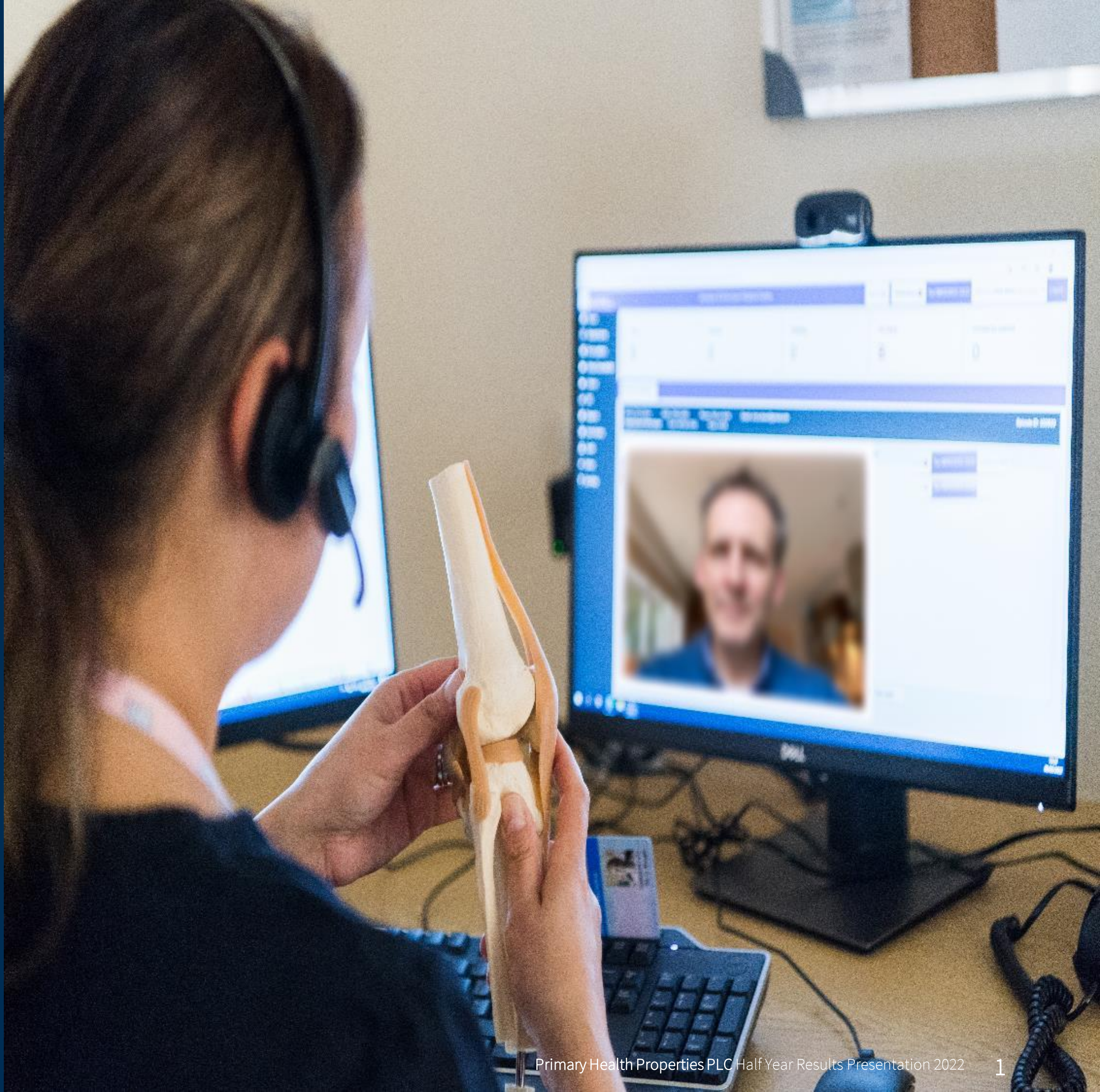
INVESTING FOR THE FUTURE

Primary Health Properties PLC

Half Year Results Presentation 2022

AGENDA



KEY HIGHLIGHTS

STRONG SECTOR FUNDAMENTALS AND FOCUS ON INCOME DRIVE EARNINGS AND DIVIDEND GROWTH

KEY HIGHLIGHTS

Strong sector fundamentals and focus on income drive earnings and dividend growth

Long-term demographic, macro and political trends supportive across UK and Ireland

- ✓ Populations are growing, ageing and suffering more instances of chronic illness
- ✓ Increasing patient demand for services affecting service provision, patient care and outcomes
- ✓ Obsolete estate (c.40%) and COVID-19 added to increasing strain being put on healthcare systems
- ✓ NHS strategic move of transferring services away from hospital settings to modern primary care premises
- ✓ Impact of digital being outweighed by increasing demand for services

Disciplined approach to shareholder returns and capital deployment

- ✓ 26 years of consecutive dividend growth: 6.5p per share +4.8% (2021: 6.2p +5.1%)
- ✓ Dividend cover at 103% (FY 2021: 101%)
- ✓ Total accounting return +6.3% (H1 2021: +5.0%)
- ✓ Total property return +4.3% (H1 2021: +5.2%)
- ✓ Disciplined investment in a robust investment market: three assets acquired for £49m (2021: £87m)
- ✓ Disposal of 13 smaller assets for £27.7m, 13% above Dec.21 book values representing 60bps of yield compression
- ✓ Attractive pipeline across investment, development and asset management opportunities to grow portfolio

Focus on income growth

- ✓ Firmer tone of rental growth driving strong property returns and earnings growth
- ✓ L4L rental growth in H1 2022: £1.8m +1.3% (H1 2021: £1.3m +1.0%; FY 2021: £2.4m +1.8%)
- ✓ Refinancing's in 2021 and 2022 delivering significant interest cost savings

26 years of consecutive dividend growth

Portfolio
£2.9 billion (2021: £2.8 billion)

Rent roll
£144 million (2021: £141 million)

Government backed income
89% (2021: 90%)

Index linked income
25% (2021: 25%)

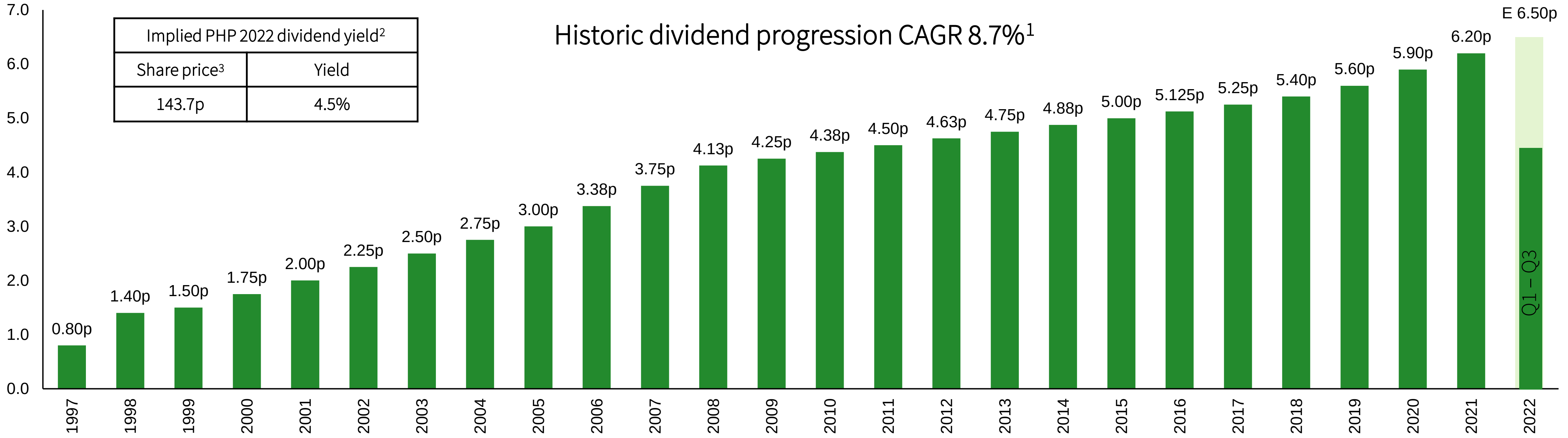
Occupancy
99.7% (2021: 99.7%)

