Primary Health Properties

RESILIENCE THROUGH UNCERTAINTY

Primary Health Properties PLC
Annual Results Presentation 2020

AGENDA

- PHP at a glance
- Continued progress in 2020
- Nexus internalisation
- Key financial highlights and results
- Investment and developments
- Property portfolio overview and ESG
- Debt summary
- Dividend track record
- Conclusion - investment highlights
- Appendices

PHP AT A GLANCE

- Leading investor in flexible, modern primary healthcare accommodation across UK and Ireland
- Leading portfolio of 513 properties valued at £2.6 billion
- FTSE 250 UK Real Estate Investment Trust (“REIT”) with c.£2.0 billion market capitalisation
- 90% of income funded by government bodies (GPs, NHS or HSE); rent roll £135m; WAULT of over 12 years
- 25 consecutive years of dividend growth; dividend covered by earnings
- Q1 2021 dividend of 1.55p declared, equivalent to 6.2p annualised, 5.1% increase (2020: 5.9p +5.4%)
- £2.0m/1.6% additional income from rent reviews and asset management projects in 2020 (2019:£1.9m/1.5%)
- All share merger with MedicX completed March 2019 and businesses successfully integrated creating significant shareholder value and synergies
- Strong capital base with a prudent balance of shareholder equity and debt finance

25 years

Dividend growth

CONTINUED PROGRESS IN 2020

- Successful completion of the internalisation of the Group's management structure delivering annual cost savings of approximately £4m
- Acquisitions in 2020
  - ✓ Portfolio of 22 purpose built medical centres for £54.0m with good asset management opportunities
  - ✓ Liverpool purpose built medical centre for £4.6m
  - ✓ Ireland forward funded developments at Arklow £16.9m (€18.7m) Banagher £4.5m (€5.1m) and Enniscorthy £11.2m (€12.6m)
  - ✓ UK forward funded developments at Eastbourne £8.4m, Mountain Ash, Wales £4.9m, Epsom, Surrey £4.0m and Llanbradach, Wales £2.8m
- Development projects successfully delivered at Athy, Bray, Rialto and Banagher in Ireland with a total development cost of £46.3m (€51.8m) substantially de-risking forward funded development exposure
- Successful, oversubscribed £140m equity raise in July 2020
- £100m proceeds from September 2019 equity raise successfully deployed across 23 standing investments, 6 forward funded developments and 12 asset management projects totalling c. £107m
- Maximum targeted loan to value (LTV) ratio lowered from 55% to 50%
- Headroom/liquidity: £361m of undrawn loan facilities and cash post capital commitments
- Robust rental collections with over 99% collected in both the UK and Ireland for 2020 rents
- Rental growth from rent reviews : £1.7m/1.8% added to rent roll (FY19: £1.6m/1.9%; FY18: £1.1m/1.4%)
- Covid -19 update: technology and digitalisation changing the shape of consulting and triage in the UK and Ireland; but
- Realisation within the NHS following the creation of Integrated Care Systems ("ICS"), that will focus on 'collaboration rather than competition', that primary care can be used for many more things e.g. diagnostics, minor operations and treatments. More investment in healthcare likely across UK, Ireland and Western Europe

90%
Government backed income

NEXUS INTERNALISATION - STRATEGIC AND FINANCIAL BENEFITS

- ✓ Acquisition by the Group of a fully operational management platform with the transfer of the systems, know-how and proprietary market knowledge that Nexus has developed since 1996
- ✓ Secures the continuity of a well regarded and experienced management team; including the services of Harry Hyman as CEO of PHP, consistent with the commitments made at the time of the MedicX merger
- ✓ An internally managed structure is expected to appeal to more investors broadening the universe of potential investors in the Company, in particular those investors unwilling or unable to invest in externally managed vehicles
- ✓ Confers operational benefits with a simpler decision-making process and a clearer and more accountable management structure
- ✓ As PHP is now of significant scale, an internalised management structure is more appropriate with succession planning, operational security and long-term stability expected to be enhanced as a result of the Internalisation
- ✓ Removes potential or perceived conflicts of interest between Nexus and PHP and reliance on Nexus as a third party asset manager
- ✓ The Company is anticipating achieving annual cost savings of approximately £4.0 million equivalent to 0.3 p per share
- ✓ The Company will assume Nexus's existing management and overhead costs which are anticipated to result in a lower ongoing administrative costs to the Company and the EPRA cost ratio, which is already amongst the lowest in the sector, is therefore expected to fall further
- ✓ The delinking of the Company's administrative costs from its gross asset value will provide further cost benefits as the gross asset value of the Company's portfolio is anticipated to grow in the future
- ✓ Potential for the Company's equity valuation to be enhanced and its cost of capital to be reduced

