. ft. of space on the first floor, Hampshire House at £20 per sq. ft.
- Utilita Energy and Daisy Wholesale Ltd initiated their break options and vacated the 2nd floor in May 2022. Through proactive advance marketing, the entire second floor (21,025 sq. ft.) was let to Lloyd's Register in 2022 at a rental of £24.00 per sq. ft., 20.5% ahead of the previous rent per sq. ft. within 1 month of the previous leases to Utilita Energy and Daisy Wholesale Ltd expiring
- Lease completed 2022 to Complete Fertility Ltd of 9,928 sq. ft. on a 15 year lease with a break option in 2032 at a rent of £287,921 pa (£29.00/ sq. ft.)
- Redevelopment of internal courtyard to provide external seating
- Extensive refurbishment of common areas, including:
 - refurbishment of the entrance
 - installation of 12 electric car charging points
 - New tenant amenities, including: showers, changing rooms, internal cycle storage



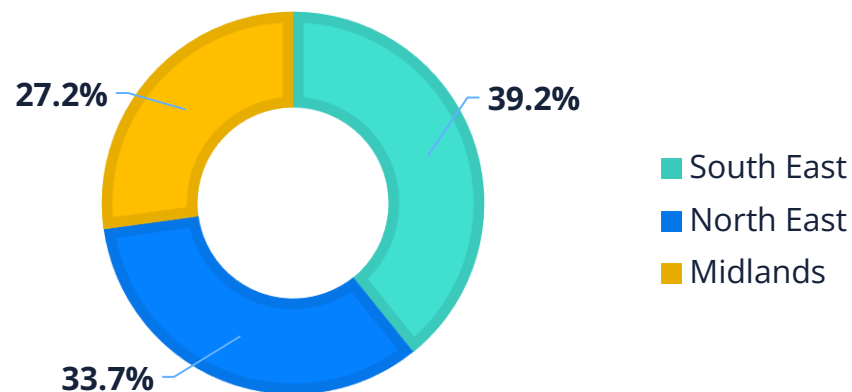
- Acquisition Price £14.0m**
- Valuation Dec 22 £19.5m**
- ERV (Dec 22) £1.8m**
- Floor Area 84,043 sq ft**
- Gross Rent Roll £1.7m**



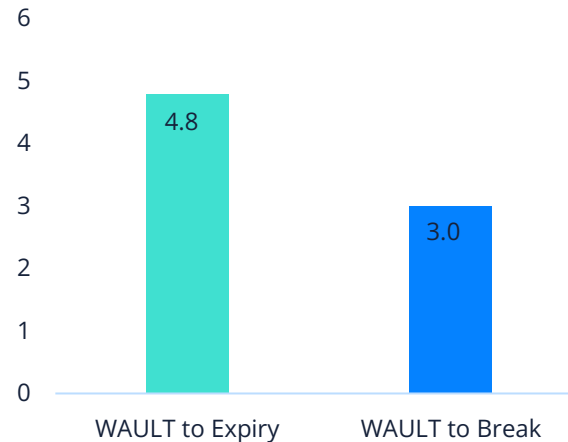
Acquisitions

Summary – Acquisition of £74.7m of Property Assets

- Diversified income – 97 tenants across 6 office properties
- Geographic spread by rental income: South East (39.2%), North East (33.7%), Midlands (27.2%)
- EPRA occupancy (by ERV) of 98.6%
- Total floor area of 396,836 sq. ft.
- 8.4% net initial yield

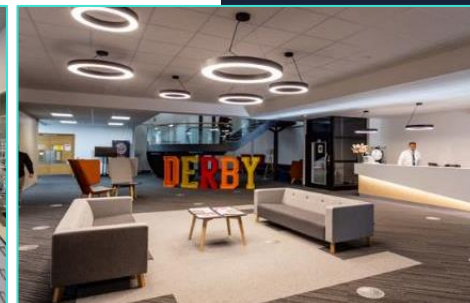


WAULTS



Orbis 1, 2 & 3, Pride Park, Derby

- Acquisition of office property for £19.8m, reflecting a net initial yield of 8.6%
- Purchased in May 2022, the property is located in the heart of Pride Park, which is a substantial 180 acre business park, and is Derby's premier business location. The site extends to 7.54 acres
- The asset is situated within a 5 minute walk of Derby train station. Additionally, the property has a total of 526 car spaces, a ratio of 1: 232 sq. ft.
- The three buildings have a combined net internal floor area of 121,883 sq. ft. – all of which have an EPC rating of B, therefore offering good ESG credentials
- The tenants have shown commitment to the location through continued occupation, new leases and extensive fit outs.
 - Orbis 1 is let to DHU who run the NHS 111 service for Derbyshire. The tenant has recently invested in updating the offices
 - Orbis 2 is let to First Source who operate a Sky call centre and have been in occupation for almost 10 years .The premises were 100% occupied during the Covid lockdown period
 - Orbis 3 is let to Tentamus Pharma UK a leading provider of GMP (Good Manufacturing Process) Analytics to the drug and food industry



