



HELICAL

**FULL YEAR RESULTS TO 31 MARCH 2020**

**4 JUNE 2020**

# AGENDA

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GERALD KAYE

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Farfetch, The Bower, EC1





Fenwick House, Barts Square, EC1

# RESULTS HIGHLIGHTS

GERALD KAYE

# RESULTS HIGHLIGHTS

## PROFIT BEFORE TAX

**£43.0m**

(2019: £43.5m)

## EPRA NAV PER SHARE

**511p +6.0%**

(31 March 2019: 482p)

## TOTAL DIVIDEND PER SHARE

**8.70p -13.9%**

(2019: 10.10p)

## EPRA EARNINGS PER SHARE

**7.6p**

(2019: loss of 8.4p)

## TOTAL ACCOUNTING RETURN

**7.7%**

(2019: 8.4%)

## NET RENTAL INCOME

**£28.5m +13.0%**

(2019: £25.2m)

## SEE-THROUGH LOAN TO VALUE

**31.4%**

(31 March 2019: 30.6%)

## SALE / VALUATION GAIN

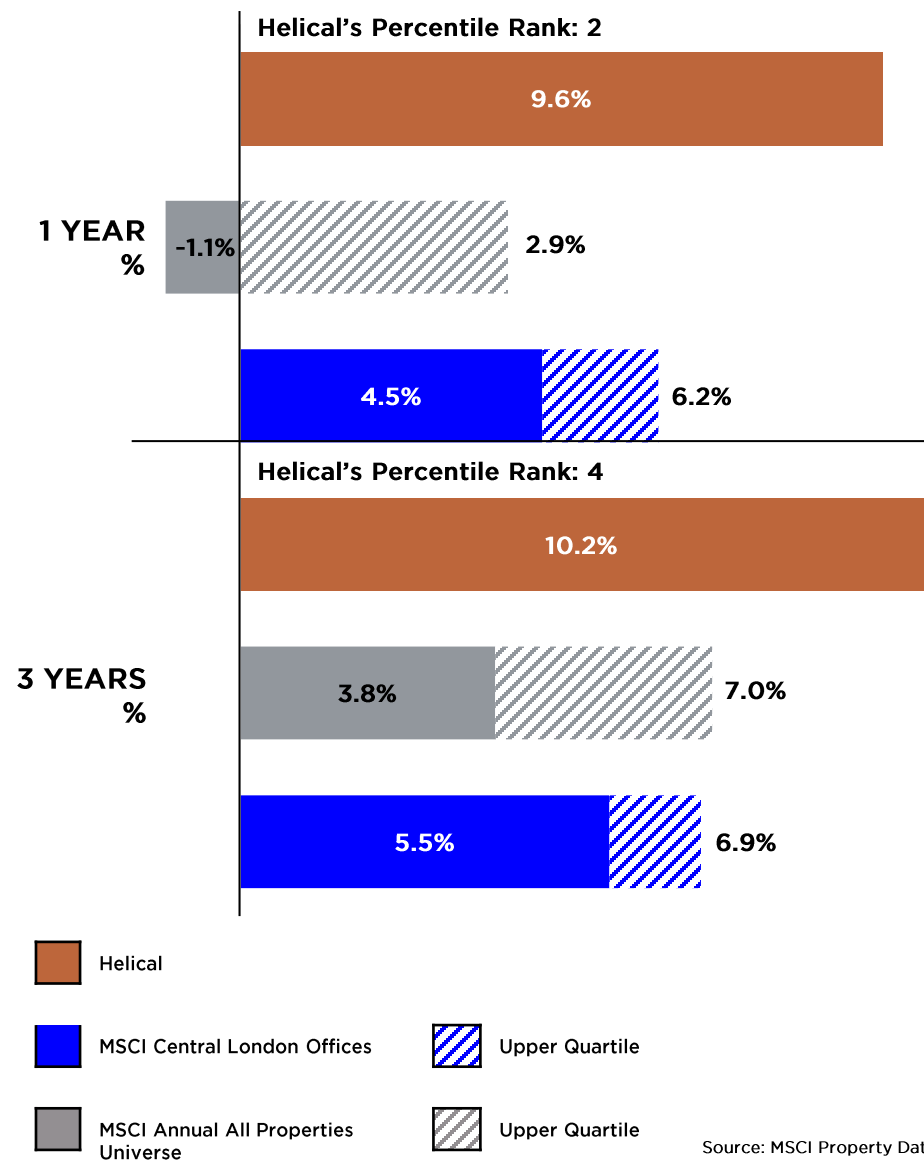
**£45.5m**

(2019: £60.6m)





