

# HELICAL

## HELICAL PLC

(“Helical” or the “Group” or the “Company”)

Results for the Half Year to 30 September 2023 (the “Period”/“Half Year”)

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## HELICAL’S LETTING POTENTIAL AND DEVELOPMENT PIPELINE TO DRIVE FUTURE GROWTH

### Gerald Kaye, Chief Executive, commented:

“Occupational demands are evolving in the office sector, with tenants using their premises to optimise the work experience for their employees. Amenity, connectivity, service and sustainability are encouraging businesses towards new buildings. At the same time, buildings that provide a poorer working environment are driving occupiers away. This bifurcation of the market between the “best-in-class” and the rest is accelerating with rental growth continuing for the “best” and values falling for the rest. This will provide opportunities to acquire potential developments and major refurbishments at levels that allow for strong capital returns.

“We have experienced a further significant outward yield movement in the Period, and while interest from potential occupiers has been encouraging, lease negotiations are taking longer to conclude. However, having taken the pain of reductions in value, Helical is now well positioned to drive growth through the letting of the vacant space in its investment portfolio.

“At The JJ Mack Building, EC1, a prime example of a “best-in-class” building, recent letting progress has been encouraging and we will be c.60% let once the current space under offer completes in December. Each letting to date has exceeded the applicable ERV and the recent letting of the 9<sup>th</sup> floor sets a record rent for the sub-market. By concluding these lettings, the existing 25bps yield differential between vacant and let space will unwind providing a significant positive impact on valuations. Similarly, upon re-letting the WeWork space at The Bower, EC1, the capital value will be enhanced as the yield differential is removed and contracted rent increases towards its ERV of c.£24m, which is significantly in excess of our total annualised recurring administration and finance costs.

“Our development pipeline is expected to provide surpluses for the foreseeable future. Scheduled to start in 2024 and be delivered from late 2025 onwards, this pipeline will be supplemented with additional “equity-light” opportunities as building owners seek specialists in office development and refurbishment to partner with them to maximise the value of their assets. In addition, banks and other financial institutions with non-performing assets should provide additional opportunities for Helical to create value.

“The balance sheet is in good shape and maintaining financial discipline remains at the forefront of Helical’s approach. Recycling equity and seeking third party financing to fund the pipeline of opportunities will allow the Company to grow the business while containing gearing to appropriate levels.

“There remains a shortage of “best-in-class” newly refurbished or redeveloped office space in central London. With an experienced management team, a substantial development pipeline with optionality over timing and funding, and no legacy assets requiring investment to meet minimum sustainability standards, Helical is well positioned to capitalise on current cyclical opportunities.”

## Operational Activity During the Period

### Steady progress with lettings, despite challenging backdrop

- During the Period we completed five new lettings, comprising 10,381 sq ft, delivering contracted rent of £576,803 in line with 31 March 2023 ERVs.
- Despite this activity, vacancy increased across the portfolio to 18.5% (31 March 2023: 16.1%) at 30 September 2023.
- Since the Period end, we have let the 9<sup>th</sup> floor (13,408 sq ft) at The JJ Mack Building, EC1 for 10 years to Corio Generation, a subsidiary of Macquarie Group, at a 2.3% premium to 31 March 2023 ERVs, and have a further three floors (68,002 sq ft) under offer to one tenant. On completion, the building will be c.60% let.
- At The Bower, EC1 we have extended the lease to existing tenant Verkada by 10 years and have facilitated their expansion into an additional, adjacent floor. The vacant 14<sup>th</sup> floor is now under offer at a rent above 31 March 2023 ERV.
- In October 2023, we exercised our right to forfeit the individual leases for the six floors let to WeWork at The Tower, EC1 following non-payment of rent for the September 2023 quarter. Subsequently, we have entered into a short-term licence arrangement with them and received a fee equivalent to the whole of the September quarter's rent and service charge due under the terms of the previous lease arrangements.
- On the expiry of the WeWork licence arrangement, and following the departure of Baker McKenzie from 100 New Bridge Street, EC4 in anticipation of its redevelopment, the vacancy rate across the investment portfolio will rise to c.25%.

### Sales

- Subsequent to the Period end, we have sold the long leasehold interest in the retail units at Barts Square for £7.0m (our share £3.5m), bringing an end to the joint venture with Baupost, which built 235 apartments, three office buildings totalling 249,000 sq ft and 21,000 sq ft of retail across 10 units.

### Portfolio Valuation

- There was an average outward yield adjustment of 46bps at 30 September 2023 across the portfolio. This compares to the 75bps outward movement of City office prime yields, as reported by Savills for the Period.

### 100 New Bridge Street, EC4

- At 100 New Bridge Street, EC4, we received planning approval from The City of London for our 194,000 sq ft scheme. The main construction contract and development financing facility are being finalised so that we can be ready to start construction in early 2024.

### The Platinum Portfolio - TfL

- On 11 July 2023, contracts were signed confirming Helical as Transport for London's ("TfL") commercial office joint venture partner. This long term partnership will see the delivery of new, high-quality and sustainable office space predominantly above or adjacent to key transport hubs. The first three development opportunities are:
  - Bank OSD, EC4 - Located above the recently opened Bank Station entrance on Cannon Street. This eight storey office development will deliver 142,000 sq ft NIA over seven office floors, with typical floorplates of 22,500 sq ft, and 7,653 sq ft of terracing over three floors. A start on site is envisaged in October 2024.
  - Southwark OSD, SE1 - Located above Southwark Station. The scheme has consent for a 222,000 sq ft NIA office building over 17 storeys. Feasibility studies are underway, looking at alternative approaches for the site.
  - Paddington OSD, W2 - The 235,000 sq ft NIA scheme is to be built over the canal level eastern entrance to Paddington Station, opposite the Brunel Building. We intend to make minor changes to ensure we deliver a "best-in-class" scheme with enhanced amenities.

## Financial Highlights

### Earnings and Dividends

- IFRS loss of £93.1m (2022: profit of £17.2m), primarily driven by revaluation losses.
- IFRS basic loss per share of 75.8p (2022: earnings of 14.1p).
- EPRA earnings per share<sup>1</sup> of 1.1p (2022: 4.8p).
- Interim dividend maintained at 3.05p per share (2022: 3.05p).

### Balance Sheet

- Net asset value down 17.5% to £502.3m (31 March 2023: £608.7m).
- Total Accounting Return<sup>1</sup> on IFRS net assets of -15.9% (2022: 2.3%).
- Total Accounting Return<sup>1</sup> on EPRA net tangible assets of -16.6% (2022: -2.5%).
- EPRA net tangible asset value per share<sup>1</sup> down 17.0% to 409p (31 March 2023: 493p).
- EPRA net disposal value per share<sup>1</sup> down 16.5% to 409p (31 March 2023: 490p).

### Financing

- See-through loan to value<sup>1</sup> of 33.5% (31 March 2023: 27.5%).
- See-through net borrowings<sup>1</sup> of £249.6m (31 March 2023: £231.4m).
- Average maturity of the Group's share<sup>1</sup> of secured debt of 2.4 years (31 March 2023: 2.9 years).
- 100% of drawn debt protected by interest rate hedging to expiry of facilities.
- Gain in valuation of derivative financial instruments of £2.1m (2022: £26.6m).
- See-through average cost of secured facilities<sup>1</sup> of 3.3% (31 March 2023: 3.4%).
- Group's share<sup>1</sup> of cash and undrawn bank facilities of £226.7m (31 March 2023: £244.2m).

## Portfolio Update

- IFRS investment property portfolio value of £595.1m (31 March 2023: £681.7m).
- Our see-through investment portfolio<sup>1</sup>, valued at £745.6m (31 March 2023: £839.5m), declined 11.8% with yield expansion of 46bps offset by 1.8% ERV<sup>1</sup> growth.
- See-through portfolio WAULT<sup>1</sup> of 4.6 years (31 March 2023: 5.0 years).

## Sustainability Highlights

- Good progress against targets set out in sustainability strategy "Built for the Future" and our aim to be a net zero carbon business by 2030.
- Ranked 1<sup>st</sup> against our peers in the UK Office Listed sector for standing investments, as measured by GRESB, scoring 87% and receiving a 4 Star rating. Our developments received a score of 92% and also received a 4 Star rating.
- Retention of EPRA Sustainability BPR Gold rating.

## Interim Dividend Timetable

Announcement date	22 November 2023
Ex-dividend date	30 November 2023
Record date	1 December 2023
Dividend payment date	12 January 2024

A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. The DRIP enables the Company's Shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip).

## For further information, please contact:

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Dido Laurimore/Richard Gotla/Andrew Davis  
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## Results Presentation

Helical will be holding a presentation for analysts and investors starting at 10:00am on Wednesday 22 November 2023 at the offices of FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. If you would like to attend, please contact FTI Consulting on 020 3727 1000, or email [schelical@fticonsulting.com](mailto:schelical@fticonsulting.com)

The presentation will be on the Company's website [www.helical.co.uk](http://www.helical.co.uk) and a live webcast and Q&A will also be available.

### Webcast Link:

<https://stream.brrmedia.co.uk/broadcast/64e620a4d584ef1a8fc186ab>

## Half Year Results Statement

At Helical, sustainability is at the heart of everything we do and forms one of the key pillars of our strategy. With this in mind, we have taken the decision to cease mailing hard copies of our half year results reports to our Shareholders and other stakeholders unless specifically requested. Should you wish to receive a hard copy of our Results for the Half Year to 30 September 2023 by post, please email your request to [companysecretary@helical.co.uk](mailto:companysecretary@helical.co.uk). An electronic version of our Results for the Half Year to 30 September 2023 is available on our website (<https://www.helical.co.uk/investors/results-and-presentations/>).

1. See Glossary for definition of terms. These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. In common with usual and best practice in our sector, alternative performance measures have also been provided to supplement IFRS, some of which are based on the recommendations of the European Public Real Estate Association ("EPRA"), with others designed to give additional information about the Group's share of assets and liabilities, income and expenses in subsidiaries and joint ventures.

## Chief Executive's Statement

### Overview

During the six months to 30 September 2023, there has been a painful readjustment in the investment market as valuation yields have increased to reflect movements in ten year gilts and five year swap rates, the pricing of which is correlated to real estate property yields.

There are signs, however, with inflation falling and predictions that CPI will be in low single figures by the end of 2024, that base rates have peaked and may start to fall sooner than the "higher for longer" commentators suggest, allowing yields to stabilise.

At Helical, the portfolio has seen an outward yield adjustment of 46bps since 31 March 2023, offset by 1.8% ERV growth, with both valuations and earnings impacted by increased vacancy in the portfolio, particularly as the result of our forfeiture of the leases to WeWork at The Bower, EC1. This proactive step has allowed us to regain control of the space, shortly before the tenant went into Chapter 11 in the US, and it enables us to determine the best future leasing strategy for this high quality space.

At the same time, we continue to let space at our most recently completed new development, The JJ Mack Building, EC1. Despite an increase in the time taken to negotiate commercial terms and complete the legal processes, we have made good progress in letting the space and at record rents for the Farringdon area, significantly in excess of the initial appraisal rental levels and above March 2023 ERVs.

The Half Year at Helical has also seen significant progress made across the development pipeline, including signing the joint venture with TfL's property company, "Places for London", and reviewing and refining plans for each of our projects. The selection of Helical as the joint venture partner for Places for London was a significant milestone, boosting our development pipeline by almost 600,000 sq ft, with the potential for additional schemes to be added to the joint venture in the future. This collaboration with TfL, one of London's largest landowners, is an endorsement of the Helical brand and recognises our track record of producing "best-in-class" successful developments across central London over many years.

### Results for the Half Year

The loss after tax for the half year to 30 September 2023 was £93.1m (2022: profit £17.2m).

The see-through Total Property Return of -£84.8m (2022: +£4.0m), incorporating the Group's share of results of its joint ventures, includes see-through net rental income of £12.4m (2022: £18.2m), while developments generated see-through losses of £0.5m (2022: profit of £0.9m). The see-through net loss on sale and revaluation of the investment portfolio was £96.7m (2022: £15.1m).

See-through recurring administration costs, excluding performance related awards and NIC, were down 16.1% to £4.8m (2022: £5.8m). Including the charge for share based payments and NIC, total see-through administration costs were down 4.6%, to £5.8m (2022: £6.0m). Total see-through net finance costs reduced by 22% to £5.6m (2022: £7.2m) while an increase in expected future interest rates, as assessed at 30 September 2023, led to a £2.1m gain (2022: £26.6m) in the valuation of the Group's derivative financial instruments.

There was an IFRS basic loss per share of 75.8p (2022: earnings of 14.1p) and an EPRA earnings per share of 1.1p (2022: 4.8p).

On a like-for-like basis, the see-through investment portfolio fell in value by 11.8%, reflecting yield expansion of 46bps offset by 1.8% ERV growth.