WAULT
11.4 years (2021: 11.6 years)

Net debt: fixed or hedged
95% (2021: 100%)

26 YEARS OF CONSECUTIVE DIVIDEND GROWTH

Implied PHP 2022 dividend yield[2]	
Share price[3]	Yield
143.7p	4.5%



- ✓ Q1 to Q3 2022 dividend of 1.625p per quarter paid or declared (equivalent to 6.5p annualised) a 4.8% increase and 26th year of growth
- ✓ Improved dividend cover at 103%
- ✓ Total dividends paid increased by 5.4% compared to H1 2021

1. CAGR: 1997 to 2022
2. Based on Q1-Q3 2022 dividend of 1.625p paid or declared per share annualised and is illustrative only
3. Share price is the closing mid market price on 26 July 2022

STRONG TRACK RECORD OF RELATIVE PERFORMANCE

✓ IRR over period since inception of 12.8%[1] (Average annual inflation (RPI) over same period: 3.2%)

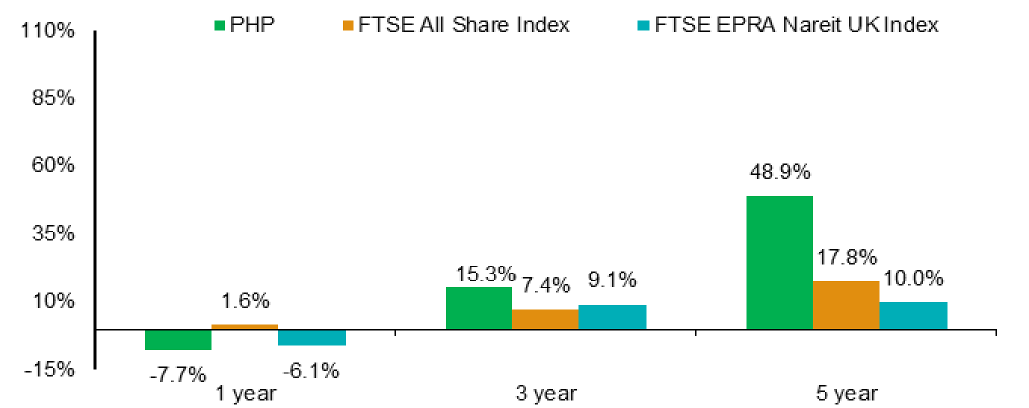
CAGR total shareholder returns

	PHP	Assura	EPRA UK
6 months	(16.4%)	(9.4%)	(37.8%)
1 year	(7.7%)	(7.9%)	(6.1%)
3 years	4.9%	4.9%	2.9%
5 years	8.3%	4.9%	1.9%
10 years	10.8%	13.8%	6.3%
20 years	11.3%	-	3.3%

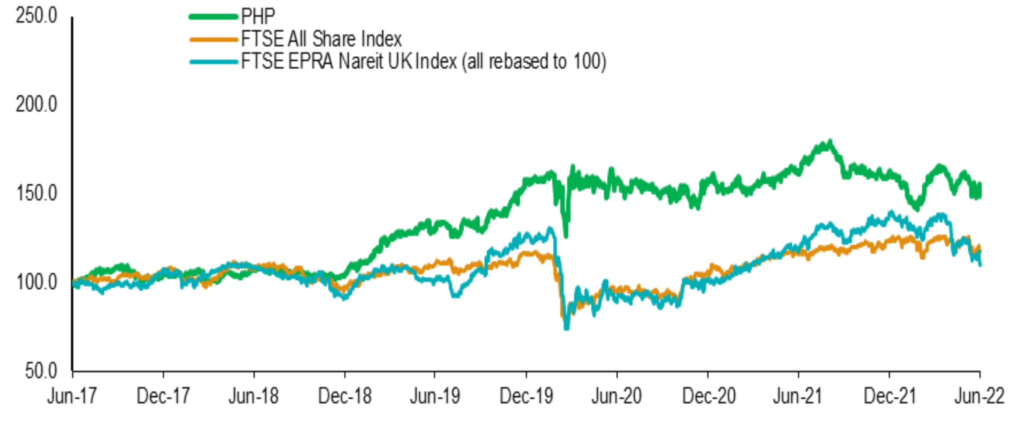
Total Property Returns[2]

	PHP	Assura	MSCI UK
H1 2022	4.3%	n/a	9.3%
2021	9.5%	7.1%	20.0%
2020	7.4%	6.4%	(0.8%)
2019	7.7%	5.3%	2.2%
2018	8.0%	5.9%	7.3%
2017	10.8%	9.7%	11.0%

PHP TSR (absolute change) over 1, 3 and 5 years



PHP 5 year relative TSR performance



Source: all data sourced from Thomson Reuters EIKON as at close 30 June 2022; MSCI UK Monthly Property Index

1 IRR includes total dividends paid or declared to 30 June 2022 of 99.9 pence and assumes the sale of the underlying ordinary shares at 136.3 pence, the closing mid market price as at 30 June 2022, 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)

2 Total property returns for PHP and MSCI UK relate to the years ended 31 December or 6-month period ended 30 June 2022; Assura relate to the years ended 31 March

FINANCIAL REVIEW

REFINANCINGS DELIVER SIGNIFICANT REDUCTION IN NET FINANCING COSTS

KEY FINANCIAL HIGHLIGHTS

Performance	30 June 2022	30 June 2021	Change
Net rental income (£m)	71.1	67.7	+5.0%
Adjusted earnings (£m)	44.7	40.7	+9.8%
Adjusted earnings per share (pence)	3.4p	3.1p	+9.7%
Dividends paid (£m)	43.3	41.1	+5.4%
Dividend cover	103%	99%	
Dividend per share (pence)	3.25p	3.1p	+4.8%
L4L rental growth (£m)	£1.8m / +1.3%	£1.3m /+1.0%	+38.5%
Revaluation surplus (£m)	51.2	66.9	