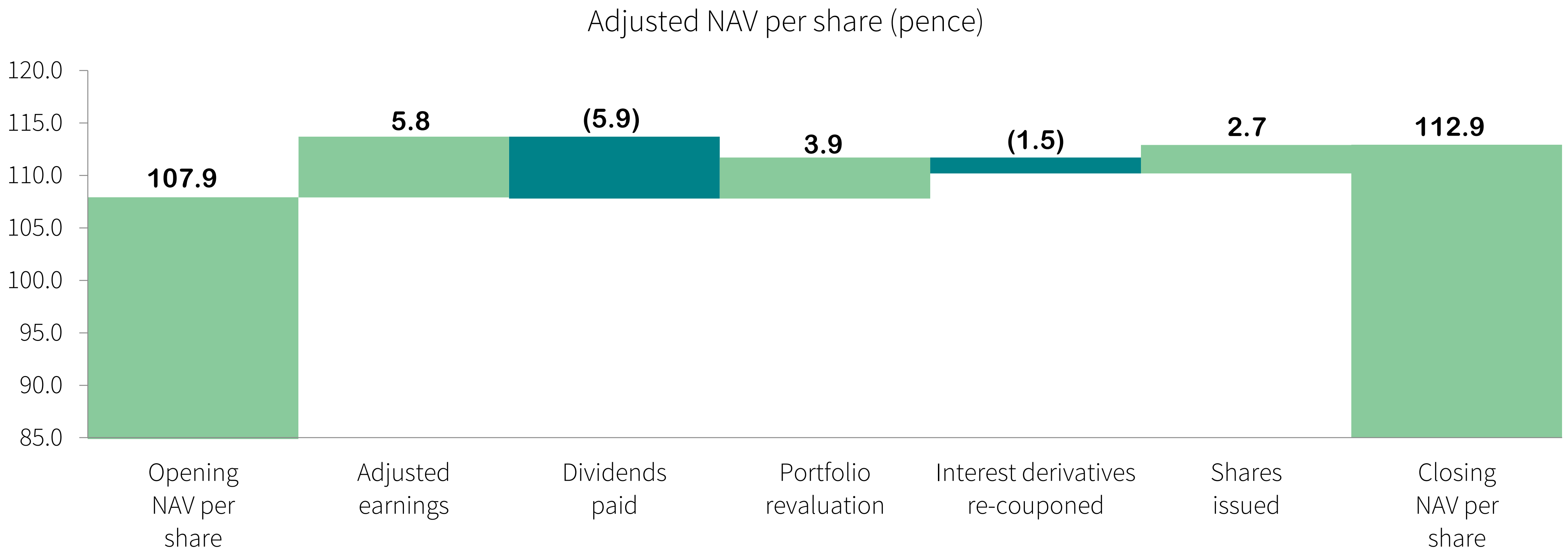
KEY FINANCIAL HIGHLIGHTS

Performance	31 December 2020	31 December 2019	Change
Net rental income (£m)	131.2	115.7	+13.4%
Adjusted earnings (£m)	73.1	59.7	+22.4%
Adjusted earnings per share (pence)	5.8p	5.5p	+5.5%
Dividends paid (£m)	73.3	59.4	+23.4%
Dividend cover	100%	101%	-
Dividend per share (pence)	5.9p	5.6p	+5.4%
Position	**31 December 2020**	**31 December 2019**	**Change**
Investment property (£bn)	2.6	2.4	+2.0%
Adjusted NTA per share (pence)	112.9p	107.9p	+4.6%
Loan to value	41.0%	44.2%	-320 bp
Management	**31 December 2020**	**31 December 2019**	**Change**
Growth on rent reviews	1.8%p.a.	1.9%p.a.	-10bps
WAULT	12.1 years	12.8 years	-0.7 years
EPRA cost ratio	11.9%	12.0%	-10bps
Average cost of debt	3.5%	3.5%	-

INCOME STATEMENT

	31 December 2020 £m	31 December 2019 £m	Change
Net rental income	131.2	115.7	+13.4%
Administrative expenses	(11.6)	(10.5)	
Performance incentive fee	(1.6)	(1.8)	
Operating profit before financing costs	118.0	103.4	+14.1%
Net financing costs	(44.9)	(43.7)	
Adjusted earnings	73.1	59.7	+22.4%
Revaluation surplus and profit on sales	51.4	49.8	+2.0%
Fair value loss on derivatives and convertible bond	(15.2)	(33.6)	
Adjusted profit excluding MedicX exceptional adjustments	109.3	75.9	+44.0%
Amortisation of MedicX debt MtM at acquisition	3.1	2.5	
Exceptional revaluation loss arising on merger with MedicX	-	(138.4)	
Exceptional item – contract termination fee arising on merger with MedicX	-	(10.2)	
IFRS profit/(loss) before tax	112.4	(70.2)	
Adjusted earnings per share	5.8p	5.5p	+5.5%
IFRS earnings/(loss) per share	8.8p	(6.5p)	

BALANCE SHEET STRENGTHENED



	31 December 2020	31 December 2019	Change
Adjusted net tangible assets	£1,485m	£1,313m	+13.1%
Adjusted net tangible asset value per share	112.9p	107.9 p	+4.6%

INVESTMENT

- ✓ 23 assets acquired in 2020 for £59m with good asset management opportunities
- ✓ Strong active pipeline in UK and Ireland totalling £129m including £59m under offer

Lagan & Saltscar Surgery, Redcar

Tenants
- ✓ GP Practices x 2

Purchase date:	May 2020
Acquisition cost:	£2.6m
Size:	785 sqm
Number of GPs:	8
WAULT:	6.1 years
Rent review:	OMV

Newmarket Medical Practice, Lincolnshire

Tenants
- ✓ GP Practice x 1

Purchase date:	May 2020
Acquisition cost:	£2.2m
Size:	633 sqm
Number of GPs:	6
WAULT:	6.3 years
Rent review:	OMV

West Derby Road, Liverpool

Tenants
- ✓ GP Practice x 1
- ✓ Pharmacy

Purchase date:	December 2020
Acquisition cost:	£4.6m
Size:	1,003 sqm
Number of GPs:	12
WAULT:	10.3 years
Rent review:	OMV

Crumlin Medical Centre, Wales

Tenants
- ✓ GP Practice x 1
- ✓ Welsh Local Health Board

Purchase date:	May 2020
Acquisition cost:	£1.9m
Size:	602 sqm
Number of GPs:	3
WAULT:	11.6 years
Rent review:	OMV

FORWARD FUNDED DEVELOPMENT PIPELINE

✓ Six schemes currently on site with a net development cost of £47.4m

Arklow Primary Care Centre, Co. Wicklow, Ireland

Tenants
- ✓ Health Service Executive (HSE)
- ✓ GP Practice
- ✓ Pharmacy
- ✓ TUSLA (Irish government)

Purchase date:	May 2020
PC date:	Q1 2022
Acquisition cost:	£16.1m (€18.0m)
Size:	5,333 sqm
WAULT:	28.8 years
Rent review:	Irish CPI
BER rating :	A3

Enniscorthy, County Wexford, Ireland

Tenants
- ✓ Health Service Executive (HSE)
- ✓ GP Practice
- ✓ Tusla
- ✓ Pharmacy

Purchase date:	December 2020
PC date:	Q1 2022
Acquisition cost:	£11.2m (€12.6m)
Size:	4,633 sqm
WAULT:	25 years
Rent review:	Irish CPI
BER rating:	A3

Eastbourne Primary Care Centre, East Sussex

Tenants
- ✓ GP Practice
- ✓ Pharmacy

Purchase date:	December 2019
PC date:	Q2 2021
Acquisition cost:	£8.4m
Size:	1,976 sqm
Number of GPs:	13
Patients:	23,317
WAULT:	25 years
Rent review:	OMV
BREEAM rating:	Excellent

Epsom, Surrey

Tenants
- ✓ GP Practice

Purchase date:	March 2020
PC date:	Q2 2021
Acquisition cost:	£4.0m
Size:	831 sqm
Patients:	10,000
No of GPs:	4
WAULT:	20 years
Rent review:	OMV
BREEAM rating:	Very Good

DIRECT DEVELOPMENTS

- ✓ Acquired as part of internalisation of management structure
- ✓ Strong pipeline of opportunities totalling £80m at varying stages of progression, including two advanced schemes totalling £10m due to be on site in 12-18 months
- ✓ Undertaking non-speculative developments on its balance sheet should provide a greater yield on cost and potential valuation uplift
- ✓ Development team has a strong track record of managing the delivery of primary care assets and will expand the Company's future development capability