EPRA net tangible assets ("NTA") per share were down 17.0% to 409p (31 March 2023: 493p), with EPRA net disposal value ("NDV") per share down 16.5% to 409p (31 March 2023: 490p). The Total Accounting Return ("TAR") for the Period, being the growth in the IFRS net asset value of the Group, plus dividends paid in the Period, was -15.9% (2022: 2.3%). Based on EPRA NTA per share, the TAR was -16.6% (2022: -2.5%).

## Balance Sheet Strength and Liquidity

At 30 September 2023, the Group had £226.7m (31 March 2023: £244.2m) of cash and agreed, undrawn, committed bank facilities, including its share in joint ventures, available to fund capital works on its portfolio and future acquisitions.

The see-through loan to value ratio (“LTV”) increased to 33.5% at the balance sheet date (31 March 2023: 27.5%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, increased to 49.7% (31 March 2023: 38.0%) over the same period.

At the Period end, the average debt maturity on secured loans, on a see-through basis, was 2.4 years (31 March 2023: 2.9 years). The average cost of debt, on a see-through basis, at 30 September 2023 was 3.3% (31 March 2023: 3.4%).

## Dividends

Helical seeks to maximise value by successfully letting redeveloped or comprehensively refurbished property. Once stabilised, these assets are either retained for their long-term income and reversionary potential or sold to recycle equity into new schemes.

This recycling leads to fluctuations in our EPRA earnings per share, as the calculation of these earnings excludes capital profits or losses generated from the sale and revaluation of assets. As such both EPRA earnings and accumulated realised capital profits are considered when determining the payment of any dividend in excess of the Property Income Distribution requirement.

In the Period to 30 September 2023, EPRA earnings per share fell to 1.1p (2022: 4.8p), mainly reflecting the impact of the forfeiture of the leases to WeWork at The Bower, EC1 and the sale of Kaleidoscope, EC1 in September 2022. No investment assets were sold during the Period.

In the light of the reduced earnings, the Board has approved an Interim Dividend of 3.05p per share, the same level as in 2022. This dividend is to be paid out of EPRA earnings and accumulated realised capital profits. The Property Income Distribution (“PID”) for the six months to 30 September 2023 will be 0.50p, with the balance of the Interim Dividend of 2.55p representing an additional ordinary dividend.

## The Opportunity

Occupational demands are evolving in the office sector, with tenants using their premises to optimise the work experience for their employees. Amenity, connectivity, service and sustainability are encouraging businesses towards new buildings. At the same time, buildings that provide a poorer working environment are driving occupiers away. This bifurcation of the market between the “best-in-class” and the rest is accelerating with rental growth continuing for the “best” and values falling for the rest. This will provide opportunities to acquire potential developments and major refurbishments at levels that allow for strong capital returns.

We have experienced a further significant outward yield movement in the Period, and while interest from potential occupiers has been encouraging, lease negotiations are taking longer to conclude. However, having taken the pain of reductions in value, Helical is now well positioned to drive growth through the letting of the vacant space in its investment portfolio.

At The JJ Mack Building, EC1, a prime example of a “best-in-class” building, recent letting progress has been encouraging and we will be c.60% let once the current space under offer completes in December. Each letting to date has exceeded the applicable ERV and the recent letting of the 9<sup>th</sup> floor sets a record rent for the sub-market. By concluding these lettings, the existing 25bps yield differential between vacant and let space will unwind providing a significant positive impact on valuations. Similarly, upon re-letting the WeWork space at The Bower, EC1, the capital value will be enhanced as the yield differential is removed and contracted rent increases towards its ERV of c.£24m, which is significantly in excess of our total annualised recurring administration and finance costs.

Our development pipeline is expected to provide surpluses for the foreseeable future. Scheduled to start in 2024 and be delivered from late 2025 onwards, this pipeline will be supplemented with additional “equity-light” opportunities as building owners seek specialists in office development and refurbishment to partner with them to maximise the value of their assets. In addition, banks and other financial institutions with non-performing assets should provide additional opportunities for Helical to create value.

The balance sheet is in good shape and maintaining financial discipline remains at the forefront of Helical’s approach. Recycling equity and seeking third party financing to fund the pipeline of opportunities will allow the Company to grow the business while containing gearing to appropriate levels.

There remains a shortage of “best-in-class” newly refurbished or redeveloped office space in central London. With an experienced management team, a substantial development pipeline with optionality over timing and funding, and no legacy assets requiring investment to meet minimum sustainability standards, Helical is well positioned to capitalise on current cyclical opportunities.

**Gerald Kaye**  
**Chief Executive**  
**22 November 2023**

## Our Market

### General overview

During the Period, the central London office market experienced significant headwinds as geopolitical and economic events continued to weigh on sentiment towards the sector.

While the economic environment for real estate remains challenging, the fundamentals of the central London office occupier market remain robust with Q3 2023 experiencing the highest levels of take-up so far this year and active requirements surpassing 10 million sq ft as occupiers continue to seek “best-in-class” space for their employees.

### Investment Market

The investment market continues to be impacted by higher interest rates and general economic uncertainty. Investment volumes in the three quarters to 30 September 2023 have been subdued, totalling £3.8bn in central London. This is 74% below the 10 year average as reported by CBRE. This lack of activity has led to further uncertainty over appropriate asset valuations as comparable evidence remains scarce.

Savills prime equivalent yields show that, over the last six months, the City office yield has moved out 75bps to 5.25%. The MSCI London City Equivalent Yield, which includes both prime and non-prime office buildings, has moved out 90bps over the last six months, while our portfolio yield expanded by 46bps, highlighting that “best-in-class” yields have been less impacted.

The consensus opinion that interest rates will remain at higher levels for an extended period has added significant costs to project appraisals, suppressing investor appetite for new acquisitions and undertaking capital expenditure projects of scale. However, debt markets remain open, with an increasingly diverse lender pool seeking the opportunity to deploy capital, albeit lenders are being increasingly discerning about their choice of counterparty.

### Occupational Market

Despite a challenging economic backdrop, the occupational market has remained relatively robust and the latest figures show, as at 30 September 2023, there is 10.6 million sq ft of active requirements for space across central London, up 42% compared to a year earlier. The trend towards “best-in-class” office space continues and is evidenced by CBRE’s Q3 2023 figures, showing a decline in availability of newly completed space to 4.0 million sq ft, while second-hand space availability stood much higher, at 17.3 million sq ft, well above the long-term average of 11.1 million sq ft.

Banking, finance and professional services remain the most active sectors, making up 73% of active requirements in the market as at the end of Q3 2023.

Businesses continue to encourage workers to return to the office, with an increasing number of firms revising their working from home policies. Occupiers remain focused upon providing their employees with the optimal workplace environment and continue to seek buildings with the highest levels of amenity, connectivity, service and sustainability, which align to the characteristics of our existing portfolio and is a trend we can continue to capitalise on through our development pipeline.

New build vacancy rates continue to remain at low levels at 1.6%, comparing favourably to an overall vacancy rate of 9.6% (4.0% above the 10 year average). This shortage is translating into tenants’ willingness to pay increasing rents for “best-in-class” accommodation. JLL has seen 49% of all H1 2023 letting deals completed at or above the prime rent, against a long term average of 30% and CBRE forecast annualised rental growth of 4-5% for central London over the next five years.

## Development Pipeline

CBRE reports 3.9 million sq ft of developments and major refurbishments completed in the first nine months of the year, marginally higher than the comparable periods over the last two years. In addition, there is around 13.7m sq ft of space under construction across central London, with 39% of this space already let or under offer, further illustrating the strength of demand for new space.

Recent sustained construction cost inflation, driven by strong demand, supply chain disruption, tight labour markets and volatile energy costs seem to be moderating, but when coupled with interest rate rises, the viability of development remains challenging.

We continue to expect a clear medium term demand/supply imbalance for “best-in-class” space of which we will look to take advantage. For many, however, the market conditions mean new starts will be paused until it is evident there is sufficient rental growth to support viable returns.

The challenging planning environment also continues to elongate development timelines and limit the future pipeline of new development stock. Occupiers continue to require newly developed or refurbished offices that are well located and have good amenities; this will exacerbate the scarcity. The opportunity to work with TfL to develop a portfolio of new consented schemes adjacent to key transport infrastructure provides the opportunity to seize upon these trends by delivering new “best-in-class” space into supply constrained sub-markets.

Sustainability requirements will also continue to drive redevelopment with around 75% of central London space currently below an EPC B rating, meaning there will be significant works required to upgrade the existing unsustainable buildings. Many assets with upcoming lease events face obsolescence and owners will be required to invest considerable capital to bring these assets back to the market to the appropriate standard.

## Conclusion

Our portfolio focuses on “best-in-class”, sustainable buildings and our extensive development pipeline ensures that we are well placed to outperform the market in the current environment. Furthermore, Helical has the necessary expertise and established track record to take advantage of the opportunities that we expect to emerge in the future, partnering with land owners to minimise equity and maximise returns.

## Sustainability and Net Zero Carbon

We continue to make good progress against the targets we set out in our sustainability strategy “Built for the Future” and our aim to become a net zero carbon business by 2030. With a pipeline of new developments and major refurbishments, we are continuing to challenge carbon emissions across these projects with the aspiration of meeting our embodied carbon target of 600kgco<sub>2</sub>e/m<sup>2</sup> and energy intensity target of 90kWh/m<sup>2</sup>.

For GRESB, we have again been ranked the number one company in the UK Office Listed sector, scoring 87% and receiving a 4 Star rating in the annual sustainability performance index for our standing investment properties. Alongside this, we received a score of 92% for our development activities resulting in a 4 Star rating. This downgrade from the prior year reflects the application of more onerous criteria and we have identified where improvements can be made for the future.

For our sustainability reporting, we received a Gold Award for the third consecutive year from EPRA’s Sustainability Best Practice Recommendations (sBPR). The EPRA sBPR is intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.

Our portfolio is well placed in terms of energy efficiency, with 99% of our assets (by value) already compliant with the proposed legislative requirement that all rented commercial buildings achieve a minimum EPC rating of B by 2030. Research has highlighted that c.75% of current office stock in London has an EPC C or below, with significant capital outlay likely to be required to take non-compliant buildings up to the minimum standard. In addition to strong EPC ratings, 99% of our assets (by value) hold a BREEAM certification, with 88% being “Outstanding” or “Excellent” (excluding 100 New Bridge Street, EC4, which is to be refurbished).

Furthermore, in partnership with Places for London, TfL’s commercial property company, we will deliver market leading buildings with exemplary ESG credentials, including BREEAM, NABERS and WELL certifications. It is intended that all sites will be developed on a net zero carbon basis and promote circular economy principles, operating to the highest efficiency with the aid of all-electric solutions and on-site renewables, as well as promoting health and wellbeing.

## Helical's Property Portfolio – 30 September 2023

### Property Overview

Helical's "best-in-class" portfolio comprises income-producing multi-let offices, refurbishments and developments across central London. We have a development pipeline of 790,000 sq ft of consented schemes following the establishment of our strategic joint venture with TfL's commercial property company, Places for London. Our portfolio is focused on areas of central London where we see strong tenant demand and growth potential for our amenity rich, technologically advanced and highly sustainable office schemes.

### The Platinum Portfolio

On 11 July 2023, contracts were signed confirming Helical as Places for London's commercial office joint venture partner. This long term partnership will see the delivery of new high-quality and sustainable office space above key transport hubs. At inception, the joint venture consists of three new commercial office development opportunities, namely:

#### Bank OSD, EC4

Located above the recently opened Bank Station entrance on Cannon Street, this eight storey office development will deliver 142,000 sq ft NIA over seven office floors, with typical floorplates of 22,500 sq ft and 7,653 sq ft of terracing over three floors. We are looking to make minor changes to the existing permission to enhance the arrival facilities and amenity and incorporate a shared space on Abchurch Lane. A start on site is envisaged in October 2024.

#### Southwark OSD, SE1

Located above Southwark Station, the scheme has consent for a 222,000 sq ft NIA office building over 17 storeys. Feasibility studies are underway, looking at alternative approaches for the site's development. It is to be drawn down in July 2025 and it is expected that any revision to the planning permission will be obtained by then.

#### Paddington OSD, W2

The 235,000 sq ft NIA scheme is to be built over the canal level eastern entrance to Paddington Station, opposite the Brunel Building. Planning permission was granted in 2015 for the 19 storey building with 15 floors of office accommodation and we are looking at making minor changes to this consent in order to provide a visually striking, "best-in-class" scheme with enhanced amenities and terracing. The site drawdown is scheduled for January 2026.

### The JJ Mack Building, EC1

Our most recently completed office development, The JJ Mack Building, is one of London's smartest and most sustainable new office buildings. The 206,050 sq ft office building was developed in a joint venture with AshbyCapital.

The sixth and seventh floors, comprising 37,880 sq ft, are let to Partners Group, a leading global private markets firm, for their new London office and they are progressing their fit-out works with the aim of taking occupation in Q1 2024.