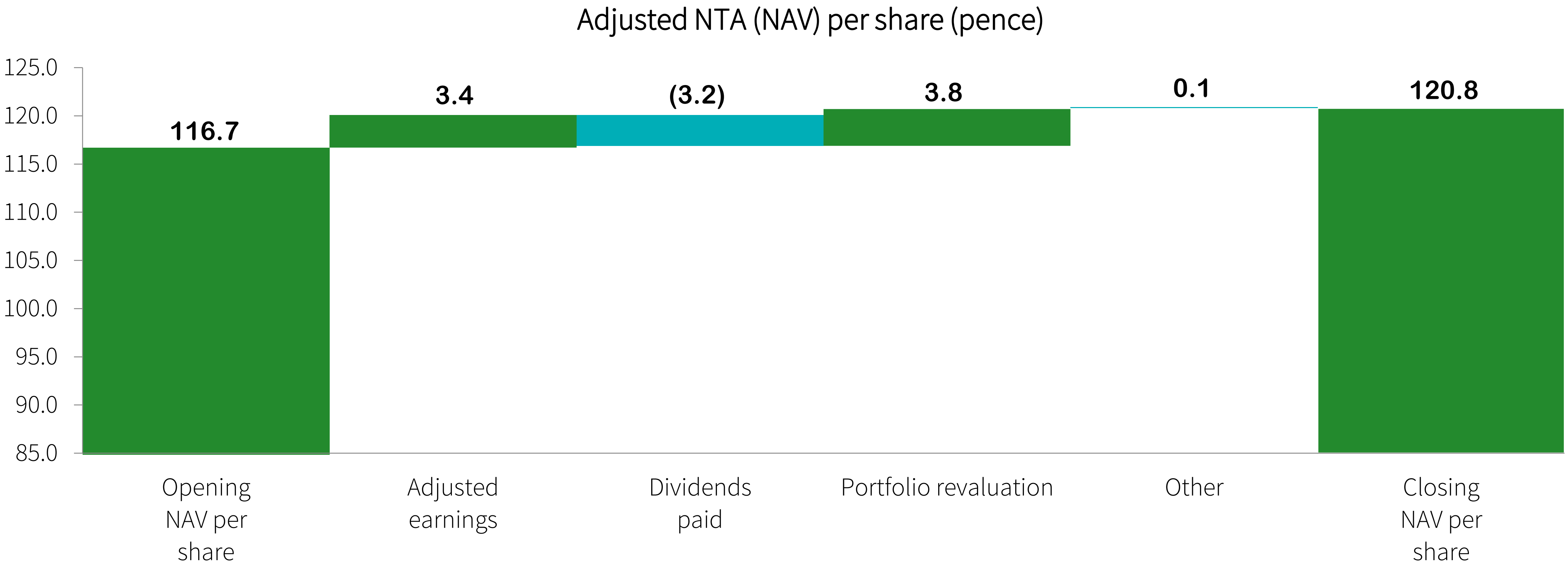
Position	30 June 2022	31 December 2021	Change
Investment property (£bn)	2.9	2.8	+1.8%
Adjusted NTA per share (pence)	120.8p	116.7p	+3.5%
Loan to value	43.1%	42.9%	+20 bps

Management	30 June 2022	31 December 2021	Change
WAULT	11.4 years	11.6 years	-0.2 years
Occupancy	99.7%	99.7%	-
EPRA cost ratio	10.5%	9.3%	+120 bps
Average cost of debt	3.0%	2.9%	+10 bps

INCOME STATEMENT

	30 June 2022 £m	30 June 2021 £m	Change
Net rental income	**71.1**	**67.7**	+5.0%
Administrative expenses	**(5.5)**	(5.0)	-10.0%
Operating profit before financing costs	**65.6**	62.7	+4.6%
Net financing costs	**(20.9)**	(22.0)	
Adjusted earnings	**44.7**	40.7	+9.8%
Revaluation surplus and profit on sales	**51.2**	**66.9**	
Adjusted profit excluding exceptional adjustments	**95.9**	107.6	-10.9%
Fair value profit/(loss) on derivatives and convertible bond	**10.4**	(0.2)	-
Amortisation of MedicX debt MtM at acquisition	**1.4**	1.6	-
Exceptional termination payment and impairment of goodwill on acquisition of Nexus	**-**	(35.3)	-
Exceptional Nexus acquisition costs	**-**	(1.7)	-
IFRS profit before tax	**107.7**	72.0	+49.6%
Adjusted earnings per share	**3.4p**	3.1p	+9.7%
IFRS earnings per share	**8.0p**	5.4p	+48.1%

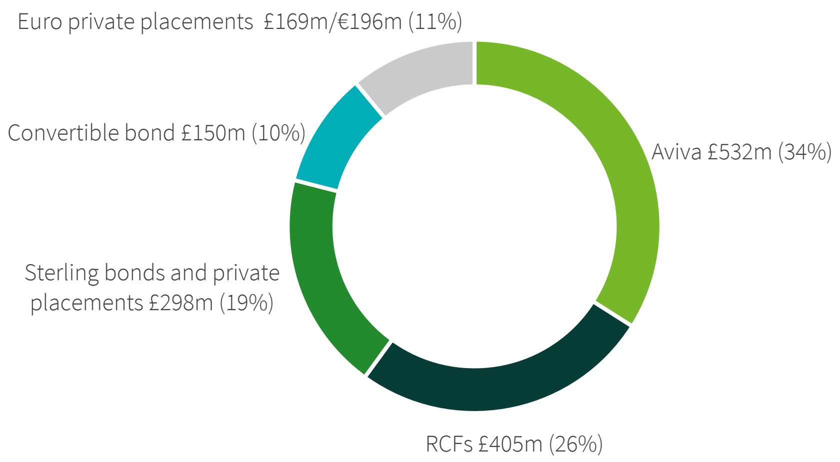
BALANCE SHEET STRENGTHENED



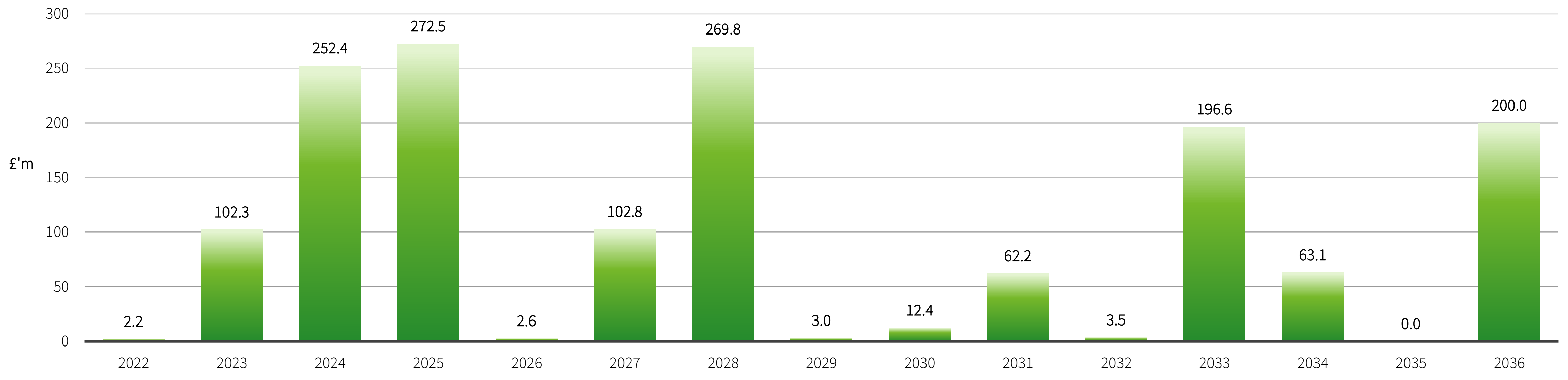
	30 June 2022	31 December 2021	Change
Adjusted net tangible assets	£1,612m	£1,556m	+3.6%
Adjusted net tangible asset value per share	120.8p	116.7p	+3.5%

DEBT SUMMARY

- Total debt facilities of **£1.55bn** (90% secured/10% unsecured)
- Net debt drawn **£1.26bn**
- **£291m** undrawn headroom after capital commitments and post period end transactions
- **95%** of net debt fixed or capped with broad and diverse range of lending partners
- Group LTV **43.1%** (38.0% excluding £150m convertible bond)
- Long weighted average debt maturity of **7.8** years
- Average cost of debt **3.0%** (2.5% excluding legacy MedicX debt)
- **£385m** of legacy MedicX loan facilities remaining at a blended fixed rate of 4.2%