Acquisition Price	£19.8m
Rental Income (at acquisition)	£1.8m
Floor Area	121,883 sqft.
Net Initial Yield	8.6%
ERV	£1.8m

Portfolio Acquisition - Accretive 8.0% Yield

Three Yorkshire office assets were purchased for £26.5m in June 2022

- **1 North Bank, Sheffield (totalling 58,893 sq. ft.)**
 - Five floors of recently refurbished Grade A office space; BREEAM 'Very Good'; EPC C with a clear plan to enhance the ratings further for minimal capital expenditure
 - 98.4% occupancy (by ERV); major tenants include Social Work England and XLN Telecom Ltd
 - Located to the north of the city centre, with excellent rail and road links and 70 car parking spaces
 - Contracted rent of £0.8m (£14.09 \ sq. ft.); WAULT to first break of 2.0 years and 4.5 years to expiry
- **Thorpe Park, Leeds (totalling 31,101 sq. ft.)**
 - Two floors of recently fully refurbished office space; EPC A first floor and EPC B ground floor
 - 100% occupancy (by ERV); major tenants include Homeserve Membership Ltd. and SpaMedica Ltd
 - Excellent road links with 154 car parking spaces; Thorpe Park will soon be able to boast its own railway station
 - Contracted rent of £0.7m (£21.21 \ sq. ft.); WAULT to first break of 3.9 years and 6.7 years to expiry
- **Albion Street, Leeds (totalling 34,196 sq. ft.)**
 - Six floors of recently fully refurbished well specified office space and retail on the ground floor; EPCs range from B to D with a clear plan to enhance the ratings further for minimal capital expenditure
 - 99.0% occupancy (by ERV); major tenants include Specsavers, Akari Care Ltd., and The National Association of Citizens Advice Bureaux
 - Located in Leeds city centre, with 14 car parking spaces, being rich in amenities and well served by transport connections
 - Contracted rent of £0.8m (£22.55 \ sq. ft.); WAULT to first break of 1.2 years and 2.5 years to expiry



Acquisition Price	£26.5m
Rental Income (at acquisition)	£2.3m
Floor Area	124,190 sq ft
Net Initial Yield	8.0%
ERV	£2.4m

Linford Wood Business Park, Milton Keynes

- Acquisition of office property for £15.9m, reflecting a net initial yield of 8.9%
- The acquisition price is underpinned by increasing residential and industrial land values
- Purchased in May 2022, the property is a freehold 5-building business park comprising of 107,352 sq. ft. 1 single-let and 4 multi-let office buildings
- The Park benefits from extensive parking and close proximity to Central Milton Keynes (1.5miles). The site is 3 miles from junction 14 of the M1 motorway. Additionally, Linford Wood Business Park offers is in the middle of the Oxford/Cambridge economic growth area. Milton Keynes is in the 'UK Growth Corridor' between Oxford and Cambridge, the UK Governments vision for maximising population growth, business expansion and economic output.
- All buildings have an EPC rating of C



Acquisition Price **£15.9m**

Rental Income (at acquisition) £1.5m

Floor Area **107,352 sq ft**

Net Initial Yield **8.9%**

ERV **£1.6m**

Origin 1 & 2, Crawley

- Acquisition of office property for £12.5m, reflecting a net initial yield of 8.4%
- The freehold asset is prominently located on a corner site in Crawley Town Centre, a strong south east commercial centre close to London Gatwick Airport
- The property is situated on the High Street within 750 metres of Crawley train station, benefitting from an extensive amenity offer at The Broadgate, on the High Street and at Crawley Leisure Park
- These two self-contained offices produce £1.1m pa of rental income from seven separate tenants and total some 45,855 sq. ft. of accommodation
- Origin 1 has an EPC rating of B having recently been re-assessed post refurbishments referred to below. Origin 2 has an EPC rating of C – the asset manager is confident that with capex assumed as part of the business plan (including the refurbishment of tenant space) this will also receive an EPC rating of B
- The assets benefit from 214 car parking spaces, reflecting an excellent town centre car parking ratio of 1:219 sq. ft.