Subsequent to the Period end, we completed a letting of the ninth floor, comprising 13,408 sq ft, to Corio Generation, a subsidiary of Macquarie Group. In addition, the first, second and third floors are under offer and due to formally sign in early December.

The building is situated just 150m from Farringdon Station and the Elizabeth Line, providing occupiers with unparalleled connectivity. Its construction has utilised design, technology and operational practices that have created a market leading sustainable property. This commitment to sustainability has been recognised by a BREEAM 2018 New Construction "Outstanding" rating at design stage which is currently being certified, an EPC A rating and an anticipated NABERS 5 Star rating. It also provides a

technologically pioneering environment for occupiers with smart building systems and a fully integrated building management app for tenants.

### **100 New Bridge Street, EC4**

We received planning approval from The City of London in June 2023 for our next “best-in-class” office development, located adjacent to City Thameslink and a short walk from Farringdon and Blackfriars stations. Two new floors will be added to the building, increasing the net internal area from 167,026 sq ft to 194,000 sq ft. The main construction contract and development financing facility are being finalised so that we can be ready to start construction in early 2024.

The major refurbishment will achieve the highest standards of sustainability through the retention of the existing structure and the reuse of materials where possible. Three facades will be re-clad to significantly increase the thermal performance of the building and the building systems will be replaced with the latest technology to provide the best operational energy efficiency. The new building will provide high-quality tenant amenities, including extensive cycle parking, changing facilities and extensive outside space to create a new “best-in-class” office building.

### **The Bower, EC1**

The Bower comprises 312,573 sq ft of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space. The estate is located adjacent to the Old Street roundabout which has been undergoing significant works that are due to complete in early 2024, providing extensive additional public realm to occupiers.

### **The Warehouse and The Studio**

The Warehouse and The Studio comprise 141,141 sq ft of fully-let office space. In addition, there is 10,298 sq ft of retail space across the buildings with these units also being fully let following two lettings in the Period to a restaurant operator and a hair and beauty studio.

### **The Tower**

The Tower offers 171,432 sq ft of office space with a contemporary façade and innovatively designed interconnecting floors, along with 10,761 sq ft of retail space across two units, let to food and beverage operators Serata Hall and Wagamama.

In the Period, we have extended the lease on the 17<sup>th</sup> floor with Verkada by 10 years and facilitated their expansion into the 16<sup>th</sup> floor. The 14<sup>th</sup> floor is now under offer to Incubeta who are relocating from the 16<sup>th</sup> floor. These asset management initiatives extend the WAULT across 32,201 sq ft and achieve rents at a premium to the March 2023 ERVs.

On 27 October 2023, following non-payment of rent for the September quarter, we exercised our right to forfeit the individual leases for six floors let to WeWork. Subsequently, we entered into a short-term licence arrangement with them, to re-occupy the space, following Helical’s receipt of a fee equivalent to the whole of the September quarter’s rent and service charge due under the terms of the previous contractual arrangements.

### **Barts Square, EC1**

In the Period, we completed the sale of the last residential unit thereby ending our involvement in the residential elements of the scheme.

The retail component has nine units, with a variety of occupiers including Michelin-Starred Restaurant St Barts, Lap Bikes, MyLuthier and Athletic Fitness. One unit has become available in the Period, with an additional unit under offer to Italian Taste as at 30 September 2023. Since the Period end, we have sold the long leasehold interest in the retail units for their book value of £7m. This was our last remaining interest in Barts Square.

This enables us to conclude our joint venture with Baupost which started in 2011. This joint venture built 235 apartments, three office buildings totalling 249,000 sq ft and 21,000 sq ft of retail across 10 units.

Through outperformance, we increased our share of profit from our 33% equity participation to 44% and made a total profit of £41m with a 26% IRR.

### **The Loom, E1**

This former Victorian wool warehouse offers 108,555 sq ft of office space and we continue with our active management approach to this asset, with vacancy currently at 37%. Whilst 16,009 sq ft became vacant during the Period, we have completed three new lettings, totalling 7,443 sq ft, in line with March 2023 ERVs.

### **25 Charterhouse Square, EC1**

25 Charterhouse Square comprises 42,921 sq ft of offices adjacent to the newly operational Farringdon East Elizabeth Line station, overlooking the historic Charterhouse Square. The building is 85% let with the fourth floor available following a comprehensive refurbishment.

### **The Power House, W4**

The Power House is a listed building, providing 21,268 sq ft of office and recording studio space, on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.

## Portfolio Analytics

### See-through Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed properties	626.4	84.0	-	0.0	626.4	84.0
- Development pipeline	119.0	16.0	-	0.0	119.0	16.0
<b>Total London Core</b>	<b>745.4</b>	<b>100.0</b>	<b>-</b>	<b>0.0</b>	<b>745.4</b>	<b>100.0</b>
Other	0.2	0.0	0.3	100.0	0.5	0.0
<b>Total Non-Core Portfolio</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>100.0</b>	<b>0.5</b>	<b>0.0</b>
<b>Total</b>	<b>745.6</b>	<b>100.0</b>	<b>0.3</b>	<b>100.0</b>	<b>745.9</b>	<b>100.0</b>

### See-through Land and Development Portfolio

	Book value £m	Fair value £m	Surplus £m	Fair value %
Land and developments	0.0	0.3	0.3	100.0
<b>Total</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>100.0</b>

## Capital Expenditure

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Remaining spend (Helical share) £m	Pre-redeveloped space sq ft	New space sq ft	Total completed space sq ft	Commencement date
<b>Investment – committed site acquisitions</b>						
- Bank OSD, EC4	32.9	32.9	-	142,000	142,000	Q4 2024
- Southwark OSD, SE1	11.0	11.0	-	222,000	222,000	Q4 2025
- Paddington OSD, W2	30.2	30.2	-	235,000	235,000	Q2 2026
<b>Investment – planned capital expenditure</b>						
- 100 New Bridge Street, EC4	134.9	120.6	167,026	26,974	194,000	Q1 2024
- Bank OSD, EC4	59.3	59.3	-	142,000	142,000	Q4 2024
- Southwark OSD, SE1	123.9	123.9	-	222,000	222,000	Q4 2025
- Paddington OSD, W2	123.2	123.2	-	235,000	235,000	Q2 2026

## Asset Management

Asset management is a critical component in driving Helical's performance. Through having well considered business plans and maximising the combined skills of our management team, we are able to create value in our assets.

Investment portfolio	Fair value weighting %	Passing rent £m	%	Contracted rent £m	%	ERV £m	%	ERV change like-for-like %
London Offices								
- Completed properties	84.0	26.6	78.8	30.9 <sup>1</sup>	81.2	43.6	71.0	0.3
- Development pipeline	16.0	7.1	21.1	7.1 <sup>2</sup>	18.7	17.8	28.9	5.6
<b>Total London</b>	<b>100.0</b>	<b>33.7</b>	<b>99.9</b>	<b>38.0</b>	<b>99.9</b>	<b>61.4</b>	<b>99.9</b>	<b>1.8</b>
Other	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0
<b>Total</b>	<b>100.0</b>	<b>33.7</b>	<b>100.0</b>	<b>38.0</b>	<b>100.0</b>	<b>61.5</b>	<b>100.0</b>	<b>1.8</b>

<sup>1</sup> Following the forfeiture of the leases to WeWork at The Bower, EC1 post Period end, the contracted rent reduced to £26.9m.

<sup>2</sup> In accordance with the business plan to redevelop 100 New Bridge Street, EC4 the Baker McKenzie lease will terminate on 31 December 2023, reducing the contracted rent by £7.1m.

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(1.7)
Rent reviews and uplifts on lease renewals	0.1
New lettings	0.6
<b>Net decrease in the period</b>	<b>(1.0)<sup>1</sup></b>

<sup>1</sup> Following the forfeiture of the leases to WeWork at The Bower, EC1 post Period end, the contracted rent reduced by a further £4.0m.

## Investment Portfolio

### Valuation Movements

	Valuation change %	Investment portfolio weighting 30 September 2023 %	Investment portfolio weighting 31 March 2023 %
London Offices			
- Completed properties	(10.6)	84.0	83.4
- Development pipeline	(17.7)	16.0	16.6
<b>Total</b>	<b>(11.8)</b>	<b>100.0</b>	<b>100.0</b>

### Portfolio Yields

	EPRA topped up NIY 30 September 2023 %	EPRA topped up NIY 31 March 2023 %	Reversionary yield 30 September 2023 %	Reversionary yield 31 March 2023 %	True equivalent yield 30 September 2023 %	True equivalent yield 31 March 2023 %
London Offices						
- Completed properties	4.0	4.1	6.3	5.7	6.0	5.6
- Development pipeline	1.4	3.6	5.7	5.1	5.4	4.9
<b>Total</b>	<b>3.5</b>	<b>4.0</b>	<b>6.1</b>	<b>5.5</b>	<b>5.9</b>	<b>5.4</b>

### See-through Capital Values, Vacancy Rates and Unexpired Lease Terms

	Capital value 30 September 2023 £ psf	Capital value 31 March 2023 £ psf	Vacancy rate 30 September 2023 %	Vacancy rate 31 March 2023 %	WAULT 30 September 2023 Years	WAULT 31 March 2023 Years
London Offices						
- Completed properties	1,058	1,166	22.8	19.8	5.6	5.8
- Development pipeline	712	835	2.6	2.6	0.2	0.7
<b>Total</b>	<b>994</b>	<b>1,104</b>	<b>18.5<sup>1</sup></b>	<b>16.1</b>	<b>4.6<sup>2</sup></b>	<b>5.0</b>

<sup>1</sup> Vacancy rate increases to 26.0% following the forfeiture of the WeWork leases.

<sup>2</sup> Total WAULT falls to 3.2 years following the forfeiture of the WeWork leases.

### See-through Lease Expiries or Tenant Break Options

	Half year to 2024	Year to 2025	Year to 2026	Year to 2027	Year to 2028	2028 onward
% of rent roll	25.7	13.1	3.3	13.5	32.8	11.7
Number of leases	18	15	8	10	14	16
Average rent per lease (£)	439,953	268,980	126,469	414,517	722,555	224,462

Includes impact of the forfeiture of the WeWork leases and the expiry of the lease to Baker McKenzie on 31 December 2023.

## Top 15 Tenants

At 30 September 2023, the top 15 tenants account for 81.6% of the total rent roll.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	Baker McKenzie*	Legal services	7.0	18.4
2	Farfetch	Online retail	4.3	11.4
3	WeWork*	Flexible offices	4.0	10.5
4	Brilliant Basics	Technology	2.4	6.2
5	VMware	Technology	2.2	5.7
6	Partner Group	Financial Services	1.9	5.0
7	Anomaly	Marketing	1.5	3.9
8	Viacom	Technology	1.2	3.1
9	Allegis	Media	1.1	2.8
10	Denstu	Marketing	1.1	2.8
11	Stripe	Financial services	1.0	2.6
12	Verkada	Technology	1.0	2.5
13	Incubeta	Marketing	0.9	2.4
14	Openpayd	Financial services	0.9	2.3
15	Stenn	Technology	0.8	2.0
<b>Total</b>			<b>31.3</b>	<b>81.6</b>

\* Leases expire on or before 31 December 2023.

## Letting Activity – New Leases Completed During the Period

	Area sq ft	Contracted rent (Helical's share) £	Rent £ psf	Change to 31 March 2023 ERV (exc Plug and Play and managed lettings) %	Average lease term to expiry Years
<b>Investment Properties</b>					
London Offices					
- The Loom, E1	7,443	446,803	60.03	0.1	4.0
<b>London Offices Total</b>	<b>7,443</b>	<b>446,803</b>	<b>60.03</b>	<b>0.1</b>	<b>4.0</b>
London Retail					
- The Warehouse, The Bower, EC1	2,938	130,000	44.25	(3.7)	5.0
<b>London Retail Total</b>	<b>2,938</b>	<b>130,000</b>	<b>44.25</b>	<b>(3.7)</b>	<b>5.0</b>
<b>Total</b>	<b>10,381</b>	<b>576,803</b>	<b>55.56</b>	<b>(2.1)</b>	<b>4.2</b>

## Financial Review

### IFRS Performance

Loss after tax  
£93.1m (2022: profit of £17.2m)

Loss per share (EPS)  
75.8p (2022: earnings of 14.1p)

Diluted NAV per share  
409p (31 March 2023: 489p)

Total Accounting Return  
-15.9% (2022: 2.3%)

### EPRA Performance

EPRA profit  
£1.4m (2022: £5.8m)

EPRA EPS  
1.1p (2022: 4.8p)

EPRA NTA per share  
409p (31 March 2023: 493p)

Total Accounting Return on EPRA NTA  
-16.6% (2022: -2.5%)

## Overview

Against a challenging backdrop, the results for the half year reflect the outward yield shift experienced across the office sector through investment property valuation losses, coupled with the effect on net rental income of the forfeiture of the WeWork leases. This impact was partially offset by reductions in administrative costs (excluding performance related awards) and finance costs. The rise in interest rates during the Period has resulted in a small gain on the fair value of derivatives, which continue to protect the Company against the current high level of interest rates.

