



# LIFE SCIENCE REIT

## CREATING SPACE FOR SCIENCE

### RESULTS PRESENTATION

FOR THE SIX MONTHS ENDED 30 JUNE 2022



**DISCLAIMER:** For any retail investor who may consider this product, it is recommended that they seek independent professional advice before making an investment

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The following risks are a non-exhaustive list of risks associated with the Company. Investors should take independent financial advice prior to investing in the Company.

- Performance – The performance of the Company would be adversely affected by a downturn in the UK property market in terms of market value or a weakening of rental yields.
- Operational Performance – Both rental income and market value of the properties acquired by the Company will be affected by the operational performance of the properties or the related business being carried on in the property and the general financial performance of the tenants.
- Failure to Achieve Investment Objectives – The ability of the Company to achieve its investment objectives depends on the ability of the Investment Advisor to identify, select and arrange for the execution of investments which offer the potential for satisfactory returns. The underperformance of the Investment Advisor could have a material adverse affect on the Company's financial condition and operations.
- COVID-19 – The COVID 19 pandemic and associated government measures has had and is likely to continue to have a significant impact on the Company, and the ultimate impact is dependent on the duration and extent of the pandemic and is therefore not yet known.
- Competition – The Company may face significant competition from other UK or foreign property investors. The existence of such competition may have a material adverse impact on the Company's ability to acquire properties and to secure tenants for its properties at satisfactory rental rates and on a timely basis.
- Regulatory Compliance – The Company cannot guarantee that the Group will maintain continued compliance with all of the REIT conditions. If the Company fails to maintain its REIT status, its rental income and capital gains may be subject to UK taxation which could have a material impact on the financial condition of the Company.
- Borrowing – The Company intends to use borrowings to acquire further properties and those borrowings may not be available at the appropriate time or on suitable terms. If borrowings are not available on suitable terms or at all this will have a material adverse impact on the returns to Shareholders and in particular the level of dividends paid. Whilst the use of borrowings should enhance the NAV where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Company's portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company.
- Development & Maintenance – Any development or refurbishment works may involve significant costs and may be adversely affected by certain restrictions. This could cause the resulting revenues to be lower than budgeted, and may cause the asset to fail to perform in accordance with the Company's investment projections, consequently impacting on the financial condition of the Company.

# AGENDA

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- 1 | Key Highlights
- 2 | UK Life Science Sector
- 3 | Financial Results
- 4 | Portfolio Review
- 5 | ESG
- 6 | Concluding Remarks
- 7 | Appendices

## Presenting Team



**Simon Farnsworth**  
Managing Director



**David Lewis**  
Finance Director

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<https://lifesciencereit.co.uk/>



01

# KEY HIGHLIGHTS

## IPO COMMITMENT

6 Assets  
in the  
Pipeline

Golden  
Triangle

NTAPS  
Growth

Team  
Build-up

## 30 JUNE 2022

6 Assets  
Acq'd

All  
within  
Golden  
Triangle

1.8%  
Growth  
to 102.0  
pence

Team of  
12

## KEY HIGHLIGHTS – DELIVERING ON OUR STRATEGY SET AT IPO

### Financial Results

- 7.4% LFL valuation uplift for the six months to 30 June 2022, demonstrating our ability to create value through off-market acquisitions
- £357.0m NTA / 102.0p NTA per share, reflecting revaluation gains and acquisition costs
- £150.0m debt facility agreed with HSBC comprised of a £75.0m term loan and a £75.0m RCF

### UK Life Science Sector

- Life science leased-up space rose by 11% to 629k sq ft
  - Strong macro drivers and lab vacancy rates at all time lows (0.0% in Cambridge)

### Portfolio Review & ESG

- £213.6m<sup>(1)</sup> of properties and development land acquired in a highly competitive market; all assets strategically located in the UK's Golden Triangle serving the needs of life science companies
- Significant reversionary potential in the investment portfolio<sup>(2)</sup>
  - ERV on occupied space of £13.9m<sup>(3)</sup>, reflecting an inbuilt reversion of 8.2%
- Progressed creation and leasing of Life Science hubs to ultimately drive rents higher
  - Lab fit out designs finalised at Rolling Stock Yard and on target to complete by Q1 2023
- Cambourne's EPCs reassessment led to a 65% LFL increase in EPCs A-C since Dec-21<sup>(2,4)</sup>

### Post Period-end Events

- Interest rate hedging agreed for the £75.0m HSBC term loan; 2.0% cap
- Declared interim dividend of 1 pence per share to be paid in October 2022
- Agreement for lease signed with Williams Advanced Engineering Ltd. at OTP Building 5
  - 56,500 sq ft; initial rent of £18.5 psf, rising to £20.0 psf

### Key Figures as at 30 June 2022

NTA  
£m / pence per share  
**357.0 / 102.0**

Earnings  
£m / pence per share  
**0.7 / 0.2**

LTV  
%  
**9.5**

CBRE Valuation  
£m / £ psf  
**413.4 / 471**

Completed Area<sup>(5,6)</sup>  
sq ft  
**489,300**

Contracted Rent<sup>(7)</sup>  
£m p.a. / £ psf  
**13.7 / 32.9**

Occupancy  
%  
**81.1**

WAULT to Expiry  
years  
**6.7**

NIY / NRY  
%  
**3.8<sup>(2)</sup> / 4.8**

### Key Figures as at 31 December 2021

NTA  
£m / pence per share  
**350.6 / 100.2**

Earnings  
£m / pence per share  
**(0.3) / (0.1)**

LTV  
%  
**--**

CBRE Valuation  
£m / £ psf  
**192.2 / 605**

Completed Area  
sq ft  
**317,400**

Contracted Rent  
£m p.a. / £ psf  
**9.3 / 29.3**

Occupancy  
%  
**81.4**

WAULT to Expiry  
years  
**6.6**

NIY / NRY  
%  
**4.6<sup>(8)</sup> / 5.0**



02

# UK LIFE SCIENCE SECTOR

## STRUCTURALLY SUPPORTED REAL ESTATE

Ageing  
Population

COVID-19  
Catalyst

Increasing  
Gov't  
Spending

Tech and  
Discovery

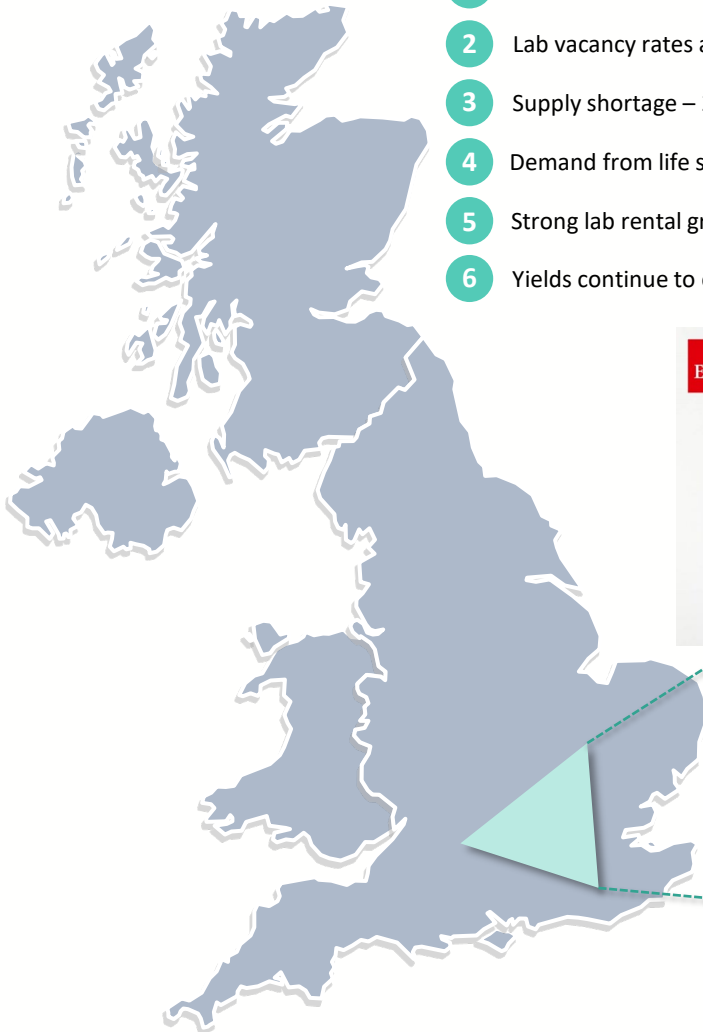
Global  
Firms  
Choosing  
the UK

Demand for  
Digital  
Health

# UK LIFE SCIENCE SECTOR – ‘GENIUS LOCI’, A PRIORITY

All assets strategically located in the UK’s Golden Triangle, a life science hotspot which has shown unprecedented strength