Acquisition Price

£12.5m

Rental Income (at acquisition) £1.1m

Floor Area

45,855 sq ft

Net Initial Yield

8.4%

ERV

£1.3m

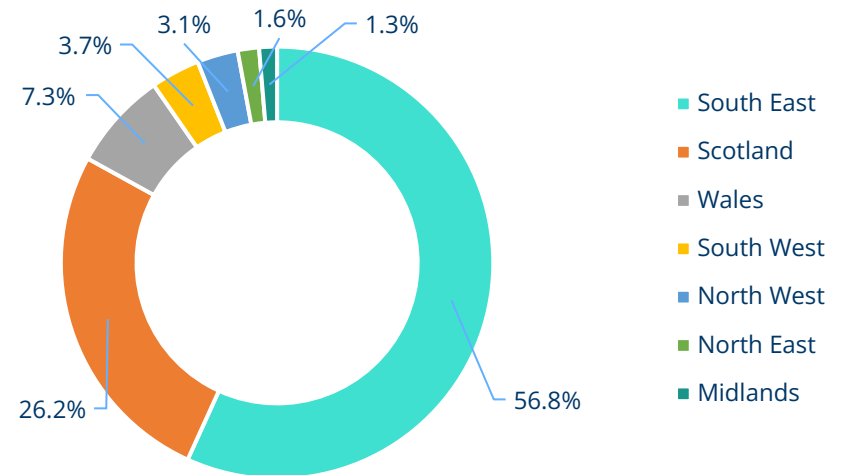
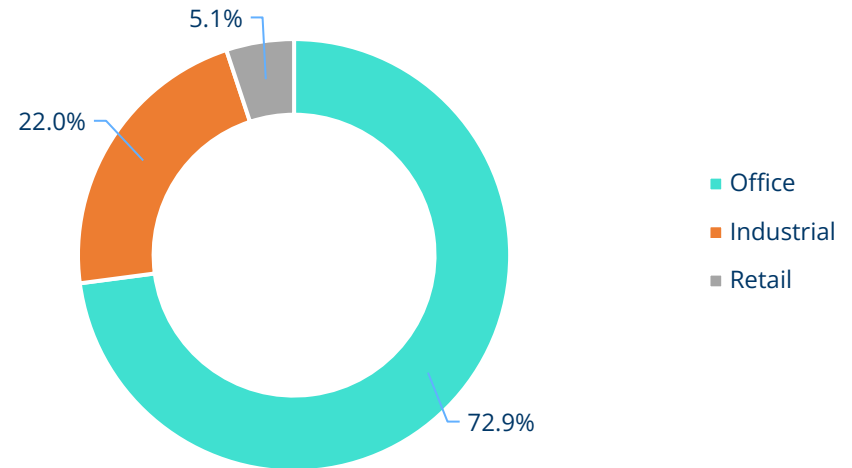


Disposals



Summary – Disposals during 2022

- Disposals totalled **£90.0m** (before costs)
- Reflecting an **average net initial yield of 4.9% (6.3% excluding vacant assets)**
- **20** assets and 4 part sales in total during 2022
- Disposals of non – core and assets at the end of their business plans



Howdens, Renfrew

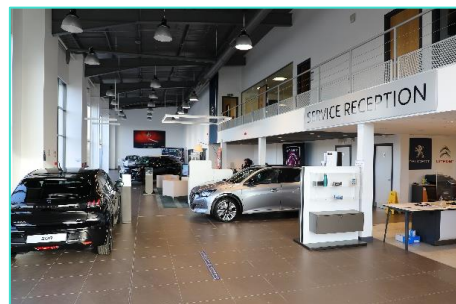
- Acquired in November 2020 for £7.05m
- The 204,414 sq. ft. industrial, warehouse is fully let to James Howden & Company Ltd
- Over the period of ownership of this property, the asset manager completed an early regear on the tenant's 2025 lease expiry. The existing tenant extended the term by a further 10 years to 2031 at a rental income of £762,615 pa
- The Howden site was sold in April 2022 for £13.0m.
- After capital expenditure, this disposal reflects a 84.2% uplift from the acquisition price and is a 27.5% premium to the 31 June 2021 valuation, with a net initial yield of 6.0%.



Acquisition Price	£7.1m
Valuation Dec 21	£12.9m
Sale Price (before costs)	£13.0m
Net Initial Yield	6.0%
Uplift against acquisition price capex)	84.2% (post-

Newport Retail Park, Newport

- Acquired in August 2021 as part of a major portfolio of 31 assets from Squarestone LLP
- The 55,770 sq. ft. multi-let industrial, retail warehouse was purchased for £5.45m
- Two fully let retail units that have separate customer and service access. The site is adjacent to a large range of national retailers
- The property is let to Matalan Retail Ltd and Peugeot Motor Company plc at a combined gross rent of £0.5m (£9.37/ sq. ft.)
 - Matalan have been in occupation since 2001 and are paying £8.78 psf.
 - Peugeot have been in occupation since 2000 and are paying £11.00 psf.
- Disposal of asset for £6.6m, representing a substantial uplift of 21.5% against the 31 December 2021 valuation.