## Results for the Period

The IFRS loss for the Period of £93.1m (2022: profit of £17.2m) includes revenue from rental income, service charges and development management fees of £19.2m, offset by direct costs of £7.8m to give a net property income of £11.4m (2022: £18.8m). Other income of £0.9m (2022: £nil), from the sub-letting of part of the Company's head office, was recognised in the Period. There was a net loss on sale and revaluation of investment properties of £93.4m (2022: £30.4m) and the loss from joint venture activities was £4.5m (2022: gain of £15.1m). Administration expenses of £5.6m (2022: £5.6m) and net finance costs of £4.0m (2022: £7.3m), were offset by a gain in the fair value of derivatives of £2.1m (2022: £26.6m).

The Group holds a significant proportion of its property assets in joint ventures. As the risk and rewards of ownership of these underlying properties are the same as those it wholly owns, Helical supplements its IFRS disclosure with a "see-through" analysis of alternative performance measures, which looks through the structure to show the Group's share of the underlying business.

The see-through results for the Period to 30 September 2023 include net rental income of £12.4m, a net loss on sale and revaluation of the investment portfolio of £96.7m and development losses of £0.5m, leading to a Total Property Return of -£84.8m (2022: £4.0m). Other income of £0.9m less total see-through administration costs of £5.8m (2022: £6.0m) and see-through net finance costs of £5.6m (2022: £7.2m) plus see-through gains from the mark-to-market valuation of derivative financial instruments of £2.1m (2022: £26.6m) contributed to an IFRS loss of £93.1m (2022: profit of £17.2m).

The interim dividend, payable on 12 January 2024, will be 3.05p per share (2022: 3.05p), unchanged from last year.

The EPRA net tangible asset value per share decreased by 17% to 409p (31 March 2023: 493p).

The Group's investment portfolio, including its share of assets held in joint ventures, decreased to £745.6m (31 March 2023: £839.5m) primarily due to the net loss on revaluation of the investment

portfolio of £96.7m after lease incentives of £3.5m, offset by capital expenditure on the investment portfolio of £6.3m.

The Group's see-through loan to value at 30 September 2023 was 33.5% (31 March 2023: 27.5%). The Group's weighted average cost of debt at 30 September 2023 was 3.3% (31 March 2023: 3.4%) and the weighted average debt maturity was 2.4 years (31 March 2023: 2.9 years).

At 30 September 2023, the Group had unutilised bank facilities of £187.5m and cash of £39.2m on a see-through basis. These are primarily available to fund future property acquisitions and capital expenditure.

### Total Property Return

We calculate our Total Property Return to enable us to assess the aggregate of income and capital profits made each period from our property activities. Our business is primarily aimed at producing surpluses in the value of our assets through asset management and development, with the income side of the business seeking to cover our annual administration and finance costs.

	Half year to 2023 £m	Half year to 2022 £m
Total Property Return	(84.8)	4.0

### Total Accounting Return

Total Accounting Return is the growth in the net asset value of the Group plus dividends paid in the Period, expressed as a percentage of the net asset value at the beginning of the Period. The metric measures the growth in Shareholders' Funds in each period and is expressed as an absolute percentage.

	Half year to 2023 %	Half year to 2022 %
Total Accounting Return on IFRS net assets	(15.9)	2.3

Total Accounting Return on EPRA net tangible assets is the growth in the EPRA net tangible asset value of the Group plus dividends paid in the period, expressed as a percentage of the EPRA net tangible asset value at the beginning of the period.

	Half year to 2023 %	Half year to 2022 %
Total Accounting Return on EPRA net tangible assets	(16.6)	(2.5)

### Earnings/(Loss) Per Share

The IFRS earnings/(loss) per share decreased from earnings of 14.1p to a loss of 75.8p and is based on the after tax (loss)/earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the Period.

On an EPRA basis, the earnings per share is 1.1p compared to 4.8p in 2022, reflecting a decrease in the Group's share of net rental income to £12.4m (2022: £18.2m) plus development losses of £0.5m (2022: profit of £0.9m), but excluding losses on sale and revaluation of Investment properties of £96.7m (2022: £15.1m).

### Net Asset Value

IFRS diluted net asset value per share decreased to 409p per share (31 March 2023: 489p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the Period end, adjusted to allow for the effect of all dilutive share awards.

EPRA net tangible asset value per share decreased to 409p per share (31 March 2023: 493p). This movement arose principally from a total comprehensive expense (retained losses) of £93.1m (2023: £64.5m), less £9.5m of dividends (2023: £13.8m).

EPRA net disposal value per share decreased by 16.5% to 409p per share (31 March 2023: 490p).

## Income Statement

### Rental Income and Property Overheads

Gross rental income for the Group in respect of wholly owned properties decreased to £12.8m (2022: £19.2m), with gross rents in joint ventures increasing to £0.9m (2022: £0.3m). Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures remained at £1.3m (2022: £1.3m). Overall, see-through net rents decreased to £12.4m (2022: £18.2m).

Included within gross rental income is a reduction of £4.3m (30 September 2022: addition of £2.5m, 31 March 2023: addition of £1.7m) of accrued income for rent free periods including an adjustment of £2.9m relating to the forfeited leases to WeWork.

The table below demonstrates the movement of the see-through accrued income balance for rent free periods granted and the respective rental income adjustment over the period to 31 March 2027, based on the tenant leases as at 30 September 2023. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
6 months to 31 March 2024	10,678	(68)
Year to 31 March 2025	10,610	(328)
Year to 31 March 2026	10,282	(2,188)
Year to 31 March 2027	8,094	(2,125)

### Rent Collection

	March 2023 - September 2023 quarters %
Rent collected to date	98.8
Rent under payment plan	0.8
Rent under discussion	0.4

At 22 November 2023, the Group had collected 98.8% of all rent contracted and payable for the March, June and September 2023 quarters.

### Development Profits

During the Period, a profit of £0.6m on a legacy retail scheme at East Ham and a close out payment for the site at Kingswinford of £0.1m were recognised. These were offset by a write back of the expected development management fee at The JJ Mack Building, EC1 of £1.2m, recognised in previous periods, which led to a net development loss of £0.5m (2022: profit of £0.9m).

### Share of Results of Joint Ventures

The revaluation of our Investment properties held in joint ventures generated a deficit of £3.3m (2022: surplus of £15.3m). A profit of £0.1m (2022: profit of £0.2m) was recognised in respect of the final apartment sale at our Barts Square, EC1 residential development. Net rental income of £0.5m (2022: £0.1m) was recognised.

Finance, administration and other sundry costs totalling £1.8m (2022: £0.3m) were incurred and after a tax charge of £nil (2022: £0.1m), there was a net loss from our joint ventures of £4.5m (2022: profit of £15.1m).

### Loss on Sale and Revaluation of Investment Properties

The loss on valuation of our investment portfolio on a see-through basis resulted in an overall loss on sale and revaluation, including in joint ventures, of £96.7m (2022: £15.1m).

### Administrative Expenses

Administration costs in the Group, before performance related awards, decreased by 12.5% from £5.3m to £4.7m.

Performance related share awards and bonus payments, before National Insurance costs, increased to £0.8m (2022: £0.2m). Of this amount, £0.7m (2022: £0.1m), being the charge for share awards under the Performance Share Plan, which, currently are not expected to vest, is expensed through the Income Statement but added back to Shareholders' Funds through the Statement of Changes in Equity.

	2023 £000	2022 £000
Administrative expenses (excluding performance related awards)	4,655	5,323
Performance related awards	793	220
NIC	122	41
Group	5,570	5,584
In joint ventures	188	452
Total	5,758	6,036

### Finance Costs, Finance Income and Change in Fair Value of Derivative Financial Instruments

Net finance costs excluding changes in the fair value of derivative financial instruments, including in joint ventures, reduced to £5.6m (2022: £7.2m).

	2023 £000	2022 £000
Group		
Interest payable on secured bank loans	(2,878)	(5,214)
Other interest payable and similar charges	(1,487)	(2,056)
Total interest payable before cancellation of loans	(4,365)	(7,270)
Cancellation of loans	-	(132)
Total finance costs	(4,365)	(7,402)
Finance income	328	96
Net finance costs	(4,037)	(7,306)
Change in fair value of derivative financial instruments	2,098	26,564
Finance costs, net of finance income and change in fair value of derivative financial instruments	(1,939)	19,258
Joint Venture		
Interest payable on secured bank loans	(1,502)	(1,619)
Other interest payable and similar charges	(104)	(101)
Interest capitalised	-	1,815
Total finance costs	(1,606)	95
Finance income	18	6
Finance costs, finance income and change in fair value of derivative financial instruments	(1,588)	101
Total finance costs, net of finance income	(5,625)	(7,205)
Total finance costs, net of finance income and change in fair value of derivative financial instruments	(3,527)	19,359

The movement upwards in medium and long-term interest rate projections during the Period contributed to a gain of £2.1m (2022: £26.6m) on the mark-to-market valuation of the derivative financial instruments.

## Taxation

The Group elected to become a REIT, effective from 1 April 2022, and is now exempt from UK corporation tax on the profits/(losses) of its property activities that fall within the REIT regime. Helical will continue to pay corporation tax on its profits/(losses) that are not within this regime.

As a consequence, the tax charge for the Period was £nil (2022: £nil).

## Dividends

The Board has declared an interim dividend for the Period of 3.05p per share, the same level as in 2022. This dividend is to be paid out of EPRA earnings and accumulated realised capital profits. The Property Income Distribution (“PID”) for the Period will be 0.5p, with the balance of 2.55p representing an additional ordinary dividend.

## Balance Sheet

### Shareholders' Funds

Shareholders' Funds at 31 March 2023 were £608.7m. The Group's loss for the Period, representing the total comprehensive expense for the Period, reduced funds by £93.1m (2022: increased by profit of £17.2m). Movements in reserves arising from the Group's share schemes decreased funds by £3.8m. The Company paid dividends to Shareholders during the Period of £9.5m. The net decrease in Shareholders' Funds from Group activities during the Period was £106.4m to £502.3m.

### Investment Portfolio

	Wholly owned £000	In joint venture £000	See-through £000	Head leases capitalised £000	Lease incentives £000	Book value £000
Valuation at 31 March 2023	693,550	145,975	839,525	6,481	(14,172)	831,834
Capital expenditure						
– wholly owned	6,822	-	6,822	(8)	-	6,814
– joint ventures	-	(558)	(558)	(15)	-	(573)
Letting costs amortised						
– wholly owned	(56)	-	(56)	-	-	(56)
– joint ventures	-	(12)	(12)	-	-	(12)
Revaluation (deficit)/surplus						
– wholly owned	(97,666)	-	(97,666)	-	4,299	(93,367)
– joint ventures	-	(2,505)	(2,505)	-	(804)	(3,309)
<b>Valuation at 30 September 2023</b>	<b>602,650</b>	<b>142,900</b>	<b>745,550</b>	<b>6,458</b>	<b>(10,677)</b>	<b>741,331</b>

The Group expended £6.8m on capital works across the investment portfolio, at 100 New Bridge Street, EC4 (£5.1m), The Bower, EC1 (£0.6m), The Loom, E1 (£0.6m), and The Power House, W4 (£0.5m). These costs were partially offset by a reversal of costs at The JJ Mack Building, EC1 of £0.5m.

Revaluation losses resulted in a £100.2m decrease in the see-through fair value of the portfolio, before lease incentives, to £745.6m (31 March 2023: £839.5m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £741.3m (31 March 2023: £831.8m).

### Debt and Financial Risk

In total, the see-through outstanding debt at 30 September 2023 of £292.4m (31 March 2023: £290.4m) had a weighted average interest cost of 3.3% (31 March 2023: 3.4%) and a weighted average debt maturity of 2.4 years (31 March 2023: 2.9 years).

## Debt Profile at 30 September 2023 – Including Commitment Fees but Excluding the Amortisation of Arrangement Fees

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of borrowings Years
£400m Revolving Credit Facility	400,000	230,000	170,000	3.0	2.8
<b>Total wholly owned</b>	<b>400,000</b>	<b>230,000</b>	<b>170,000</b>	<b>3.0</b>	<b>2.8</b>
In joint ventures	69,900	62,366	7,534	4.2	0.8
<b>Total secured debt</b>	<b>469,900</b>	<b>292,366</b>	<b>177,534</b>	<b>3.3</b>	<b>2.4</b>
Working capital	10,000	-	10,000	-	-
<b>Total unsecured debt</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Total debt</b>	<b>479,900</b>	<b>292,366</b>	<b>187,534</b>	<b>3.3</b>	<b>2.4</b>

### Secured Debt

The Group arranges its secured investment and development facilities to suit its business needs as follows:

#### - £400m Revolving Credit Facility

The Group has a £400m Revolving Credit Facility in which all of its wholly owned investment assets are secured. The value of the Group's properties secured in this facility at 30 September 2023 was £603m (31 March 2023: £693m) with a corresponding loan to value of 38.2% (31 March 2023: 33.2%). The average maturity of the facility at 30 September 2023 was 2.8 years (31 March 2023: 3.3 years) with a weighted average interest rate of 3.0% (31 March 2023: 3.1%).