Debt Maturity Profile



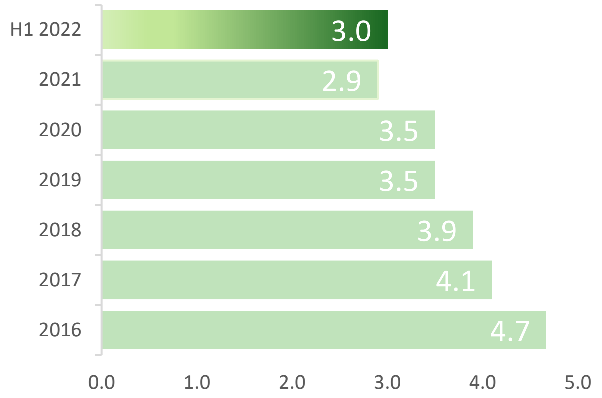
DELIVERING FINANCIAL MANAGEMENT

Refinanced or raised **£115m** of debt facilities locking in historically low rates of interest at start of year

- ✓ MetLife **€75m** (£65m) for 12-year term at a fixed rate of 1.64% with option to increase to €150m in next 3-years
- ✓ Santander RCF renewed and increased to **£50m**
- ✓ Positive discussions with key relationship banks to increase and extend existing revolving credit facilities

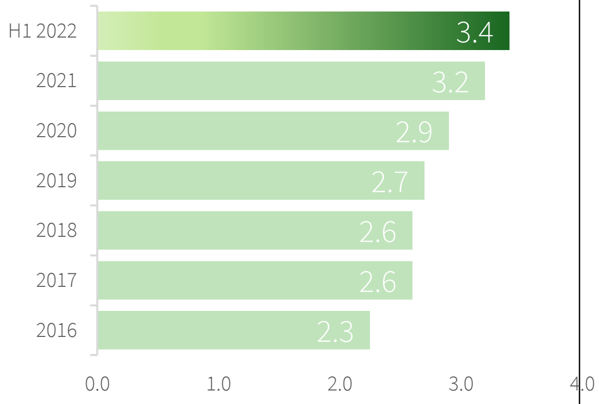
Cost of debt

3.0%



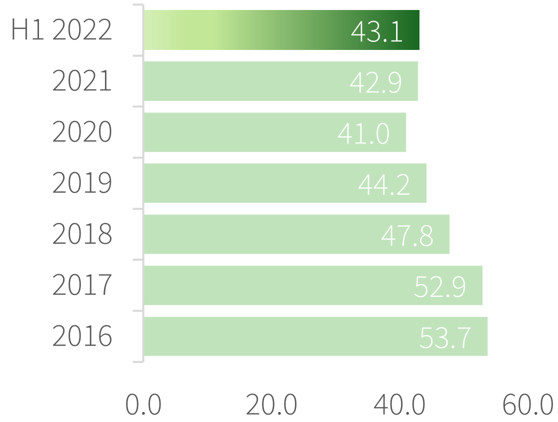
Interest cover ratio

3.4x



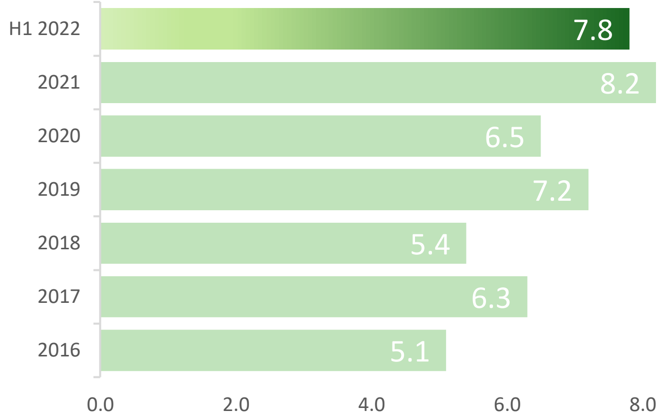
Loan to value ratio

43.1%



Debt maturity

7.8 years



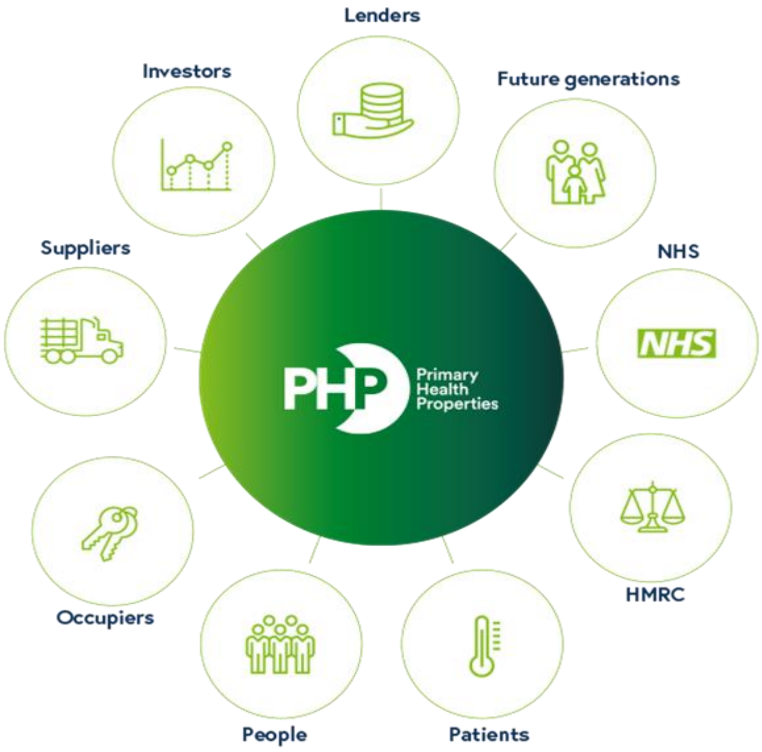
PHP'S APPROACH TO ESG

- ✓ **Environmental** - committed to transitioning to net zero carbon (NZC) by 2030 for all operational, development and asset management activities
- ✓ **Social** - activities result in better patient experiences and have a positive impact on health and wellbeing in our communities
- ✓ **Governance** - strong commitment to acting responsibly with integrity and transparency

Our NZC targets:

All operational, development and asset management activities to be NZC by 2030 and to help our occupiers achieve NZC by 2040

- ✓ 2023 – Operations to be NZC with offsetting
- ✓ 2025 – All new developments to be NZC
- ✓ 2030 – All asset management activities to be NZC and properties to have an EPC of B or better
- ✓ 2035 – All buildings to achieve an 80% reduction in carbon footprint
- ✓ 2040 – all buildings are NZC across the portfolio



PREMISES, HEALTH AND PEOPLE: INVESTING IN THE HEALTH AND WELLBEING OF OUR COMMUNITIES

Strategy supports a low carbon approach

- ✓ Operations, developments and asset management activities to be NZC by 2030
- ✓ Operationally light portfolio, assets with low carbon intensity
- ✓ Asset management activity supporting carbon reduction of existing portfolio
- ✓ Supporting occupiers to be NZC by 2040, 5 years ahead of NHS's 2045 target

Strong stewards of underinvested, key social infrastructure assets

- ✓ Experience and capital to improve and extend buildings
- ✓ Six million patients or 9% of UK population registered at PHP's buildings
- ✓ Committed to play a key role in UK's Levelling-Up agenda focused around good health and wellbeing
- ✓ Community Impact Program promoting social prescribing and charitable activities linked to our buildings

Cost effective improvements through lease regears

- ✓ Upgrades to building fabric and systems improving energy consuming features and technologies
- ✓ LED Lights, heat pumps, insulation, solar, EV charging
- ✓ Estimated cost to bring portfolio to EPC rating of B: £15m to £20m, where economically viable, increasing to £35m to £40m for the whole portfolio and will be incurred as part of planned asset management program

Responsible business

- ✓ ESG Committee comprising Board of Directors and Senior Executives
- ✓ Member of Real Estate Balance to address gender and diversity inequality in real estate