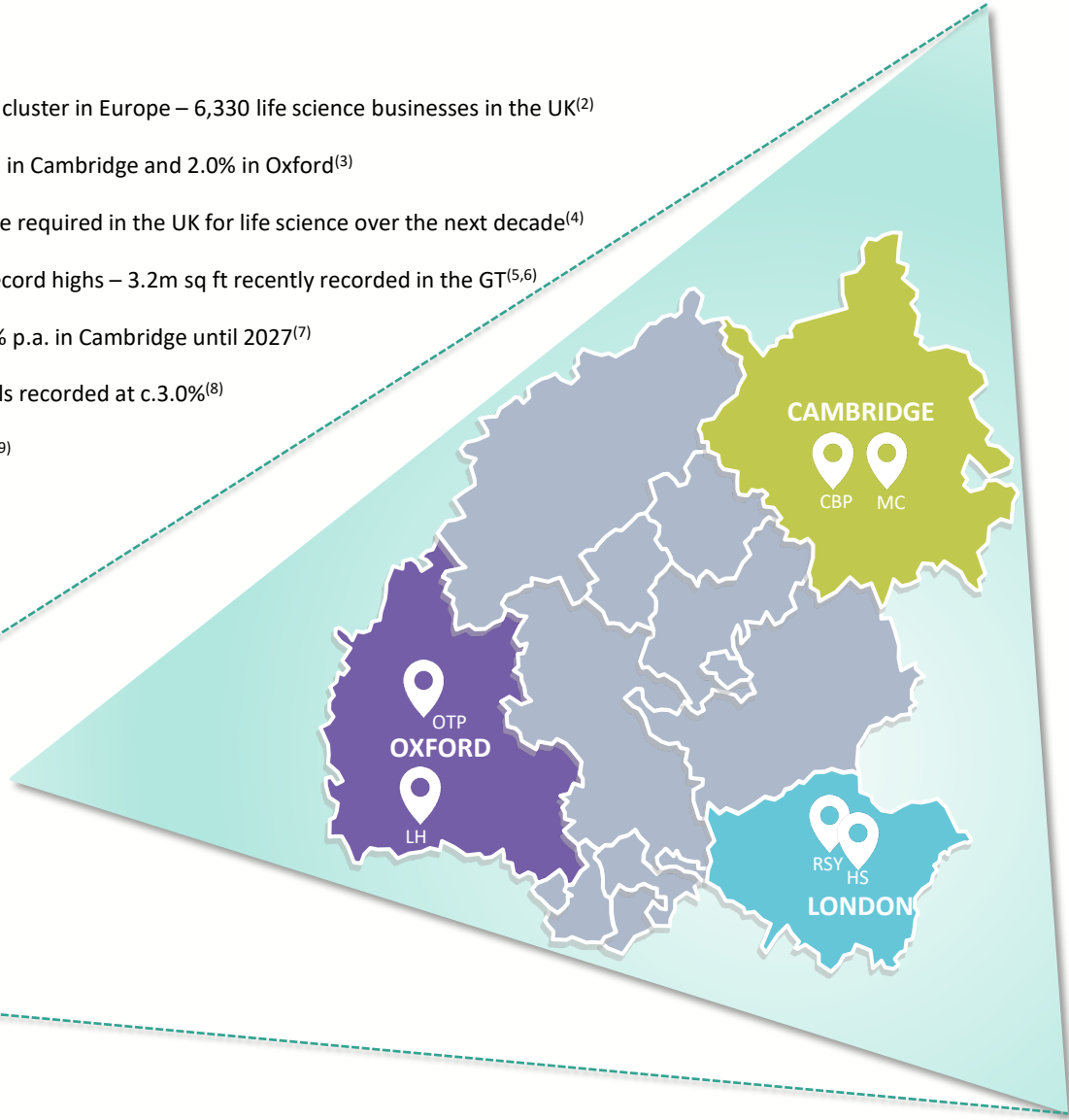
## Portfolio Location<sup>(1)</sup>



- 1 Focusing on the most important science cluster in Europe – 6,330 life science businesses in the UK<sup>(2)</sup>
- 2 Lab vacancy rates at all time lows – 0.0% in Cambridge and 2.0% in Oxford<sup>(3)</sup>
- 3 Supply shortage – 21m sq ft of new space required in the UK for life science over the next decade<sup>(4)</sup>
- 4 Demand from life science occupiers at record highs – 3.2m sq ft recently recorded in the GT<sup>(5,6)</sup>
- 5 Strong lab rental growth forecasts – 4.8% p.a. in Cambridge until 2027<sup>(7)</sup>
- 6 Yields continue to compress – latest deals recorded at c.3.0%<sup>(8)</sup>



(9)







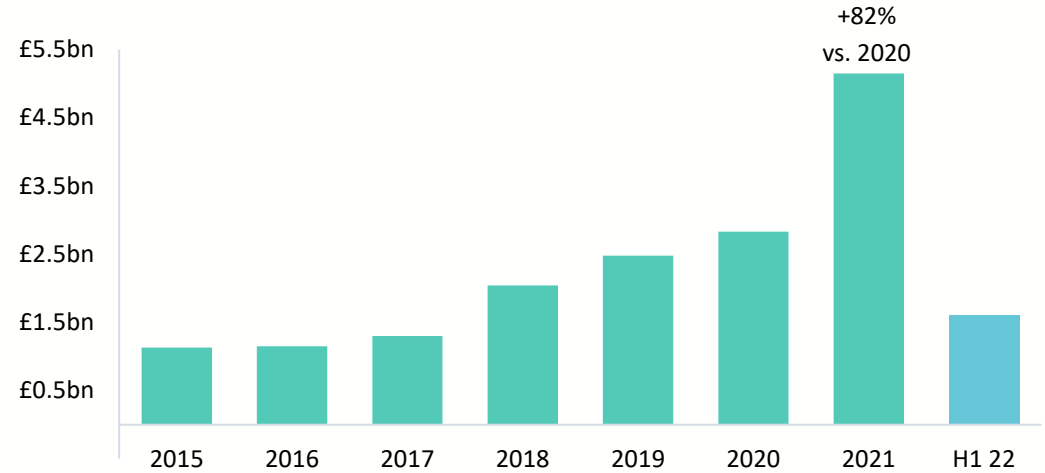
# UK LIFE SCIENCE SECTOR – KEY TRENDS & FIGURES

## H1 2022 life science leased-up space rose by 11% to 629K sq ft<sup>(1)</sup>

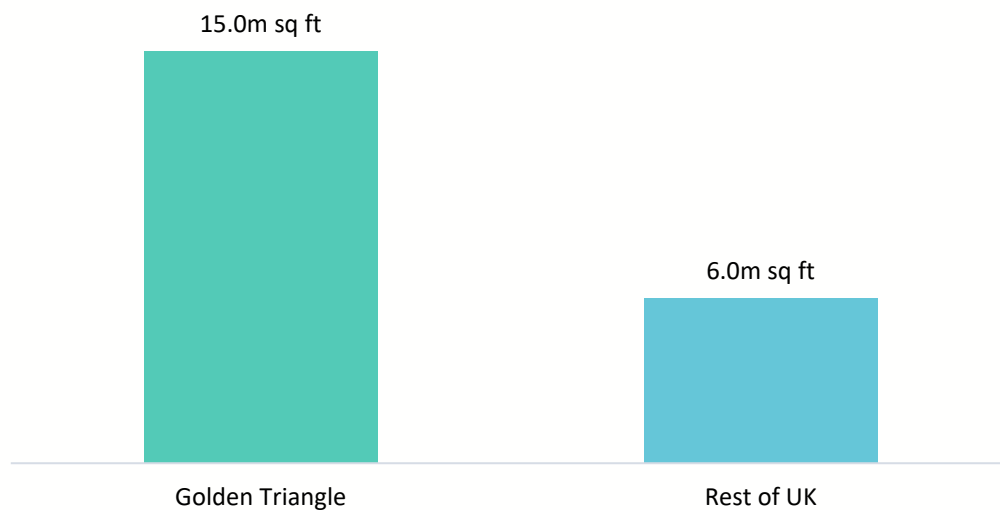
### Overview

- VC funding in UK life science companies, including biotech, pharma and medtech, reached £1.6bn in H1 22, down on last year's figure, but similar to that of 2020
  - Attributed to the wider uncertainty impacting the macro-economy
  - However companies in the sector are still growing
  - 11% increase in life science space take-up vs. H1 21
- As life science occupiers remain resilient and as new development completes, take-up continues to exceed long-term averages
- Underpinning this growth is the rise in public funding to the UK life science sector and the fact that big pharma has available dry powder to invest into the sector

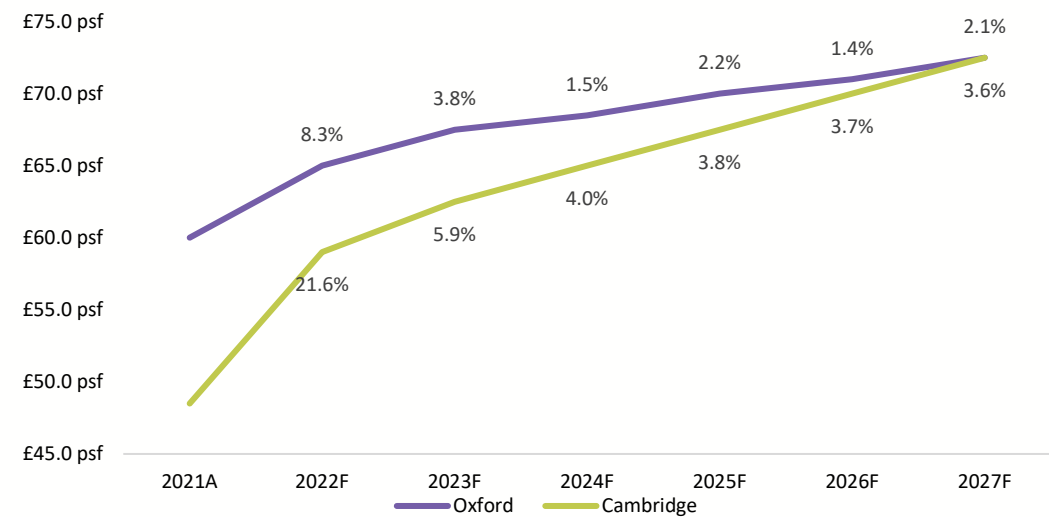
### VC Funding for Life Science Companies<sup>(3)</sup>



### Life Science Take-up Forecast in the Next Decade<sup>(2)</sup>



### Rental Growth Forecasts<sup>(4)</sup>





03

# FINANCIAL RESULTS

**£357.0m**  
EPRA NTA

**102.0p**  
EPRA NTA  
per share

**£0.7m**  
Adjusted  
Earnings

**0.2 pence**  
Adjusted  
Earning per  
Share

**9.5%**  
LTV

**£39.3m**  
Net Debt<sup>(1)</sup>

Note: Past performance is not indicative of future results

(1) Excludes unamortised fees asset of £1.2m

## FINANCIAL RESULTS – EARNINGS

### H1 2022 adjusted earnings of £0.7m

Earnings for the six months / six weeks ended	30 June 2022	31 December 2021
Revenue, £m <sup>(1)</sup>	5.6	0.5
Property operating expenses, £m <sup>(1,2)</sup>	(1.6)	-
Investment advisor fee, £m	(1.9)	(0.5)
Other administration expenses, £m	(0.7)	(0.3)
<b>Adjusted EBITDA, £m</b>	<b>1.4</b>	<b>(0.3)</b>
Net finance income / (costs), £m	(0.8)	-
<b>Adjusted earnings, £m</b>	<b>0.7</b>	<b>(0.3)</b>
<b>Adjusted EPS, pence</b>	<b>0.2</b>	<b>(0.1)</b>
Ongoing charges ratio, %	0.7	0.2