#### - Joint Venture Facilities

Where the Group holds investment and development properties in joint venture with third parties it includes its share, in proportion to its economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 30 September 2023 was 0.8 years (31 March 2023: 1.3 years) with a weighted average interest rate of 4.2% (31 March 2023: 4.2%). The average interest rate will fall as The JJ Mack Building, EC1 development facility is drawn down and would be 4.00% on a fully utilised basis, reducing to 2.25% once the building is let. There is a one-year extension option in this facility.

### Unsecured Debt

The Group's unsecured debt is £nil (31 March 2023: £nil).

### Cash and Cash Flow

At 30 September 2023, the Group had £17.5m (31 March 2023: £28.2m) of cash deposits available to deploy without restrictions, £7.7m (31 March 2023: £9.1m) of rent deposits from tenants and a further £14.0m (31 March 2023: £17.4m) of rent in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint ventures. Furthermore, the Group had £187.5m (31 March 2023: £189.5m) of loan facilities available to fund future acquisitions.

### Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have slightly increased from £290.4m to £292.4m during the Period to 30 September 2023. After deducting cash balances of £39.2m (31 March 2023: £54.7m) and unamortised refinancing costs of £3.6m (31 March 2023: £4.3m), net borrowings increased from £231.4m to £249.6m. The see-through net gearing of the Group, including in joint ventures, increased from 38.0% to 49.7%.

	30 September 2023	31 March 2023
See-through gross borrowings	£292.4m	£290.4m
See-through cash balances	£39.2m	£54.7m
Unamortised refinancing costs	£3.6m	£4.3m
See-through net borrowings	£249.6m	£231.4m
Shareholders' funds	£502.3m	£608.7m
See-through gearing – IFRS net asset value	49.7%	38.0%

## Hedging

At 30 September 2023, the Group had £230.0m (31 March 2023: £230.0m) of borrowings protected by interest rate swaps, with an average effective interest rate of 2.5% (31 March 2023: 2.6%) and average maturity of 2.8 years. The Group had no floating rate debt (31 March 2023: £nil). In our joint ventures, the Group's share of fixed rate debt was £62.4m (31 March 2023: £60.4m) at 0.5% plus margin with an effective rate at 31 March 2023 of 4.2% and no floating rate debt (31 March 2023: none).

	30 September 2023 £m	Effective interest rate %	31 March 2023 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	230.0	2.5	230.0	2.6
<b>Total</b>	<b>230.0</b>	<b>3.0<sup>1</sup></b>	230.0	3.1 <sup>1</sup>
In joint ventures				
– Fixed rate	62.4	4.2 <sup>2</sup>	60.4	4.2 <sup>2</sup>
<b>Total borrowings</b>	<b>292.4</b>	<b>3.3</b>	290.4	3.4

<sup>1</sup> This includes commitment fees on undrawn facilities.

<sup>2</sup> This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 4.00% (31 March 2023: 4.00%).

**Tim Murphy**  
**Chief Financial Officer**  
**22 November 2023**

## Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- a) The condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*,
- b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

On behalf of the Board

**Tim Murphy**  
**Chief Financial Officer**  
**22 November 2023**

## Independent Review Report to Helical Plc

### Conclusion

We have been engaged by Helical plc ('the Company') to review the condensed set of financial statements of the Company and its subsidiaries (the 'Group') in the half year financial report for the six months ended 30 September 2023 which comprises the unaudited consolidated income statement, unaudited consolidated balance sheet, unaudited consolidated cash flow statement, unaudited consolidated statement of changes in equity and notes to the half year results. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent material misstatements of fact or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE (UK) 2410') issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards.

### Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group and the Company to cease to continue as a going concern.

### Responsibilities of Directors

The half-yearly financial report, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Review of the Financial Information**

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our Report**

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

**RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB**

**22 November 2023**

## Unaudited Consolidated Income Statement

For the Half Year to 30 September 2023

	Notes	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Revenue	3	19,224	23,461	49,848
Cost of sales	3	(7,857)	(4,623)	(13,567)
Net property income	4	11,367	18,838	36,281
Share of results of joint ventures	12	(4,499)	15,101	3,494
Other income	3	905	-	-
		7,773	33,939	39,775
Gain on sale of Investment properties	5	-	4,606	4,564
Revaluation loss on Investment properties	11	(93,367)	(34,994)	(97,854)
		(85,594)	3,551	(53,515)
Administrative expenses	6	(5,570)	(5,584)	(12,835)
<b>Operating loss</b>		<b>(91,164)</b>	<b>(2,033)</b>	<b>(66,350)</b>
Net finance costs and change in fair value of derivative financial instruments	7	(1,939)	19,258	1,839
<b>(Loss)/profit before tax</b>		<b>(93,103)</b>	<b>17,225</b>	<b>(64,511)</b>
Tax on (loss)/profit on ordinary activities	8	-	-	-
<b>(Loss)/profit for the period</b>		<b>(93,103)</b>	<b>17,225</b>	<b>(64,511)</b>
<b>(Loss)/earnings per share</b>	10			
Basic		<b>(75.8)p</b>	14.1p	(52.6)p
Diluted		<b>(75.8)p</b>	14.0p	(52.6)p

There were no items of comprehensive income in the current or prior periods other than the (loss)/profit for the Period and, accordingly, no Statement of Comprehensive Income is presented.

## Unaudited Consolidated Balance Sheet

At 30 September 2023

	Notes	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
<b>Non-current assets</b>				
Investment properties	11	595,073	738,518	681,682
Owner occupied property, plant and equipment		3,631	4,358	4,351
Investment in joint ventures	12	82,141	105,895	87,330
Other investments	13	434	306	353
Derivative financial instruments	20	25,343	36,758	23,245
Trade and other receivables	15	1,449	-	-
		<b>708,071</b>	<b>885,835</b>	<b>796,961</b>
<b>Current assets</b>				
Land and developments	14	28	2,089	28
Corporation tax receivable		7	-	7
Trade and other receivables	15	16,697	27,581	24,935
Cash and cash equivalents	16	37,040	63,348	50,925
		<b>53,772</b>	<b>93,018</b>	<b>75,895</b>
<b>Total assets</b>		<b>761,843</b>	<b>978,853</b>	<b>872,856</b>
<b>Current liabilities</b>				
Trade and other payables	17	(26,406)	(33,225)	(31,232)
Lease liability	18	(695)	(670)	(683)
Corporation tax payable		-	(230)	-
		<b>(27,101)</b>	<b>(34,125)</b>	<b>(31,915)</b>
<b>Non-current liabilities</b>				
Borrowings	19	(227,176)	(246,100)	(226,677)
Lease liability	18	(5,238)	(5,933)	(5,589)
		<b>(232,414)</b>	<b>(252,033)</b>	<b>(232,266)</b>
<b>Total liabilities</b>		<b>(259,515)</b>	<b>(286,158)</b>	<b>(264,181)</b>
<b>Net assets</b>		<b>502,328</b>	<b>692,695</b>	<b>608,675</b>
<b>Equity</b>				
Called-up share capital	21	1,233	1,233	1,233
Share premium account		116,619	116,619	116,619
Revaluation reserve		(46,951)	109,276	46,416
Capital redemption reserve		7,743	7,743	7,743
Own shares held		(1,675)	(1,535)	(848)
Other reserves		291	291	291
Retained earnings		425,068	459,068	437,221
<b>Total equity</b>		<b>502,328</b>	<b>692,695</b>	<b>608,675</b>

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

## Unaudited Consolidated Cash Flow Statement

For the Half Year to 30 September 2023

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 Restated <sup>1</sup> £000	Year to 31 March 2023 £000
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax	(93,103)	17,225	(64,511)
Adjustment for:			
Depreciation	420	382	798
Revaluation deficit on Investment properties	93,367	34,994	97,854
Letting cost amortisation	56	135	200
Gain on sale of Investment properties	-	(4,606)	(4,564)
Profit on sale of plant and equipment	-	-	(18)
Net financing costs	4,037	7,306	10,918
Change in value of derivative financial instruments	(2,098)	(26,564)	(12,757)
Share based payment charge	698	54	1,073
Share of results of joint ventures	4,499	(15,101)	(3,494)
Gain on sublet of the Group's head office	(902)	-	-
<b>Cash inflows from operations before changes in working capital</b>	<b>6,974</b>	<b>13,825</b>	<b>25,499</b>
Change in trade and other receivables	8,483	(6,211)	(3,560)
Change in land, developments and trading properties	-	-	2,061
Change in trade and other payables	(4,997)	(11,385)	(11,477)
<b>Cash inflows/(outflows) generated from operations</b>	<b>10,460</b>	<b>(3,771)</b>	<b>12,523</b>
Finance costs	(3,698)	(6,952)	(12,361)
Finance income	328	96	274
Tax received	-	568	331
	<b>(3,370)</b>	<b>(6,288)</b>	<b>(11,756)</b>
<b>Net cash generated from/(used by) operating activities</b>	<b>7,090</b>	<b>(10,059)</b>	<b>767</b>
<b>Cash flows from investing activities</b>			
Additions to Investment property	(6,814)	(4,420)	(10,509)
Purchase of other investments	(81)	-	(47)
Net proceeds from sale of Investment property	-	186,583	186,541
(Investments)/return from investments in joint ventures and subsidiaries	(1,375)	3,323	3,323
Dividends from joint ventures	2,066	6,488	13,446
Sale of plant and equipment	-	-	48
Purchase of leasehold improvements, plant and equipment	(491)	(108)	(548)
<b>Net cash (used by)/generated from investing activities</b>	<b>(6,695)</b>	<b>191,866</b>	<b>192,254</b>
<b>Cash flows from financing activities</b>			
Borrowings repaid	-	(150,000)	(170,000)
Finance lease repayments	(338)	(326)	(659)
Shares issued	-	10	10
Purchase of own shares	(4,402)	(1,535)	(1,089)
Equity dividends paid	(9,540)	(10,092)	(13,842)
<b>Net cash used by financing activities</b>	<b>(14,280)</b>	<b>(161,943)</b>	<b>(185,580)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,885)</b>	<b>19,864</b>	<b>7,441</b>
Cash and cash equivalents at start of period	50,925	43,484	43,484
<b>Cash and cash equivalents at end of period</b>	<b>37,040</b>	<b>63,348</b>	<b>50,925</b>

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

## Unaudited Consolidated Statement of Changes in Equity

At 30 September 2023

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2022	1,223	112,654	197,627	7,743	-	291	367,505	687,043
Total comprehensive expense	-	-	-	-	-	-	(64,511)	(64,511)
Revaluation deficit	-	-	(97,854)	-	-	-	97,854	-
Realised on disposals	-	-	(53,357)	-	-	-	53,357	-
<b>Transactions with owners</b>								
Issued share capital	10	3,965	-	-	-	-	-	3,975
Performance Share Plan	-	-	-	-	-	-	1,073	1,073
Purchase of own shares	-	-	-	-	(848)	-	-	(848)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,536)	(3,536)
Share settled bonus	-	-	-	-	-	-	(439)	(439)
Revaluation deficit on valuation of shares	-	-	-	-	-	-	(240)	(240)
Dividends paid	-	-	-	-	-	-	(13,842)	(13,842)
Total transactions with owners	10	3,965	-	-	(848)	-	(16,984)	(13,857)
At 31 March 2023	1,233	116,619	46,416	7,743	(848)	291	437,221	608,675
Total comprehensive expense	-	-	-	-	-	-	(93,103)	(93,103)
Revaluation deficit	-	-	(93,367)	-	-	-	93,367	-
<b>Transactions with owners</b>								
Performance Share Plan	-	-	-	-	-	-	698	698
Purchase of own shares	-	-	-	-	(4,402)	-	-	(4,402)
Share settled Performance Share Plan	-	-	-	-	2,352	-	(2,352)	-
Share settled bonus	-	-	-	-	1,223	-	(1,223)	-
Dividends paid	-	-	-	-	-	-	(9,540)	(9,540)
Total transactions with owners	-	-	-	-	(827)	-	(12,417)	(13,244)
At 30 September 2023	1,233	116,619	(46,951)	7,743	(1,675)	291	425,068	502,328

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2022	1,223	112,654	197,627	7,743	-	291	367,505	687,043
Total comprehensive income	-	-	-	-	-	-	17,225	17,225
Revaluation deficit	-	-	(34,994)	-	-	-	34,994	-
Realised on disposals	-	-	(53,357)	-	-	-	53,357	-
<b>Transactions with owners</b>								
Issued share capital	10	3,965	-	-	-	-	-	3,975
Performance Share Plan	-	-	-	-	-	-	54	54
Purchase of own shares	-	-	-	-	(1,535)	-	-	(1,535)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,536)	(3,536)
Share settled bonus	-	-	-	-	-	-	(439)	(439)
Dividends paid	-	-	-	-	-	-	(10,092)	(10,092)
Total transactions with owners	10	3,965	-	-	(1,535)	-	(14,013)	(11,573)
At 30 September 2022	1,233	116,619	109,276	7,743	(1,535)	291	459,068	692,695

## Unaudited Notes to the Half Year Results

### 1. Financial Information and Basis of Preparation

The Company is a public limited company incorporated and domiciled in England and Wales and listed on the Main Market of the London Stock Exchange. The registered office address is 5 Hanover Square London W1S 1HQ.