Net Zero Carbon by 2030

Portfolio EPC ratings A-C
81%
2021: 82%

Projects EPC B or better
100%
2021: 100%

nZEB Standard (Ireland)
100%
2021: 100%

Development BREEAM Excellent or Very Good
100%
2021: 100%

3 GOOD HEALTH AND WELL-BEING

11 SUSTAINABLE CITIES AND COMMUNITIES

LEVELLING UP GOALS

DISCIPLINED APPROACH TO INVESTMENT AND DEVELOPMENT WITH ATTRACTIVE TARGETED PIPELINE

INVESTMENT ACTIVITY

- ✓ **Disciplined approach to investment** in a robust market notwithstanding the outlook for longer-dated interest rates
- ✓ **13 smaller assets** sold for £27.7m, 13% above Dec.21 book value representing 60bps of yield compression
- ✓ **Three assets selectively acquired** in the year-to-date for £49m
- ✓ **Advanced pipeline** totaling £84m across UK (4/£60m) and Ireland (2/£24m or €28m)

Investment

Chiswick Medical Centre, London

Tenants / services
- ✓ HCA International Limited
- ✓ State-of-the-art diagnostic centre
- ✓ Private medical facility

Purchased:	Q2 2022
Cost:	**£34.5m**
Size:	2,441 sqm
WAULT:	20.0 years
Rent review:	RPI (4% cap and 2% collar)

Investment

Two Bridges, Chertsey, Surrey

Tenants / services
- ✓ NHS Foundation Trust
- ✓ Drug and alcohol rehabilitation centre

Purchased:	Q2 2022
Cost:	**£6.95m**
Size:	959 sqm
WAULT:	20.0 years
Rent review:	RPI (3% cap)

Investment

Strawberry Hill Medical Centre, Newbury

Tenants / services
- ✓ GP Practice
- ✓ Social prescribing
- ✓ Clinical pharmacy
- ✓ District nurses and healthcare assistants
- ✓ Phlebotomy

Purchased:	Q3 2022
Cost:	**£7.25m**
Size:	1,415 sqm
Number of GPs:	10
Patients:	22,000
WAULT:	18.8 years
Rent review:	OMV

DEVELOPMENT ACTIVITY

- ✓ **Short-cycle and de-risked development activity** adding high quality assets, capturing attractive development margins and supporting ESG commitments
- ✓ **Direct developments:** First NZC development on-site at Croft West Sussex with £6.8m GDV / YOC 4.5%
- ✓ **Direct developments**: seven significantly advanced with total GDV of c. £56m / YOC c.4.5%. Two expected to start on-site by end of 2022
- ✓ **Forward funded developments:** advanced pipeline of five projects in Ireland with GDV of £74m (€86m) and two in UK with GDV of £19m

Direct Development – on site

Croft Primary Care Centre, West Sussex

Tenants
- ✓ GP Practice
- ✓ Pharmacy

PC date:	Q3 2023
GDV:	£6.8m
YOC:	**4.5%**
Size:	1,447 sqm
Number of GPs:	8
Patients:	12,000 rising to 22,000
WAULT:	**25 years**
Rent review:	OMV
BREEAM rating:	Excellent
Net Zero Carbon:	Yes

Direct Development

Spilsby Primary Care Centre, Lincolnshire

Tenants
- ✓ NHS Trust
- ✓ GP Practice

Start on site:	Q4 2022
PC date:	Q1 2024
GDV:	£4.2m
YOC:	**4.7%**
Size:	905 sqm
No. of GPs:	4
Patients:	7,500 rising to 10,000
WAULT:	**25 years**
Rent review:	OMV
BREEAM rating :	Excellent
Net Zero Carbon	Yes

Forward Funded Development

Enniscorthy, Co. Wexford, Ireland

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

PC date:	Completed - Q2 2022
GDV:	€13.0m
YOC:	**5.3%**
Size:	4,633 sqm
WAULT:	**24.4 years**
Rent review:	Irish CPI
BER rating:	A3
nZEB:	Yes

Forward Funded Development

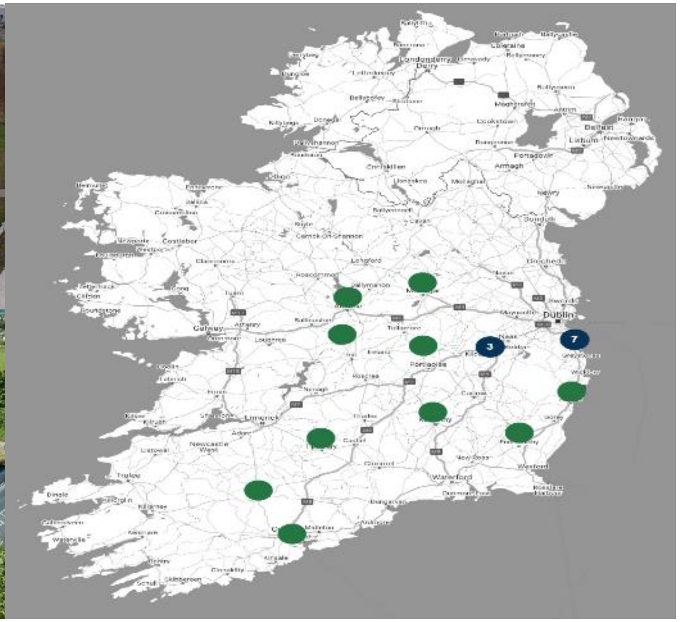
Arklow, Co. Wicklow, Ireland

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

PC date:	Q3 2022
GDV:	€18.0m
YOC:	**5.5%**
Size:	5,333 sqm
WAULT:	**28.8 years**
Rent review:	Irish CPI
BER rating :	A3
nZEB:	Yes

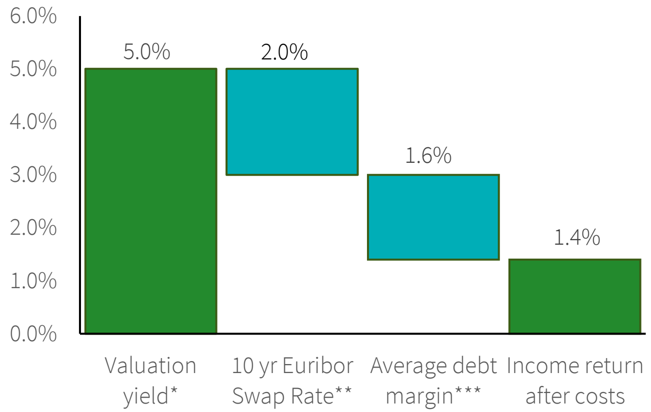
IRELAND – CONTINUED STRATEGIC EXPANSION

- ✓ **Growing and ageing population:** 5 million people growing to 6 million by 2050
- ✓ **Government support:** programme to modernise healthcare in Ireland and establish a network of **200** purpose-built Primary Care Centres with healthcare budgets and demand for services under pressure.
- ✓ **PHP largest investor in Ireland:** portfolio comprises 20 assets, valued at £228m (€265m) with a large average lot size of £11m (€13m).
- ✓ **Advanced pipeline £98m (€114m) :** 5 forward funded developments with GDV of £74m (€86m) and 2 standing investments £24m (€28m)
- ✓ **Target:** grow portfolio to around **€500m or c.15%** of total Group portfolio
- ✓ **Irish rent roll** €14.8m with 75% let directly to Health Service Executive or government agencies with long leases (WAULT: 20.7 years). All rents linked to Irish CPI + 9.1% June 2022 annual change