## FINANCIAL RESULTS – BALANCE SHEET

### EPRA NTA per share grows 1.8% to 102.0 pence

Balance sheet as at	30 June 2022	31 December 2021	% Change
Investment properties, £m	413.4	192.2	115.1%
Net cash/(debt), £m	(39.3)	166.0	(123.7%)
Other net liabilities, £m	(16.6)	(7.6)	(118.4%)
<b>IFRS NAV, £m</b>	<b>357.5</b>	<b>350.6</b>	<b>2.0%</b>
EPRA NTA adjustments, £m	(0.5)	-	--
<b>EPRA NTA, £m</b>	<b>357.0</b>	<b>350.6</b>	<b>1.8%</b>
Number of shares, million	350.0	350.0	--
<b>EPRA NTA per share, pence</b>	<b>102.0</b>	<b>100.2</b>	<b>1.8%</b>
Loan-to-value ratio	9.5%	n/a	n/a
Dividends per share <sup>(1)</sup>	Targeting 4.0% yield	Targeting 4.0% yield	n/a
Total accounting return	1.8%	n/a	n/a

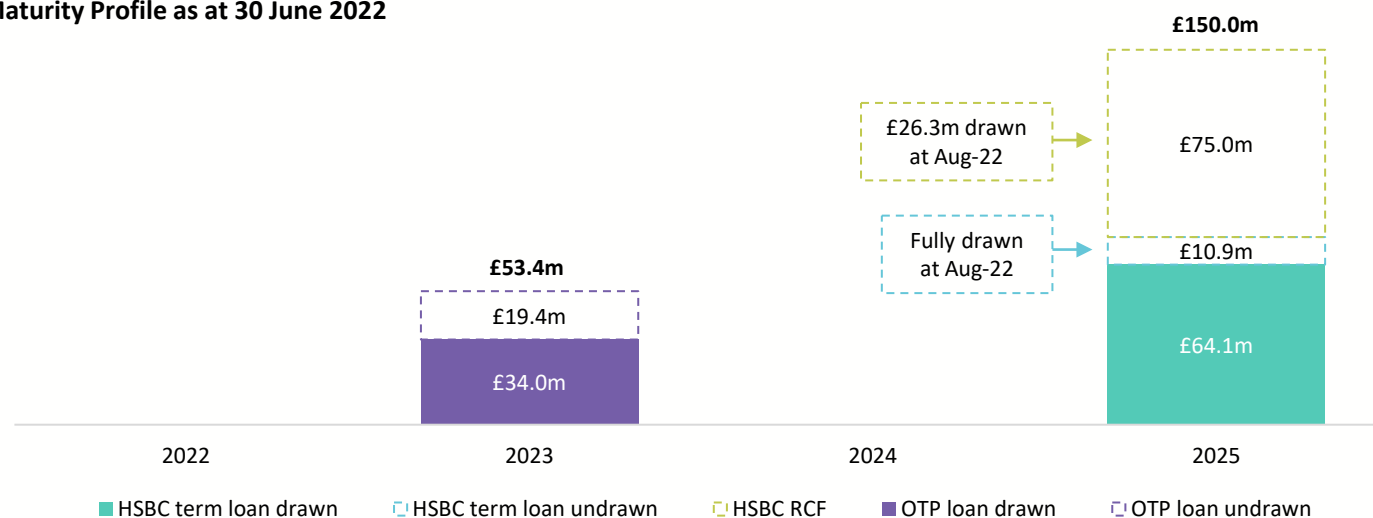
## FINANCIAL RESULTS – FINANCING & LIQUIDITY

### Initial HSBC draw down & OTP acquired debt; LTV of 9.5% as at 30 June 2022

#### Key Figures as at 30 June 2022

<b>Net Debt<sup>(1)</sup></b> £m <b>(39.3)</b>	<b>Avg. Debt Maturity</b> Years <b>2.3</b>
<b>HSBC Drawn Debt<sup>(2)</sup></b> £m <b>64.1</b>	<b>OTP Drawn Debt<sup>(3)</sup></b> £m <b>34.0</b>
<b>LTV</b> % <b>9.5</b>	<b>Gross LTV</b> % <b>23.7</b>

#### Maturity Profile as at 30 June 2022



#### Post Period End / Proforma Key Figures

<b>Liquidity</b> £m <b>164.0</b>	<b>Drawn Since Jun-22</b> £m <b>37.2</b>
<b>Target LTV</b> % <b>30.0 – 40.0</b>	<b>Gross LTV</b> % <b>32.7</b>
<b>SONIA Hedging</b> % (Drawn Debt Only) <b>77.1</b>	<b>Target OTP Refi</b> <b>Q1 2023</b>

#### Pro-forma Liquidity Position

	£m
Cash	58.7
OTP debt undrawn	19.4
HSBC debt undrawn	10.9
HSBC RCF undrawn	75.0
<b>Liquidity at 30 June 2022</b>	<b>164.0</b>
HSBC debt drawn	(37.2)
Cash impact of drawdown	37.2
<b>Proforma liquidity</b>	<b>164.0</b>



04

# PORTFOLIO REVIEW

## RESILIENT REAL ESTATE AND SOLID STRATEGY

8.2%  
Inbuilt  
Reversion<sup>(1)</sup>

Acquire Life  
Science  
Hubs in Key  
Locations

Reposition  
Vacant  
Space to Life  
Science Uses

Let Vacant  
Space to  
Life Science  
Occupiers

Active AM<sup>(2)</sup>  
to Improve  
Hubs incl.  
Amenities

Leads to  
Increased  
Rental Tones  
and Capital  
Values

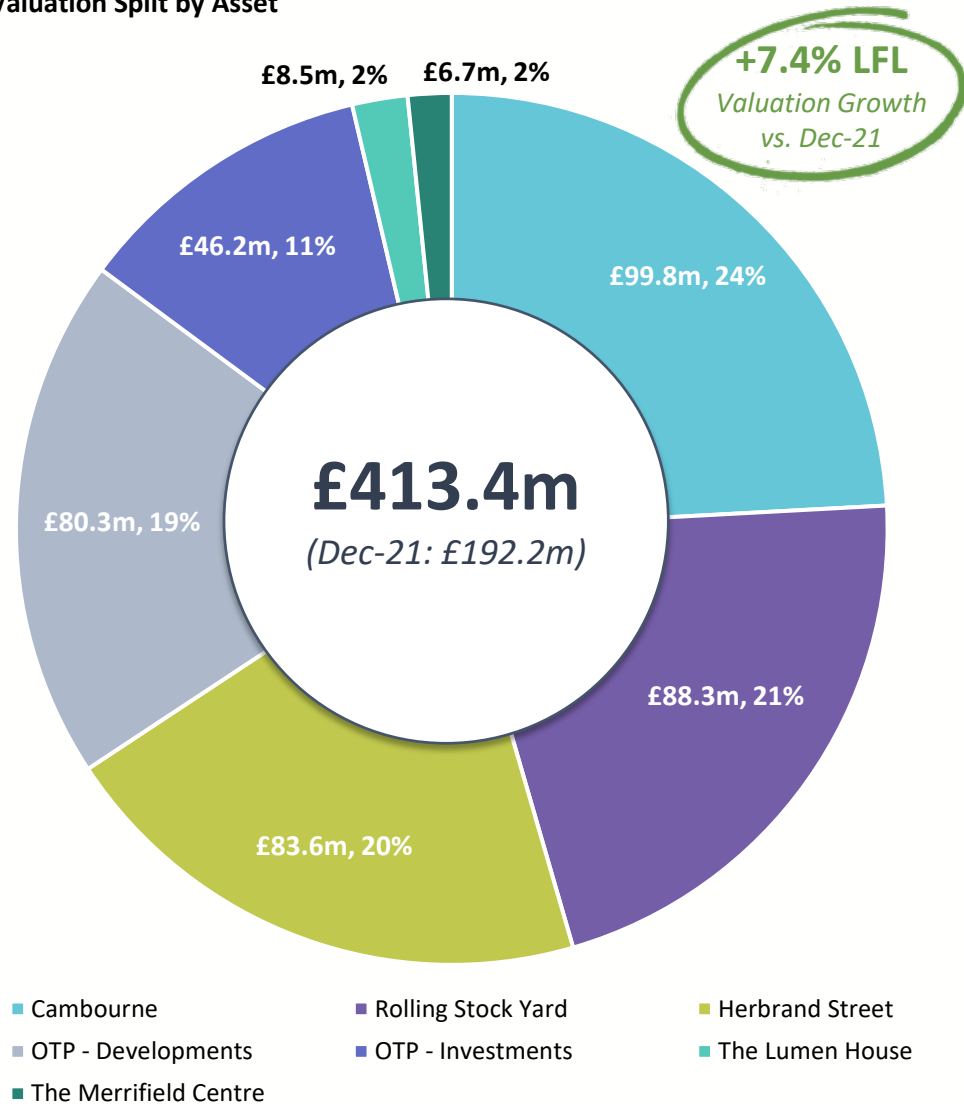
Note: Past performance is not indicative of future results

(1) Based on let area as at 30 June 2022; (2) Asset Management

# PORTFOLIO REVIEW – VALUATION AS AT 30 JUNE 2022

## 7.4% LFL valuation growth driven by ERV growth and yield compression

Valuation Split by Asset



	Jun-22	Dec-21	Change
<b>ERV<sup>(1)</sup></b>	£17.2m	£10.1m	<b>+70.4%</b>
<b>LFL ERV</b>	£10.8m	£10.1m	<b>+7.0%</b>
<b>NIY</b>	3.8%	4.6%	<b>-79bps</b>
<b>NRY</b>	4.8%	5.0%	<b>-24bps</b>