# MSCI PERFORMANCE

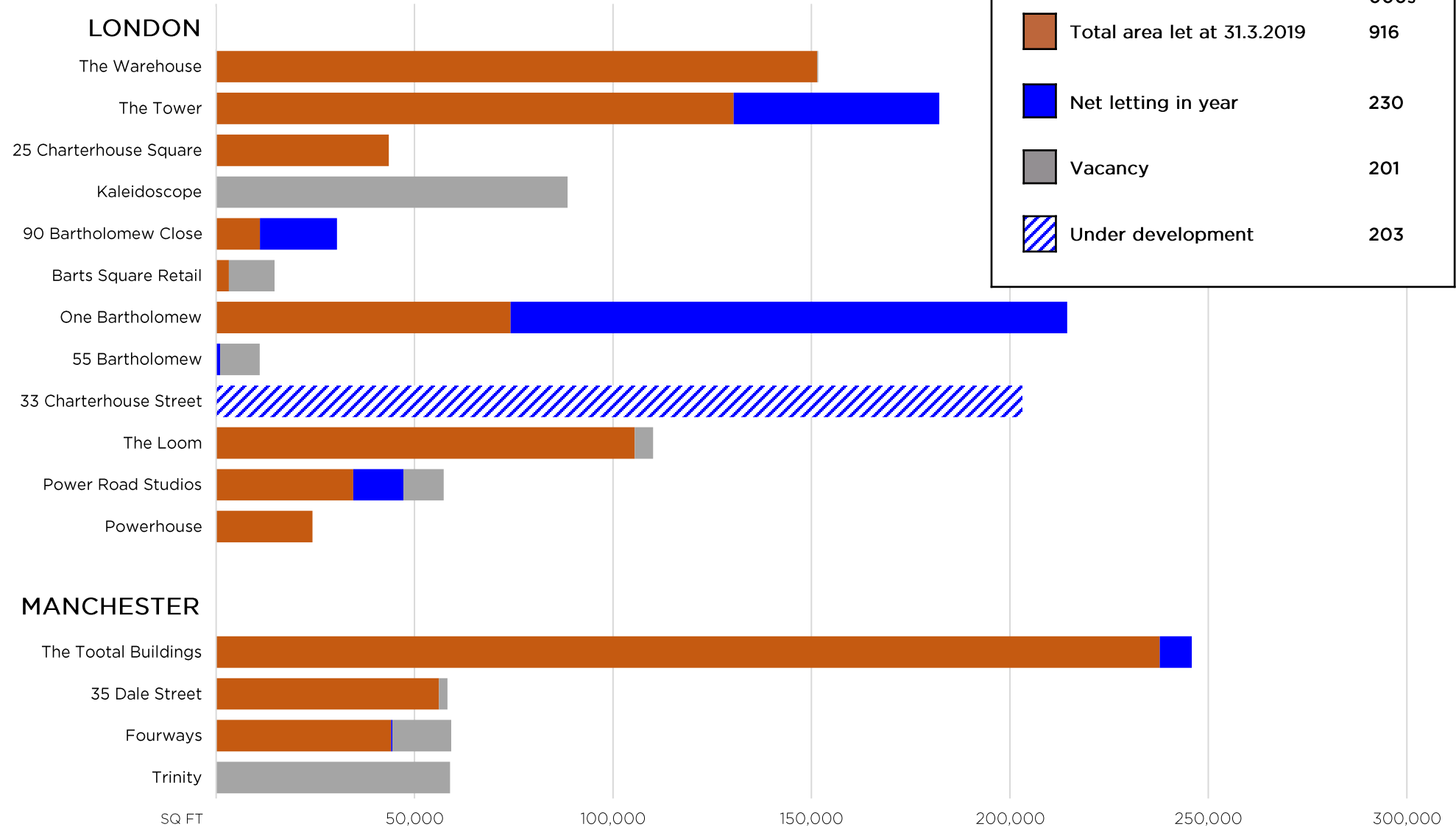


Source: MSCI Property Databank

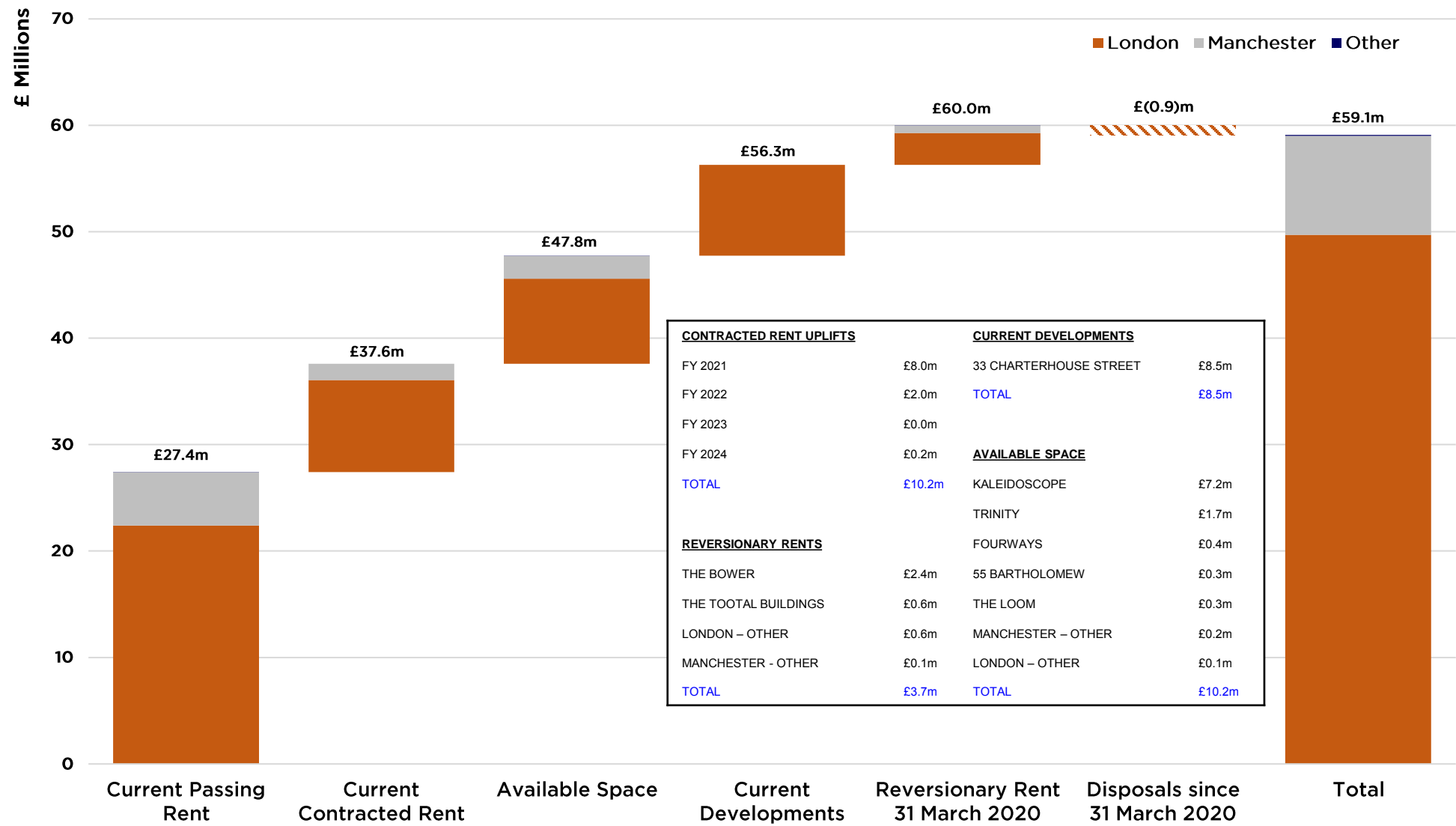


33 Charterhouse Street, EC1

# OPERATIONAL HIGHLIGHTS – LETTINGS



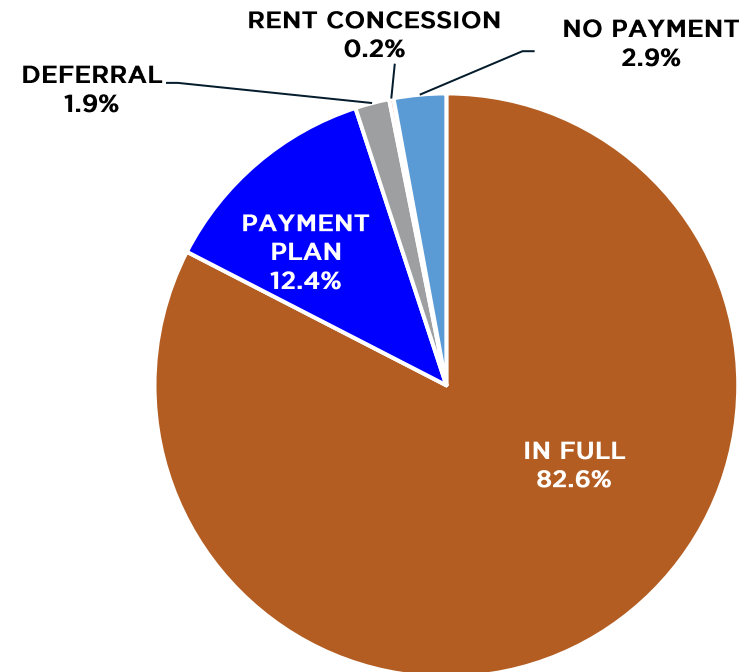
# CAPTURING THE REVERSION



## CURRENT SITUATION

- Strong performance to 31 March 2020
- Completion of Stage 1 of strategy – portfolio reoriented and major development programme finished and predominantly let
- Stage 2 to grow the business to enhance the high quality portfolio, further acquisitions alongside 33 Charterhouse Street
- Currently navigating Covid-19 fall out
- Rent collection – currently 92.4% of March quarter day. Additional 3.1% due via payment plans
- Service charge collection – 97.1%
- Early engagement with tenants prior to June quarter day

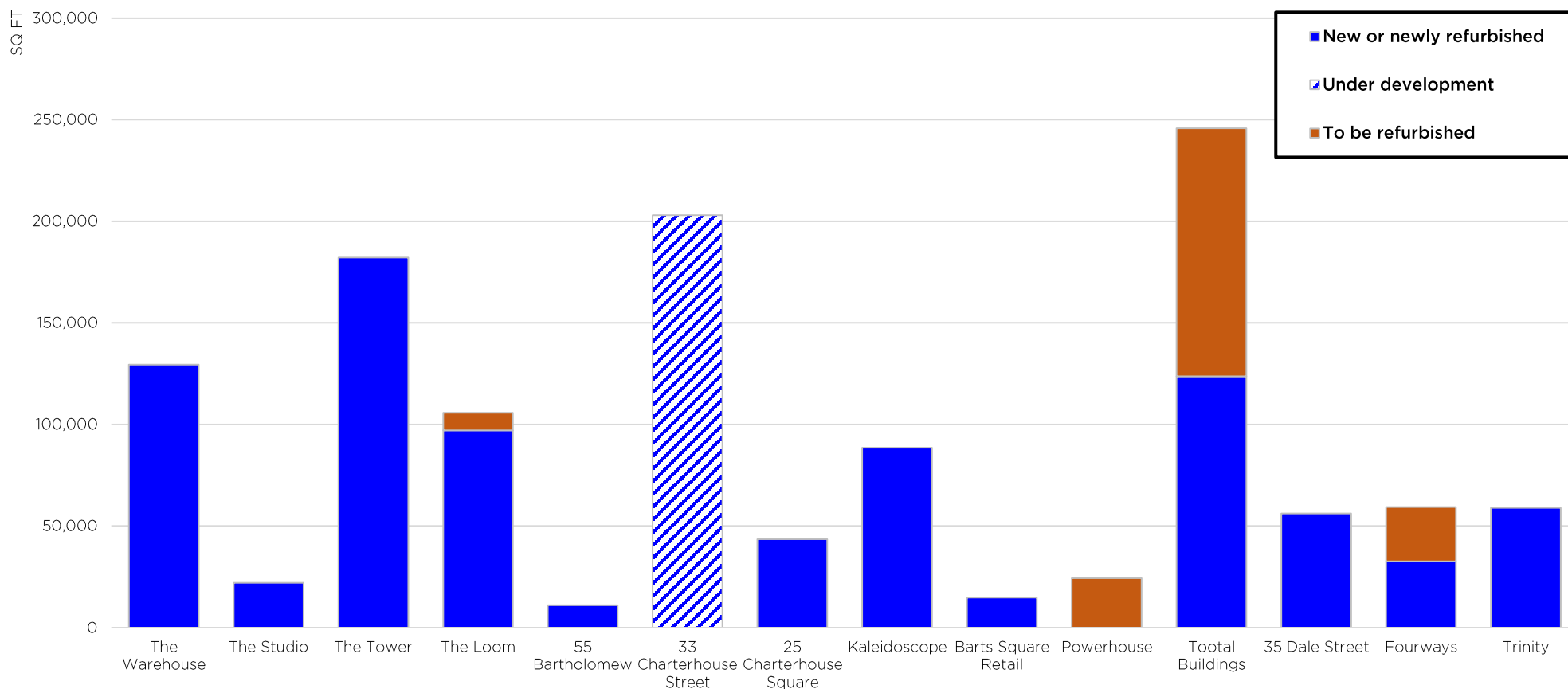
## MARCH RENT COLLECTION





## A NEW GRADE A PORTFOLIO

- 83% of the office units have either been recently developed or refurbished
- 100% of common parts across the London portfolio, including reception areas, toilets, showers and bike stores are new or fully refurbished within the last 5 years



# LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Year to 2021	Year to 2022	Year to 2023	Year to 2024	Year to 2025	After 2025
Rent Roll (%)	6.5	15.4	15.1	11.6	8.9	42.5
Number of Leases	23	31	23	21	19	40
Average Rent per Lease (£)	106,127	186,560	247,220	207,025	176,829	395,252



# INVESTMENT CASE – FUTURE UPSIDE - LONDON

	STATUS	PERFORMANCE TO DATE	FUTURE POTENTIAL
The Bower London, EC1	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£117.1m valuation gain</li> <li>£23.7m development profit</li> </ul>	<ul style="list-style-type: none"> <li>£23.7m ERV vs £21.3m contracted rents</li> <li>Potential surplus of £10m+</li> </ul>
33 Charterhouse Street London, EC1	<ul style="list-style-type: none"> <li>Purchased in 50:50 joint venture with AshbyCapital in May 2019</li> <li>Completion expected Summer 2022</li> </ul>	<ul style="list-style-type: none"> <li>Acquired for £37.1m (our share)</li> </ul>	<ul style="list-style-type: none"> <li>Potential surplus of £25m+ (our share)</li> </ul>
Kaleidoscope London, EC1	<ul style="list-style-type: none"> <li>Purchased April 2018</li> <li>Completed December 2019</li> </ul>	<ul style="list-style-type: none"> <li>£18.4m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>Potential surplus of £15m+</li> </ul>
25 Charterhouse Square London, EC1	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£15.8m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>Potential surplus of £1m</li> </ul>
The Loom London, E1	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£45.4m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>£5.6m ERV vs £5.1m contracted rents</li> <li>Potential surplus of £3m+</li> </ul>
One Bartholomew London, EC1	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£25.6m development profits on the sale of land (our share)</li> <li>Profit share £14.8m (our share)</li> </ul>	<ul style="list-style-type: none"> <li>Our participation has now concluded</li> </ul>
Barts Square – Residential London, EC1	<ul style="list-style-type: none"> <li>Phase 1 – Completed Q4 2018</li> <li>Phase 2 – Completed Q4 2019 to Q2 2020</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1 – sold 140 units (total 144) at an average of £1,536 psf</li> <li>Phase 2 – sold 52 units (total 92) at an average of £1,769 psf</li> </ul>	<ul style="list-style-type: none"> <li>Potential profits of £5m</li> </ul>
Barts Square – Offices London, EC1	<ul style="list-style-type: none"> <li>90 Bartholomew Close – Sold April 2020</li> <li>55 Bartholomew – Completed in Q4 2019</li> </ul>	<ul style="list-style-type: none"> <li>Disposal price of £48.5m reflected a net initial yield of 3.92 %</li> <li>£0.9m valuation gain (our share)</li> </ul>	<ul style="list-style-type: none"> <li>Potential surplus of £1m</li> </ul>



# INVESTMENT CASE – FUTURE UPSIDE - MANCHESTER

	STATUS	PERFORMANCE TO DATE	FUTURE POTENTIAL
The Tootal Buildings, Manchester	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£23.5m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>£5.1m ERV vs £4.5m contracted rents</li> <li>Potential surplus of £7m+</li> </ul>
Fourways, Manchester	<ul style="list-style-type: none"> <li>Purchased July 2018 and undergoing asset management programme</li> </ul>	<ul style="list-style-type: none"> <li>Acquired for £16.5m</li> </ul>	<ul style="list-style-type: none"> <li>£1.3m ERV</li> <li>Potential surplus of £2m</li> </ul>
35 Dale Street, Manchester	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£4.4m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>Potential surplus of £1m+</li> </ul>
Trinity, Manchester	<ul style="list-style-type: none"> <li>Completed</li> </ul>	<ul style="list-style-type: none"> <li>£2.1m valuation gain</li> </ul>	<ul style="list-style-type: none"> <li>£1.7m ERV (currently vacant)</li> <li>Potential surplus of £5m+</li> </ul>

## KEY ASSUMPTIONS FOR FUTURE POTENTIAL

- ERV captured at relevant lease event, after appropriate void period
- Planned and committed capex occurs

# FUTURE OF THE OFFICE –

## “THE REPORTS OF MY DEATH ARE GREATLY EXAGGERATED” (MARK TWAIN)

- Limitations of working from home
  - Lack of space and privacy
  - IT quality poor
  - Mental wellbeing – lonely, boring
- The office enables
  - Interaction – the ‘buzz’
  - Greater productivity and accountability
  - Creativity and motivation
  - Better working environment and IT

### What will change?

- More space per person
- Much less hot desking
- New Grade A amenity rich offices preferred
- Enhanced fresh air volumes, focus on health and wellbeing
- Greater flexibility – more ‘Plug & Play’
- More focus on customer service

*“The notion of putting 7,000 people in a building may be a thing of the past”*

**Jes Staley, Barclays**

*“Some of the feeling we have about how well working from home is going will erode as the social capital we accumulated when people met face to face will depreciate and then you would start seeing problems”*