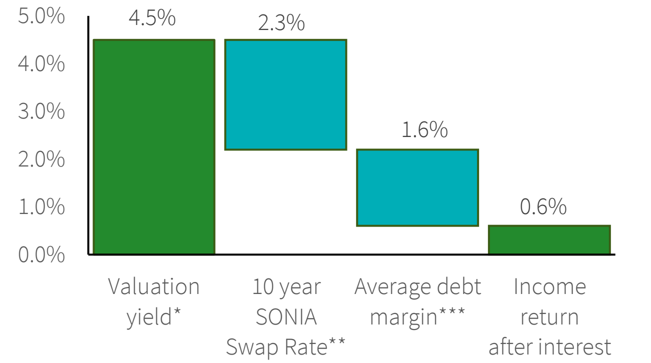


Strong income accretion

Ireland acquisitions



UK acquisitions



* PHP portfolio valuation yield 31 December 2021 (used as proxy for market purchases)
** Sourced from Chatham Financial – 27 June 2022
*** Company incremental margin on debt facilities

FOUNDATIONS FOR FUTURE GROWTH - STRONG PIPELINE OF ACQUISITIONS, DEVELOPMENTS AND ASSET MANAGEMENT PROJECTS

Total funding requirement of c. £285m over the next 2-3 years to fund a mix of future acquisition pipeline, direct developments and asset management projects

Funding requirement

Acquisition pipeline

Pipeline of active opportunities, include:

	Number	Est. cost
UK – Standing investment	4	£60m
UK - Direct developments	7	£56m
UK – Fwd. funded developments	2	£19m
Ireland – Fwd. funded developments	5	£74m (€86m)
Ireland – Standing investment	2	£24m (€28m)
Total	20	£233m

UK pipeline of 13 / £135m (including 12 / £123m under offer)

Irish pipeline of 7 / £98m (€114m) (including 3 / £43m (€50m) under offer)

Asset management projects pipeline

Active management of existing assets to create additional value

	Number	Est. cost
Board approved	10	£10m
Advanced pipeline	40	£42m
Total	50	£52m

Estimated capex on projects over next 3 years of c. £52m

- Further medium-term pipeline opportunities being progressed

PROPERTY REVIEW

STRONG ORGANIC RENTAL GROWTH FROM RENT REVIEWS AND ASSET MANAGEMENT PROJECTS

PROPERTY PORTFOLIO OVERVIEW

50% already agreed terms to renew and 30% at advanced discussions to renew

Key Figures[1]	30 June 2022
Total number of properties	524
Including properties in Ireland	20
Investment portfolio value (£bn)	2.9
Floor area (000's sqm)	708
Capital value (£ per sqm)	4,107
Contracted rent roll (£m)	144.2
Net initial yield (NIY)	4.57%
Average lot size (£m)	5.5
Average WAULT (years)	11.4
Occupancy	99.7%
Government backed rent	89%

Income Expiry Profile	£m	%
< 3 years	10.2	7%
4-5 years	11.2	8%
5-10 years	51.5	36%
10-15 years	37.0	26%
15-20 years	19.5	13%
> 20 years	14.8	10%
Total	144.2	100%

Capital Value[1]	Number	Value (£m)	%
> £10m	60	967	33%
£5m - £10m	140	964	33%
£3m - £5m	154	611	21%
£1m - £3m	165	361	13%
< £1m (incl. land £1.5m)	5	5	0%
Total	524	2,908	100%

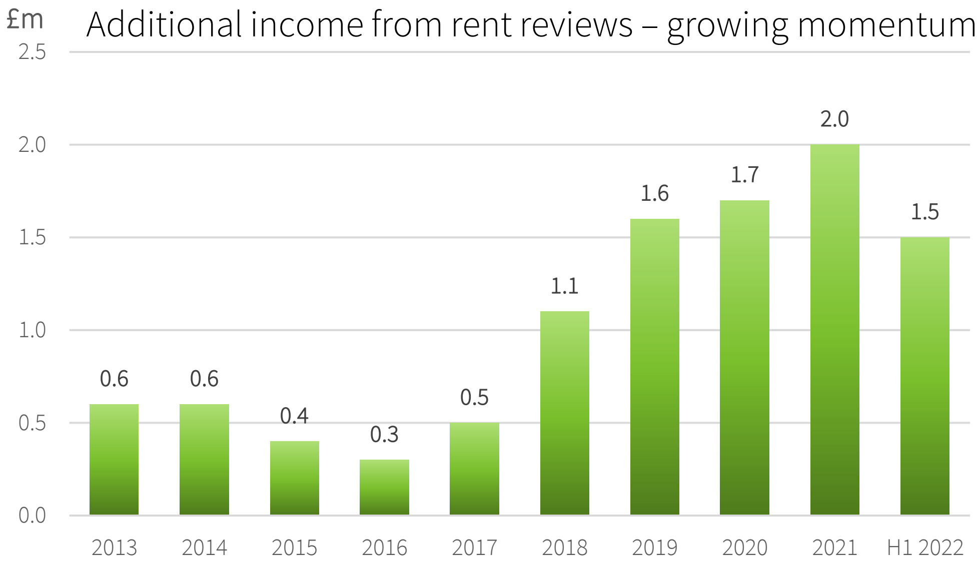
[1] All data as at 30 June 2022

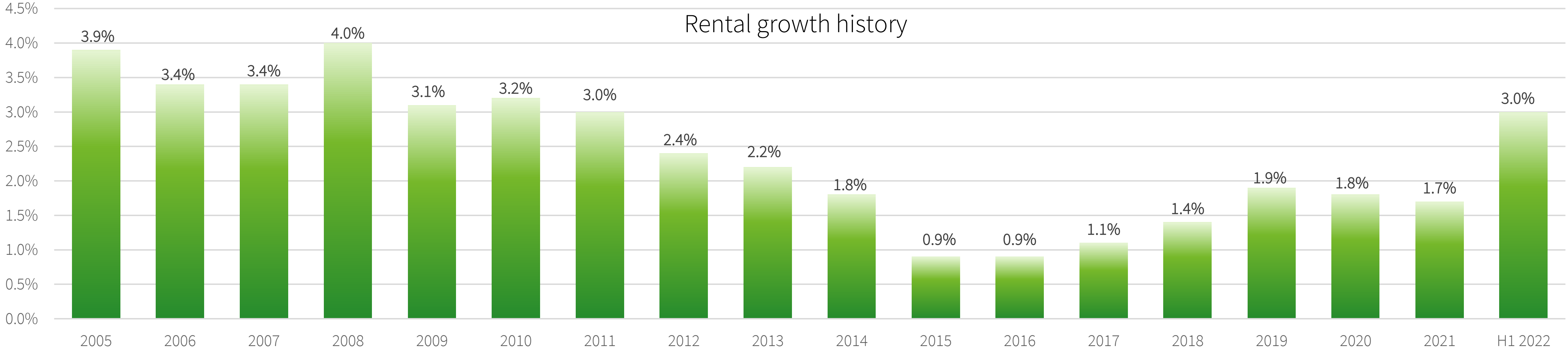
RENT REVIEWS - LONG LEASES WITH IMPROVING RENTAL GROWTH OUTLOOK

- ✓ Effectively upward only rent roll in UK
- ✓ Rents in Ireland linked to Irish CPI
- ✓ Total weighted average rental growth **3.0%** p.a.
- ✓ 69% reviewed to open market (ave. **1.4%** p.a.)
- ✓ 25% index linked (ave. **5.9%** p.a.)
- ✓ 6% on fixed uplift (ave. **3.0%** p.a.)