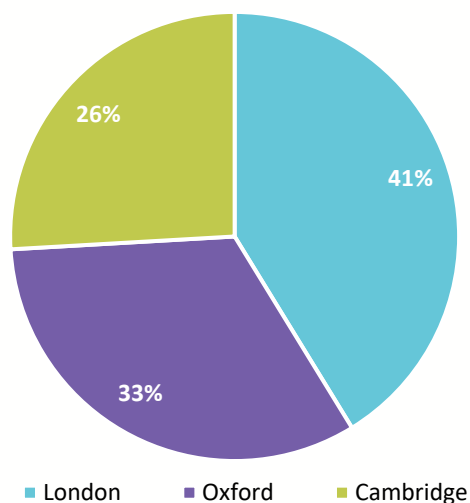
# PORTFOLIO REVIEW – OVERVIEW

## Strong Q2 2022 portfolio occupancy despite repositioning and construction activity

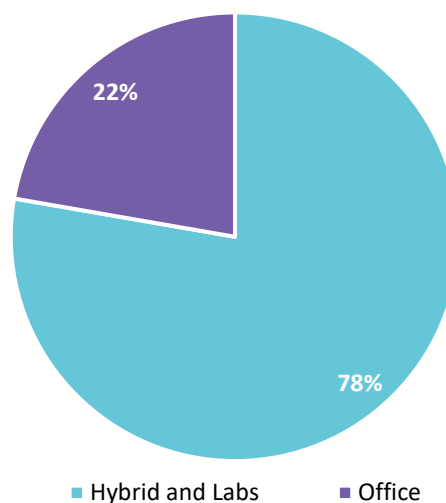
Overview as at 30 June 2022

Asset	Valuation		Area sq ft	Occupancy %	WAULT to Break Years	WAULT to Expiry Years	Contracted Rent		NIY %	NRY %
	£m	£ per sq ft					£m p.a.	£ per sq ft		
Rolling Stock Yard	88.3	1,638	53,900 <sup>(1)</sup>	66.7%	4.0	7.0	3.5	65.5	3.7%	4.3%
The Merrifield Centre	6.7	531	12,600	100.0%	4.5	9.5	0.3	23.1	4.1%	5.3%
The Lumen House	8.5	483	17,600	100.0%	--	0.9	0.3	18.7	3.6%	6.2%
Cambourne Business Park	99.8	429	232,600	80.2%	2.6	6.0	4.1 <sup>(4)</sup>	22.0	3.9%	5.4%
Herbrand Street	83.6	1,245	67,100	100.0%	--	4.3	4.0	59.8	4.5%	4.6%
Oxford Technology Park - Investments	46.2	438	105,500	66.8% <sup>(3)</sup>	14.6	15.8	1.4	17.9	2.8%	4.6%
<b>Investment Assets</b>	<b>333.1</b>	<b>681</b>	<b>489,300</b>	<b>81.1%</b>	<b>5.0</b>	<b>6.7</b>	<b>13.7</b>	<b>32.9</b>	<b>3.8%</b>	<b>4.8%</b>
Oxford Technology Park - Developments	80.3	207	388,100 <sup>(2)</sup>	--	--	--	--	--	--	4.9%
<b>Developments</b>	<b>80.3</b>	<b>207</b>	<b>388,100</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.9%</b>
<b>Total / Average</b>	<b>413.4</b>	<b>471</b>	<b>877,400</b>	<b>81.1%</b>	<b>5.0</b>	<b>6.7</b>	<b>13.7</b>	<b>32.9</b>	<b>3.8%</b>	<b>4.8%</b>

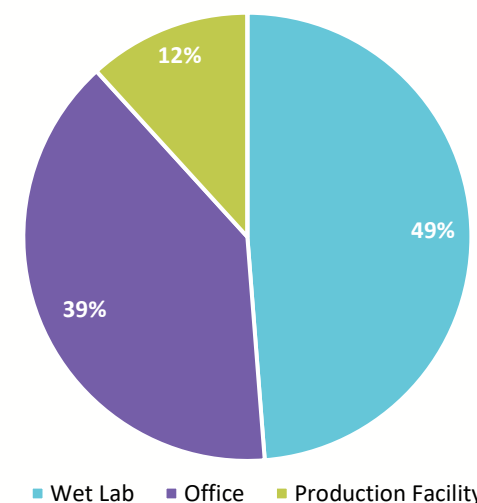
Asset Location by Valuation



Asset Type by Valuation<sup>(5)</sup>



Life Science Occupier Area by Floor Type<sup>(6)</sup>

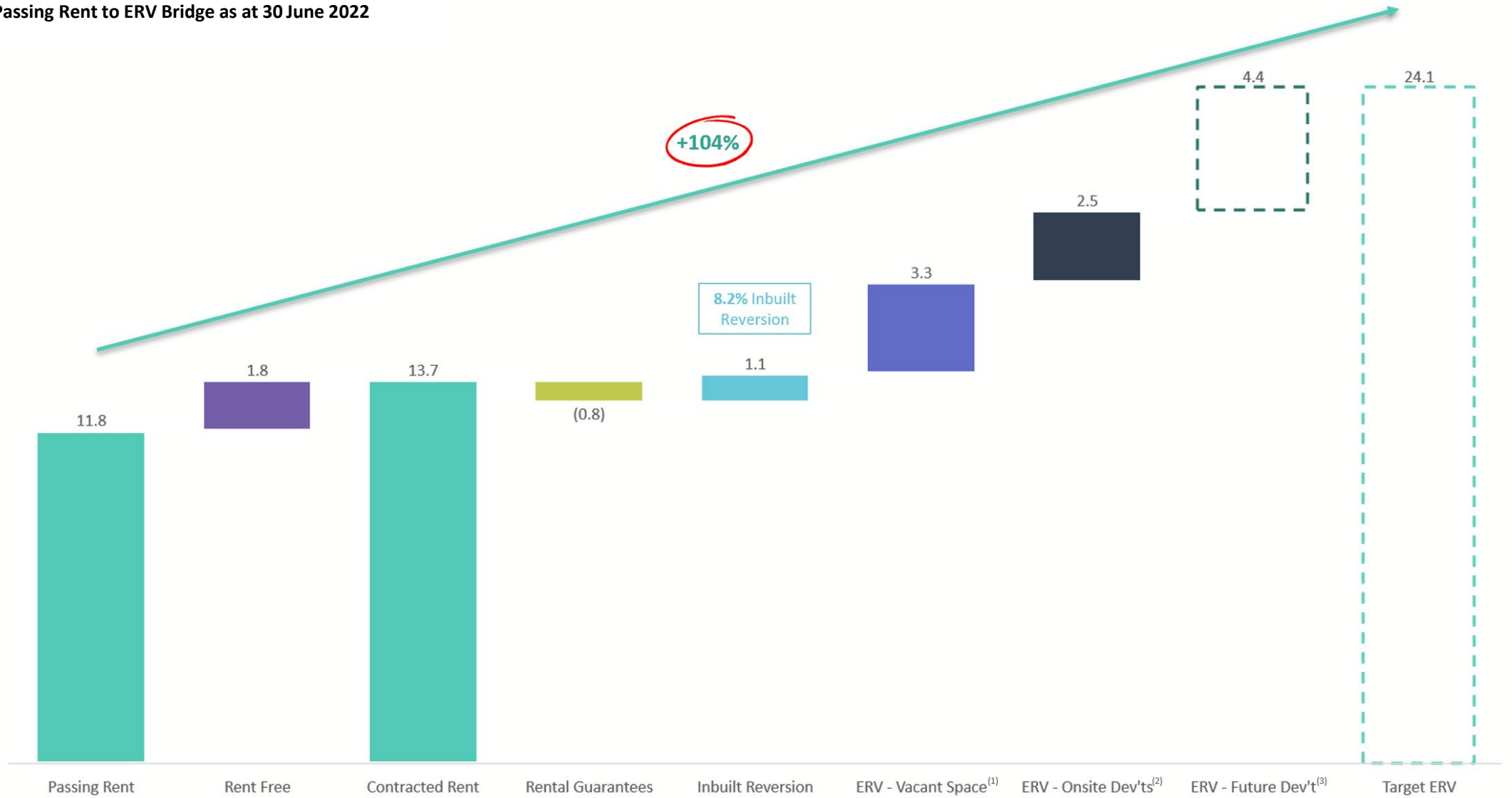




# PORTFOLIO REVIEW – POTENTIAL ADDITIONAL RENT

+ 104% rental upside to be captured through rent reviews, letting of vacant space and letting of development pipeline

Passing Rent to ERV Bridge as at 30 June 2022



# PORTFOLIO REVIEW – WHAT ARE OUR FORMS OF REAL ESTATE?

## Types of Real Estate

**Wet Lab**

**NativeAntigen** **NANNA THERAPEUTICS** **PacBio** **GYROSCOPE**

**Production Facilities**

**ZEISS** **WILLIAMS** **ADVANCED ENGINEERING** **NativeAntigen**

**Dry Lab**

**PacBio** **Under Offer**

**Offices**

**ZEISS** **NativeAntigen** **PacBio**

# PORTFOLIO REVIEW – TENANT BASE IN TRANSITION

22 tenants; those of which do not operate in the life sciences sector are expected to exit the list in the coming years

## Top Ten Occupiers as at 30 June 2022

#	Name	Asset <sup>(1)</sup>	Rent p.a. (£m)	% of Total
1	Thought Machine	HS	4.0	29%
2	Gyroscope	RSY	1.5	11%
3	Carl Zeiss	CBP	1.0	7%
4	Xero (UK)	RSY	0.7	5%
5	Regus	CBP	0.7	5%
6	MTK Wireless	CBP	0.7	5%
7	Premier Inn	OTP	0.7	5%
8	Native Antigen	OTP	0.5	4%
9	Pacific Biosciences	RSY	0.5	3%
10	U Blox Melbourn	CBP	0.4	3%
<b>Subtotal – Top Ten</b>			<b>10.7</b>	<b>78%</b>
Remaining <sup>(2)</sup>			3.0	22%
<b>Total</b>			<b>13.7</b>	<b>100%</b>