Acquisition Price £5.5m

Valuation Dec 21 £5.4m

Sale Price (before costs) £6.6m

Net Initial Yield 7.4%

**Uplift against
acquisition price 21.1% (post-
capex)**

Festival Court, Glasgow

- Acquired in 2014
- The 36,854 sq. ft. office park was purchased for £3.8m
- Three adjacent office buildings on a self-contained site located a short distance from the M8 motorway providing easy access to Glasgow city centre, Glasgow Airport and the local trunk road network.
- At purchase, the property was fully let to The Secretary of State for Transport on three separate co-terminus Full Repairing and Insuring leases expiring 6th November 2021.
- In 2021 renewal terms were successfully negotiated for further 10 year period from expiry on all three leases at rent of £490,350 p.a. (£13.31/sq ft.)
- Disposal of asset for £7.7m, representing a substantial uplift of 21.2% against the 31 December 2021 valuation.



Acquisition Price **£4.0m**

Valuation Dec 21 **£6.3m**

Sale Price (before costs) **£7.7m**

Net Initial Yield **6.0%**

Uplift against acquisition price **90.1% (post-capex)**



Financial Information

Delivering on Strategy

Portfolio – Active management

	Dec 2021	Dec 2022	Change
Investment Property	£906.1m	£789.5m	(£116.6m)
Acquisitions before costs	£236.0m	£74.7m	(£161.3m)
Acquisition Net Initial Yield	7.8%	8.4%	+0.6pps
Disposals net of costs	£76.9m	£84.1m	+£7.2m
Disposal Net Initial Yield	6.5%	4.9%	(1.6pps)
CAPEX	£6.8m	£10.0m	+£3.2m

Portfolio diversification

Office	89.8%	91.8%	+2.0pps
Scotland*	19.0%	16.7%	(2.3pps)

Debt Proactive and defensive approach

Weighted Average Cost of Debt	3.3%	3.5%	+0.2pps
Weighted Average Duration	5.5yrs	4.5yrs	(1.0yr)
Fixed and hedged	101.3%	100.9%	(0.4pps)

Return High yielding uninterrupted quarterly dividend

Total Accounting Return since IPO**	41.2%	24.2%	(17.0pps)
Total EPRA Annual Accounting Return	5.8%	3.1%	(2.7pps)
Dividends declared	6.5p	6.6p	+0.1p

* Long term exposure target to Scotland of 15% **IPO 06.11.2015 – NAV plus dividend

Financial – Statement of Comprehensive Income

	Year-end 2021 (£'000)	Year-end 2022 (£'000)	Change (£'000)
Rental and property income	79,899	93,318	13,419
Property costs	(24,075)	(30,672)	(6,597)
Net rental and property income	55,824	62,646	6,822
Administrative & other expenses	(10,583)	(11,421)	(838)
Operating profit (loss) before gains/(losses) on property assets/other investments	45,241	51,225	5,984
Gains(loss) on the disposal of investment properties & right of use asset	846	(8,560)	(9,406)
Change in fair value of investment properties & of right of use asset	(8,502)	(113,418)	(104,916)
Operating profit/(loss)	37,585	(70,753)	(108,338)
Net finance income/expense, impairment of goodwill and net movement in fair value of derivative financial instruments	(8,813)	5,584	14,397
Profit/(loss) before tax	28,772	(65,169)	(93,941)
Taxation	(15)	6	21
Profit/(loss) after tax for the period (attributable to equity shareholders)	28,757	(65,163)	(93,920)
Earnings/(losses) per share - basic	6.3p	(12.6p)	(18.9p)
Earnings/(losses) per share - diluted	6.3p	(12.6p)	(18.9p)
EPRA earnings/(losses) per share - basic	6.6p	6.6p	0.0p
EPRA earnings/(losses) per share - diluted	6.6p	6.6p	0.0p