New Primary Care Centre, Lincolnshire

Tenant
- ✓ GP Practice

Development cost:	£4.0m
Size:	905 sqm
No. of GPs:	4
Patients:	7,500 rising to 10,000
WAULT:	25 years
Rent review:	OMV
BREEAM rating :	Excellent

New Primary Care Centre, West Sussex

Tenants
- ✓ GP Practice
- ✓ Pharmacy

Development cost:	£6.5m
Size:	1,440 sqm
Number of GPs:	8
Patients:	12,000 rising to 25,000
WAULT:	25 years
Rent review:	OMV
BREEAM rating:	Excellent

Forward pipeline in the UK

Ten schemes at various stages of progression

Combined capital value of around £70m, average lot size £7m

Combined GIA of 13,600 sqm, average GIA of 1,360 sqm

Proposed occupiers are GP Practices within reimbursement

Majority of schemes in the south of England

STRONG PIPELINE OF ACQUISITIONS, DEVELOPMENTS AND ASSET MANAGEMENT PROJECTS

- £100m proceeds from September 2019 equity raise successfully deployed

1 £100m proceeds successfully deployed

Funds deployed across 23 standing investments, 6 forward funded developments and 12 asset management projects

Region	Number	Acq'n/dev't cost
UK	27	£82m
Ireland	2	£21m (€23m)
Asset management	12	£4m

Total funds deployed since September 2019 c. £107m

Total funding requirement of c.£243m over the next 2-3 years to fund a mix of future acquisition pipeline, Nexus Developments and asset management projects

2 Pipeline

Short-term pipeline of active opportunities, include:

Region	Number	Est. acq'n/dev't cost
UK	10	£75m
Ireland	5	£54m (€60m)
Direct Developments	12	£80m

3 Asset management projects

Active management of existing assets to create additional value

Property	Number	Asset Management cost
Board approved	23	£10m
Advanced pipeline	59	£24m

Funding requirement

Estimated pipeline of c.£129m (including £59m under offer)

Direct Developments £80m

Estimated capex on projects in FY21 and FY22 of c.£34m

- Further medium-term pipeline opportunities

PROPERTY PORTFOLIO OVERVIEW

Key Figures[1]	31 December 2020
Total number of properties	513
Including properties in Ireland	18
Investment portfolio value (£bn)	2.58
Floor area (000's sqm)	680
Capital value (£ per sqm)	3,781
Contracted rent roll (£m)	135.2
Net initial yield (NIY)	4.81%
Average lot size (£m)	5.0
Average WAULT (years)	12.1
Occupancy	99.6%
Government backed rent	90%

Capital Value[1]	Number	Value (£m)	%
> £10m	48	709	28%
£5m - £10m	124	856	33%
£3m - £5m	154	603	23%
£1m - £3m	182	398	16%
< £1m (incl. land £1.5m)	5	6	0%
Total	513	2,572	100%

1. All data as at 31 December 2020

HIGH QUALITY RECURRING INCOME

Key characteristics of the portfolio

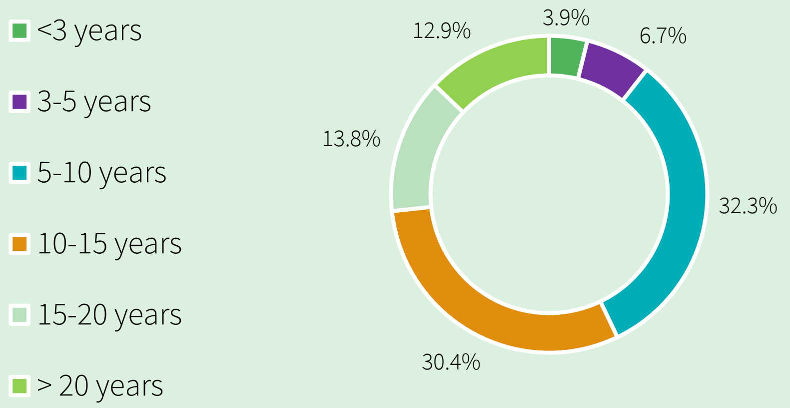
- Weighted average unexpired lease length of 12.1 years
- Occupancy rate of 99.6%
- Strong tenant covenant – 90% of rent roll paid directly/indirectly by Government bodies
- UK leases have effectively upward only rent reviews

  Irish leases linked to Irish CPI
- 31% of portfolio on fixed or indexed uplifts. 69% OMV review, typically every three years

...these characteristics result in highly visible cash flows and stable valuation yields

- ✓ Contracted rent roll of over £135.2m p.a.
- ✓ FY 20 - L4L rental growth from rent reviews and asset management projects of £2.0m or 1.6% (FY19: £1.9m or 1.5%)
- ✓ Marginal reduction in rate of rental growth and outlook becoming more muted for pharmacy rents as the consequences of COVID-19 become more apparent
- ✓ Only £5.3m or 3.9% of rent roll expiring in next three years: of which £4.2m is subject to a planned asset management initiative or terms have been agreed to renew the lease

Analysis of leases unexpired by rent roll



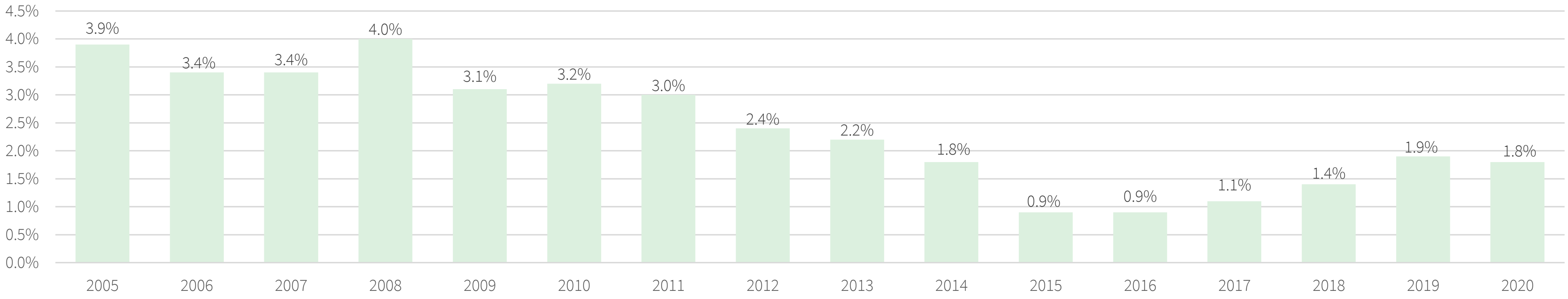
LONG LEASES WITH RENTAL GROWTH POTENTIAL

- Effectively upward only rent roll in UK
- Total weighted average rental growth 1.8% p.a.
  - ✓ 69% reviewed to open market (ave. 1.3% p.a.)
  - ✓ 25% index linked (ave. 2.3% p.a.)
  - ✓ 6% on fixed uplift (ave. 2.9% p.a.)