## Key Figures as at 30 June 2022

Tenants

22

Contracted Rent<sup>(2)</sup>  
£m p.a. / £ psf

13.7 / 32.9

Wet Lab / Production<sup>(3)</sup>  
% of Floor Area

49 / 12

## Life Science Occupiers



# PORTFOLIO REVIEW – OXFORD TECHNOLOGY PARK

## Creating the next generation of life science space

### Key Figures as at 30 June 2022

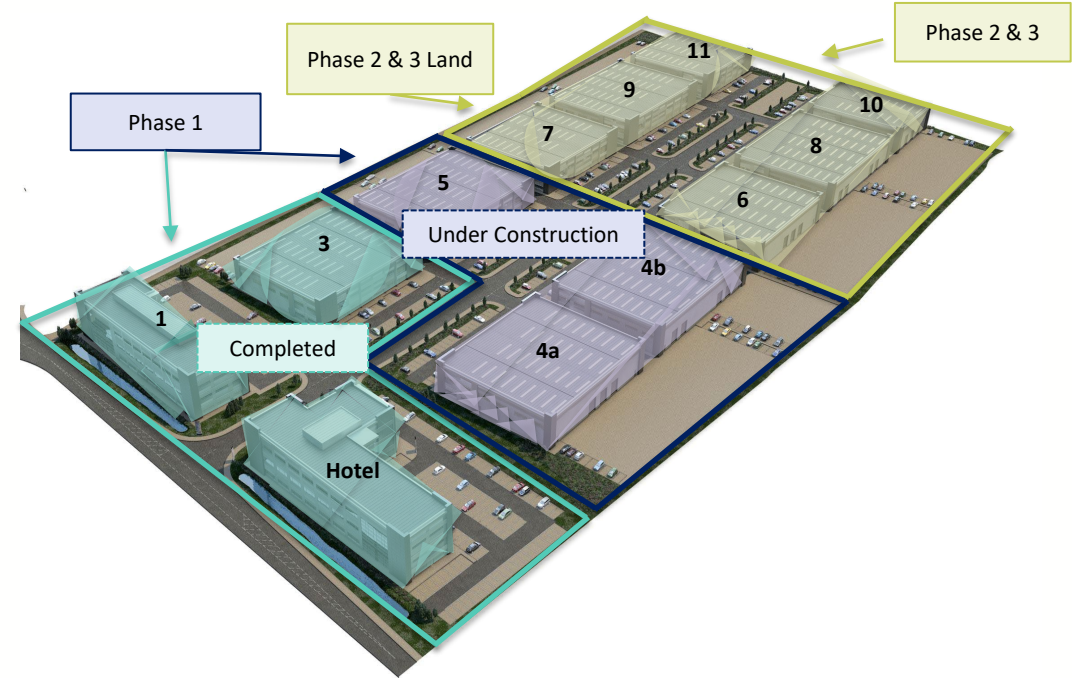
<b>CBRE Valuation</b> £m	<b>Area<sup>(1)</sup></b> Sq ft	<b>Contracted Rent</b> £m p.a. / £ psf
126.5	458,600	1.4 / 17.9
<b>Occupancy</b> %	<b>WAULT to Expiry</b> years	<b>NIY / NRY</b> %
66.8	15.8	2.8 / 4.7

### Overview

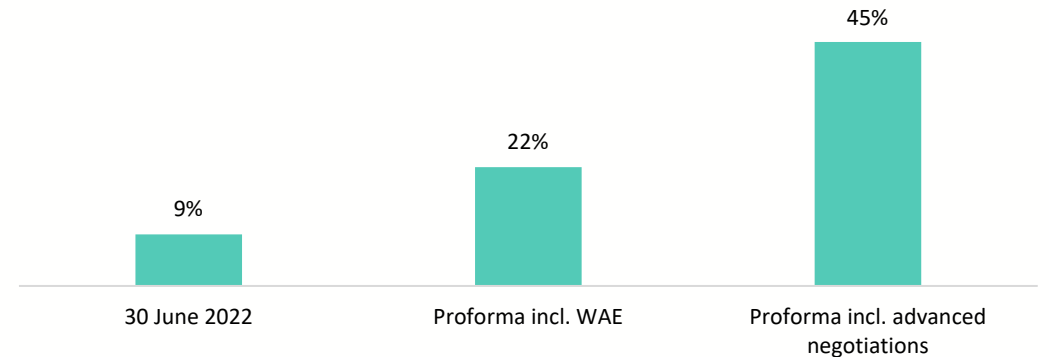
- Life science / technology campus under construction
- 458,600 sq ft of mixed space over 11 buildings and a fully leased hotel
- Wet labs, dry labs, offices or production facilities
- Buildings differ in size and purpose, with Building 1 being an HQ style office and Buildings 4a & 4b comprising an 11-unit IQ catering to life science SMEs
- Terms are currently being discussed with potential life science occupiers on all up and built space as well as buildings yet to begin construction
- BREEAM 'Excellent' and EPCs ranging A – B

### Asset Management

- Agreement for Lease signed with Williams Advanced Engineering Ltd. (WAE) post year-end for 56,500 sq ft at an initial rent of £18.5 psf which rises to £20.0 psf after 18 months
  - WAE develops and provides leading edge technology to companies focussing on green energy and medical engineering
- Initial discussions with local operators to provide amenities such as a café and gym
- Planning application has been submitted for buildings 6 & 7 and is awaiting approval



### Leased-up Space<sup>(2)</sup>



# PORTFOLIO REVIEW – OXFORD TECHNOLOGY PARK (CONT'D)

As at September 2022



# PORTFOLIO REVIEW – ROLLING STOCK YARD

## Creating the next generation of life science space

### Key Figures as at 30 June 2022

<b>CBRE Valuation</b> £m <b>88.3</b>	<b>Area<sup>(1)</sup></b> Sq ft <b>53,900</b>	<b>Contracted Rent</b> £m p.a. / £ psf <b>3.5 / 65.5</b>
<b>Occupancy</b> % <b>66.7</b>	<b>WAULT to Expiry</b> years <b>7.0</b>	<b>NIY / NRY</b> % <b>3.7 / 4.3</b>





### Overview

- King’s Cross office development completed in 2020
- Located north of new Google / DeepMind HQ in the Knowledge Quarter
- Comprises 9 floors of contemporary office and laboratory space, a lobby and a roof terrace offering panoramic views across London
- Includes 110 cycle spaces, 16 showers and 65 lockers
- Occupiers include Gyroscope Therapeutics Ltd and Pacific Biosciences Ltd.
- BREEAM ‘Excellent’ and A-22 EPC rating



### Asset Management

- Speculative lab fit out on vacant 1<sup>st</sup> and 2<sup>nd</sup> floors on target to complete by Q1 2023 
  - Budget is c.£1.8m equating to £130.0 psf
  - In discussions with potential occupiers at a rent of £110.0 psf
- Reception and business lounge upgrades to complete by Q1 2023 
- Marketing agents appointed to refresh materials and target life science occupiers
- Installation of a Backbone Connect full-fibre broadband system underway



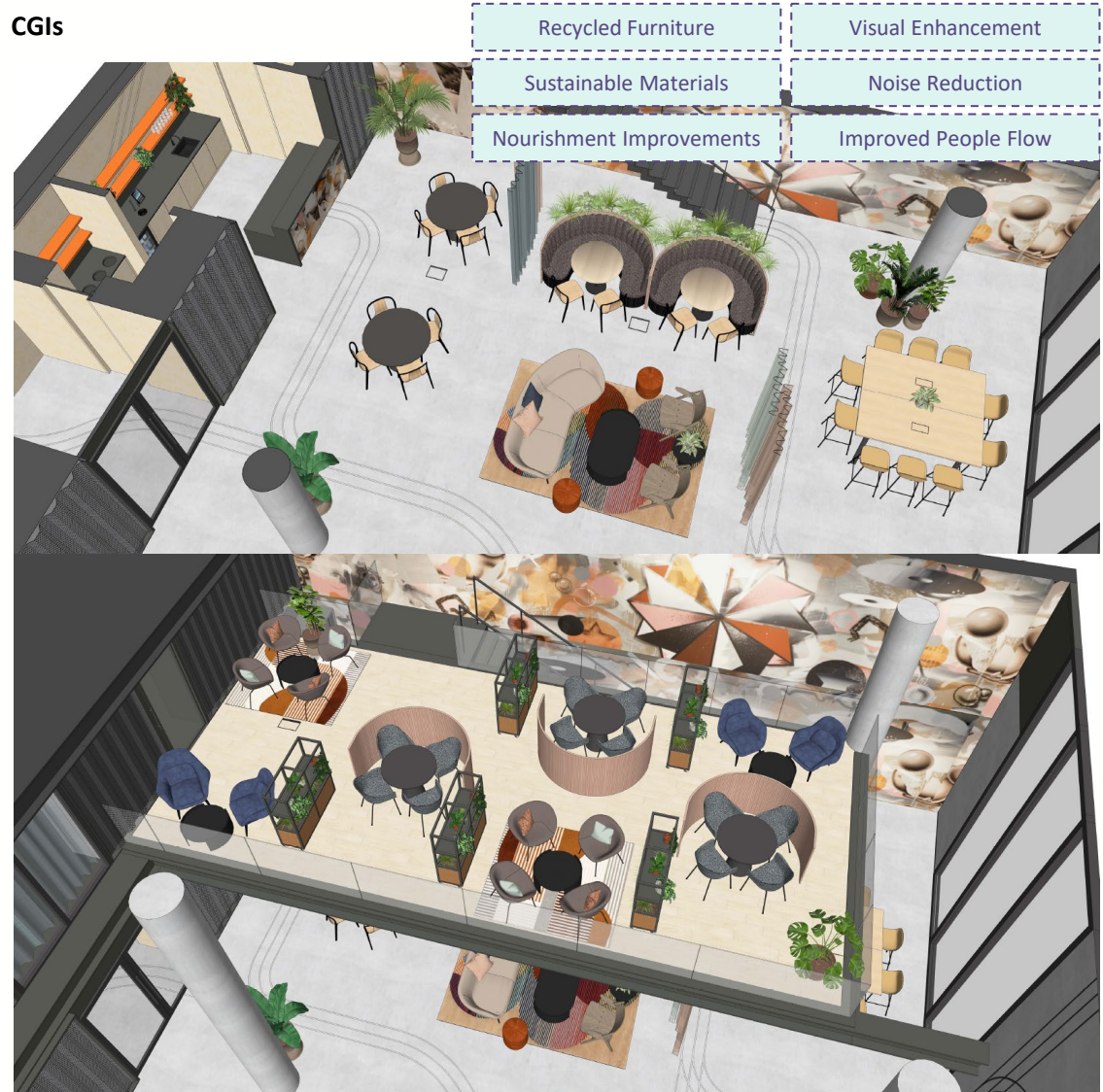
# PORTFOLIO REVIEW – ROLLING STOCK YARD’S RECEPTION REFURBISHMENT

Significant refurbishment aiming to provide occupiers with an active life science hub; target completion by Q1 2023

Before



CGIs



# PORTFOLIO REVIEW – CAMBOURNE BUSINESS PARK, CAMBRIDGE

## Creating the next generation of life science space

### Key Figures as at 30 June 2022

<b>CBRE Valuation</b> £m <b>99.8</b>	<b>Area</b> Sq ft <b>232,600</b>	<b>Contracted Rent<sup>(1)</sup></b> £m p.a. / £ psf <b>4.1 / 22.0</b>
<b>Occupancy</b> % <b>80.2</b>	<b>WAULT to Expiry</b> years <b>6.0</b>	<b>NIY / NRY</b> % <b>3.9 / 5.4</b>

### Overview

- 6 buildings built in 1999 – 2000 and acquired through two separate phases
- Located 8 miles to the west of Cambridge city centre and 2 miles southeast of junction 13 of the M11, providing access to London and the M25
- Avg. C-62 EPC rating, a significant improvement from avg. D-83 at Dec-21
- 13 tenants across all buildings
- Building 1030 is fully let to Carl Zeiss AG, an internationally leading technology company operating in the optics and optoelectronics industries. Their microscopes are a key enabling technology in both high-tech industries and life sciences research

### Asset Management

- Negotiating terms to lease 15,000 sq ft of life science space in Building 2020
- Feasibility study conducted by Savills shows suitability of existing buildings for conversion to labs and identified locations for new purpose-built lab facilities
- Limewash completed initial phase of developing an appropriate brand and marketing materials to attract life science occupiers
- LED lighting upgrades to car parking installed
- Looking to improve EV vehicle charging points






A photograph of laboratory glassware including a tall test tube with orange liquid, a smaller test tube with blue liquid, and two Erlenmeyer flasks with green and blue liquids. The background is a gradient of purple and blue.