Drivers of rental growth

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





ASSET MANAGEMENT – UPDATING OUR CURRENT PORTFOLIO

- ✓ **Limited lease expiry risk,** £10.2m or 7% of income expiring in next 3 years, 80% have agreed to renew and subject to a planned asset management project
- ✓ **14 projects completed to-date and further eight currently on site,** investing £15m, £0.3m additional rent and extending leases back to 20 years on average
- ✓ **Pipeline (including approved projects)** of 50 over next three years, investing £52m capex, two-thirds of which creating 3,750 sqm of new space / extensions

Refurbishment

The Lyng, West Bromwich

Description: Internal refurbishment of ex-council accommodation to provide 330 sqm of clinical space for Linkway Medical, allowing them to relocate their branch site to the building. Work also includes upgrades to the GP demise.

Services: The relocation of the branch surgery means all extended and PCN based services will now be delivered from the Lyng, including social prescribing and mental health clinics.

Tenants:	GP Practice
Cost:	£1.3m
Additional rent:	£78k (YOC: 5.0%)
Return on capital:	76%
Number of GPs:	10
Patients:	14,500
WAULT:	20 years
ESG:	Replacement VRF System
BREEAM/EPC:	B

Refurbishment

Ramsbury Medical Centre, Ramsbury

Description: Internal refurbishment to improve space efficiency, create compliant clinical accommodation and redesign the admin space for additional staff. Introduction of roof mounted PV panels for sustainable power generation.

Services: The practice will continue to offer their rural community a wide range of services, including phlebotomy from the newly refurbished accommodation.

Tenants:	GP Practice and Dispensary
Cost:	£0.6m
Additional rent:	£20k (YOC: 3.2%)
Return on capital:	142%
Number of GPs:	7
Patients:	9,500
WAULT:	18 years
ESG:	Solar PV, LED lights
BREEAM/EPC:	Very Good / B

Extension and refurbishment

Millwood Surgery, Bradwell

Description: 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 of the existing building.

Services: The expansion allows for additional services to be undertaken at a local level away, including health visitors, mental health, social prescribing.

Tenants:	GP Practice and Pharmacy
Cost:	£1.2m
Additional rent:	£55k (YOC: 4.5%)
Return on capital:	16%
Number of GPs:	9
Patients:	19,000
WAULT:	23 years
ESG:	Solar PV, LED lights
BREEAM/EPC:	Very Good / B

Extension and refurbishment

Chafford Hundred Medical Centre, Grays

Description: 129 sqm NIA first floor building extension plus internal refurbishment of the existing premises. The scheme will provide an additional 6 clinical rooms and a range of environmental improvements.

Services:. The building extension will enable the practice to increase its range of services, including phlebotomy and will be built to meet all statutory and infection control requirements.

Tenants:	GP Practice and Dentist
Cost:	£1.4m
Additional rent:	£72k (YOC: 4.5%)
Return on capital:	56.12%
Number of GPs:	5
Patients:	15,000
WAULT:	20 years
ESG:	Solar, LEDs,
BREEAM/EPC:	BREEAM Very Good / B

OUTLOOK

- ✓ Long-term demographic, macro and political trends supportive across UK and Ireland
- ✓ Strong stewards of underinvested, key social infrastructure assets with c.40% of all assets in the UK considered unfit for purpose and in need of modernisation
- ✓ Impact of digital being outweighed by increasing demand for modern primary care accommodation and transfer of services out of hospitals
- ✓ Improving rental growth outlook will be principal driver to maintaining and increasing future values in an environment where yield compression has probably run its course
- ✓ Disciplined approach to shareholder returns and capital deployment
- ✓ Continued focus on income and dividend growth
- ✓ Strategy supports a low carbon approach with positive social impact

26 years of consecutive dividend growth

Portfolio
£2.9 billion (2021: £2.8 billion)

Rent roll
£144 million (2021: £141 million)

Government backed income
89% (2021: 90%)

Index linked income
25% (2021: 25%)

Occupancy
99.7% (2021: 99.6%)

WAULT
11.4 years (2021: 11.6 years)

Net debt: fixed or hedged
95% (2021: 100%)

FURTHER BACKGROUND ON PHP

RENT REVIEW RESULTS

- ✓ **£1.5m (3.0%** p.a.) increase from 183/£1.4m rent reviews completed in UK and 9/£0.1m in Ireland
- ✓ **£2.3m or 2.7%** uplift expected on 633 open market value reviews outstanding with ERV £87.7m
- ✓ **1.4%** p.a. achieved on 104 open market value reviews, including 24 nil increases
- ✓ **5.9%** p.a. achieved on 74 indexed linked reviews in UK
- ✓ **2.7%** p.a. achieved on 9 indexed linked reviews in Ireland
- ✓ **3.0%** p.a. achieved on 5 fixed reviews in UK

Outstanding reviews focused by region	
North	28%
London and South East	25%
Midlands	17%
Wales	13%
Eastern	8%
South West	6%
Scotland	3%
Ireland	0%
	100%

Six months to 30 June 2022	OMV Rent reviews completed		Number of outstanding reviews (current rent)	
Reviews relating to calendar years:	No	%	No	£m
2013	-	-	2	0.2
2014	-	-	-	-
2015	1	1.6%	1	0.1
2016	9	1.6%	17	2.9
2017	2	2.8%	23	3.2
2018	25	2.0%	48	5.4
2019	12	1.1%	72	10.4
2020	22	1.8%	112	16.7
2021	8	1.4%	225	29.4
2022	1	3.0%	133	17.1
	80	1.8%	633	85.4
Nil increases	24	0.0%		
Total OMV reviews	104	1.4%		

THE FUTURE OF PRIMARY CARE IN THE UK

Case study: Eastbourne

Rationale

- ✓ Failing GP practices unable to cope with increasing patient demand which has affected service provision, patient care, outcomes and staff retention
- ✓ Merged into one super-practice operating as a single Primary Care Network
- ✓ Existing premises deemed as inadequate for the current population which is expected to grow with major local population growth
- ✓ Nationally and locally the NHS is implementing a strategic move of transferring services away from hospital settings to modern purpose-built space

New Primary Care Centre

- ✓ Flexible building to meet future demand and changing requirements
- ✓ The building achieved a BREEAM Excellent rating
- ✓ Helps with staff recruitment and retention

The Future

Let for 25 years to allow patients and the wider Primary Care Network to access a wide range of health and care services including:

- ✓ General practice (physical, telephone and video)
- ✓ Minor operations and procedures
- ✓ Mental health assessments and practitioners
- ✓ Training for GPs, nurses and paramedics
- ✓ Walk-in centre
- ✓ Clinics for a various issues i.e. asthma, diabetes, cryotherapy
- ✓ Non-NHS services (medicals, insurance, vaccinations)
- ✓ Physiotherapy
- ✓ Occupational therapy
- ✓ Social prescribing
- ✓ Care co-ordination
- ✓ Clinical pharmacy
- ✓ Family planning

3 separate GP practices merged into one super-practice, under new management, in purpose-built accommodation

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.
- ✓ In the immediate short term, NHS waiting lists are currently estimated to now stand at c. 6m procedures following the Covid pandemic, with estimates that this could peak at 13m before the backlog is cleared.
- ✓ 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”), schedules to commence on 1st July 2022, 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 current five-year period, investment in primary medical and community services will grow faster (excluding the impact of the pandemic) 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. This includes a target to recruit an additional 26,000 Allied Health Professionals.

PRIMARY HEALTH CARE OPPORTUNITY IN THE UK

- ✓ However, many GP Premises in the UK remain unfit for their current purpose, let alone this expanded role. Common challenges include lack of space in waiting rooms, consultation rooms and administration space together with growing list sizes and lack of disabled access.
- ✓ In addition, the number of consultations being delivered in primary care is now higher (30.3m appointments in Q4 2021) than it was pre-pandemic (26.8m appointments in Q4 2019).
- ✓ PHP believes that primary health premises have a vital role to play in the immediate short term 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'.
- ✓ 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 could particularly be the case for in the provision of services to an ageing population, living for longer, with more incidence of chronic illnesses.
- ✓ PHP also believes that modern, purpose-built premises can aid staff retention and recruitment, support the NHS in its drive to become a net zero health care system and have a valuable role to play in the Governments levelling up agenda, where health inequalities continue to exist across the UK.
- ✓ This is in line with fundamental demographic trends and NHS plans, including funding, for primary care to deliver integrated services and 'operate at scale'.