Drivers of rental growth

- Completion of historic rent reviews – increased momentum
- Increased development activity
- Building cost inflation
- Reducing the NHS carbon footprint
- Building regulations and specification creep
- Replacement cost

Rental growth history



ASSET MANAGEMENT – ENHANCING EXISTING PORTFOLIO

- ✓ 24 projects either completed or on-site in year investing £8m, £0.3m additional rent and WAULT extended back to 20 years
- ✓ Strong pipeline of over 80 projects either Board approved or advanced negotiations investing c. £34m, £1.1m of additional rent and WAULT extended back to 21 years

Derby Road, Nottingham

Extension to provide 7 new consulting rooms increasing floor space by 20% to meet local demand. Energy efficiency improvements being made to the enlarged building.

Completion date: March 2021
Capex: £0.8m
Additional Rent: £42,000 pa
New Lease: 21 years
Size: 1,016 sqm
Patients: 12,000
Number of GPs: 7

Hoveton and Wroxham Medical Centre

To meet the needs of the patients the current dispensary is being extended at the front of the building and a 2-storey extension is being built to create 2 additional consulting rooms on the ground floor and 2 large administration rooms on the first floor.

Completion date: Est. June 2021
Capex: £0.9m
Additional Rent: £18,000 pa
New Lease: 20 years
Size: 110 sqm
Patients: 9,000
Number of GPs: 8

Millwood Surgery, Bradwell

PHP have fully funded a 234 sqm GIA two-storey building extension, creating 6 additional clinical rooms on both ground and first floor levels for the GPs, alongside an internal refurbishment.

Completion date: Est. August 2021
Capex: £1.2m
Additional Rent: £55,000 pa
New Lease: 23 years
Size: 234 sqm
Patients: 19,000
Number of GPs: 8

The Old Court House Surgery, Sutton

PHP funded the works to refurbish the existing space and create additional clinical rooms on the first floor using the existing vacant expansion space.

Completion date: September 2020
Capex: £1.5m
Additional Rent: £36,500 pa
New Lease: 20 years
Size: 130 sqm
Patients: 13,000
Number of GPs: 9

ESG: PREMISES, HEALTH AND PEOPLE

Built Environment

- Supporting the NHS target to be Carbon Net Zero by 2045 and interim reduction of 80% by 2036-2039
- All acquisitions to have an EPC rating of C or better
- In the UK, all new developments to have a BREEAM rating of 'Excellent' and in Ireland, all new developments to have a BER[1] rating of A3 or better.
- All future asset management to be assessed in line with BREEAM, with a focus on undertaking measures to mitigate energy usage and improve the EPC rating to at least B or better (81% of portfolio currently rated C)
- Reduce scope 1 and 2 GHG emissions by 25% in absolute and 40% in intensity terms
- Green lease clauses to be standard in all new lettings and lease renewals

Community Impact

- ESG Policy published setting out our commitment and approach to responsible business
- Community impact fund established – £250k p.a. for social and charitable activities linked to the communities and services of our occupiers

Responsible Business

- Joined Real Estate Balance, an association that seeks to address gender imbalance in the real estate sector
- Good governance practices adopted including transparency of our business to all stakeholders
- ESG committee became a full committee of the Board reflecting the Company's commitment to environmental, social and governance matters

3 GOOD HEALTH AND WELL-BEING

11 SUSTAINABLE CITIES AND COMMUNITIES

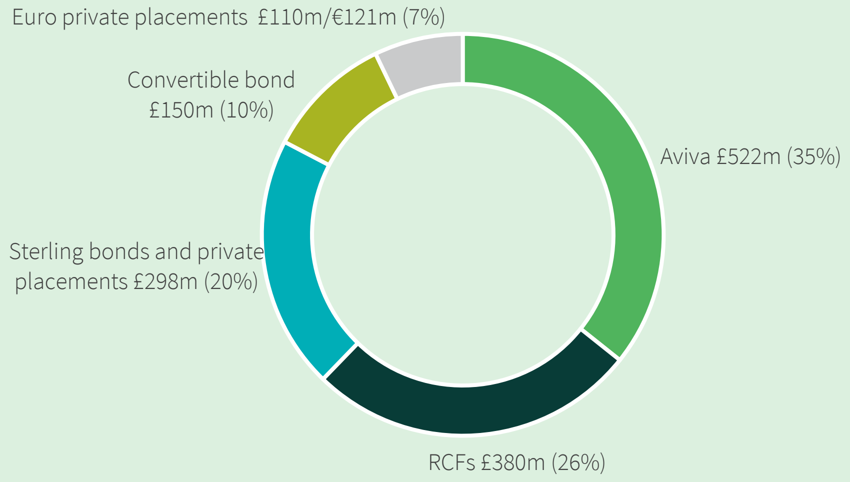
REAL ESTATE BALANCE

GRESB

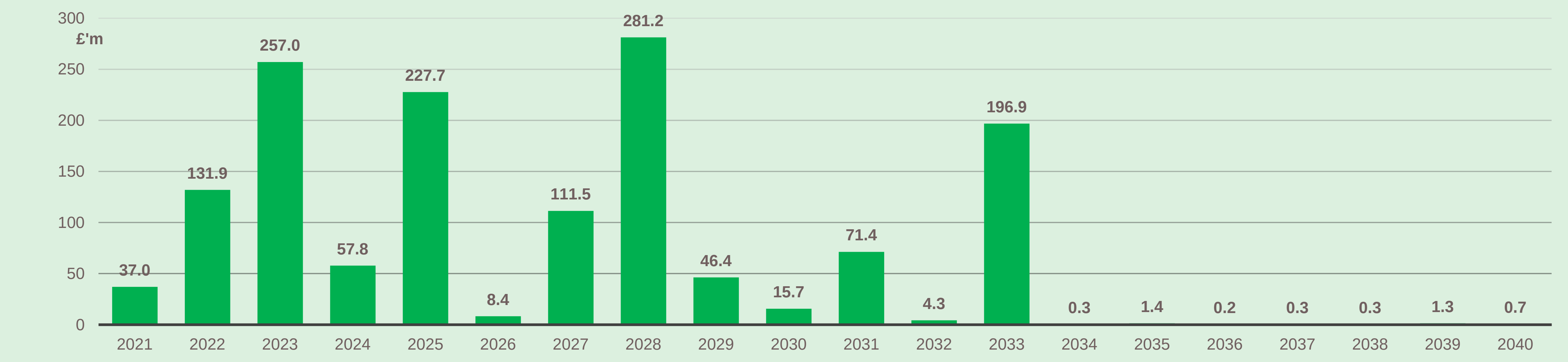
[1] Building energy rating

DEBT SUMMARY

- Broad and diverse range of lending partners
- Long weighted average debt maturity of 7.6 years
- 100% of debt fixed or hedged for a weighted average maturity of 7.4 years
- Total debt facilities of £1.46bn (90% secured/10% unsecured)
- Drawn net debt £1.1bn
- £361m of undrawn headroom after capital commitments
- Group LTV 41.0% (35.2% excluding £150m convertible bond)
- Average cost of debt 3.5% falling to 3.1% assuming fully drawn
- Marginal cost of debt 1.7%