Financial – Statement of Financial Position

	Year-end Dec 2021 (£'000)	Year-end Dec 2022 (£'000)	Change		Year-end Dec 2021 (£'000)	Year-end Dec 2022 (£'000)	Change
Assets Non-current Assets				Liabilities			
Investment properties	906,149	789,480	(116,669)	Current liabilities	(58,422)	(56,591)	1,831
Right of use assets	16,482	11,126	(5,356)	Non-current liabilities			
Other non-current assets	2,525	25,027	22,502	Bank and loan borrowings - non current	(433,070)	(435,017)	(1,947)
				Lease liabilities	(16,795)	(11,505)	5,290
Current assets				Financial Instruments	-		
Current assets	29,404	30,274	870	Total liabilities	(508,287)	(503,113)	5,174
Cash and cash equivalents	56,128	50,148	(5,980)	Net assets	502,401	402,942	(99,459)
Total assets	1,010,688	906,055	(104,633)				
				Share capital	513,762	513,762	0
				Retained earnings/accumulated (losses)	(11,361)	(110,820)	(99,459)
				Total equity	502,401	402,942	(99,459)
				Net assets per share – basic	97.4p	78.1p	(19.3p)
				Net assets per share – diluted	97.4p	78.1p	(19.3p)
				EPRA net tangible value per share – basic*	97.2p	73.5p	(23.7p)
				EPRA net tangible value assets per share – diluted*	97.2p	73.5p	(23.7p)

*EPRA Net Reinstatement Value(NRV): 31 December 2022 73.5p (31 December 2021: 97.2p); Net Disposal Value(NDV): 31 December 2022 81.9p (31 December 2021: 96.4p)

Cash Flow – Ample Liquidity

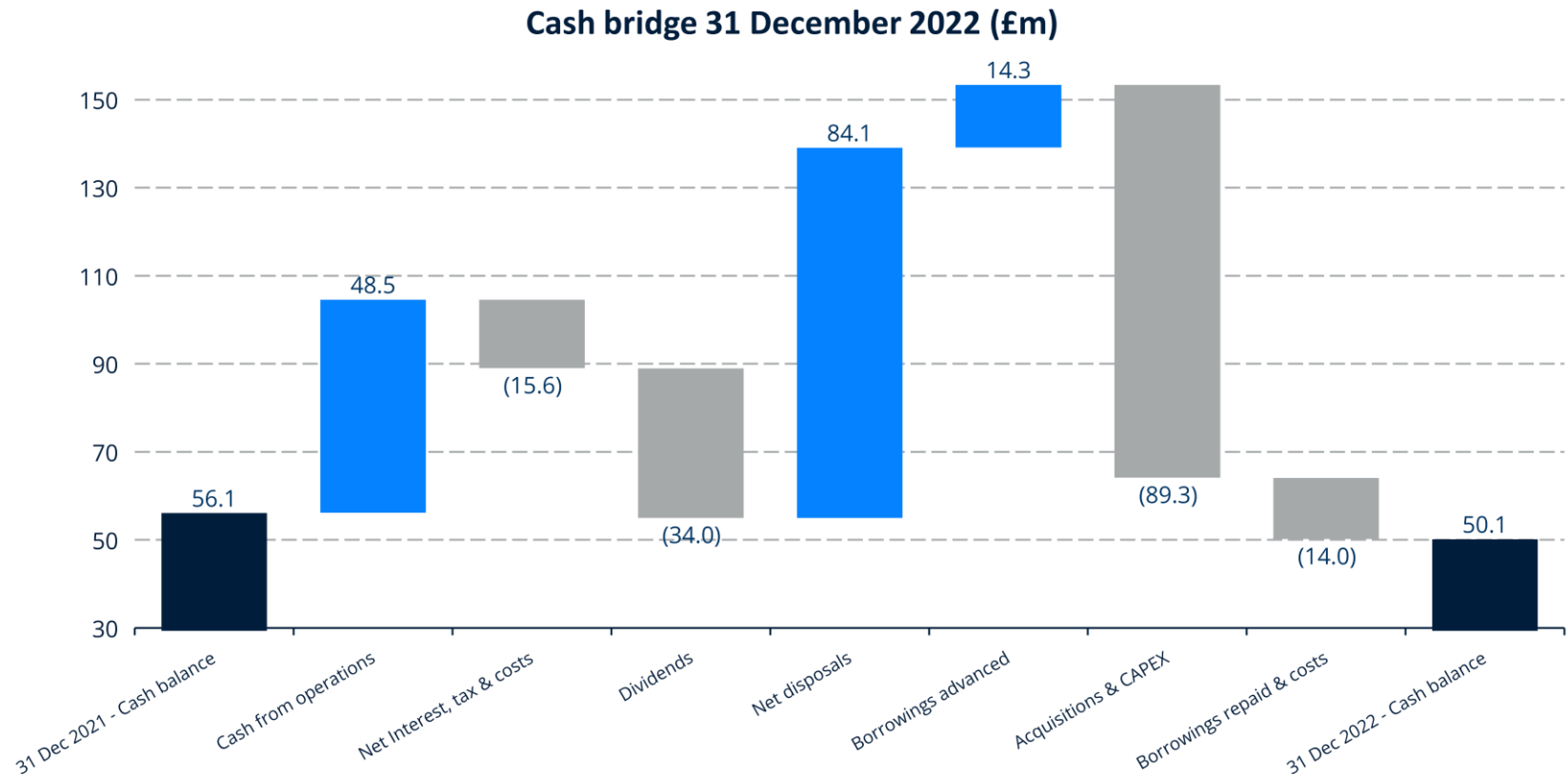


Table may not sum due to rounding.