# 05

## ESG

Progressed  
OTP Dev't &  
RSY's Lab  
Fitout

OTP BREEAM  
Outstanding &  
RSY's  
Enlivenment  
Reception  
Upgrade

65% LFL  in  
EPCs A-C vs.  
Dec-21<sup>(1)</sup>

Specialist  
Sustainability  
Consultant  
Engaged

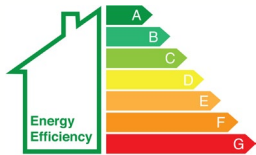
Dedicated &  
Talented  
Research  
Resource  
Onboarded

Investment  
Adviser Trained  
on HR, H&S &  
Compliance

Note: Past performance is not indicative of future results

(1) Based on Area

# ESG – Q4 2022 PRIORITIES



2022 EPRA Gold Award



## Environment

### Specialist consultant engaged

- Complete materiality review
- Set level of commitment
- Complete carbon footprint baseline
- Develop a sustainability policy & roadmap

### Improve energy efficiency

- Focus on EPC ratings at C or above
- High development and refurb standards: BREEAM Excellent, EPC A/B, sustainable materials, noise considerations
- Approach in refurb not rebuild
- Asset by asset approach: green tariffs and working on data consumption capture

### Integration into business cycle

- Adopting TCFD best practice

## Social

### Creating space for life science

- Lab enabling vacant office space
- Developing new labs in key locations
- Targeting life science tenants

### Creating hubs for science

- High standard amenities for refurbs and design: enlivenment of communal areas, cafes and breakout areas e.g. Fitwell considerations at RSY
- Maintain rigorous H&S
- Asset managers building awareness of community
- Dedicated & talented research resource creating opportunities and links to industry

## Governance

### Experienced & diverse team

- 100% independent Board members
- 50% female Board members
- 100% independent Audit and Remuneration Committee

### Strong corporate governance framework

- Team trained on HR, H&S and compliance essentials
- Underpinned by G10 (AIFM) and Link Company Matters Ltd. (CoSec)

### Governance, policies, risk and disclosing

- Key policies to disclose publicly
- Risk management (including climate-related risk)
- Adopting EPRA sBPR, target silver

# ESG UPDATE – DRASTICALLY IMPROVED EPCS

The EPC ratings at Cambourne Business Park have been reassessed, resulting in an improvement from D's to C's for the whole park

EPCs by Area as at 31 December 2022<sup>(1,2)</sup>

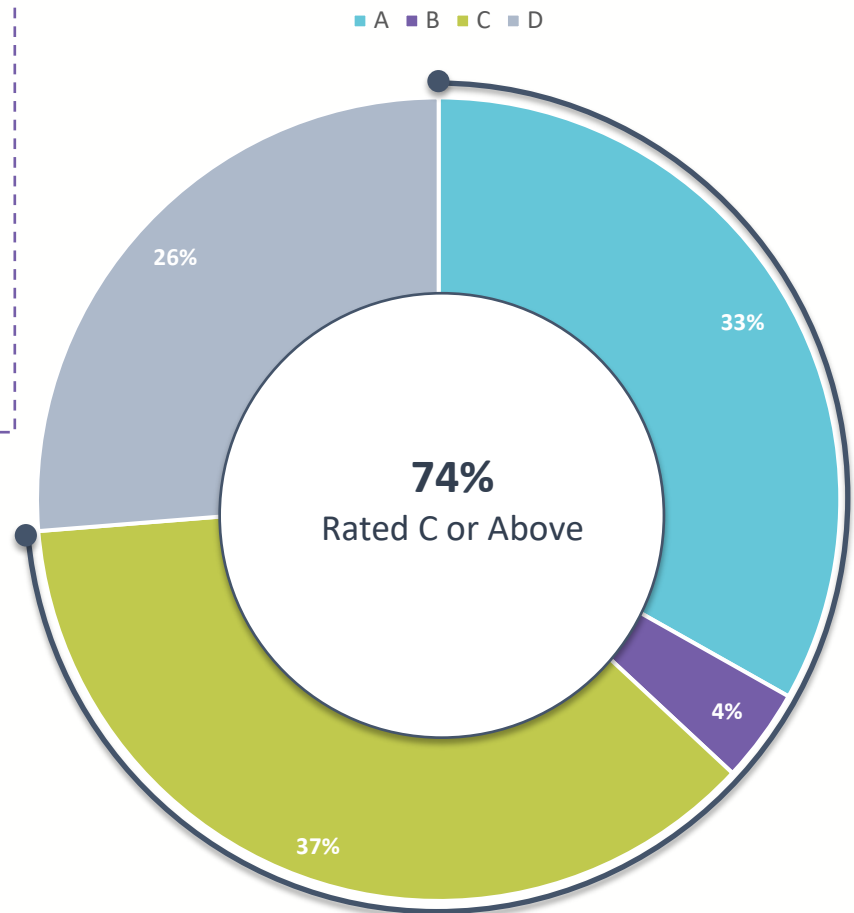
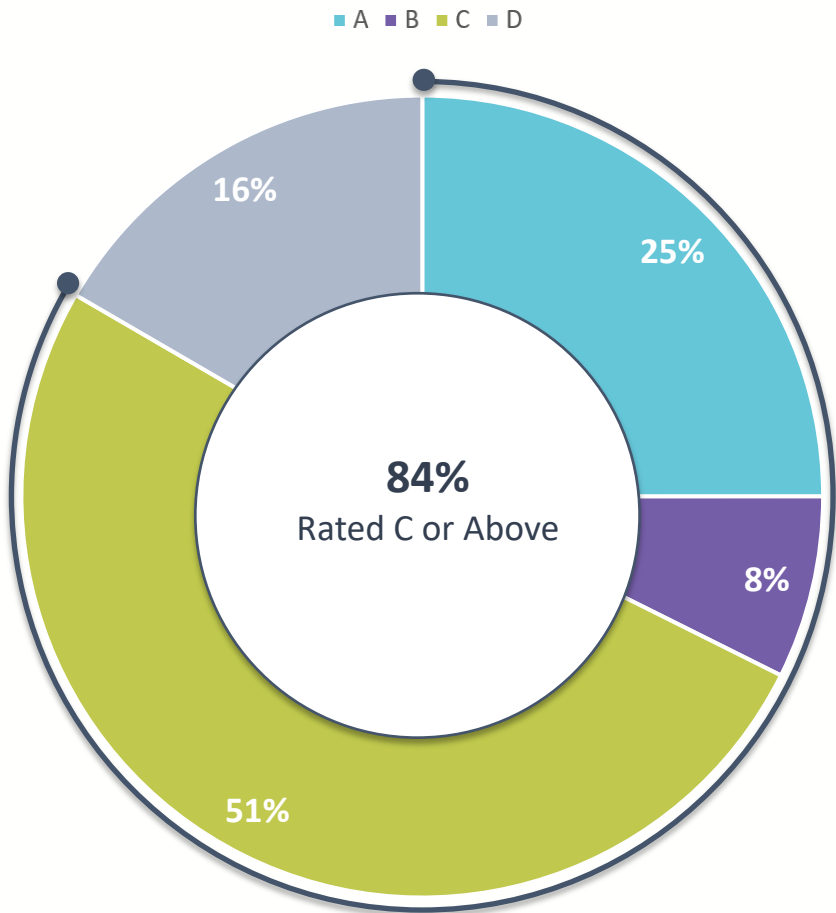
EPCs by ERV as at 31 December 2022<sup>(1,3)</sup>

**65%** LFL increase in EPCs A-C since Dec-21

**50%** LFL increase in EPCs A-C since Dec-21

Target EPC ratings at C or above to comply with 2027 regulations

- Four assets comply with this standard<sup>(4)</sup>
- The Merrifield Centre has been refurbished; we believe the EPC is likely to improve
- Herbrand Street is a Grade II listed asset and may be exempt from complying with 2027 regulations





06

# CONCLUDING REMARKS

## TODAY

6 Assets  
Acquired

All within  
Golden  
Triangle

1.8% NTAPS  
growth to  
102.0  
pence

## NEXT 6 MONTHS

Grow the  
Portfolio

Selectively  
Explore  
Assets  
Outside  
Triangle

Progress  
Lab  
Delivery  
Plan to  
Grow  
NTAPS



# 07

## APPENDICES

- 7.1 Management Agreements and Arrangements
- 7.2 EPRA Performance Metrics
- 7.3 EPRA Net Asset Values
- 7.4 Movement in Valuations
- 7.5 Life Science REIT plc – Board of Directors
- 7.6 Ironstone Asset Management Ltd. – Investment Advisor
- 7.7 Life Science REIT plc – History
- 7.8 Glossary