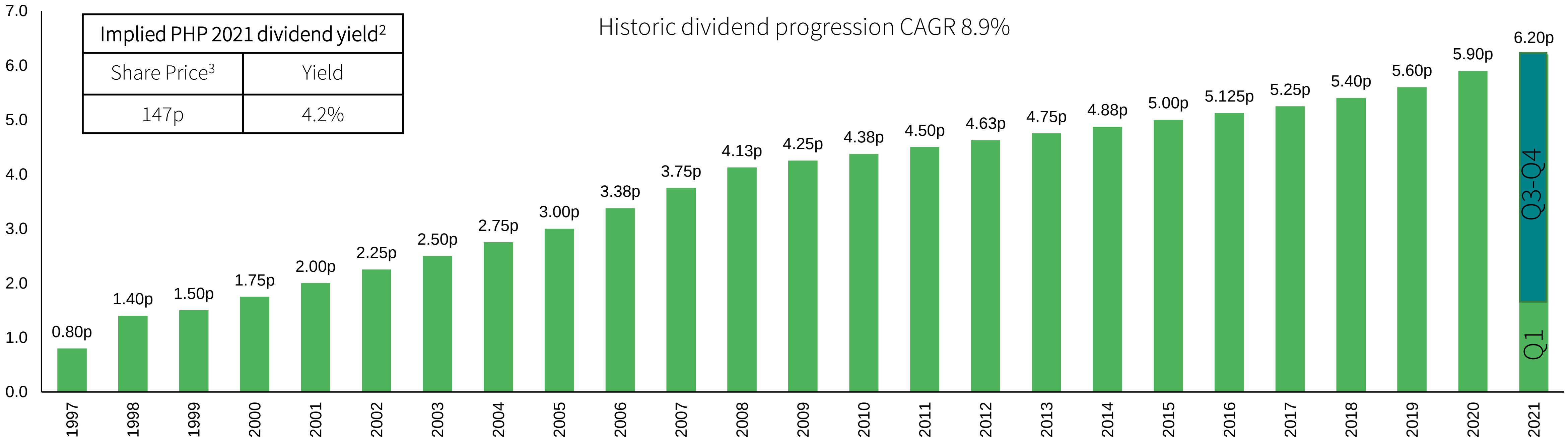


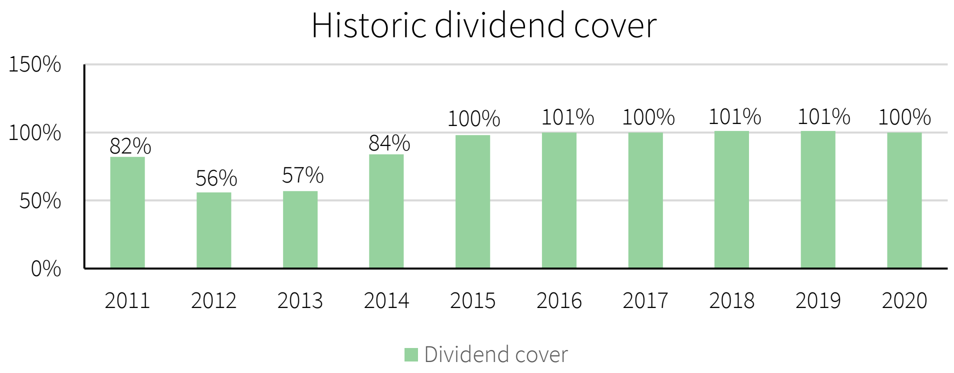
Debt maturity profile



25 YEAR TRACK RECORD OF DIVIDEND GROWTH

Implied PHP 2021 dividend yield[2]	
Share Price[3]	Yield
147p	4.2%





- ✓ Q1 2021 dividend of 1.55p per quarter paid or declared (equivalent to 6.2p annualised) a 5.1% increase and 25th year of growth
- ✓ 2020 dividend cover at 100%
- ✓ Total dividends paid increased by 23.4% in 2020

1. CAGR: 1997 to 2021
2. Based on Q1 2021 dividend of 1.55p declared per share annualised and is illustrative only
3. Share price is the closing mid market price on 16 February 2021