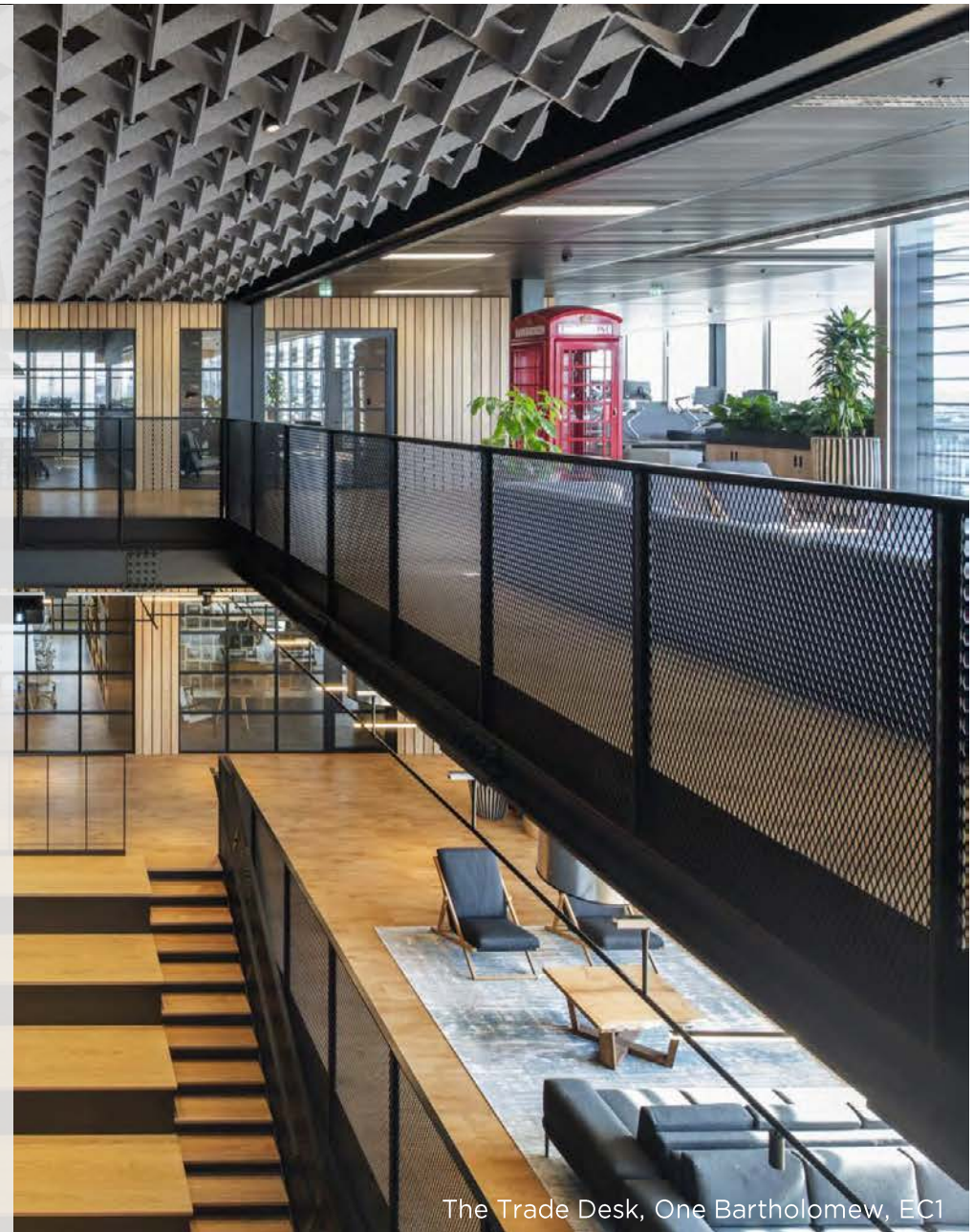
**Paco Ybarra CEO, Institutional Clients Group, Citigroup**

*“Office life is more precious than we admit. Zoom meetings are no substitute for the interaction and camaraderie of the workplace”*

**Jenni Russell, The Times**

## MARKET COMMENT

- Recession due to Covid-19 not financial stress
- Total availability 13.95m sq ft (6.1%), only 28% new completed or due to be completed in next 12 months (CBRE)
- Under construction 12.56m sq ft, 60% let or under offer (CBRE)
- Completions delayed at least 3-6 months because of Covid-19. Some potential new supply will not start
- Greater demand for new Grade A space – flight to quality
- Prime rents and yields may maintain current levels?
- Rents for poorer quality second hand space will continue to fall
- Opportunities up the risk curve



The Trade Desk, One Bartholomew, EC1



# FINANCIALS

TIM MURPHY



90 Bartholomew Close, EC1

# FINANCIAL HIGHLIGHTS

## SEE-THROUGH INCOME STATEMENT

March 2020

March 2019

<b>Total property return</b>			
- Net rental income	£28.5m	+13.0%	£25.2m
- Development property profits/(losses)	£9.9m		(£4.4m)
- Gain on revaluation of investment properties	£46.8m		£45.6m
- (Loss)/gain on sale of investment properties	(£1.3m)		£15.0m
	£83.9m	+3.1%	£81.4m

IFRS Total Accounting Return	7.7%		8.4%
Total Accounting Return on EPRA net assets	9.3%		8.0%
IFRS profit before tax	£43.0m		£43.5m
EPRA earnings/(loss)	£9.1m		(£10.0m)
EPRA earnings/(loss) per share	7.6p		(8.4p)
Total dividend per share	8.70p	-13.9%	10.10p

## SEE-THROUGH BALANCE SHEET

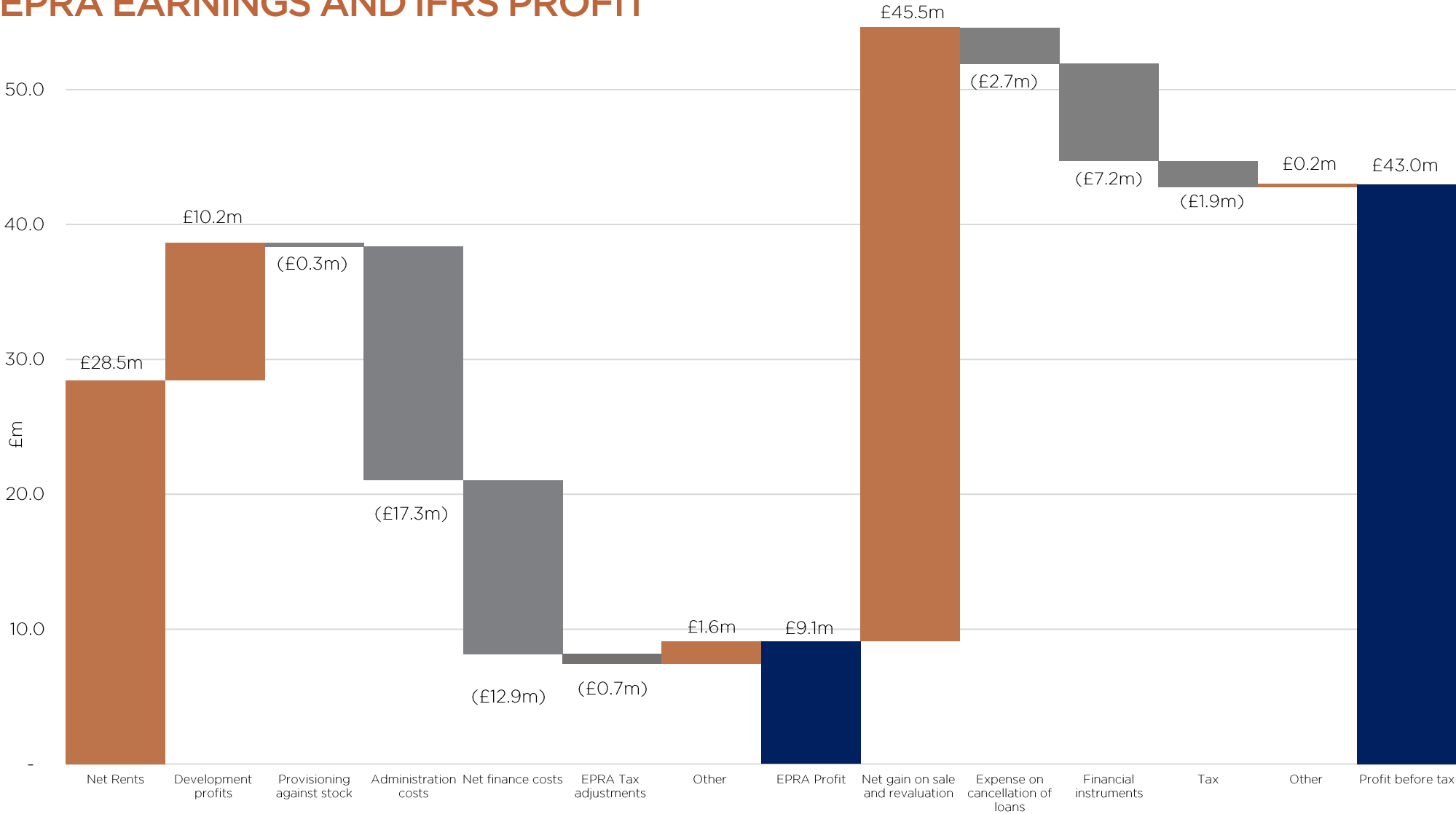
March 2020

March 2019

Portfolio value	£949.3m		£876.4m
Net assets	£598.7m		£567.4m
EPRA net asset value per share	511p	+6.0%	482p
EPRA triple net asset value per share	480p		465p
EPRA net tangible asset	524p	+6.1%	494p
See-through net borrowings	£298.5m		£268.6m
See-through loan to value ratio	31.4%		30.6%
See-through net gearing	49.9%		47.3%