These condensed interim financial statements were approved for issue on 22 November 2023.

The financial information contained in this statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The full accounts for the year ended 31 March 2023, approved by the Board of Directors on 23 May 2023, which were prepared under International Financial Reporting Standards as adopted by the United Kingdom and which received an unqualified report from the Auditors, and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006, have been filed with the Registrar of Companies.

These interim condensed unaudited consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2023.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The same accounting policies and methods of computation are followed in the 30 September 2023 interim condensed unaudited consolidated financial statements as in the most recent annual financial statements.

#### Change in Accounting Policies

The Group adopted the following new and amended standards in the Period ended 30 September 2023. There was no material impact arising from their adoption.

- Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of accounting policies - Amendments to IAS 8
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

#### Going Concern

The Directors have considered the appropriateness of adopting a going concern basis in preparing the financial statements. Their assessment is based on forecasts for the next 12 month period, with sensitivity testing undertaken to replicate severe but plausible downside scenarios related to the principal risks and uncertainties associated with the business.

The key assumptions used in the review are summarised below:

- The Group's rental income receipts were modelled for each tenant on an individual basis;
- Existing loan facilities remain available;
- Certain property additions/disposals are assumed in line with the individual asset business plans; and
- Free cash is utilised where necessary to repay debt/cure bank facility covenants.

Compliance with the financial covenants of the Group's main debt facility, its £400m Revolving Credit Facility, was one of the Directors' key areas of review, with particular focus on the following three covenants:

- Loan to Value ("LTV") – the ratio of the drawn loan amount to the value of the secured property as a percentage;

- Loan to Rent Value (“LRV”) – the ratio of the loan to the projected contractual net rental income for the next 12 months; and
- Projected Net Rental Interest Cover Ratio (“ICR”) – the ratio of projected net rental income to projected finance costs.

The October 2023 compliance position for these covenants is summarised below:

Covenant	Requirement	Actual
LTV	<65%	31%
LRV	<12.0x	10.8x
ICR	>150%	360%

The results of this review demonstrated the following:

- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 13% fall in contracted rental income;
- Property values could fall by 30% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 4.6 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Additional asset sales could be utilised to generate cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted a going concern basis in preparing the accounts for the Period.

## Principal Risks and Uncertainties

The responsibility for the governance of the Group’s risk profile lies with the Board of Directors of Helical. The Board is responsible for setting the Group’s risk strategy by assessing risks, determining its willingness to accept those risks and ensuring that the risks are monitored and that the Group is aware of and, if appropriate, reacts to changes in those risks. The Board is also responsible for allocating responsibility for risk within the Group’s management structure.

The Group considers its principal risks to be:

	Principal Risk
Strategic	<ul style="list-style-type: none"> <li>• The Group’s strategy is inconsistent with the market</li> <li>• Risks arising from the Group’s significant development projects</li> <li>• Property values decline/reduced tenant demand for space</li> <li>• Geopolitical and economic</li> <li>• Climate change</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Availability and cost of bank borrowing, cash resources and potential breach of loan covenants</li> </ul>
Operational	<ul style="list-style-type: none"> <li>• Our people and relationships with business partners and reliance on external partners</li> <li>• Health and safety</li> <li>• Significant business disruption/external catastrophic event/cyber-attacks to our business and our buildings</li> </ul>
Reputational	<ul style="list-style-type: none"> <li>• Poor management of stakeholder relations and non-compliance with prevailing legislation, regulation and best practice</li> </ul>

There have been no significant changes to these risks in the Period and further analysis is included within the Group’s Annual Report and Accounts 2023.

## 2. Revenue from Contracts with Customers

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Development property income	462	934	4,921
Service charge income	5,958	3,282	8,372
<b>Total revenue from contracts with customers</b>	<b>6,420</b>	<b>4,216</b>	<b>13,293</b>

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*.

No impairment of contract assets was recognised in the Period to 30 September 2023 (Half Year to 30 September 2022: £nil, Year to 31 March 2023: £5,000).

## 3. Segmental Information

The Group identifies two discrete operating segments whose results are regularly reviewed by the Chief Operating Decision Maker (the Chief Executive) to allocate resources to these segments and to assess their performance. The segments are:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation; and
- Development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000
<b>Revenue</b>						
Gross rental income	12,804	-	12,804	19,245	-	19,245
Development property income	-	462	462	-	934	934
Service charge income	5,958	-	5,958	3,282	-	3,282
<b>Revenue</b>	<b>18,762</b>	<b>462</b>	<b>19,224</b>	<b>22,527</b>	<b>934</b>	<b>23,461</b>

	Investments Year to 31.03.23 £000	Developments Year to 31.03.23 £000	Total Year to 31.03.23 £000
<b>Revenue</b>			
Gross rental income	36,555	-	36,555
Development property income	-	4,921	4,921
Service charge income	8,372	-	8,372
<b>Revenue</b>	<b>44,927</b>	<b>4,921</b>	<b>49,848</b>

	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000
<b>Cost of sales</b>						
Rents payable	(95)	-	(95)	(69)	-	(69)
Property overheads	(846)	-	(846)	(1,121)	-	(1,121)
Service charge expense	(5,958)	-	(5,958)	(3,282)	-	(3,282)
Development cost of sales	-	(922)	(922)	-	(150)	(150)
Development sales expenses	-	(36)	(36)	-	(1)	(1)
<b>Cost of sales</b>	<b>(6,899)</b>	<b>(958)</b>	<b>(7,857)</b>	<b>(4,472)</b>	<b>(151)</b>	<b>(4,623)</b>

## Results for the Half Year to 30 September 2023

	Investments Year to 31.03.23 £000	Developments Year to 31.03.23 £000	Total Year to 31.03.23 £000
<b>Cost of sales</b>			
Rents payable	(157)	-	(157)
Property overheads	(2,092)	-	(2,092)
Service charge expense	(8,372)	-	(8,372)
Development cost of sales	-	(2,915)	(2,915)
Development sales expenses	-	(1)	(1)
Reversal of provision	-	(30)	(30)
Cost of sales	(10,621)	(2,946)	(13,567)

	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000
<b>(Loss)/profit before tax</b>						
Net property income	11,863	(496)	11,367	18,055	783	18,838
Share of results of joint ventures	(4,439)	(60)	(4,499)	14,750	351	15,101
Other income	905	-	905	-	-	-
Loss on sale and revaluation of Investment properties	(93,367)	-	(93,367)	(30,388)	-	(30,388)
Segmental (loss)/profit	(85,038)	(556)	(85,594)	2,417	1,134	3,551
Administrative expenses			(5,570)			(5,584)
Finance costs			(4,365)			(7,402)
Finance income			328			96
Change in fair value of derivative financial instruments			2,098			26,564
(Loss)/profit before tax			(93,103)			17,225

Included in other income of £905,000 (30 September 2022: £nil, 31 March 2023: £nil) is the gain on the sublet of the Group's head office of £902,000 (30 September 2022: £nil, 31 March 2023: £nil).

	Investments Year to 31.03.23 £000	Developments Year to 31.03.23 £000	Total Year to 31.03.23 £000
<b>Loss before tax</b>			
Net property income	34,306	1,975	36,281
Share of results of joint ventures	4,867	(1,373)	3,494
Loss on sale and revaluation of Investment properties	(93,290)	-	(93,290)
Segmental (loss)/profit	(54,117)	602	(53,515)
Administrative expenses			(12,835)
Finance costs			(11,192)
Finance income			274
Change in fair value of derivative financial instruments			12,757
Loss before tax			(64,511)

	Investments at 30.09.23 £000	Developments at 30.09.23 £000	Total at 30.09.23 £000	Investments at 30.09.22 £000	Developments at 30.09.22 £000	Total at 30.09.22 £000
<b>Net assets</b>						
Investment properties	595,073	-	595,073	738,518	-	738,518
Land and developments	-	28	28	-	2,089	2,089
Investment in joint ventures	81,126	1,015	82,141	101,097	4,798	105,895
	676,199	1,043	677,242	839,615	6,887	846,502
Other assets			84,601			132,351
Total assets			761,843			978,853
Liabilities			(259,515)			(286,158)
Net assets			502,328			692,695

	Investments at 31.03.23 £000	Developments at 31.03.23 £000	Total at 31.03.23 £000
<b>Net assets</b>			
Investment properties	681,682	-	681,682
Land and developments	-	28	28
Investment in joint ventures	84,255	3,075	87,330
	765,937	3,103	769,040
Other assets			103,816
Total assets			872,856
Liabilities			(264,181)
Net assets			608,675

#### 4. Net Property Income

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Gross rental income	12,804	19,245	36,555
Head rents payable	(95)	(69)	(157)
Property overheads	(846)	(1,121)	(2,092)
Net rental income	11,863	18,055	34,306
Development property income	462	934	4,921
Development cost of sales	(922)	(150)	(2,915)
Sales expenses	(36)	(1)	(1)
Provision	-	-	(30)
Development property (loss)/profit	(496)	783	1,975
Net property income	11,367	18,838	36,281

Included within gross rental income above is a net deduction of £4,307,000 (September 2022: net addition of £2,464,000, March 2023: net addition of £1,609,000) of accrued income for rent free periods.

#### 5. Gain on Sale of Investment Properties

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Net proceeds from the sale of Investment properties	-	186,583	186,541
Book value (Note 11)	-	(169,570)	(169,570)
Tenants' incentives on sold Investment properties	-	(12,407)	(12,407)
Gain on sale of Investment properties	-	4,606	4,564

#### 6. Administrative Expenses

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Administration costs	(4,655)	(5,323)	(9,845)
Performance related awards, including annual bonuses	(793)	(220)	(2,702)
National Insurance on performance related awards	(122)	(41)	(288)
Administrative expenses	(5,570)	(5,584)	(12,835)

## 7. Net Finance Costs and Change in Fair Value of Derivative Financial Instruments

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Interest payable on bank loans and overdrafts	(2,878)	(5,214)	(8,284)
Other interest payable and similar charges	(1,487)	(2,056)	(2,780)
Total before cancellation of loans	(4,365)	(7,270)	(11,064)
Cancellation of loans	-	(132)	(128)
Finance costs	(4,365)	(7,402)	(11,192)
Finance income	328	96	274
Net finance costs	(4,037)	(7,306)	(10,918)
Change in fair value of derivative financial instruments	2,098	26,564	12,757
Net finance costs and change in fair value of derivative financial instruments	(1,939)	19,258	1,839

## 8. Tax on Profit on Ordinary Activities

The Group became a UK REIT on 1 April 2022. As a REIT, the Group is not subject to Corporation Tax on the profits of its property rental business and chargeable gains arising on the disposal of investment assets used in the property rental business, but remains subject to tax on profits and chargeable gains arising from non REIT business activities. No current tax charge arises in the Period to 30 September 2023 (Half Year to 30 September 2022: £nil, Year to 31 March 2023: £nil) in respect of non-REIT activities.

At 30 September 2023, no deferred tax was recognised (30 September 2022: £nil, 31 March 2023: £nil). This is on the basis that deferred tax assets and liabilities either relate to the Group's exempt property rental business, or are deferred tax assets where it is unlikely that there will be taxable profit in the future against which they could be used.

## 9. Dividends

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Attributable to equity share capital			
Ordinary			
- Interim paid 3.05p per share	-	-	3,750
- Prior period final paid 8.70p per share (2022: 8.25p)	9,540	10,092	10,092
	9,540	10,092	13,842

The interim dividend of 3.05p per share (30 September 2022: 3.05p per share) was approved by the Board on 22 November 2023 and will be paid on 12 January 2024 to Shareholders on the register on 1 December 2023. This interim dividend, amounting to £3,744,000 has not been included as a liability as at 30 September 2023.

## 10. Earnings Per Share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the Period. This is a different basis to the net asset per share calculations which are based on the number of shares at the Period end.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends on the assumed exercise of all dilutive share awards.

The earnings per share is calculated in accordance with IAS 33 *Earnings per Share* and the best practice recommendations of the European Public Real Estate Association ("EPRA").