CONCLUSION - INVESTMENT HIGHLIGHTS

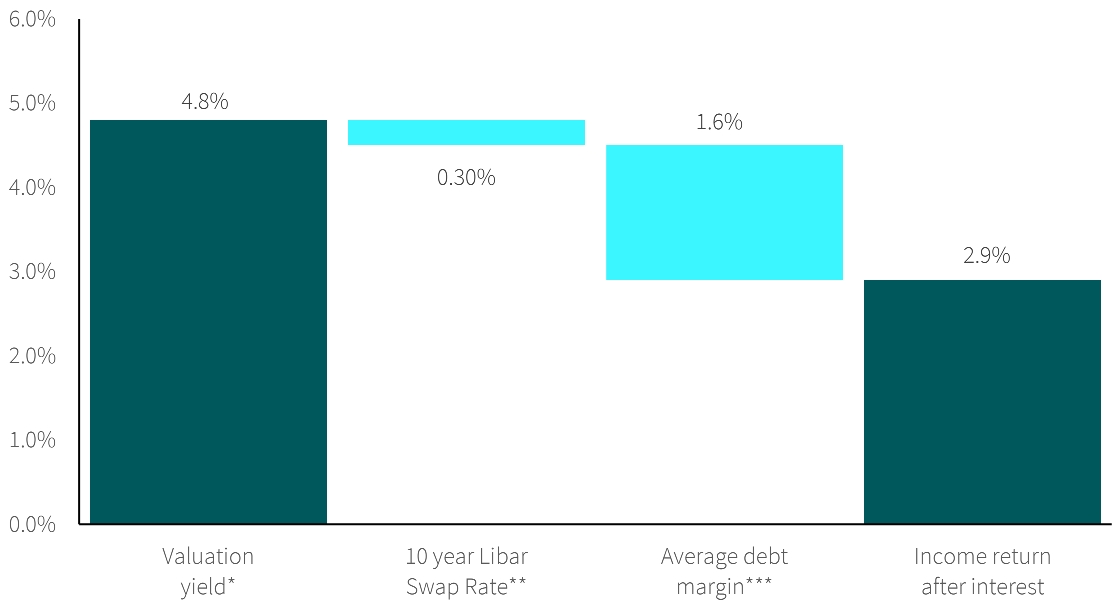
One of the UK's largest primary health property investors	• One of the UK's largest listed primary health property investors with 513 properties valued at £2.6 billion • FTSE 250 UK REIT with market capitalisation of c. £2.0 billion and improved share liquidity • Underlying investment characteristics and strong portfolio metrics continue to reflect the secure, long-term predictable income stream
Low risk, long-term, low volatility market	• Continued disciplined approach to acquisitions and asset management initiatives avoiding asset obsolescence • Continued opportunities in the UK and Ireland • 90% of income funded by government bodies (NHS or HSE) on long lease terms – WAULT of 12.1 years
Strong, high-quality and growing cash flows	• Positive yield gap between acquisition yield and funding costs • Effectively upward-only or indexed rent reviews in UK with improving outlook • Rent reviews in Ireland indexed linked to Irish CPI • Simple and transparent cost structure enhancing earnings
Adding value and reducing costs	• Continued organic rental growth from rent reviews and asset management projects • Proactive approach to refinancing to access lower cost of funds over the medium term with 50bp of savings delivered post MedicX merger • Low marginal cost of finance at 1.7% will reduce average cost of finance in future • EPRA cost ratio the lowest in the UK REIT sector
Sector demand factors dictate continued development of healthcare premises	• Healthcare demand increasing due to ageing and growing populations in the UK and Ireland • Unwavering political support in UK and Ireland and promotion of integrated care • Historic underinvestment in primary care estate – in need of replacement and modernisation • Covid-19 – will create more opportunities in the future, more investment in health care with more procedures and consultations taking place in primary care facilities
Proven business model with strong management	• Proven track record of successfully identifying and investing in new assets on attractive terms to grow the portfolio • Consistently maintained high level of occupancy – currently 99.6% • Experienced management team with corporate, financial, property, investment and NHS experience

Further background on PHP

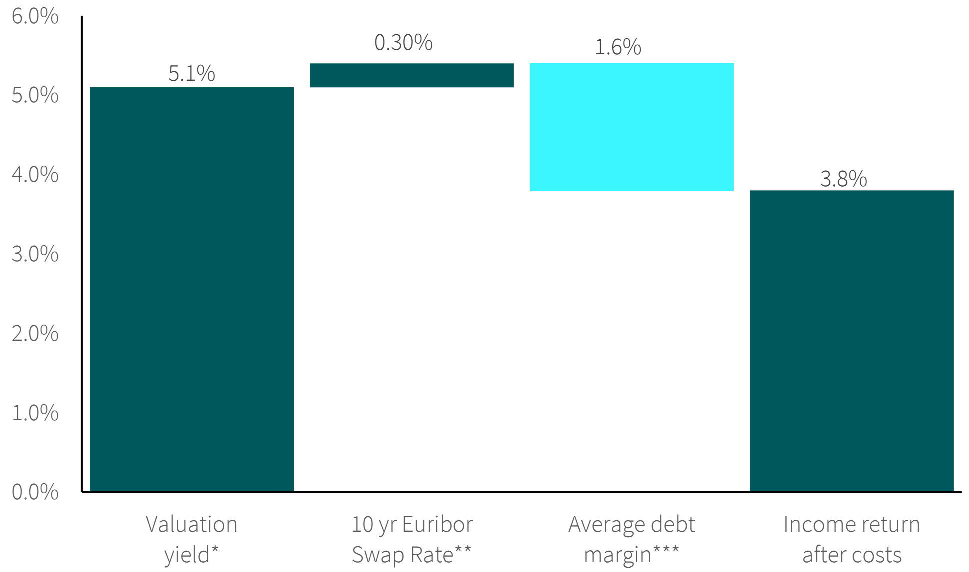
POSITIVE YIELD GAP

Illustrative yield gap on property investment

UK acquisitions



Ireland acquisitions



* PHP portfolio valuation yield 31 December 2020 (used as proxy for market purchases)
** Sourced from Chatham Financial – 9 February 2021
*** Company incremental margin on debt facilities

PRIMARY HEALTH CARE OPPORTUNITY IN THE UK

- The UK population has been steadily getting older and this trend is projected to continue in the future.
- By 2066, it is estimated there will be a further 8.6 million UK residents aged 65 years and over, an increase broadly equivalent to the size of the population of London today, taking the total number in this group to 20.4 million and making up 26% of the total population.
- Meanwhile, the NHS is adopting a new service model where, amongst other targets, patients get joined-up care, including the right to online digital GP consultations.
- This includes the creation of Integrated Care Systems ("ICS"), that will focus on 'collaboration rather than competition' and bring together budgets that were previously 'siloed' to better serve the overall healthcare needs of a local population.
- At the same time, GP practices have been encouraged to form Primary Care Networks ("PCN's"), typically covering 30-50,000 people, to deliver integrated services at scale.
- To encourage this, Practices will be funded to work together and create genuinely integrated teams of GPs, community health and social care staff.
- Over the next five years, investment in primary medical and community services will grow faster than the overall NHS budget, with a ringfenced local fund worth at least an extra £4.5 billion a year in real terms by 2023/24
- However many GP Premises in the UK remain unfit for their current purpose, let alone this expanded role.

PRIMARY HEALTH CARE OPPORTUNITY IN THE UK

- Common challenges include lack of space in waiting rooms and consultation rooms, growing list sizes and lack of disabled access.
- The Covid-19 crisis undoubtedly accelerated the intended transition away from initial face to face GP consultations, with various estimates suggesting c. 85% are currently being conducted remotely.
- Nonetheless, PHP does not believe this level is sustainable for long periods of time. For example, it is estimated that c.10m people could be waiting for treatment by the end of the year and the number of people waiting more than a year for routine procedures has risen from c. 1,600 before the pandemic to nearly 200,000 today.
- PHP believes that primary health premises have a vital short term role to play in alleviating some of the immediate consequences of Covid-19, including the delivery of some of the backlog of treatments as well as new challenges, such as treating 'long Covid'.
- This includes the delivery of some of the backlog of treatments, testing and, potentially, vaccination in due course as well as the resumption of more, but not all, consultations in a face to face format.
- Over the medium to longer term, PHP believes its modern, purpose built premises and its program of active asset management, means its assets are well placed to benefit under the new ICS from the shift of services away from acute hospitals into the community setting.
- This is in line with fundamental demographic trends and NHS plans, including funding, for primary care to deliver integrated services and 'operate at scale'.