Note: All figures include share of joint ventures

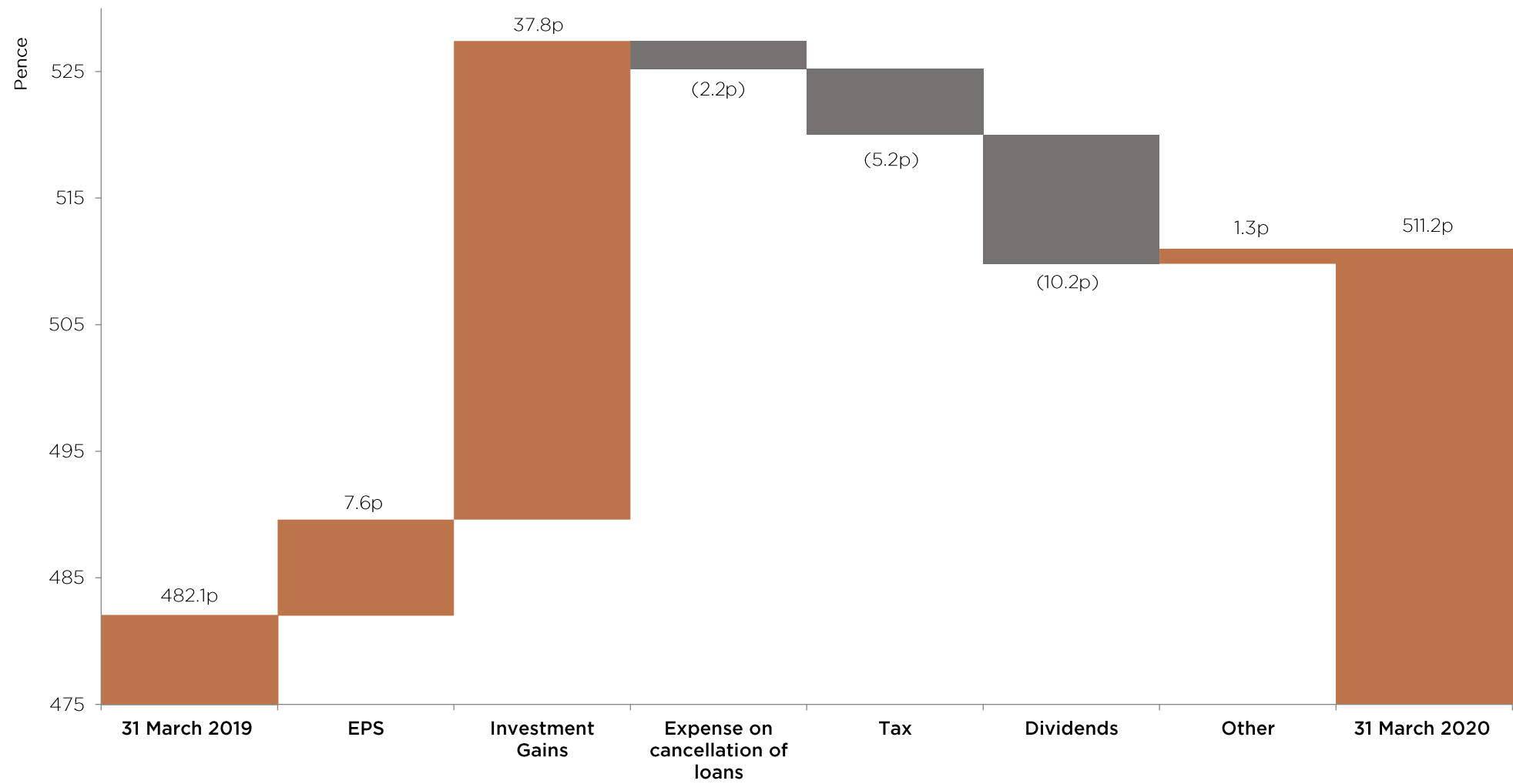
# EPRA EARNINGS AND IFRS PROFIT



2019	£25.2m	£7.1m	(£11.5m)	(£17.2m)	(£17.0m)	£2.0m	£1.4m	(£10.0m)	£60.7m	(1.4m)	(£2.5m)	(£3.4m)	£0.1m	£43.5m
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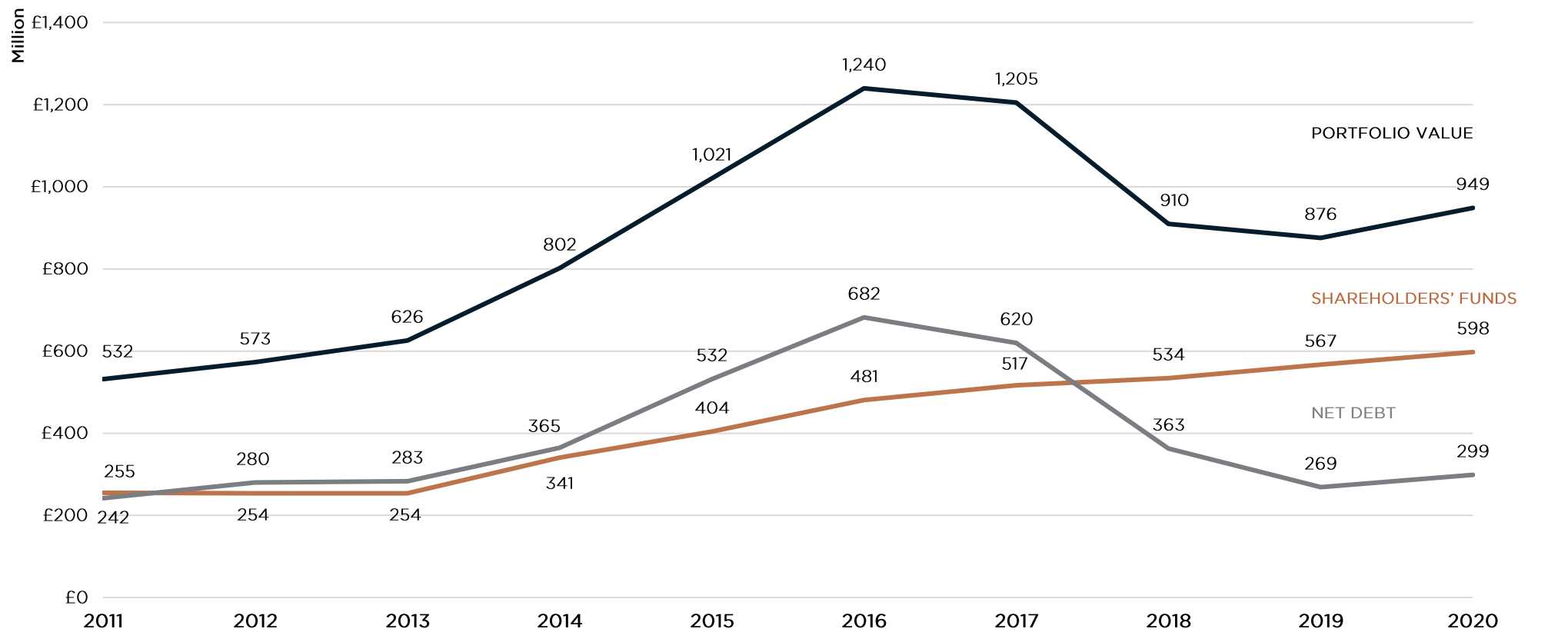


# EPRA NET ASSETS PER SHARE



2019	468.0p	(8.4p)	50.1p	(1.2p)	(13.7p)	(9.6p)	(3.1p)	482.1p
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# LOAN TO VALUE AND GEARING



LTV	45.5%	48.8%	45.2%	45.5%	52.1%	55.0%	51.4%	39.9%	30.6%	31.4%
Gearing	94.7%	110.2%	111.7%	107.2%	131.5%	141.8%	119.9%	68.0%	47.3%	49.9%

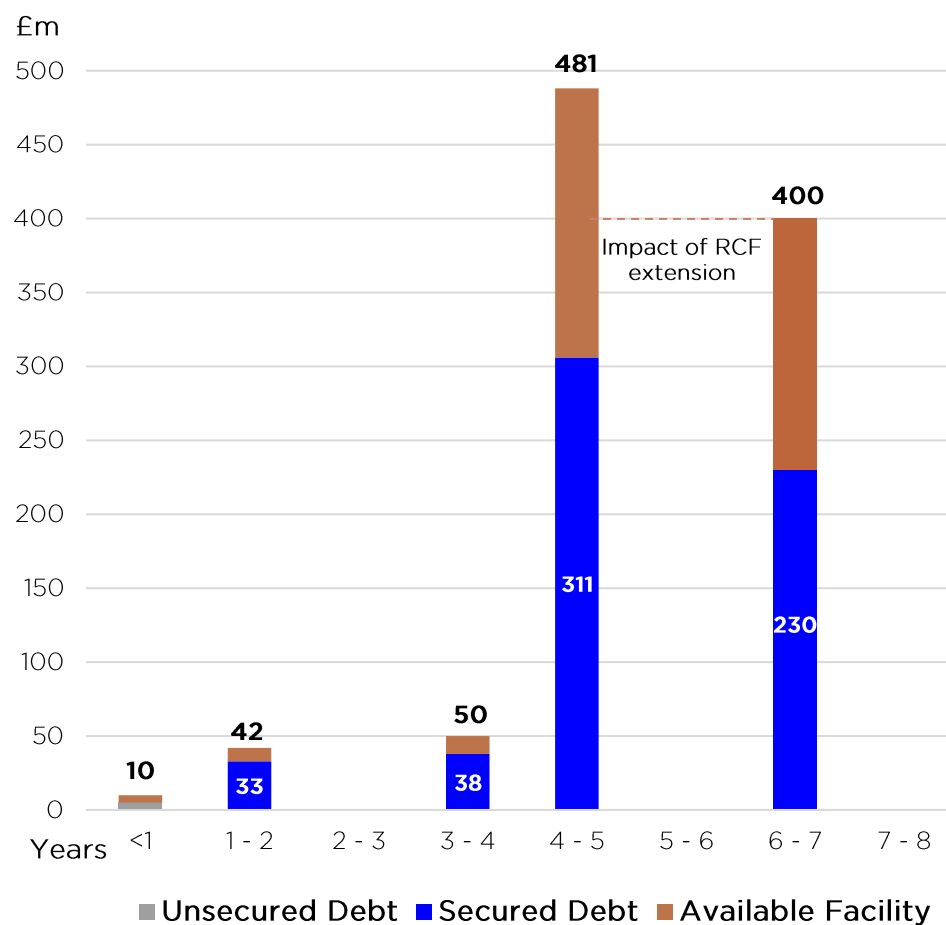
# DEBT SUMMARY

	March 2020	March 2019
Total facilities	£583.3m	£655.1m
Utilised facilities	£386.9m	£479.2m
Unutilised facilities	£196.4m	£176.4m
Cash balance	£82.4m	£205.2m
Uncharged properties	£69.8m	£25.2m
Average interest rate	3.5%	4.0%
Marginal interest rate on RCF	2.2%	2.1%
Proportion of drawn down facilities at fixed rate or hedged	100%	82%
Average maturity of borrowings*	5.4 yrs	3.6 yrs
LTV Ratio	31.4%	30.6%

\* Fully utilised and extended

- The £100m Convertible Bond was repaid on 17 June 2019.
- The £400m RCF due for repayment in July 2024 has two one year extension options, taking final repayment date to July 2026.
- £22.1m of debt due in years 1-2 repaid in April/May 2020.

At 31 March 2020:





# COVENANT SUMMARY

## RCF

Covenant	Threshold	Reported March 2020
Loan to Contracted Rental Value	<12:1	9.3:1
Actual Interest Cover	>200%	307%
Projected Interest Cover	>150%	360%