Income and Cost Focused

	Year ending 31 Dec 2021	Year ending 31 Dec 2022	Change*
Net rental and property income	£55.8m	£62.6m	+£6.8m
Operating profit before gains/losses on property assets/other investments	£45.2m	£51.2m	+£6.0m
IFRS EPS	6.3p	(12.6p)	(18.9p)
EPRA EPS	6.6p	6.6p	+0.0p
EPRA cost ratio (incl. direct vacancy costs)	31.2%	32.8%	+1.6pps
EPRA cost ratio (excl. direct vacancy costs)	16.8%	16.2%	(0.6pps)
Dividend declared for the period	6.5p	6.6p	+0.1p

- Rental income continues to remain robust. If the portfolio was fully occupied per Cushman & Wakefield's view of market rents the Rent roll at 31 Dec 2022 would be £92.0m pa. (31 Dec 2021: £94.6m).**
- The EPRA cost ratio (incl. direct vacancy costs) increased ostensibly due to an decrease in the rental income relative to the level of expenses incurred.
- Loss before tax 31 Dec 2022 £65.2m (31 Dec 2021: profit £28.8m); including loss on the disposal of investment properties £8.6m (31 Dec 2021: gain £0.7m) and loss in the change in fair value of investment properties of £113.2m (31 Dec 2021: loss £8.3m).
- EPRA EPS 31 Dec 2022: 6.6p (31 Dec 2021: 6.6p) paying a FY 2022 dividend 6.6p (FY 2021: 6.5p)

*Rounded to whole numbers **Excluding service charge income and other similar items

Financial Position Remains Robust, Flexible and Defensive

	Year ending 31 December 2021	Year ending 31 December 2022	Change
Investment Property	£906.1m	£789.5m	(£116.6m)
IFRS NAV (fully diluted)	97.4p	78.1p	(19.3p)
EPRA NTA* (fully diluted)	97.2p	73.5p	(23.7p)
Borrowings (incl. retail eligible bond)	£439.9m	£440.8m	+£0.9m
Weighted average cost of debt (incl. hedging)	3.3%	3.5%	+0.2pps
Net Loan-to-value	42.4%	49.5%	+7.1pps
EPRA Occupancy	81.8%	83.4%	+1.6pps
EPRA Occupancy like-for-like	82.4%	82.1%	(0.3pps)
Rent roll like-for-like	£65.7m	£62.1m	(£3.6m)

- Investment properties on a like-for-like valuation decrease of 12.1%, after adjusting for capital expenditure, acquisitions and disposals during the period.
- Borrowings increased by a net £0.9m.