## APPENDIX 7.1 – MANAGEMENT AGREEMENT AND ARRANGEMENTS

Investment Advisor	Ironstone Asset Management Ltd.
Fees	1.1% of NAV up to £500m; 0.9% of NAV between £500m - £1bn; 0.75% of NAV over £1bn. No performance fee or acquisition fee
Term	24 months' notice post four year anniversary of the date of admission
Board of Directors	Claire Boyle, Dr Sally Ann Forsyth OBE, Mike Taylor, Richard Howell
Listing	Investment company listing on the AIM Market of the London Stock Exchange
Tax Status	UK REIT regime
AIFM	G10 Capital Ltd.
Strategy	Invest in a diversified portfolio of UK properties that are leased or intended to be leased to tenants operating in the life science sector
Target Total Accounting Return	+10% (Dividends plus NAV growth)
Target Dividend	REIT policy to distribute at least 90% of property income
Dividend Frequency	To be paid half-yearly
NTA	EPRA NTA £357.0m or 102.0p per share as of 30 June 2022
Borrowings	£150m debt facility agreed with HSBC post period end, comprising a £75m three-year term loan and a £75m RCF (225 bps over SONIA) and a £53.4m debt facility with Fairfield due to expire in June 2023 (712 bps over SONIA)
LTV	9.5% as at 30 June 2022
Target LTV	30.0% – 40.0%
Market Capitalisation	£314m as at 20 September 2022

## APPENDIX 7.2 – EPRA PERFORMANCE MEASURES

Six months/weeks ended	30 June 2022	31 December 2021
EPRA earnings, £m	0.7	(0.3)
EPRA cost ratio (incl. void costs), %	73.6	163.5
EPRA cost ratio (excl. void costs), %	55.7	163.5

As at	30 June 2022	31 December 2021
EPRA NTA per share, pence	102.0	100.2
EPRA NDV per share, pence	102.1	100.2
EPRA NRV per share, pence	110.0	103.9
EPRA NIY, %	2.5	4.4
EPRA 'topped-up' NIY, %	3.1	4.5
EPRA vacancy rate, %	18.9	19.1

Six months/weeks ended	30 June 2022	31 December 2021
Adjusted earnings, £m <sup>(1)</sup>	0.7	(0.3)
<b>EPRA earnings, £m</b>	<b>0.7</b>	<b>(0.3)</b>
Change on properties' fair value, £m	5.8	8.0
Movement in fair value of derivatives, £m	0.4	-
<b>IFRS profit for period, £m</b>	<b>6.9</b>	<b>7.7</b>
EPRA EPS, pence	0.2	(0.1)
Dividends per share <sup>(2)</sup>	n/a	n/a
IFRS EPS	2.0	

## APPENDIX 7.3 – EPRA NET ASSET VALUES

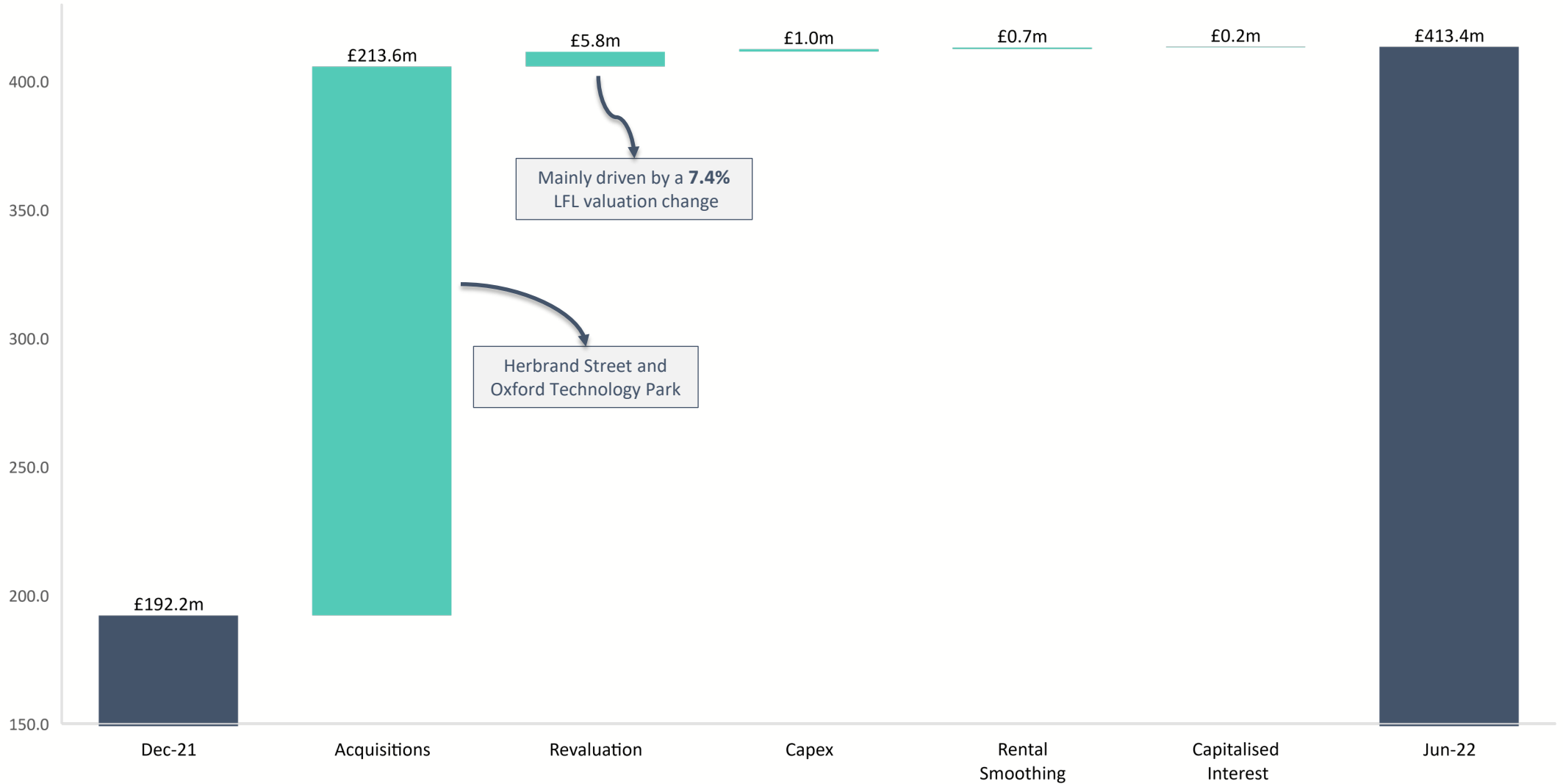
As at 30 June 2022, £m	EPRA NTA	EPRA NRV	EPRA NDV
IFRS net assets	357.5	357.5	357.5
Real estate transfer tax <sup>(1)</sup>	-	28.1	-
	(0.5)	(0.5)	-
<b>Net assets</b>	<b>357.0</b>	<b>385.1</b>	<b>357.5</b>
Number of shares (million)	350.0	350.0	350.0
<b>Net assets per share, pence</b>	<b>102.0</b>	<b>110.0</b>	<b>102.1</b>
As at 31 December 2021, £m	EPRA NTA	EPRA NRV	EPRA NDV
IFRS net assets	350.6	350.6	350.6
Real estate transfer tax <sup>(1)</sup>	-	13.1	-
	-	-	-
<b>Net assets</b>	<b>350.6</b>	<b>363.7</b>	<b>350.6</b>
Number of shares (million)	350.0	350.0	350.0
<b>Net assets per share, pence</b>	<b>100.2</b>	<b>103.9</b>	<b>100.2</b>



## APPENDIX 7.4 – MOVEMENT IN VALUATIONS SINCE DEC-21

### 7.4% LFL valuation growth driven by ERV growth and yield compression

#### Bridge



## APPENDIX 7.5 – LIFE SCIENCE REIT PLC BOARD OF DIRECTORS



### Claire Boyle

Chair and  
Non-Executive Director

Appointed as a Director of the  
Company on 14 October 2021

Claire is a NED and chair of the audit  
committee of Fidelity Special Values  
and Aberdeen Japan Investment  
Trust and a NED of The Monks  
Investment Trust

Over 20 years' experience working  
in financial services and investment  
management, having qualified as a  
chartered accountant with Coopers  
and Lybrand

Claire has a degree in Natural  
Sciences from Durham University



### Richard Howell

Audit and Risk Committee  
Chair and Senior Independent  
Non-Executive Director

Appointed as a Director of the  
Company on 3 May 2022

Richard is CFO of Primary Health  
Properties plc, the FTSE-250 REIT  
and leading investor in flexible,  
modern primary healthcare  
accommodation across the UK and  
Ireland

Over 25 years' of commercial  
property experience within the  
listed property sector

Richard is a qualified accountant  
and has a degree in Accounting and  
Finance from Kingston University



### Dr Sally Ann Forsyth OBE

Non-Executive Director

Appointed as a Director of the  
Company on 14 October 2021

Sally Ann is CEO of the Stevenage  
Bioscience Catalyst and is a pioneer  
of the Life Science real estate  
industry with over 16 years of  
experience delivering outstanding  
science parks

Sally Ann has a PhD in molecular  
biology from the University of  
Cambridge, a certificate in Real  
Estate Economics and Finance from  
LSE and is a qualified management  
accountant (CGMA)

She was awarded an OBE for  
services to Business and Science in  
2021



### Mike Taylor

Management Engagement  
Committee Chair and Non-  
Executive Director

Appointed as a Director of the  
Company on 14 October 2021

Mike is a Commercial Director for  
the British Heart Foundation (the  
"BHF"), where he is responsible for  
their commercial revenues across  
720 retail outlets, online channels  
and commercial health ventures,  
with annual revenues of over  
£200m. The BHF funds Life Science  
research into heart and circulatory  
diseases

Mike has a degree in Economics  
from the University of East Anglia

## APPENDIX 7.6 – IRONSTONE ASSET MANAGEMENT LTD. INVESTMENT ADVISOR

**Ironstone Asset Management Ltd.**  
Investment Adviser to Life Science REIT plc



Stephen Barrow  
Chair  
Non-Executive Director



Simon Hope FRICS  
Vice-Chair  
Non-Executive Director



Simon Farnsworth  
Managing Director



David Lewis  
Finance Director



Ian Harris  
Asset Management  
Director



Pippa Stacey  
Head of ESG and  
Regulation (Consultant)



Julie Deadman  
Head of HR and H&S  
(Consultant)