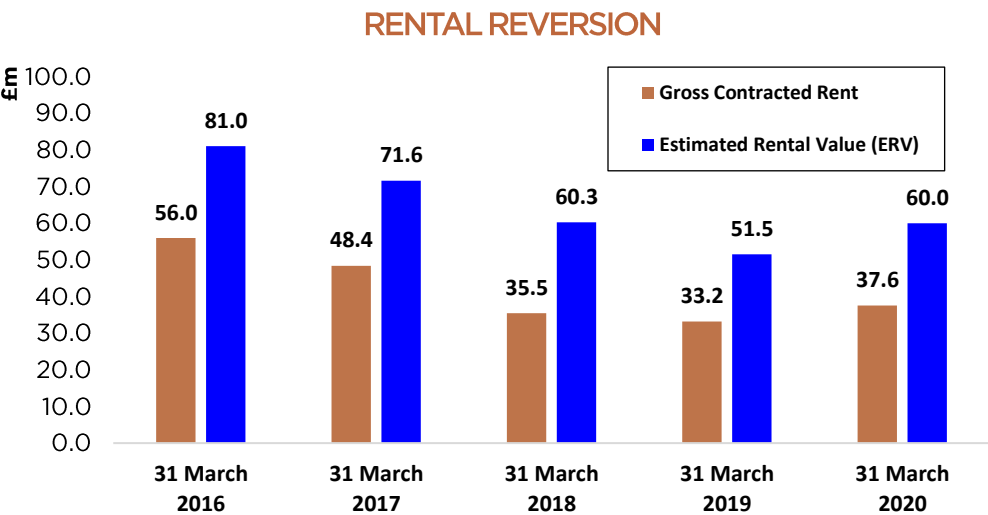
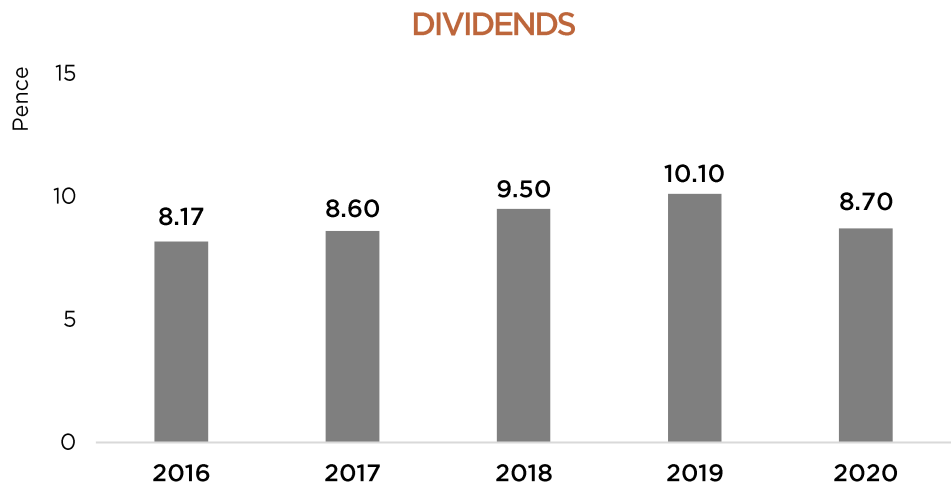
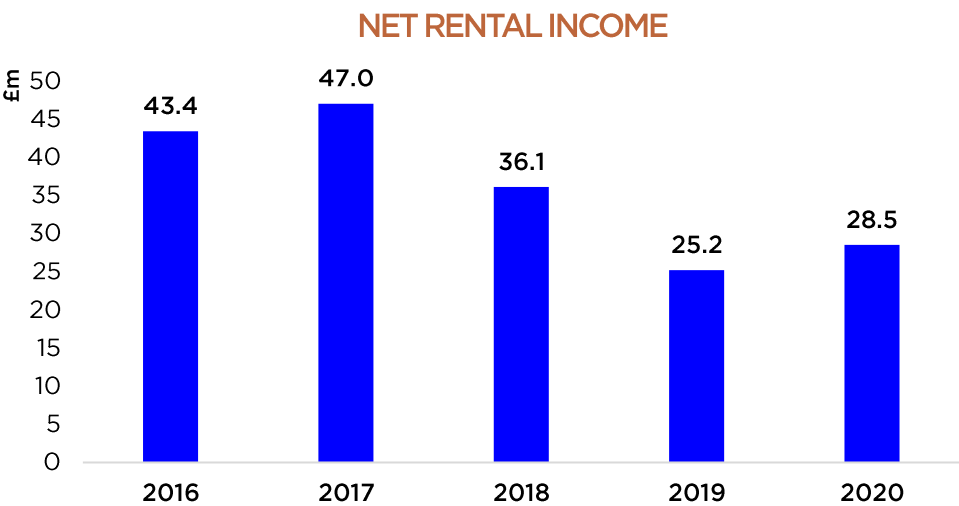
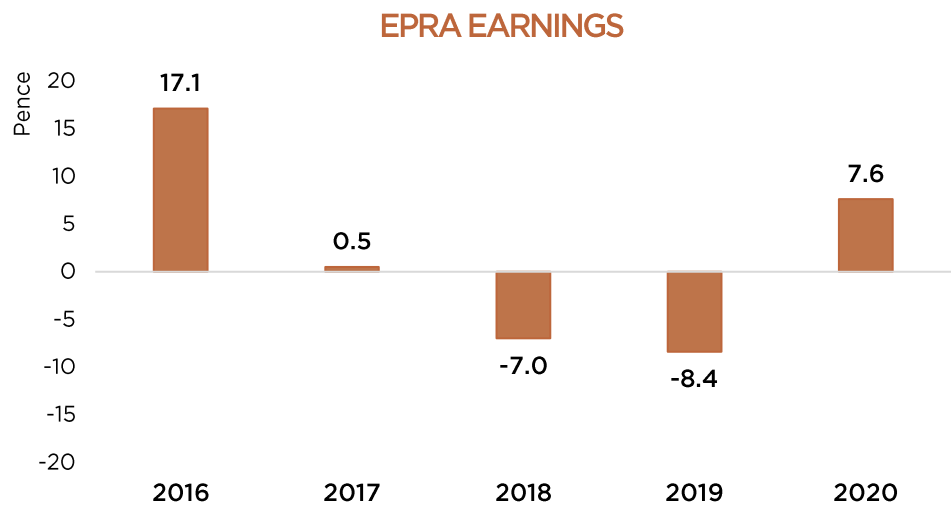
June rent collection - £5.5m rent will be charged for the June rent quarter. We have rent deposits and bank guarantees of £9.7m from tenants in buildings secured in the RCF.

## Aviva

Covenant	Threshold	Reported March 2020
Historical Debt Service Cover	>200%	246%
Projected Debt Service Cover	>200%	291%

June rent collection - £2.0m rent will be charged for the June rent quarter. We have rent deposits and bank guarantees of £1.8m from tenants in buildings secured to Aviva.

# EPRA EARNINGS , DIVIDENDS AND RENTAL INCOME



## SUMMARY & LONGER TERM GUIDANCE

- Our collection of the March quarter rents was excellent, and we are working with our tenants to help them through the next few months.
- We continue to target a completed, let and fully stabilised investment portfolio of £1bn to £1.1bn. Key drivers of this longer term target are: current contracted rents of £37m grow to £47m on letting of vacant space increasing to £59m on the completion and letting of 33 Charterhouse Street and the capture of reversionary rents.
- Long term target assumes no movement in market rents or yields, a satisfactory recovery from the current crisis, and operating at an LTV level in the early 30's.
- Incremental growth would come from new projects. With a robust balance sheet, £196m of unused bank facilities and £83m of cash, we have the firepower to take advantage of any opportunities that may arise in the near future.



One Bartholomew, EC1

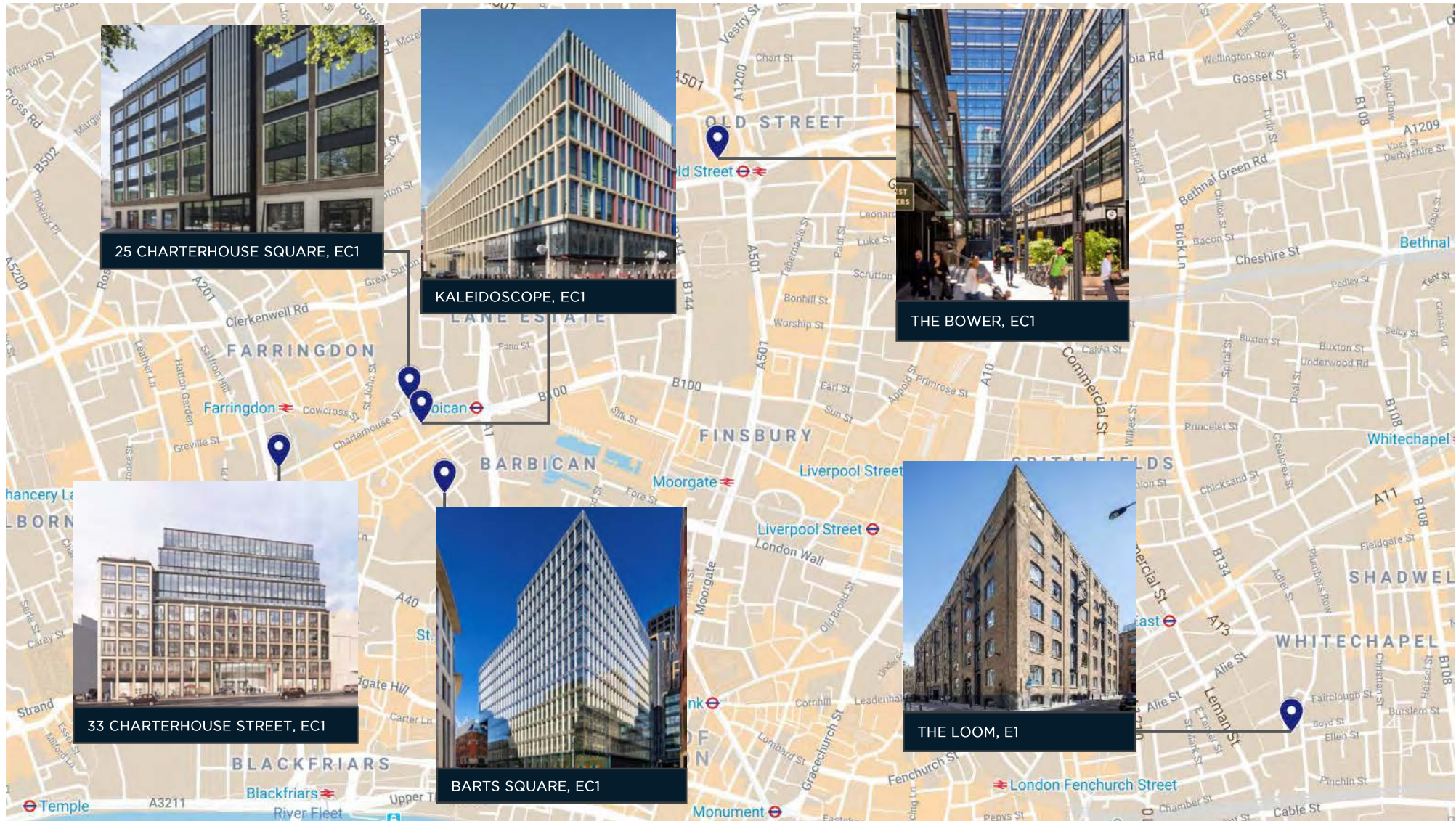
# PORTFOLIO HIGHLIGHTS

MATTHEW BONNING-SNOOK

Kaleidoscope, EC1



# LONDON PORTFOLIO – CITY & TECH BELT









## 33 CHARTERHOUSE STREET, EC1

- Major development site acquired in a 50:50 joint venture with AshbyCapital in May 2019
- c. 200,000 sq ft of offices over ground plus ten floors and ground floor retail
- Planning consent granted for enhanced ground floor configuration and additional floor of 13,175 sq ft
- Prominent corner site opposite future Museum of London and adjacent to Farringdon Station
- Work on site commenced in February 2020
- Completion anticipated Summer 2022
- 150 year lease from the City of London at 6.35% ground rent
- Completed gross development value of c. £300m
- BREEAM 2018 Excellent



# KALEIDOSCOPE, EC1

- 88,581 sq ft offices with ground floor restaurant / café and kiosk unit
- 5 floors of c. 14,000 – 19,500 sq ft
- Roof terrace – 5,000 sq ft with views of St. Paul's Cathedral
- Built over Farringdon East Crossrail Station – opening 2021
- Practical completion achieved in December 2019
- 150 year leasehold interest – 10% ground rent on contracted rents
- BREEAM Excellent





# SALES

## 90 BARTHOLOMEW CLOSE, EC1

Sold to La Francaise Real Estate Partners International in April 2020 for £48.5m, reflecting a 3.92% net initial yield and £1,594 psf



## BARTS SQUARE, RESIDENTIAL



	TOTAL SOLD	TOTAL AVAILABLE
PHASE 1	140	4
PHASE 2	52	39 + 1 unreleased
TOTAL	192	44