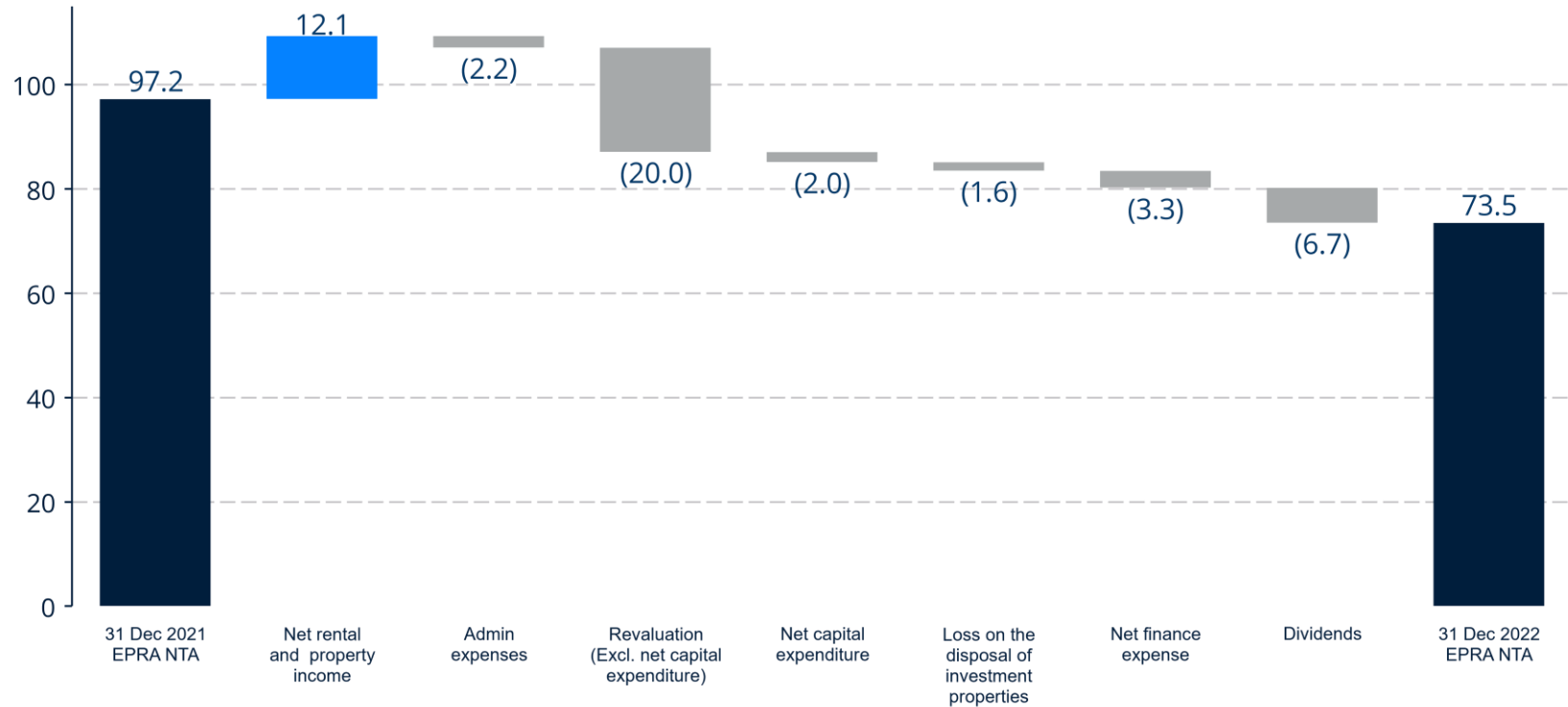
- EPRA Occupancy of 83.4%, with planned refurbishment programmes impacting ERV amounting to £4.3m.
- Total accounting returns to shareholders since IPO of 24.2%, and annualised total accounting rate of return 3.1%.

**EPRA Net Reinstatement Value(NRV): 31 December 2022 73.5p (31 December 2021: 97.2p); Net Disposal Value(NDV): 31 December 2022 81.9p (31 December 2021: 96.4p)*

Positioned to Unlock Shareholder Value over the Long Term

- **EPRA NTA*: £379.2m (73.5p fully diluted)**
(31 Dec '21: £501.4m, 97.2p fully diluted)
- **IFRS: £402.9m (78.1p fully diluted)**
(31 Dec '21: £502.4m, 97.4p fully diluted)