Matthew Barker  
Senior Asset Manager



Stephanie Adams  
General Counsel



Tamara Deering  
Head of Financial  
Planning and Reporting



Tahrima Rahim  
Research Analyst



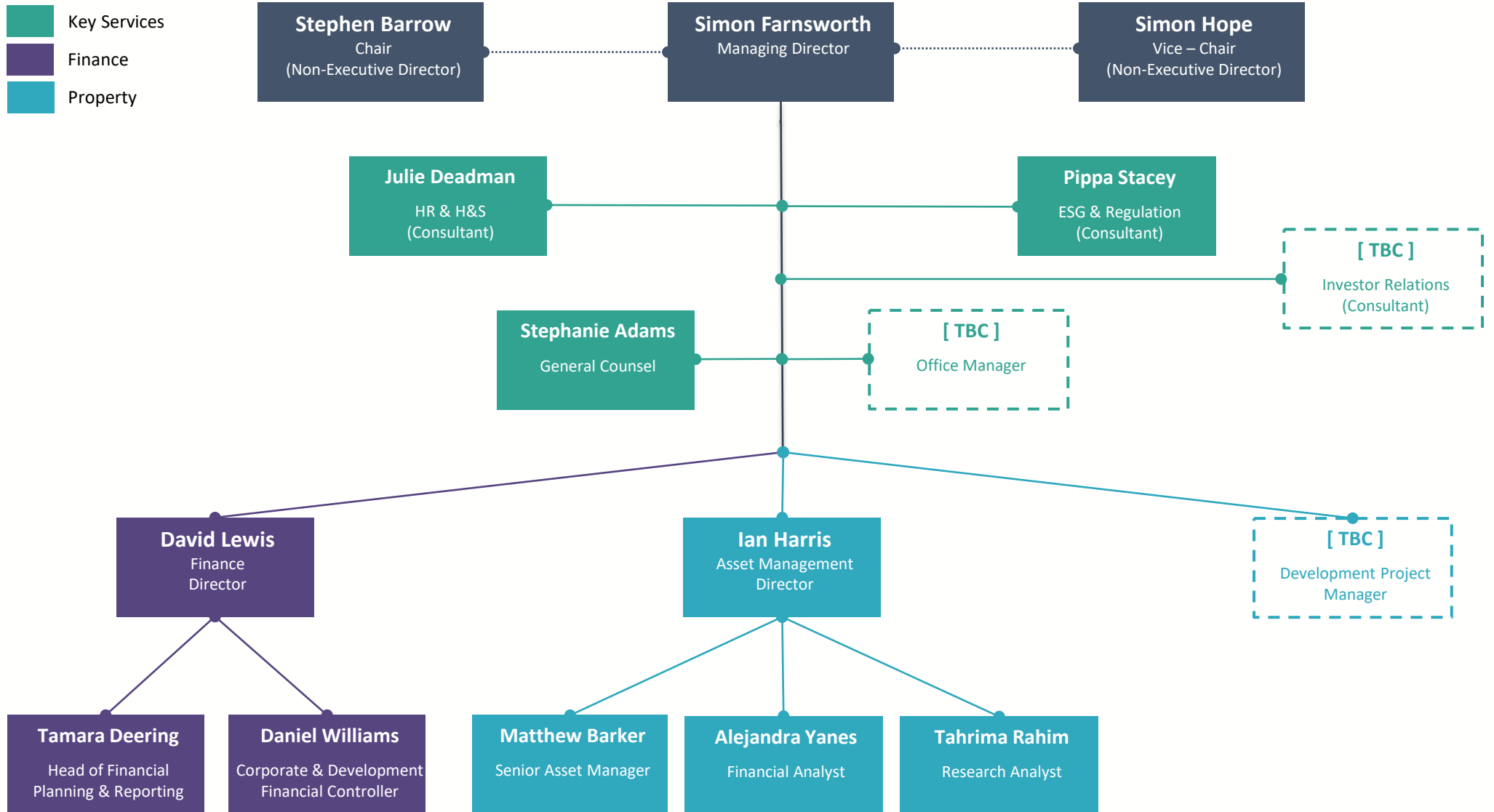
Alejandra Yanes  
Financial Analyst



Daniel Williams  
Corporate &  
Development Financial  
Controller

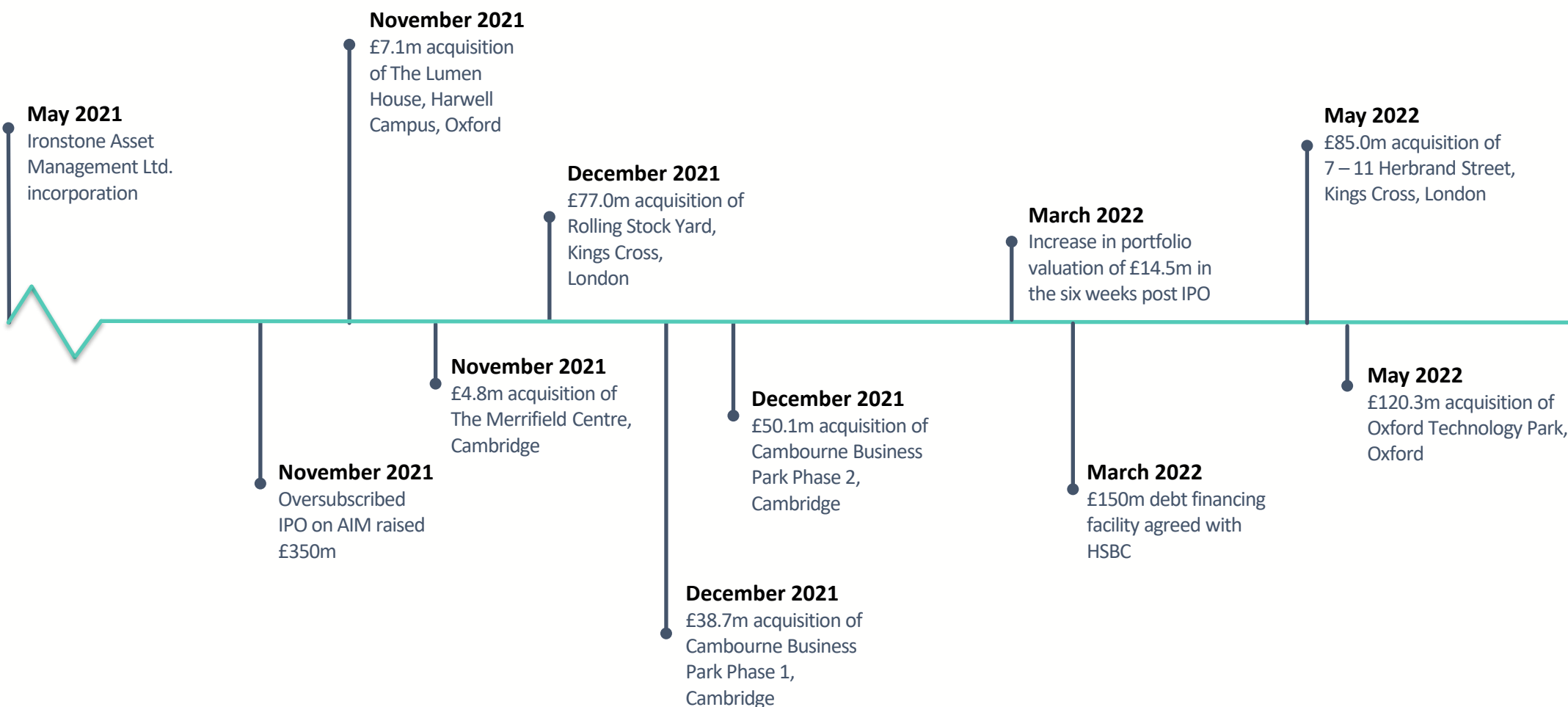


# APPENDIX 7.6 – IRONSTONE ASSET MANAGEMENT LTD. INVESTMENT ADVISOR (CONT'D)



## APPENDIX 7.7 – LIFE SCIENCE REIT PLC HISTORY

### Timeline of Key Events



## APPENDIX 7.8 – GLOSSARY

<b>Abbreviations</b>	CBP stands for Cambourne Business Park; HS stands for Herbrand Street; OTP stands for Oxford Technology Park; RSY stands for Rolling Stock Yard; MC stands for The Merrifield Centre; LH stands for The Lumen House
<b>Adjusted earnings per share (Adj. EPS)</b>	EPRA EPS adjusted to exclude one-off costs, divided by the weighted average number of shares in issue during the period
<b>Contracted rent</b>	Gross annual rental income currently receivable on a property plus rent contracted from expiry of rent-free periods and uplifts agreed at the balance sheet date less any ground rents payable under head leases
<b>EPRA earnings</b>	IFRS profit after tax excluding movements relating to changes in fair value of investment properties, gains/losses on property disposals, changes in fair value of financial instruments and the related tax effects
<b>EPRA NTA</b>	The net asset value measure assuming entities buy and sell assets, thereby crystallising certain levels of deferred tax liability
<b>Estimated rental value (ERV)</b>	The estimated annual open market rental value of lettable space as assessed by the external valuer
<b>Genius Loci</b>	Originates from Roman mythology and refers to the protective spirit of a place
<b>Gross loan to value ratio (Gross LTV)</b>	Gross debt divided by the aggregate value of properties and investments
<b>Inbuilt reversion</b>	The amount, or percentage, by which the ERV exceeds the rents contracted
<b>Investment portfolio</b>	Completed buildings excluding development property and land
<b>Like-for-like (LFL) valuation increase</b>	The increase in the valuation of properties owned throughout the period under review as a percentage of the valuation at the start of the period, net of capital expenditure
<b>Loan to value ratio (LTV)</b>	Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments
<b>Net initial yield (NIY)</b>	Contracted rent at the balance sheet date as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land
<b>Net rental income (NRI)</b>	Gross annual rental income receivable after deduction of ground rents and other net property outgoings including void costs and net service charge expenses
<b>Net equivalent yield (NEY)</b>	The time weighted average return (after adding notional purchasers costs) that a property will produce
<b>Net reversionary yield (NRY)</b>	The anticipated yield to which the net initial yield will rise (or fall) once the rent reaches the ERV
<b>Occupancy</b>	Total ERV of the units leased divided by total ERV excluding development property and land, equivalent to one minus the EPRA vacancy rate
<b>The Arc</b>	The Oxford-Cambridge Arc, a globally significant area between Oxford, Milton Keynes and Cambridge
<b>The Golden Triangle</b>	The triangle formed by the university cities of Cambridge, Oxford and London (encompassing Bloomsbury, Kings Cross and St. Pancras) in the southeast of England
<b>WAULT to expiry</b>	Average unexpired lease term to first expiry weighted by contracted rent across the portfolio, excluding development property and land
<b>WAULT to break</b>	Average unexpired lease term to first break weighted by contracted rent across the portfolio, excluding development property and land

LIFE  
SCIENCE  
REIT