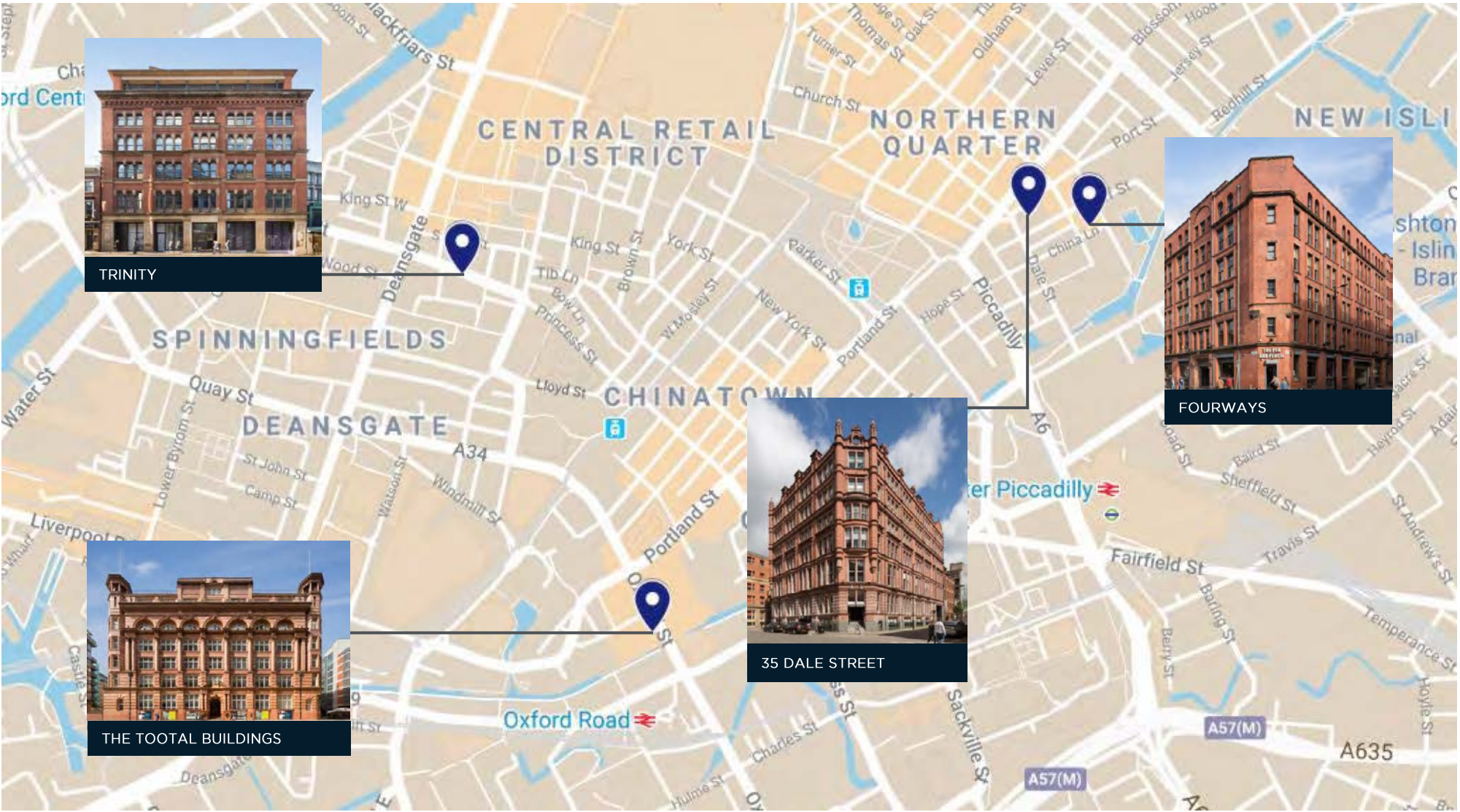
## POWER ROAD STUDIOS, W4

57,164 multi-let office campus sold in February 2020 for £41.6m reflecting a 4.8% net initial yield





# MANCHESTER PORTFOLIO



# SUMMARY

## 2019 / 2020 MILESTONES

LET REMAINING FIVE FLOORS AT THE TOWER

ALL FLOORS LET

LET REMAINING FLOORS AT ONE BARTHOLOMEW

ALL FLOORS LET

COMPLETE AND LET KALEIDOSCOPE

PC ACHIEVED

LET TRINITY, MANCHESTER

3 UNITS UNDER OFFER PLUS CAFE

RESIDENTIAL SALES AT BARTS SQUARE

21 SALES / EXCHANGES ACHIEVED

ASSET RECYCLING

POWER ROAD STUDIOS & 90 BARTHOLOMEW CLOSE SOLD

FURTHER ACQUISITIONS

33 CHARTERHOUSE STREET ACQUIRED

## 2020 / 2021 MILESTONES

LET KALEIDOSCOPE

LET TRINITY, MANCHESTER

SELL RESIDENTIAL AT BARTS SQUARE  
44 UNITS REMAIN

MAINTAIN RENT ROLL

FURTHER ACQUISITIONS



## SUMMARY

Helical has a **Grade A** portfolio in London and Manchester.

We seek to protect our value and to **grow** the business by

- Repositioning
- Refurbishing
- Redeveloping

when opportunities arise



Kaleidoscope, EC1









# APPENDICES

# APPENDICES

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# INVESTING WITH HELICAL

We create buildings for today's occupiers who demand more inspiring space with distinctive architectural detail, carefully curated public realm, market leading amenities, high quality management and our flexible approach to leasing.

Applying this philosophy we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity.

1	<b>STRONG TRACK RECORD</b> Each of the Executive Directors has over 25 years of experience at Helical, and supported by a dynamic and collaborative team, have developed award-winning buildings that appeal to the most demanding of occupiers. <b>Over 5m sq ft of completed office developments.</b>
2	<b>FOCUSED PORTFOLIO</b> The Group has built a high quality portfolio, located in areas of London and Manchester which are growing, have excellent transport links and are culturally rich. The buildings are occupied by a diverse range of tenants, but with a clear focus on the fast growing creative sectors. <b>50% of our tenants work in the creative industries.</b>
3	<b>A CUSTOMER FOCUSED APPROACH</b> Helical develops buildings which appeal to occupiers looking for design led, sustainable and amenity rich workplaces, and that support talent attraction and retention. Whether the properties are built from the ground up, or are rejuvenated existing assets, they aim to be the best in class, respecting the culture of the area. Once complete and let, Helical applies the same philosophy of excellence to its ongoing asset management, ensuring the occupiers receive the best service. <b>98% of our tenants are pleased to be in our buildings.</b>
4	<b>MARKET KNOWLEDGE AND RELATIONSHIPS</b> With 35 years experience as a property company, through multiple property cycles, Helical has developed a comprehensive knowledge of the market and built an extensive network from which it can source new development opportunities and access to capital. <b>33 Charterhouse Street acquired off-market in May 2019.</b>
5	<b>ROBUST FINANCIAL POSITION</b> The Group uses gearing on a tactical basis, increasing it to accentuate returns in a rising market, or reducing debt to prepare for more challenging times whilst retaining firepower to take advantage of opportunities that arise. <b>£279m of cash and undrawn bank facilities.</b>
6	<b>SUSTAINABLE BUSINESS MODEL</b> Sustainability is at the core of all activities at Helical. We recognise the impact the buildings we develop have on the environment and are focused on reducing our carbon footprint throughout the property's lifecycle. <b>Eight BREEAM Excellent Buildings.</b>





# BARTS SQUARE, EC1

## PHASE 1 - RESIDENTIAL

- 144 apartments and 3,192 sq ft retail
- 140 units sold / exchanged, total value to be £180.3m
- Residents' concierge, bar and screening room
- Restaurants - let to Stem + Glory and Halfcup

## PHASE 2 - RESIDENTIAL / RETAIL

- 92 apartments and 11,538 sq ft retail / restaurants
- 52 units sold for £78.3m at £1,769 psf average
- All blocks have now achieved practical completion
- Six retail units have completed and are available to let
- The final apartment and retail unit in the marketing suite will be released at a later date

## 55 BARTHOLOMEW

- Major refurbishment of a Victorian warehouse to provide 10,976 sq ft of offices
- Arranged over lower ground, ground and four upper floors, including a new top floor and roof terrace
- Finishes including exposed brick and steelwork and timber flooring
- Bike storage, shower and drying facilities provided
- Fifth floor let to ShadowFall Capital & Research at £80 psf
- Completion achieved in Q4 2019
- BREEAM Excellent

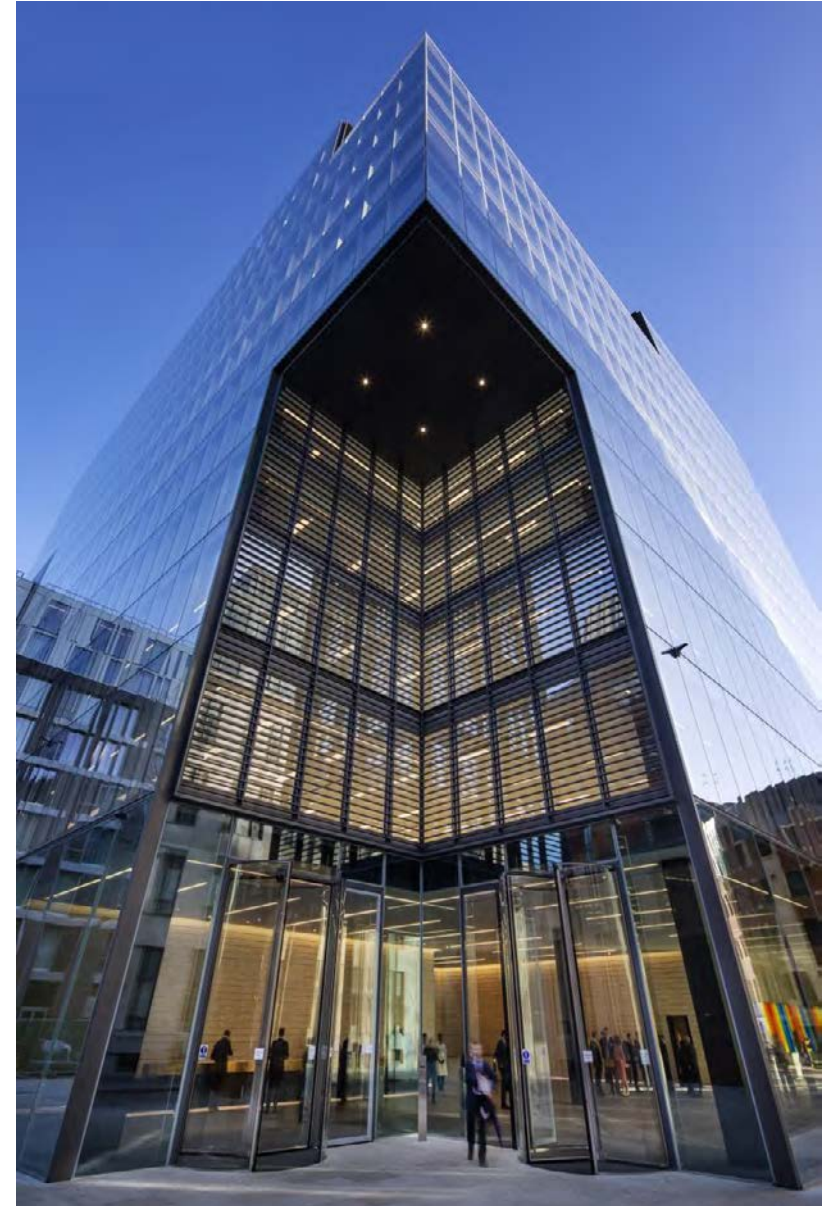


# ONE BARTHOLOMEW, EC1

- 214,434 sq ft offices, fully let:

The Trade Desk	74,210 sq ft	8 to 11 floor
InfraRed Capital Partners	19,609 sq ft	7 floor
Sopra Steria	19,605 sq ft	6 floor
finnCap Group	19,609 sq ft	5 floor
BDB Pitmans	38,156 sq ft	3 & 4 floor
Chicago Booth School of Business	43,245 sq ft	Ground to 2 floor