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	Half Year to 30 September 2023 000	Half Year to 30 September 2022 000	Year to 31 March 2023 000
Ordinary shares in issue	123,355	123,355	123,355
Own shares held	(602)	(398)	-
Weighting adjustment	-	(658)	(613)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	<b>122,753</b>	122,299	122,742
Weighted average ordinary shares issued on share settled bonuses	154	561	561
Weighted average ordinary shares to be issued under Performance Share Plan	-	575	846
Adjustment for anti-dilutive shares	(154)	-	(1,407)
Weighted average ordinary shares in issue for calculation of diluted earnings per share	<b>122,753</b>	123,435	122,742
	<b>£000</b>	£000	£000
(Loss)/earnings used for calculation of basic and diluted earnings per share	<b>(93,103)</b>	17,225	(64,511)
Basic (loss)/earnings per share	<b>(75.8)p</b>	14.1p	(52.6)p
Diluted (loss)/earnings per share	<b>(75.8)p</b>	14.0p	(52.6)p
	<b>£000</b>	£000	£000
(Loss)/earnings used for calculation of basic and diluted earnings per share	<b>(93,103)</b>	17,225	(64,511)
Net loss/(gain) on sale and revaluation of Investment properties			
– subsidiaries	<b>93,367</b>	30,388	93,290
– joint ventures	<b>3,309</b>	(15,268)	(5,161)
Tax on profit on disposal of Investment properties	-	228	463
(Gain)/loss on movement in share of joint ventures	<b>(66)</b>	66	564
Fair value movement on derivative financial instruments	<b>(2,098)</b>	(26,564)	(12,757)
Expense on cancellation of loans	-	132	128
Deferred tax on adjusting items	-	(377)	(503)
Earnings used for calculations of EPRA earnings per share	<b>1,409</b>	5,830	11,513
EPRA earnings per share	<b>1.1p</b>	4.8p	9.4p

The earnings used for the calculation of EPRA earnings per share include net rental income and development property profits but exclude investment and trading property gains.

## 11. Investment Properties

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Book value at 1 April	681,682	938,797	938,797
Additions at cost	6,814	4,420	10,509
Disposals	-	(169,570)	(169,570)
Letting cost amortisation	(56)	(135)	(200)
Revaluation deficit	(93,367)	(34,994)	(97,854)
As at period end	<b>595,073</b>	738,518	681,682

All properties are stated at market value and are valued by professionally qualified external valuers (Cushman & Wakefield LLP) in accordance with the Valuation - Professional Standards, published by the Royal Institution of Chartered Surveyors. The fair value of the Investment properties are as follows:

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Book value	595,073	738,518	681,682
Lease incentives and costs included in trade and other receivables	9,689	14,858	13,987
Head leases capitalised	(2,112)	(2,126)	(2,119)
Fair value	<b>602,650</b>	751,250	693,550

Cumulative interest capitalised in respect of the refurbishment of Investment properties at 30 September 2023 amounted to £9,620,000 (30 September 2022: £9,620,000, 31 March 2023: £9,620,000). Interest capitalised during the Period in respect of the refurbishment of Investment properties amounted to £nil (30 September 2022: £nil, 31 March 2023: £nil) and an amount of £nil (30 September 2022: £nil, 31 March 2023: £3,482,000) was released on the sale of the properties in the Period.

The historical cost of Investment property is £640,052,000 (30 September 2022: £627,437,000, 31 March 2023: £633,237,000).

The fair value of the Group's Investment property as at 30 September 2023 was determined by independent external valuers at that date, except for Investment properties valued by the Directors. The valuations are in accordance with the RICS Valuation – Professional Standards (“The Red Book”) and the International Valuation Standards and were arrived at by reference to market transactions for similar properties.

Fair values for Investment property are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields as discussed below. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property.

The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

There are interrelationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions. The key unobservable inputs used to determine the fair values range from an ERV of £24.45 psf to £106.38 psf and a true equivalent yield range from 5.4% to 7.2%.

A sensitivity analysis was performed to ascertain the impact of a 25 and 50 basis point shift in the equivalent yield and a 2.5% and 5% shift in ERVs for the wholly owned investment portfolio:

	At 30 September 2023	Change in portfolio value	
		%	£m
True equivalent yield	5.85%		
+ 50bps		(10.8)	(80.3)
+ 25bps		(5.8)	(42.0)
- 25bps		6.2	45.8
- 50bps		12.9	96.1
ERV	£79.68 psf		
+ 5.00%		5.5	40.9
+ 2.50%		2.7	20.3
- 2.50%		(2.7)	(20.3)
- 5.00%		(5.4)	(40.2)

## 12. Joint Ventures

	Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
<b>Share of results of joint ventures</b>			
<b>Revenue</b>	<b>1,442</b>	4,873	10,141
Gross rental income	887	269	287
Property overheads	(349)	(142)	(1,103)
Net rental income	538	127	(816)
(Loss)/gain on revaluation of Investment properties	(3,309)	15,339	5,095
(Loss)/gain on sale of Investment properties	-	(71)	66
Development property (loss)/profit	(18)	186	1,262
	(2,789)	15,581	5,607
Administrative expenses	(188)	(452)	(459)
<b>Operating (loss)/profit</b>	<b>(2,977)</b>	15,129	5,148
Interest payable on bank loans and overdrafts	(1,502)	(1,619)	(2,703)
Other interest payable and similar charges	(104)	(101)	(203)
Interest capitalised	-	1,815	1,815
Finance income	18	6	23
<b>(Loss)/profit before tax</b>	<b>(4,565)</b>	15,230	4,080
Tax	-	(63)	(22)
<b>(Loss)/profit after tax</b>	<b>(4,565)</b>	15,167	4,058
Adjustment for Barts Square economic interest <sup>1</sup>	66	(66)	(564)
<b>Share of results of joint ventures</b>	<b>(4,499)</b>	15,101	3,494

<sup>1</sup> This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 50.0% (30 September 2022: 50.0%, 31 March 2023: 50.0%) rather than its actual ownership interest of 33.3%.

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
<b>Investment in joint ventures</b>			
<b>Summarised balance sheets</b>			
<b>Non-current assets</b>			
Investment properties	146,257	160,700	150,151
Owner occupied property, plant and equipment	63	154	109
	<b>146,320</b>	<b>160,854</b>	<b>150,260</b>
<b>Current assets</b>			
Land and developments	-	4,663	539
Trade and other receivables	1,894	1,240	727
Cash and cash equivalents	2,207	4,516	3,749
	<b>4,101</b>	<b>10,419</b>	<b>5,015</b>
<b>Current liabilities</b>			
Trade and other payables	(2,728)	(5,573)	(3,332)
Borrowings	(61,634)	-	-
	<b>(64,362)</b>	<b>(5,573)</b>	<b>(3,332)</b>
<b>Non-current liabilities</b>			
Trade and other payables	(407)	(406)	(406)
Borrowings	-	(54,603)	(59,416)
Leasehold interest	(5,020)	(4,834)	(4,927)
Deferred tax	-	(55)	-
	<b>(5,427)</b>	<b>(59,898)</b>	<b>(64,749)</b>
<b>Net assets pre-adjustment</b>	<b>80,632</b>	<b>105,802</b>	<b>87,194</b>
Acquisition costs	1,509	93	136
<b>Investment in joint ventures</b>	<b>82,141</b>	<b>105,895</b>	<b>87,330</b>

The fair value of Investment properties at 30 September 2023 is as follows:

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Book value	146,257	160,700	150,151
Lease incentives and costs included in trade and other receivables	989	161	185
Head leases capitalised	(4,346)	(4,376)	(4,361)
<b>Fair value</b>	<b>142,900</b>	<b>156,485</b>	<b>145,975</b>

### 13. Other Investments

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Book value at 1 April	353	306	306
Acquisitions	81	-	47
<b>As at period end</b>	<b>434</b>	<b>306</b>	<b>353</b>

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech venture capital fund ("Fund") of which £81,000 (31 March 2023: £47,000) was invested during the Period. The Fund is focused on investing in the next generation of proptech businesses.

The fair value of the Group's investment is based on the net asset value of the Fund, representing Level 2 fair value measurement as defined in IFRS 13 *Fair Value Measurement*.

## 14. Land and Developments

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
At 1 April	28	2,089	2,089
Disposals	-	-	(2,031)
Provision	-	-	(30)
As at period end	<b>28</b>	2,089	28

The Directors' valuation of development stock shows a surplus of £302,000 (30 September 2022: £302,000, 31 March 2023: £302,000) above book value. This surplus has been included in the EPRA net tangible asset value (Note 22).

No interest has been capitalised or included in land and developments.

## 15. Trade and Other Receivables

	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Due within 1 year			
Trade receivables	3,027	7,198	2,517
Other receivables	1,296	804	752
Prepayments	2,099	2,503	1,990
Accrued income	10,275	17,076	19,676
Total trade and other receivables	<b>16,697</b>	27,581	24,935

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

Included in accrued income are lease incentives of £9,689,000 (30 September 2022: £14,858,000, 31 March 2023: £13,987,000).

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Due after 1 year			
Other receivables	1,449	-	-
Total trade and other receivables	<b>1,449</b>	-	-

## 16. Cash and Cash Equivalents

	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Cash held at managing agents	7,513	4,366	4,156
Rental deposits	7,714	8,970	9,069
Restricted cash	4,350	3,905	9,495
Cash deposits	17,463	46,107	28,205
Total cash and cash equivalents	<b>37,040</b>	63,348	50,925

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

Restricted cash is made up of cash held by solicitors, rental deposits and cash in restricted accounts.

## 17. Trade and Other Payables

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Trade payables	14,465	15,551	15,212
Other payables	1,591	1,607	2,136
Accruals	3,030	6,266	5,404
Deferred income	7,320	9,801	8,480
<b>Total trade and other payables</b>	<b>26,406</b>	<b>33,225</b>	<b>31,232</b>

## 18. Lease Liability

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Current lease liability	695	670	683
Non-current lease liability	5,238	5,933	5,589

Included within the lease liability are £695,000 (30 September 2022: £670,000, 31 March 2023: £683,000) of current and £3,049,000 (30 September 2022: £3,745,000, 31 March 2023: £3,399,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

## 19. Borrowings

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Current borrowings	-	-	-
Borrowings repayable within:			
- two to three years	227,176	-	-
- three to four years	-	246,100	226,677
Non-current borrowings	227,176	246,100	226,677
<b>Total borrowings</b>	<b>227,176</b>	<b>246,100</b>	<b>226,677</b>

	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Total borrowings	227,176	246,100	226,677
Cash	(37,040)	(63,348)	(50,925)
<b>Net borrowings</b>	<b>190,136</b>	<b>182,752</b>	<b>175,752</b>

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

Net borrowings exclude the Group's share of borrowings in joint ventures of £61,634,000 (30 September 2022: £54,603,000, 31 March 2023: £59,416,000) and cash of £2,207,000 (30 September 2022: £4,516,000, 31 March 2023: £3,749,000). All borrowings in joint ventures are secured.

	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Net assets	502,328	692,695	608,675
<b>Net gearing</b>	<b>38%</b>	<b>26%</b>	<b>29%</b>

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

## 20. Derivative Financial Instruments

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Derivative financial instruments asset	<b>25,343</b>	36,758	23,245

A gain on the change in fair value of £2,098,000 has been recognised in the Unaudited Consolidated Income Statement (30 September 2022: £26,564,000, 31 March 2023: £12,757,000) as a result of the continued movements upwards in the medium and long term interest rate projections.

The fair values of the Group's outstanding interest rate swaps and caps have been estimated by calculating the present values of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined in IFRS 13 *Fair Value Measurement*.

## 21. Share Capital

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Authorised	<b>39,577</b>	39,577	39,577

The authorised share capital of the Company is £39,577,000 divided into ordinary shares of 1p each.

Allotted, called up and fully paid:

- 123,355,197 (30 September 2022: 123,355,197, 31 March 2023: 123,355,197) ordinary shares of 1p each	<b>1,233</b>	1,233	1,233
	<b>1,233</b>	1,233	1,233

## 22. Net Assets Per Share

	At 30 September 2023 £000	Number of shares 000	p	At 31 March 2023 £000	Number of shares 000	p
IFRS net assets	502,328	123,355		608,675	123,355	
Adjustments:						
- own shares held		(602)			(283)	
Basic net asset value	502,328	122,753	409	608,675	123,072	495
- share settled bonus		154			561	
- dilutive effect of Performance Share Plan		-			751	
Diluted net asset value	502,328	122,907	409	608,675	124,384	489

Adjustments:						
- fair value of financial instruments	(25,343)			(23,245)		
- fair value of land and developments	302			302		
- real estate transfer tax	50,348			56,591		
EPRA net reinstatement value	527,635	122,907	429	642,323	124,384	516
- real estate transfer tax	(25,301)			(28,868)		
EPRA net tangible asset value	502,334	122,907	409	613,455	124,384	493

	At 30 September 2023 £000	Number of shares 000	p	At 31 March 2023 £000	Number of shares 000	p
Diluted net asset value	502,328	122,907	409	608,675	124,384	489

Adjustments:						
- surplus on fair value of stock	302			302		
EPRA net disposal value	502,630	122,907	409	608,977	124,384	490

	At 30 September 2022 £000	Number of shares 000	p
IFRS net assets	692,695	123,355	
Adjustments:			
- own shares held		(398)	
Basic net asset value	692,695	122,957	563
- share settled bonus		561	
- dilutive effect of Performance Share Plan		543	
Diluted net asset value	692,695	124,061	558

Adjustments:			
- fair value of financial instruments	(36,758)		
- deferred tax	126		
- fair value of land and developments	302		
- real estate transfer tax	61,043		
EPRA net reinstatement value	717,408	124,061	578
- real estate transfer tax	(31,674)		
- deferred tax	(126)		
EPRA net tangible asset value	685,608	124,061	553

	At 30 September 2022 £000	Number of shares 000	p
Diluted net assets	692,695	124,061	558
Adjustments:			
- surplus on fair value of stock	302		
EPRA net disposal value	692,997	124,061	559

The net asset values per share have been calculated in accordance with guidance issued by the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share of joint ventures.