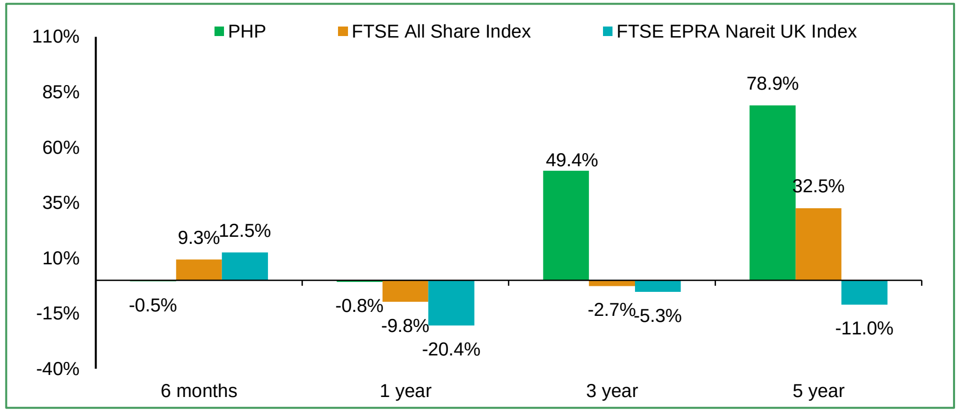
STRONG TRACK RECORD OF RELATIVE PERFORMANCE

- IRR over period since inception of 13.3%[1] (Average annual inflation (RPI) over period: 2.7%)

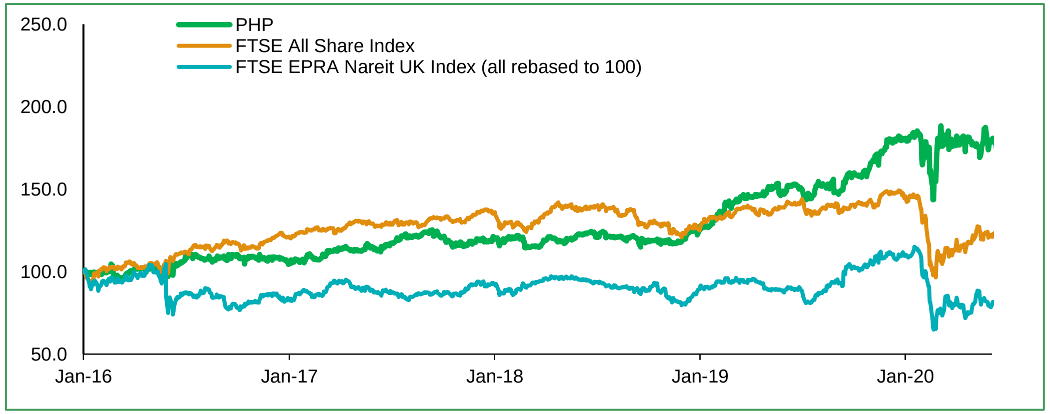
CAGR total shareholder returns

	PHP	Assura	EPRA UK
6 months	(1.0%)	(0.6%)	26.6%
1 year	(0.8%)	2.5%	(20.4%)
3 years	14.3%	10.9%	(1.8%)
5 years	12.3%	11.7%	(2.3%)
10 years	11.8%	10.2%	6.6%
20 years	14.1%	-	3.2%

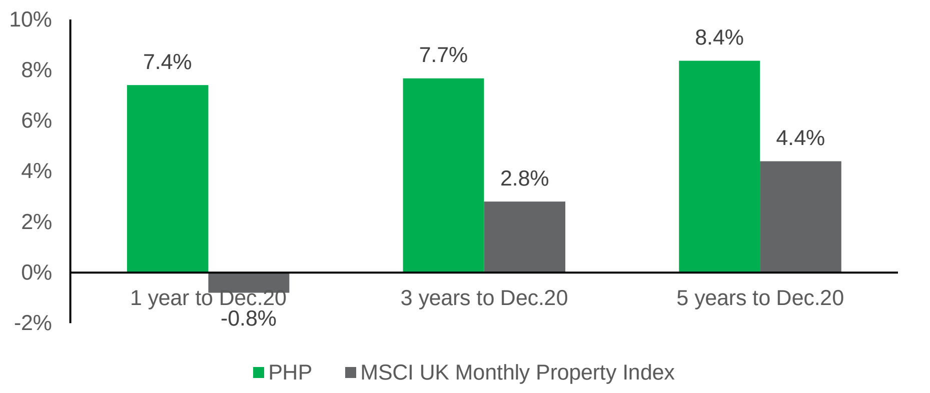
PHP TSR (absolute change) – 6 mths / 1yr / 3yr/ 5yr



PHP 5 year relative TSR performance



PHP TPR vs MSCI UK Monthly Property Index



Source: all data sourced from Thomson Reuters EIKON as at close 31 December 2020; IMSCI UK Monthly Property Index

1 IRR includes total dividends paid to 20 November 2020 of 88.85 pence and assumes the sale of the underlying ordinary shares at 152.6 pence, the closing mid market price as at 31 December 2020, having been issued at 25 pence (dividend and share issue price data adjusted where required to reflect four for one share sub-division in November 2015)

BALANCE SHEET

£m	31 Dec. 20	31 Dec.19
Investment properties	2,576.1	2,413.1
Cash	103.6	143.1
Debt	(1,159.3)	(1,210.4)
Net debt	(1,055.7)	(1,067.3)
Other net current liabilities	(35.1)	(33.0)
Adjusted net tangible assets (NAV)	1,485.3	1,312.8
Convertible bond fair value adjustment	(25.0)	(22.7)
Fixed rate debt and swap MtM	(42.4)	(58.5)
Deferred tax	(3.5)	(3.1)
IFRS net assets	1,414.4	1,228.5
Fixed rate debt MtM adjustment	(87.9)	(49.0)
EPRA NDV (NNNAV)	1,326.5	1,179.5
Loan to value	*41.0%*	*44.2%*
Adjusted NTA per share (pence)	*112.9p*	*107.9p*
IFRS NAV per share (pence)	*107.5p*	*101.0p*
EPRA NDV per share (pence)	*100.8p*	*97.0p*
Number of shares (millions)	*1,315.6*	*1,216.3*