- Achieving rents from £75.00 - £85.00 psf depending on floor level
- Forward sold to clients of AshbyCapital with Helical acting as development manager
- [Helical / Baupost have now received the profit share payment following successfully completing the letting \(based on fixed yield, variable on rent\)](#)
- BREEAM Excellent and Wiredscore Platinum



# THE WAREHOUSE AND THE STUDIO, THE BOWER, EC1

## PHASE 1

- 141,141 sq ft offices and 10,298 sq ft restaurants
- Fully let prior to practical completion November 2015
- Rents £45.00 to £67.50 psf, first rent reviews for office tenants commence in Q3 and Q4 2020
- Office tenants:
  - CBS
  - Stripe
  - Farfetch
  - Allegis
  - Pivotal
  - John Brown Media
- BREEAM Excellent and Wiredscore Platinum



Key rental statistics (March 2020)	£m
Passing Rent	8.0
Contracted Rent	8.0
ERV	10.7



# THE TOWER, THE BOWER, EC1

## PHASE 2

- 171,434 sq ft offices – fully let:

Finablr	11,329 sq ft	17 floor
Incubeta	11,306 sq ft	16 floor
Snowflake	9,568 sq ft	14 floor
OpenPayd	10,046 sq ft	13 floor
Brilliant Basics	40,479 sq ft	10-12, 15 floor
Farfetch	29,671 sq ft	7-9 floor
WeWork	59,035 sq ft	1-6 floor



- Office rents of £62.50 - £85.00 psf (exc. fitted solutions)
- 10,761 sq ft retail let to Serata Hall & Wagamama
- Building works completed 31 August 2018
- BREEAM Excellent and Wiredscore Platinum
- RIBA London Awards 2019



Key rental statistics (March 2020)	£m
Passing Rent	5.7
Contracted Rent	13.3
ERV	13.0



## 25 CHARTERHOUSE SQUARE, EC1

- 38,355 sq ft offices. 5,138 sq ft ground floor retail
- Fully let – offices £75.00 - £77.00 psf
- Completed March 2017 and fully let within 9 months
- 155 year leasehold interest with 10% ground rent
- BREEAM Excellent and Wirescore Gold



Key rental statistics (March 2020)	£m
Passing Rent	3.2
Contracted Rent	3.2
ERV	3.4

# THE LOOM, E1

- 108,594 sq ft office listed former Victorian Wool Warehouse
- Currently 96% let
- Achieving rents of £55.00 psf
- 92% of all units have now been extensively refurbished
- RIBA London and National Award, AJ Retrofit Award and Brick Awards
- Wirescore Gold

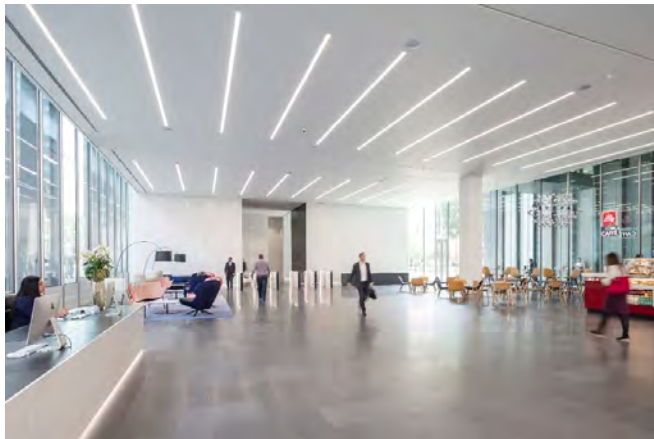


Key rental statistics (March 2020)	£m
Passing Rent	4.7
Contracted Rent	5.1
ERV	5.6



# ONE CREECHURCH PLACE, EC3

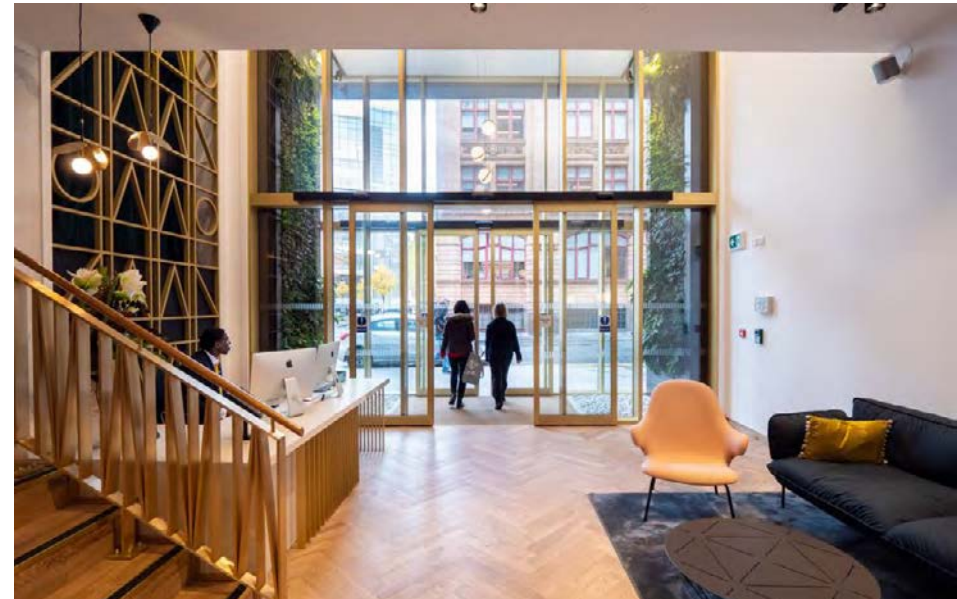
- 272,505 sq ft multi let office building with ground floor retail
- Total development costs of £162.9m
- Our 10% shareholding was sold in September 2019
- Total return of £38.6m, return on equity in excess of 200%





# THE TOOTAL BUILDINGS, MANCHESTER

- Acquired March 2014 for £34m (£138 psf NIA).
- The Tootal Buildings are interlinked providing an NIA of 245,822 sq ft with shared car parking for 141 vehicles
- Phased asset management strategy. Comprehensive refurbishment of common parts and office space where vacant, including refurbishments to the Broadhurst (formerly known as Churchgate) and Lee receptions
- Now fully let
- Average rent at acquisition £12.50 psf. Current average contracted rent now in excess of £18.00 psf



Key rental statistics (March 2020)	£m
Passing Rent	3.2
Contracted Rent	4.5
ERV	5.1

# FOURWAYS, MANCHESTER

- 47,732 sq ft offices. 11,528 sq ft leisure / retail, currently 75% let
- Acquired July 2018 for £16.5m (£280 psf NIA). 5.3% NIY
- Off market acquisition of a Grade 2 listed, freehold office building in the Northern Quarter of Manchester
- We have reconfigured or refurbished a number of units, including a complete refurbishment of the first floor creating a large single unit
- Works have also been undertaken to enhance the atrium and common parts
- Average rent at acquisition were £15.99 psf and we are now achieving lettings at £23.50 - £25.00 psf

Key rental statistics (March 2020)	£m
Passing Rent	0.7
Contracted Rent	1.0
ERV	1.3





## 35 DALE STREET, MANCHESTER

- 56,124 sq ft multi let office building
- Acquired March 2015 for £7.4m (£140 psf NIA)
- Average rent at acquisition £12.00 psf, now £19.40 psf with headline rents of £24.00 psf achieved
- Comprehensive refurbishment of offices and common parts including new entrance, reception, onsite cafe, bike store and showers
- 96% let. Vacant 2,150 sq ft suite under offer



Key rental statistics (March 2020)	£m
Passing Rent	1.0
Contracted Rent	1.0
ERV	1.2



# TRINITY, MANCHESTER

- 54,651 sq ft offices, 4,300 sq ft retail / restaurant
- Acquired in May 2017 for £12.9m
- £6.35m construction spend (£108 psf NIA)
- Redevelopment of 58,951 sq ft building located between the traditional CBD and Spinningfields
- Grade A refurbished office space behind a historic façade with a prominent new entrance at ground floor level. Two new retail / leisure units created adjacent to the main building reception. The office accommodation is arranged over levels mezzanine to 7th floor
- Quoting rents between £28.50 - £36.00 psf, three office floors and one retail unit are under offer

Key rental statistics (March 2020)	£m
Passing Rent	0.0
Contracted Rent	0.0
ERV	1.7



# SUSTAINABILITY

## BENCHMARK

FTSE4Good



3.9/5

91<sup>st</sup> Percentile

GRESB



63/100

2 Star

EPRA Sustainability Best Practice



Bronze

MSCI ESG



AA

CDP



C

# SUSTAINABILITY

COMPLETED SCHEMES	BREEAM RATING
The Bower – The Tower (office) Warehouse & Studio (office)	Excellent Excellent
25 Charterhouse Square	Excellent
90 Bartholomew Close	Excellent
One Bartholomew	Excellent
CURRENT SCHEMES	
Kaleidoscope	Excellent (design stage)
33 Charterhouse Street	Excellent (target)
55 Bartholomew	Excellent (design stage)
PREVIOUS SCHEMES	
One Creechurch Place	Excellent





# EPRA PERFORMANCE MEASURES

	At 31 March 2020	At 31 March 2019
EPRA net assets	£625.0m	£583.1m
EPRA NAV per share	511p	482p
EPRA triple net assets per share	480p	465p
EPRA net reinstatement value per share*	562p	529p
EPRA net tangible assets per share*	524p	494p
EPRA net disposal value per share*	480p	465p
EPRA net initial yield	3.0%	2.7%
EPRA 'topped up' net initial yield	4.0%	4.2%
EPRA vacancy rate	19.7%	16.2%

\*New EPRA metrics effective for accounting periods commencing on 1 January 2020.

	Year to 31 March 2020	Year to 31 March 2019
EPRA earnings/(loss)	£9.1m	(£10.0m)
EPRA EPS/(loss per share)	7.6p	(8.4p)

# SEE-THROUGH BALANCE SHEET

	31 MARCH 2020				31 MARCH 2019	
	Group £m	Joint Ventures £m	Total £m	NAV per share p	£m	NAV per share p
Investment properties	836.9	76.8	913.7		816.6	
Land and development stock	1.4	34.2	35.6		59.8	
Property portfolio	838.3	111.0	949.3		876.4	
Net debt			(298.5)		(268.6)	
Other net liabilities			(52.1)		(39.8)	
			598.7		568.0	
Fair value of financial instruments			10.4		3.2	
Fair value of land and developments			0.5		0.5	
Deferred shares			(0.3)		(0.3)	
Deferred tax			15.7		11.7	
EPRA net asset value			625.0	511	583.1	482
Fair value of fixed rate loans			(12.4)		(5.4)	
Fair value of financial instruments			(10.4)		(3.2)	
Deferred tax			(15.7)		(11.7)	
EPRA triple net asset value			586.5	480	562.8	465