BALANCE SHEET

£m	30 Jun. 22	31 Dec. 21
Investment properties (including properties held for sale)	2,912.2	2,795.9
Cash	29.7	33.4
Debt	(1,285.0)	(1,232.9)
Net debt	(1,255.3)	(1,199.5)
Other net current liabilities	(45.2)	(40.5)
Adjusted net tangible assets (NAV)	1,611.7	1,555.9
Convertible bond fair value adjustment	(9.8)	(21.6)
Fixed rate debt and swap MtM	(27.7)	(30.0)
Deferred tax	(5.3)	(4.4)
IFRS net assets	1,568.9	1,499.9
Fixed rate debt and swap MtM adjustment	70.3	(24.5)
EPRA NDV (NNNAV)	1,639.2	1,475.4
Loan to value	*43.1%*	*42.9%*
Adjusted NTA per share (pence)	*120.8p*	*116.7p*
IFRS NAV per share (pence)	*117.6p*	*112.5p*
EPRA NDV per share (pence)	*122.9p*	*110.7p*
Number of shares (millions)	*1,334.1*	*1,332.9*

SPREAD OF FUNDING SOURCES

	Secured facilities [3]								
Provider	Barclays	RBS[1]	HSBC	Lloyds	Santander	Secured bond	Aviva	Secured bond	Aviva
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet
Expiry	Dec-2023	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Dec-2025	Oct-2036	Mar-2027	Nov-2028
Facility	£100m	£100m	£100m	£50m	£50m	£70m	£200m	£100m	£75m
Drawn	£nil	£39m	£25m	£32.5m	£39.7	£70m	£200m	£100m	£75m
Collateral[2]	£220m	£211m	£201m	£106m	£106m	£127m	£416m	£185m	£154m
Contracted rent	£10m	£10m	£9m	£5m	£5m	£7m	£20m	£9m	£8m
LTV Max	60%	55%	67.5%	65%	60%	74%	65%	70%	70%
LTV actual	n/a	18%	13%	31%	37%	55%	48%	54%	49%
ICR Min	1.5x	1.5x	2.0x	1.75x	1.75x	1.15x	2.25x	1.15x	1.6x
ICR actual	n/a	8.8x	12.7x	5.6x	4.7x	2.73x	4.0x	3.1x	3.3x
Valuation fall to breach	£220m	£140m	£164m	£56m	£40m	£32m	£108m	£42m	£47m
Income fall to breach	£10m	£8.5m	£8m	£4m	£3m	£4m	£9m	£6m	£4m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data proforma as at 30 June 2022

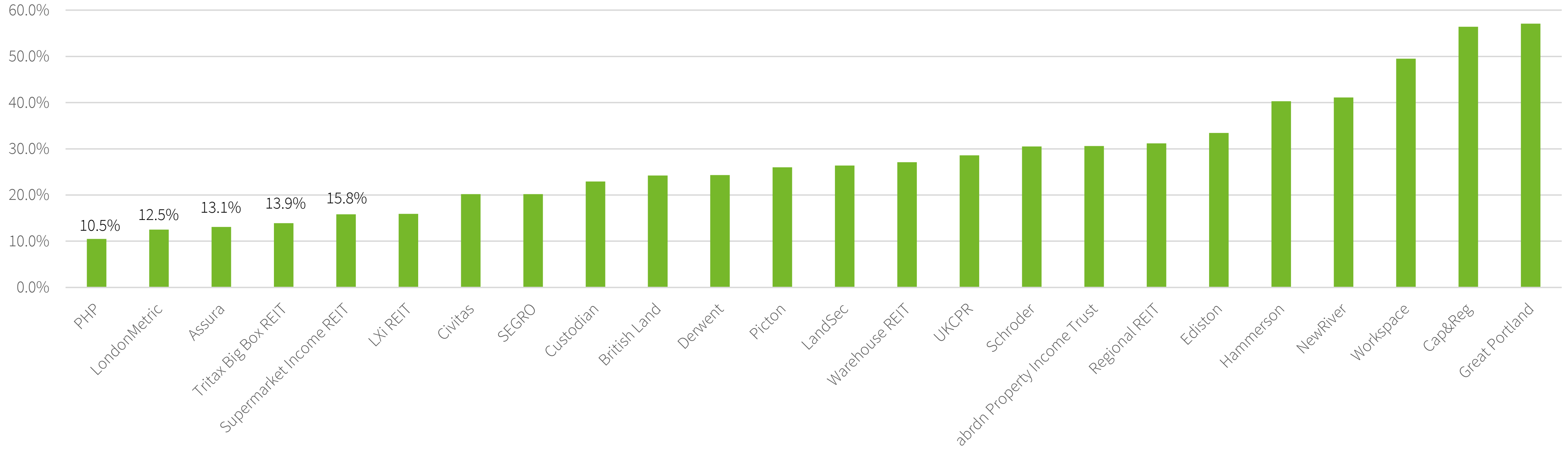
SPREAD OF FUNDING SOURCES (CONTINUED)

	Secured facilities[3]						Unsecured facilities[1]	Cash/ Unfettered assets	Total
Provider	Ignis	Standard Life	Euro PP	Euro PP	MetLife Euro PP	Aviva	Convertible bond		
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Bullet		
Expiry	Dec-2028	Sept-2028	Dec-2028 Dec-2030	Sept-2031	Feb-2034	Sept-2033	Jul-2025		
Facility	£50m	£78m	£44m (€51m)	£60m (€70m)	£65m (€75m)	£257m	£150m	-	£1,549m
Drawn	£50m	£78m	£44m (€51m)	£60m (€70m)	£65m (€75m)	£257m	£150m	(£30m)	£1,255m
Collateral[2]	£86m	£129m	£76m	£108m	£138m	£483m	-	£166m	£2,912m
Contracted rent	£5m	£6m	£4m (€5m)	£6m (€7m)	£6m	£25m	-	£9m	£144m
LTV Max	74%	74%	70%	70%	70%	75%	-	-	
LTV actual	58%	60%	57%	56%	47%	53%	-	-	
ICR Min	1.15x	1.15x	1.15x	1.15x	1.15x	1.4x	-	-	
ICR actual	2.4x	2.2x	4.0x	6.3x	6.1x	2.1x	-	-	
Valuation fall to breach	£18m	£24m	£13m	£22m	£46m	£141m	-	£136m	£1,309
Income fall to breach	£2m	£3m	£3m	£5m	£5m	£8m	-	£9m	£91m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data proforma as at 30 June 2022

EPRA COST RATIO

	30 June 2022 £m	30 June 2021 £m	31 December 2021 £m
Gross rent less ground rent, service charge and other income	73.5	69.1	139.6
Direct property expense	5.7	4.0	8.9
Less: service charge costs recovered	(3.2)	(2.4)	(5.8)
Non-recoverable property costs	2.5	1.6	3.1
Administrative expenses	5.5	5.0	10.5
Less: ground rent	(0.1)	(0.2)	(0.2)
Less: other operating income	(0.2)	(0.2)	(0.4)
EPRA costs (including direct vacancy costs)	7.7	6.2	13.0
EPRA cost ratio	10.5%	9.0%	9.3%
Administrative expenses as a percentage of gross asset value	0.4%	0.4%	0.4%



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July 2022