SPREAD OF FUNDING SOURCES

	Secured facilities [3]								
Provider	Santander	RBS[1]	HSBC	Lloyds	Barclays	Aviva	Secured bond	Aviva One Medical	Secured bond
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Bullet
Expiry	Jul-2021	Mar-2022	Nov-2023	Dec-2023	Dec-2023	Dec-2022	Dec-2025	Nov-2028	Mar-2027
Facility	£31m	£100m	£100m	£50m	£100m	£25m	£70m	£25m	£100m
Drawn	£nil	£59m	£nil	£29m	£nil	£25m	£70m	£25m	£100m
Collateral[2]	£68m	£230m	£187m	£102m	£209m	£46m	£135m	£53m	£194m
Contracted rent	£3m	£12m	£9m	£5m	£10m	£2m	£7m	£3m	£10m
LTV Max	65%	55%	67.5%	65%	60%	70%	74%	65%	70%
LTV actual	n/a	26%	n/a	28%	n/a	54%	52%	47%	52%
ICR Min	1.75x	1.5x	2.0x	1.75x	1.5x	1.6x	1.15x	1.1x	1.15x
ICR actual	n/a	7.5x	n/a	7.2x	n/a	2.7x	4.4x	1.8x	3.4x
Valuation fall to breach	£68m	£122m	£187m	£58m	£209m	£11m	£40m	£14m	£51m
Income fall to breach	£3m	£9m	£9m	£3m	£11m	£1m	£5m	£1m	£6m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data as at 31 December 2020

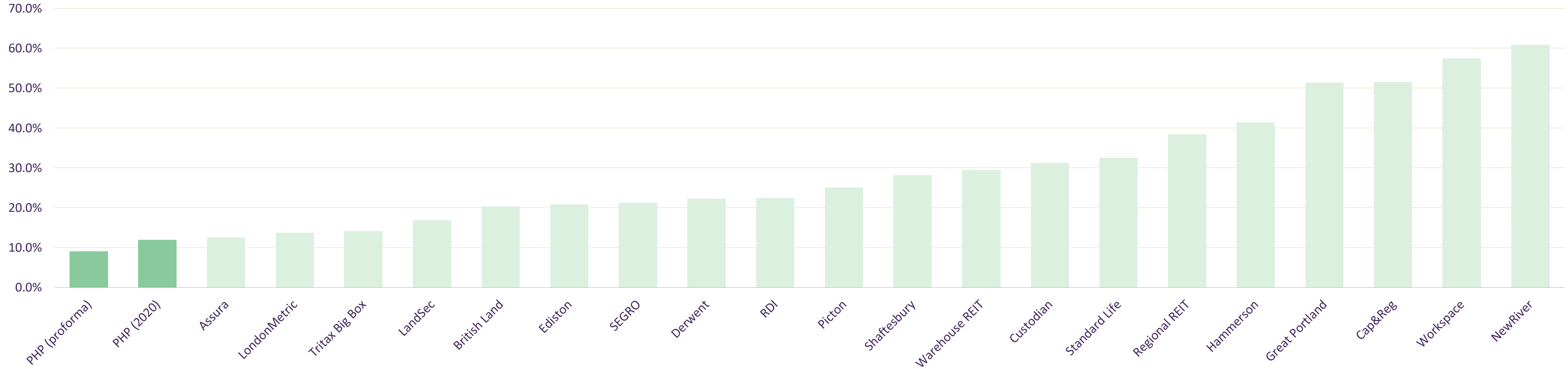
SPREAD OF FUNDING SOURCES (CONTINUED)

	Secured facilities [3]								Unsecured facilities [1]	Cash/ Unfettered assets	Total
Provider	Aviva	Ignis	Standard Life	Aviva	Euro PP (€)	Euro PP (€)	Aviva	Aviva	Convertible bond		
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Amortising	Bullet		
Expiry	Nov-2028	Dec-2028	Sept-2028	Aug-2024 Aug-2029	Dec-2028 Dec-2030	Sept 2031	Jan-2032	Sept-2033	Jul-2025		
Facility	£75m	£50m	£78m	£110m	£46m (€51m)	£62m (€70m)	£20m	£260m	£150m	-	£1,452m
Drawn	£75m	£50m	£78m	£110m	£46m (€51m)	£62m (€70m)	£20m	£260m	£150m	(£103m)	£1,056m
Collateral[2]	£142m	£91m	£138m	£206m	£79m	£108m	£49m	£446m	-	£93m	£2,576m
Contracted rent	£7m	£5m	£7m	£11m	£4m (€5m)	£6m (€7m)	£3m	£23m	-	£8m	£135m
LTV Max	70%	74%	74%	65%	70%	70%	70%	75%	-	-	
LTV actual	53%	55%	56%	53%	58%	58%	42%	58%	-	-	
ICR Min	1.6x	1.15x	1.65x	1.2x	1.15x	1.15x	1.6x	1.4x	-	-	
ICR actual	3.2x	2.5x	2.5x	2.0x	4.0x	6.8x	2.0x	2.0x	-	-	
Valuation fall to breach	£34m	£23m	£33m	£37m	£14m	£22m	£19m	£100m	-	£197m	£1,239m
Income fall to breach	£4m	£3m	£2m	£4m	£3m	£5m	£1m	£7m	-	£8m	£85m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data as at 31 December 2020

EPRA COST RATIO

	Year ended 31 December 2020	Year ended 31 December 2019
	£m	£m
Gross rent less ground rent and service charge income	134.6	118.3
Direct property expense	7.8	5.6
Administrative expenses	11.6	10.5
Performance incentive fee (“PIF”)	1.6	1.8
Less: service charge costs	(4.3)	(2.8)
Less: ground rent	(0.2)	(0.2)
Less: other operating income	(0.4)	(0.7)
EPRA costs (including direct vacancy costs)	16.1	14.2
EPRA cost ratio	11.9%	12.0%
Administrative expenses as a percentage of gross asset value (annualised)	0.5%	0.4%



RENT REVIEW RESULTS

- £1.7m (1.8% p.a.) increase from 309 rent reviews completed
- 1.3% p.a. achieved on 159 open market value reviews
- 2.3% p.a. achieved on 137 indexed linked reviews
- 2.9% achieved on 13 fixed reviews
- 669 open market value reviews outstanding with ERV £90.4m or uplift of £2.2m equivalent to 0.8% p.a.

Outstanding reviews focused by region	
London and South East	36%
North	25%
Midlands	18%
South West	5%
Wales	9%
Scotland	6%
Ireland	1%
	100%

12 months to 31 December 2020	OMV Rent reviews completed		Number of outstanding reviews (current rent)	
	No	%	No	£m
Reviews relating to calendar years:				
2012	-	-	3	0.4
2013	4	0.9%	3	0.4
2014	4	2.0%	2	0.3
2015	16	3.2%	27	3.1
2016	15	1.4%	44	6.7
2017	24	1.5%	52	7.9
2018	25	1.5%	123	16.8
2019	22	1.8%	207	26.6
2020	1	2.4%	208	28.2
	111	1.8%	669	90.4
Nil increases	48	0.0%		
Total OMV reviews	159	1.3%		

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February 2021