EPRA Net Tangible Asset - Bridge 31 December 2022



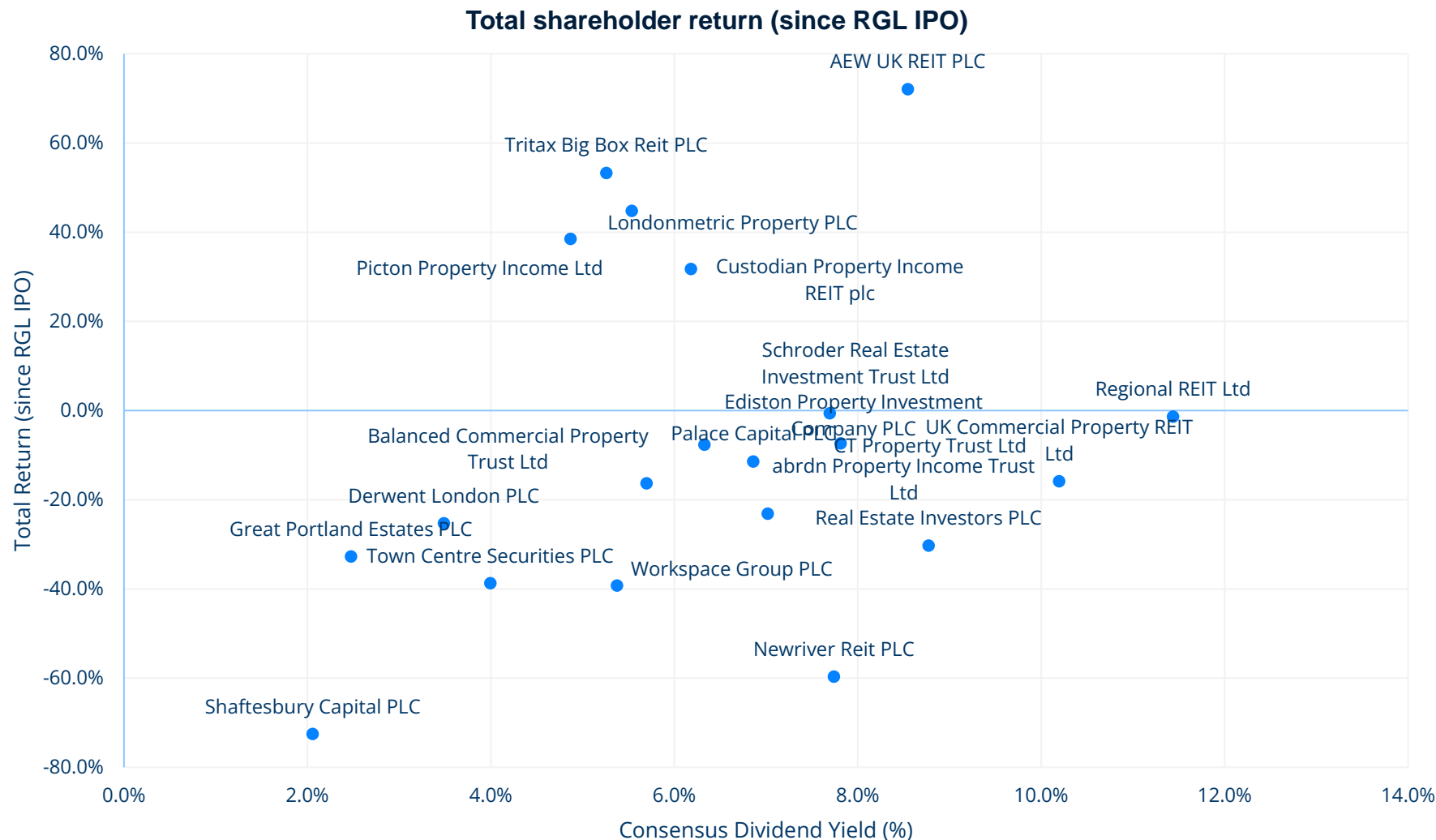
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Table may not sum due to rounding.



Performance



Dividends and Performance



Source: Thomson Reuters 21 March 2023

Consensus Dividend Yield

	Consensus dividend yield (share price)	Consensus dividend yield (NAV)
Regional REIT Ltd	11.4%	8.8%
Shaftesbury Capital PLC	2.1%	1.2%
Great Portland Estates PLC	2.5%	1.4%
Derwent London PLC	3.5%	2.7%
Town Centre Securities PLC	4.0%	1.9%
Picton Property Income Ltd	4.9%	3.8%
Tritax Big Box Reit PLC	5.3%	3.7%
Workspace Group PLC	5.4%	2.5%
Londonmetric Property PLC	5.5%	4.3%
Balanced Commercial Property Trust Ltd	5.7%	4.1%
Custodian Property Income REIT plc	6.2%	5.6%
CT Property Trust Ltd	6.3%	3.3%
Palace Capital PLC	6.9%	3.7%
abrdn Property Income Trust Ltd	7.0%	4.7%
Schroder Real Estate Investment Trust Ltd	7.7%	5.2%
Newriver Reit PLC	7.7%	3.3%
Ediston Property Investment Company PLC	7.8%	6.0%
AEW UK REIT PLC	8.5%	7.6%
Real Estate Investors PLC	8.8%	4.1%
UK Commercial Property REIT Ltd	10.2%	6.3%

Source: Thomson Reuters 21 March 2023

Cost Focused

EPRA cost ratio incl. direct costs		EPRA cost ratio excl. direct costs	
Town Centre Securities PLC	67%	Newriver REIT PLC	31%
Real Estate Investors PLC	37%	Warehouse REIT	25%
AEW UK REIT PLC	37%	AEW UK REIT PLC	24%
Newriver REIT PLC	36%	Ediston Property Investment Company PLC	24%
Regional REIT Ltd	34%	Picton Property Income Ltd	20%
Ediston Property Investment Company PLC	30%	Urban Logistics REIT	19%
Warehouse REIT	28%	Custodian REIT PLC	19%
Picton Property Income Ltd	28%	Regional REIT Ltd	16%
Custodian REIT PLC	22%		
Urban Logistics REIT	22%		
Average(Excl. RGL)	34%	Average(Excl. RGL)	22%

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