The calculation of EPRA net tangible asset value includes a real estate transfer tax adjustment which adds back the benefit of the saving of the purchaser's costs that Helical expects to receive on the sales of the corporate vehicles that own the buildings, rather than direct asset sales.

The calculation of EPRA net disposal value per share reflects the fair value of all the assets and liabilities of the Group at 30 September 2023.

### 23. Related Party Transactions

The following amounts were due from the Group's joint ventures:

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Charterhouse Street Limited group	578	565	577
Barts Square companies	71	76	79
Old Street Holdings LP	-	-	8
Shirley Advance LLP	8	8	-

A development management, accounting and corporate services fee of £25,000 (30 September 2022: £25,000, 31 March 2023: £50,000) was charged by the Group to the Barts Square companies. In addition, a net development management, accounting and corporate services fee of £1.2m was reversed during the Period (30 September 2022: charge of £699,000, 31 March 2023: charge of £779,000) by the Group to the Charterhouse Place Limited group.

### 24. See-through Analysis

Helical holds a significant proportion of its property assets in joint ventures with partners that provide a significant equity contribution, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for its share of the net results and net assets of joint ventures on an equity basis in the Income Statement and Balance Sheet. Helical consider that Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide Shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long-term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a "see-through" analysis of its property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

**See-through Net Rental Income**

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures is shown in the table below.

		Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Gross rental income	– subsidiaries	12,804	19,245	36,555
	– joint ventures	887	269	287
<b>Total gross rental income</b>		<b>13,691</b>	19,514	36,842
Rents payable	– subsidiaries	(95)	(69)	(157)
Property overheads	– subsidiaries	(846)	(1,121)	(2,092)
	– joint ventures	(349)	(142)	(1,103)
<b>See-through net rental income</b>		<b>12,401</b>	18,182	33,490

**See-through Net Development (Losses)/Profits**

Helical's share of development (losses)/profits from property assets held in subsidiaries and in joint ventures is shown in the table below.

		Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
In parent and subsidiaries		(496)	783	2,005
In joint ventures		(18)	186	1,262
<b>Total gross development (loss)/profit</b>		<b>(514)</b>	969	3,267
Provision against stock	– subsidiaries	-	-	(30)
<b>See-through development (losses)/profits</b>		<b>(514)</b>	969	3,237

**See-through Net (Loss)/Gain on Sale and Revaluation of Investment Properties**

Helical's share of the net (loss)/gain on the sale and revaluation of Investment properties held in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Revaluation loss on Investment properties	– subsidiaries	(93,367)	(34,994)	(97,854)
	– joint ventures	(3,309)	15,339	5,095
<b>Total revaluation loss</b>		<b>(96,676)</b>	(19,655)	(92,759)
Net gain/(loss) on sale of Investment properties	– subsidiaries	-	4,606	4,564
	– joint ventures	-	(71)	66
<b>Total net gain on sale of Investment properties</b>		<b>-</b>	4,535	4,630
<b>See-through net loss on sale and revaluation of Investment properties</b>		<b>(96,676)</b>	(15,120)	(88,129)

**See-through Administration Expenses**

Helical's share of the administration expenses incurred in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Administration expenses	– subsidiaries	4,655	5,323	9,845
	– joint ventures	188	452	459
<b>Total administration expenses</b>		<b>4,843</b>	5,775	10,304
Performance related awards, including NIC	– subsidiaries	915	261	2,990
<b>Total performance related awards, including NIC</b>		<b>915</b>	261	2,990
<b>See-through administration expenses</b>		<b>5,758</b>	6,036	13,294

### See-through Net Finance Costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2023 £000	Half Year to 30 September 2022 £000	Year to 31 March 2023 £000
Interest payable on bank loans and overdrafts	– subsidiaries	2,878	5,214	8,284
	– joint ventures	1,502	1,619	2,703
Total interest payable on bank loans and overdrafts		4,380	6,833	10,987
Other interest payable and similar charges	– subsidiaries	1,487	2,188	2,908
	– joint ventures	104	101	203
Interest capitalised	– joint ventures	-	(1,815)	(1,815)
Total finance costs		5,971	7,307	12,283
Interest receivable and similar income	– subsidiaries	(328)	(96)	(274)
	– joint ventures	(18)	(6)	(23)
<b>See-through net finance costs</b>		<b>5,625</b>	<b>7,205</b>	<b>11,986</b>

### See-through Property Portfolio

Helical's share of the investment, land and development property portfolio in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Investment property fair value	– subsidiaries	602,650	751,250	693,550
	– joint ventures	142,900	156,485	145,975
Total Investment property fair value		745,550	907,735	839,525
Land and development stock	– subsidiaries	28	2,089	28
	– joint ventures	-	4,663	539
Total land and development stock		28	6,752	567
Total land and development stock surplus		302	302	302
Total land and development stock at fair value		330	7,054	869
<b>See-through property portfolio</b>		<b>745,880</b>	<b>914,789</b>	<b>840,394</b>

### See-through Net Borrowings

Helical's share of borrowings and cash deposits in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Gross borrowings more than one year	– subsidiaries	227,176	246,100	226,677
Total		227,176	246,100	226,677
Gross borrowings less than one year	– joint ventures	61,634	54,603	59,416
Total		61,634	54,603	59,416
Cash and cash equivalents	– subsidiaries	(37,040)	(63,348)	(50,925)
	– joint ventures	(2,207)	(4,516)	(3,749)
Total		(39,247)	(67,864)	(54,674)
<b>See-through net borrowings</b>		<b>249,563</b>	<b>232,839</b>	<b>231,419</b>

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

## 25. See-through Net Gearing and Loan to Value

	At 30 September 2023 £000	At 30 September 2022 Restated <sup>1</sup> £000	At 31 March 2023 £000
Property portfolio	745,880	914,789	840,394
Net borrowings	249,563	232,839	231,419
Net assets	502,328	692,695	608,675
See-through net gearing	49.7%	33.6%	38.0%
See-through loan to value	33.5%	25.4%	27.5%

<sup>1</sup> Trade and other receivables and cash and cash equivalents have been restated as at 30 September 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 29).

## 26. Total Accounting Return

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Brought forward IFRS net assets	608,675	687,043	687,043
Carried forward IFRS net assets	502,328	692,695	608,675
(Decrease)/increase in IFRS net assets	(106,347)	5,652	(78,368)
Dividends paid	9,540	10,092	13,842
Total accounting return	(96,807)	15,744	(64,526)
Total accounting return percentage	(15.9)%	2.3%	(9.4)%

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
Brought forward EPRA net tangible assets	613,455	713,279	713,279
Carried forward EPRA net tangible assets	502,334	685,608	613,455
Decrease in EPRA net tangible assets	(111,121)	(27,671)	(99,824)
Dividends paid	9,540	10,092	13,842
Total EPRA accounting return	(101,581)	(17,579)	(85,982)
Total EPRA accounting return percentage	(16.6)%	(2.5)%	(12.1)%

## 27. Total Property Return

	At 30 September 2023 £000	At 30 September 2022 £000	At 31 March 2023 £000
See-through net rental income	12,401	18,182	33,490
See-through development (losses)/profits	(514)	969	3,237
See-through revaluation loss	(96,676)	(19,655)	(92,759)
See-through net gain on sale of Investment properties	-	4,535	4,630
Total property return	(84,789)	4,031	(51,402)

## 28. Capital Commitments

The Group has a commitment of £835,000 (31 March 2023: £835,000) relating to the finalisation works at The JJ Mack Building, EC1.

In July 2023, Helical and Transport for London entered into a Joint Venture Agreement with a commitment to purchase a portfolio of three over-station development sites. The Bank OSD, EC4 site will be acquired in October 2024 for £32.9m (our share), the Southwark OSD, SE1 site in July 2025 for £11.0m (our share) and the Paddington OSD, W2 site in January 2026 for £30.2m (our share).

## 29. Prior year adjustment

The Group has assessed the impact of the IFRS Interpretation Committee's (IFRIC) recent Agenda Decision in respect of Demand Deposits with Restrictions on Use arising from a Contract with a Third Party accounted for under IAS 7. The Group holds tenant deposits in separate bank accounts, the use of which is restricted under the terms of the lease agreements. Following the clarification by IFRIC, these tenant deposits are judged to meet the definition of restricted cash under IAS 7. The Group's accounting policy has been updated to align with this clarification.

The Group comparative balances have been restated to reflect this change in accounting policy, which resulted in the below reclassification of tenant deposits from trade and other receivables to cash and cash equivalents. There was no impact upon the Income Statement or the Statement of Changes in Equity for the period ended 30 September 2022.

	30 September 2022 £000	Restatement £000	30 September 2022 Restated £000
<b>Balance Sheet</b>			
Cash and cash equivalents	54,378	8,970	63,348
Trade and other receivables	36,551	(8,970)	27,581
LTV	26.4%	-1.0%	25.4%

	30 September 2022 £000	Restatement £000	30 September 2022 Restated £000
<b>Cash Flow Statement</b>			
Change in trade and other receivables	(504)	(5,707)	(6,211)

## Appendix 1 – Glossary of Terms

### Capital value (psf)

The open market value of the property divided by the area of the property in square feet.

### Company or Group or Helical

Helical plc and its subsidiary undertakings.

### Diluted figures

Reported amounts adjusted to include the effects of potential shares issuable under the Director and employee remuneration schemes.

### Earnings per share (EPS)

Profit after tax divided by the weighted average number of ordinary shares in issue.

### EPRA

European Public Real Estate Association.

### EPRA earnings per share

Earnings per share adjusted to exclude gains/losses on sale and revaluation of Investment properties and their deferred tax adjustments, the tax on profit/loss on disposal of Investment properties, trading property profits/losses, movement in fair value of available-for-sale assets and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of calculation of the EPRA earnings per share are available from EPRA (see Note 10).

### EPRA net disposal value per share

Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 22).

### EPRA net reinstatement value per share

Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 22).

### EPRA net tangible assets per share

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 22).

### EPRA topped-up NIY

The current annualised rent, net of costs, topped-up for contracted uplifts, expressed as a percentage of the fair value of the relevant property.

### Estimated rental value (ERV)

The market rental value of lettable space as estimated by the Group's valuers at each Balance Sheet date.

### Initial yield

Annualised net passing rents on Investment properties as a percentage of their open market value.

### Like-for-like valuation change

The valuation gain/loss, net of capital expenditure, on those properties held at both the previous and current reporting period end, as a proportion of the fair value of those properties at the beginning of the reporting period plus net capital expenditure.

**MSCI INC. (MSCI IPD)**

MSCI INC. is a company that produces independent benchmarks of property returns using its Investment Property Databank (IPD).

**Net asset value per share (NAV)**

Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 22).

**Net gearing**

Total borrowings less short-term deposits and cash as a percentage of net assets.

**Net internal area (NIA)**

The usable area within a building measured to the internal face of the perimeter walls at each floor level.

**Passing rent**

The annual gross rental income being paid by the tenant.

**Reversionary yield**

The income/yield from the full estimated rental value of the property on the market value of the property grossed up to include purchaser's costs, capital expenditure and capitalised revenue expenditure.

**See-through/Group share**

The consolidated Group and the Group's share in its joint ventures (see Note 24).

**See-through net gearing**

The see-through net borrowings expressed as a percentage of net assets (see Note 25).

**Total Accounting Return**

The growth in the net asset value of the Company plus dividends paid in the Period, expressed as a percentage of net asset value at the start of the Period (see Note 26).

**Total Property Return**

The total of net rental income, trading and development profits and net gain on sale and revaluation of Investment properties on a see-through basis (see Note 27).

**Total Shareholder Return (TSR)**

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the Period expressed as a percentage of the share price at the beginning of the Period.

**True equivalent yield**

The constant capitalisation rate which, if applied to all cash flows from an Investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.

**Unleveraged returns**

Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.

**WAULT**

The total contracted rent up to the first break, or lease expiry date, divided by the contracted annual rent.

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