# SEE-THROUGH INCOME STATEMENT

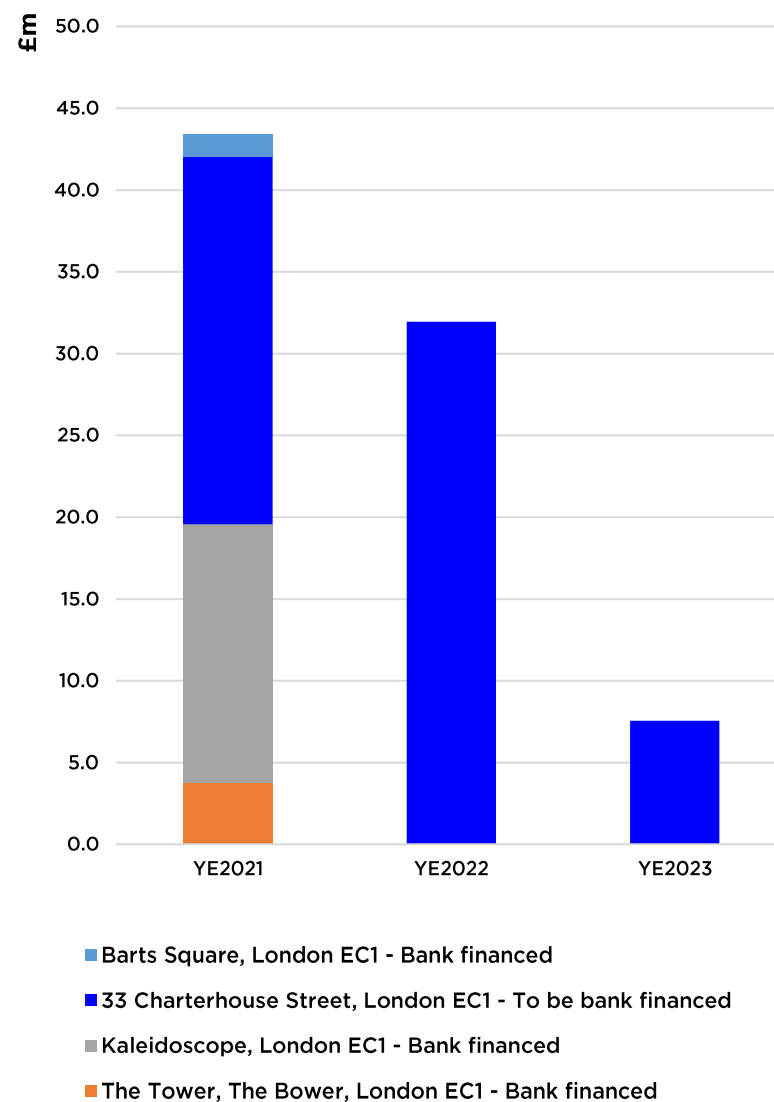
	31 MARCH 2020			31 MARCH 2019
	Group £m	Joint Ventures £m	Total £m	£m
Net rental income	27.8	0.7	28.5	25.2
Development property profit/(losses)	3.3	6.6	9.9	(4.4)
	31.1	7.3	38.4	20.8
Administration expenditure	(16.7)	(0.6)	(17.3)	(17.2)
Net finance costs	(14.8)	(0.8)	(15.6)	(18.4)
Change in fair value of debt instruments	(7.2)	-	(7.2)	(2.5)
Other net income/(expense)	0.2	(1.0)	(0.8)	-
	(7.4)	4.9	(2.5)	(17.3)
Gain on sale and revaluation of investment portfolio	37.0	8.5	45.5	60.7
Profit before tax	29.6	13.4	43.0	43.4
Tax	(4.3)	-	(4.3)	(0.8)
Profit after tax	25.3	13.4	38.7	42.6
EPRA EPS/(loss per share)			7.6p	(8.4)



# NET CASH FLOW MOVEMENTS

	March 2020 £m	March 2019 £m
Cash generated from operations	12.3	22.6
Acquisitions	-	(29.5)
Capex	(44.2)	(50.2)
Joint ventures	(42.7)	0.4
Net disposal proceeds	40.3	164.1
(Reduction)/increase in net borrowing	(75.9)	9.8
Other cash flow movements	(0.6)	(0.1)
Dividends paid	(12.2)	(11.4)
Net (decrease)/increase in cash	(123.0)	105.7
Cash at start of year	197.6	91.9
Cash at end of year	74.6	197.6

## FORECAST CAPITAL EXPENDITURE



# IMPACT OF FORECAST CAPITAL EXPENDITURE AND CAPITAL RECEIPTS

	31 March 2020	Forecast Capex to 31 March 2021	Contracted Sales to 31 March 2021	Pro-forma <sup>1</sup> 31 March 2021
Portfolio fair value	£949.3m	£43.5m	(£35.0m)	£957.8m
Net debt	£298.5m	£43.5m	(£35.0m)	£307.0m
Pro-forma Loan to Value	31.4%	3.0%	(2.3%)	32.1%

Forecast Capital Expenditure	Capex Budget <sup>2</sup> £m	Remaining Spend <sup>2</sup> £m
<b>Investment Portfolio</b>		
Kaleidoscope, London EC1 <sup>3</sup>	62.2	15.8
The Tower, London EC1	109.8	3.8
55 Bartholomew, London EC1	2.6	0.1
33 Charterhouse Street, London EC1	65.3	62.0
<b>Residential Development</b>		
Barts Square, London EC1	103.6	1.4

<sup>1</sup>Excludes the impact of potential valuation movements

<sup>2</sup>Helical share

<sup>3</sup>Includes deferred consideration payment paid in April 2020

# PORTFOLIO METRICS (1)

Investment Portfolio	Fair Value £m	%	Capital Value psf £	Vacancy Rate %	March 2020 WAULT Years	Valuation Change Including Sales and Purchases %	Valuation Change Excluding Sales and Purchases %
London Offices:							
- Completed, let and available to let	731.9	80.1	1,182	17.6	7.8	6.1	6.4
- Being redeveloped	45.0	4.9	443	n/a	n/a	9.7	n/a
Total London	776.9	85.0	1,007	17.6	7.8	6.3	6.4
Manchester Offices:							
- Completed, let and available to let	136.7	15.0	325	18.1	3.9	2.9	2.9
Total Manchester	136.7	15.0	325	18.1	3.9	2.9	2.9
Other	0.1	0.0	-	-	-	0.0	0.0
Total	913.7	100.0	764	17.8	7.1	5.8	5.9



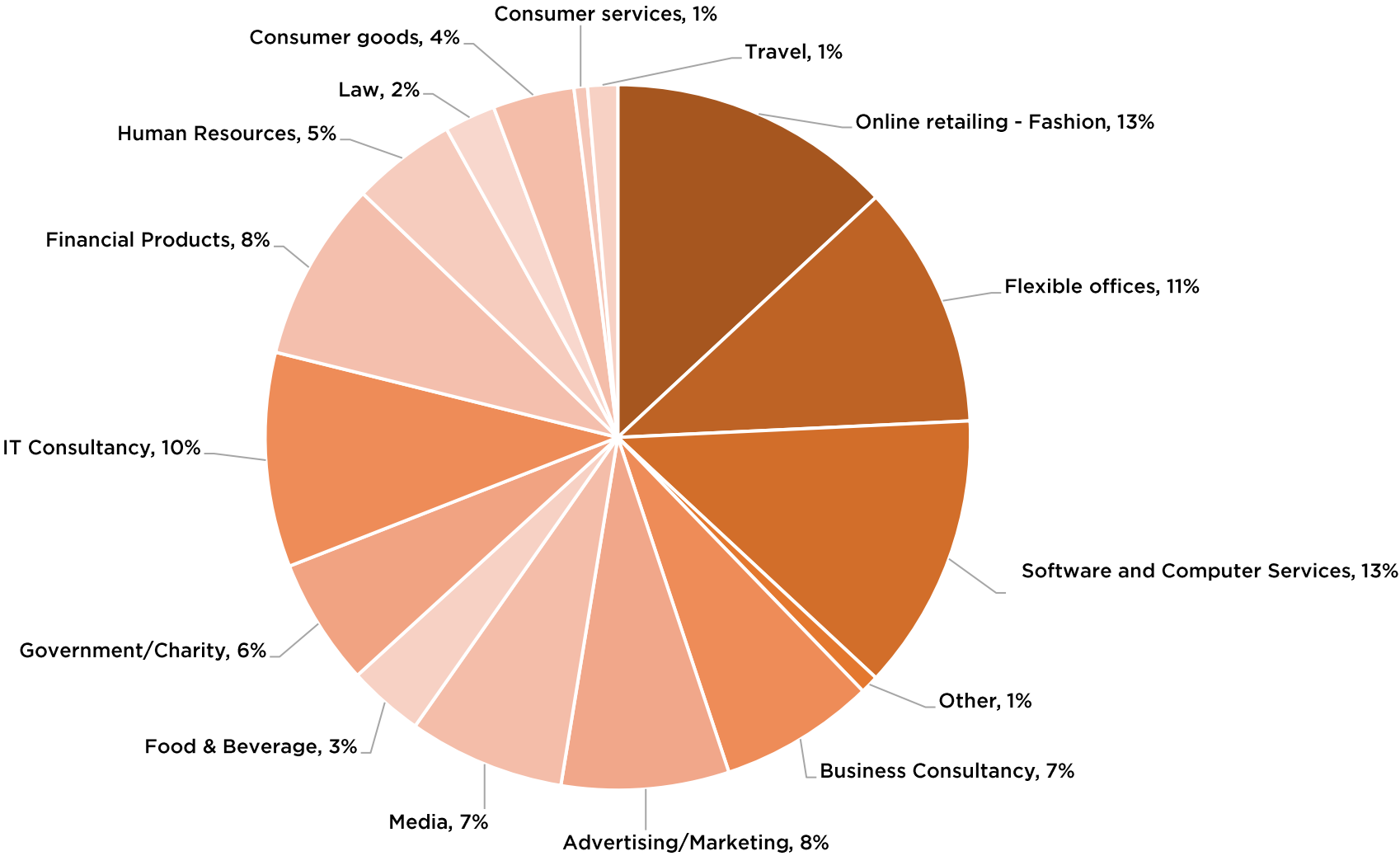
## PORTFOLIO METRICS (2)

Investment Portfolio	Passing Rent £m	Contracted Rent £m	ERV £m	Change in ERV LfL %	EPRA Topped Up NIY %	True Equivalent Yield %	Reversionary Yield %
London Offices:							
- Completed, let and available to let	22.4	31.1	42.1	4.9	3.9	5.0	5.2
- Being redeveloped	-	-	8.5	-	n/a	4.9	5.5
Total London	22.4	31.1	50.6	4.9	3.9	5.0	5.3
Manchester Offices:							
- Completed, let and available to let	5.0	6.5	9.3	3.6	4.4	6.0	6.2
Total Manchester	5.0	6.5	9.3	3.6	4.4	6.0	6.2
Other	0.0	0.0	0.1	0.0	n/a	n/a	n/a
Total	27.4	37.6	60.0	4.6	4.0	5.1	5.4

# INVESTMENT PORTFOLIO KEY STATISTICS

		TOTAL PORTFOLIO CONTRACTED RENT £M
Total contracted rental change from sales and purchases		(2.1)
Rent lost at break/expiry		(1.4)
Rent reviews and uplifts on lease renewals		0.3
New lettings:		
- London		6.4
- Manchester		1.2
Total increase in the period from asset management activities		6.5
Net increase in contracted rents in the year		4.4

# TENANT MAKE-UP





# TOP 10 TENANTS

RANK	TENANT	TENANT INDUSTRY	CONTRACTED RENT, £M	RENT ROLL
1	Farfetch	Online retail	3.9	10.4%
2	WeWork	Flexible offices	3.8	10.2%
3	Brilliant Basics	Technology	3.2	8.5%
4	Pivotal	Technology	2.0	5.3%
5	Anomaly	Marketing	1.4	3.7%
6	CBS	Media	1.0	2.8%
7	Allegis	Recruitment	1.0	2.7%
8	Finablr	Financial Services	0.9	2.5%
9	Incubeta	Marketing	0.9	2.5%
10	OpenPayd	Financial Services	0.9	2.3%
	TOTAL		19.0	50.9%

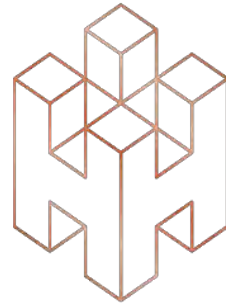
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