

HELICAL ANNUAL RESULTS

TO 31 MARCH 2018

TRANSFORMATION COMPLETED



HELICAL



AGENDA

ONE

RESULTS HIGHLIGHTS
Gerald Kaye

TWO

FINANCIALS
Tim Murphy

THREE

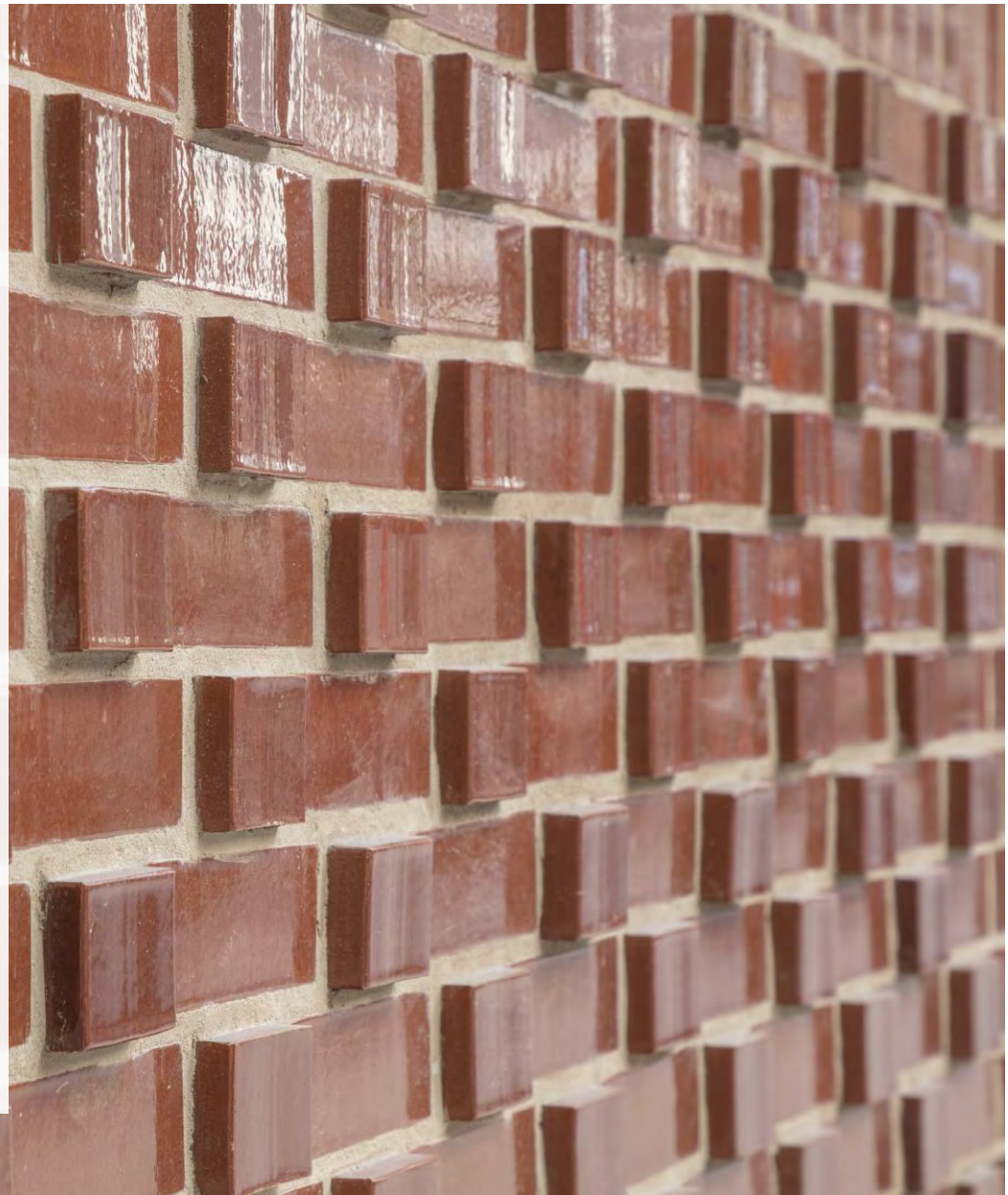
PORTFOLIO HIGHLIGHTS
Matthew Bonning-Snook

FOUR

SUMMARY
Gerald Kaye

FIVE

Q&A



A professional headshot of Gerald Kaye, a middle-aged man with short, light brown hair, smiling warmly. He is wearing a dark grey suit jacket, a white dress shirt, and a blue patterned tie. The background is a blurred office interior with large windows.

RESULTS HIGHLIGHTS

GERALD KAYE

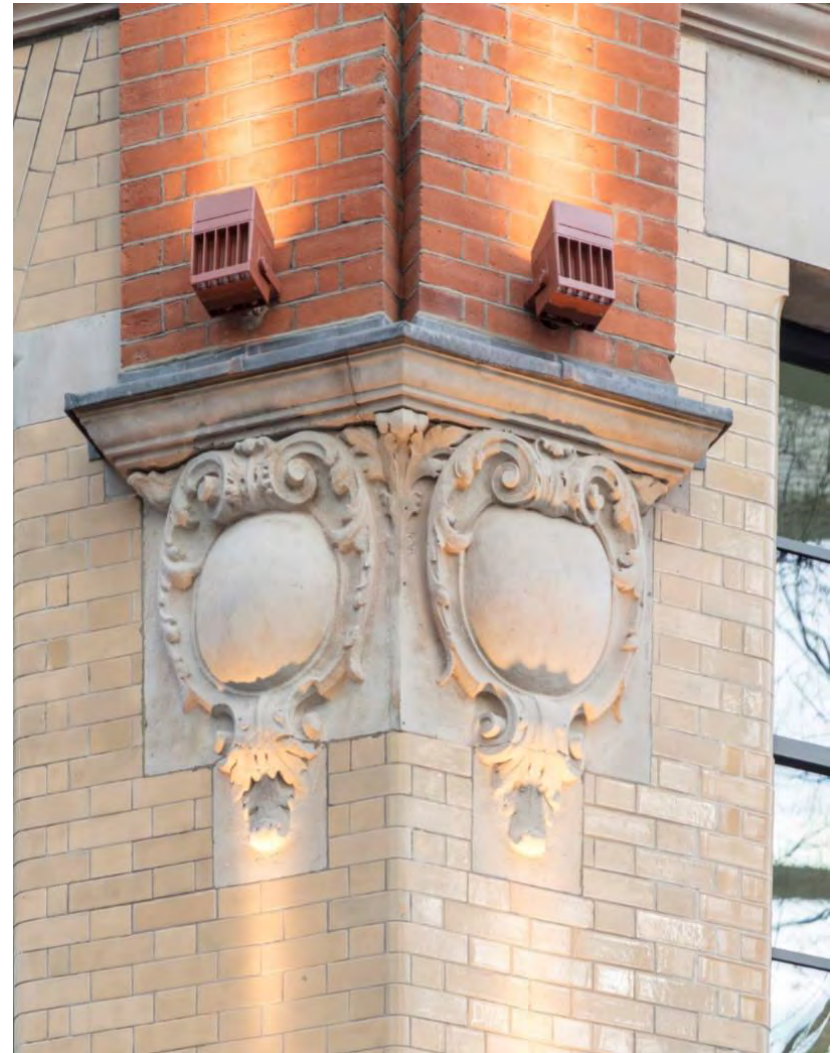
THE TRANSFORMATION

1. Disposal of non core assets:

- Industrial / logistics
- Retirement Villages
- Retail
- Offices outside of London and Manchester

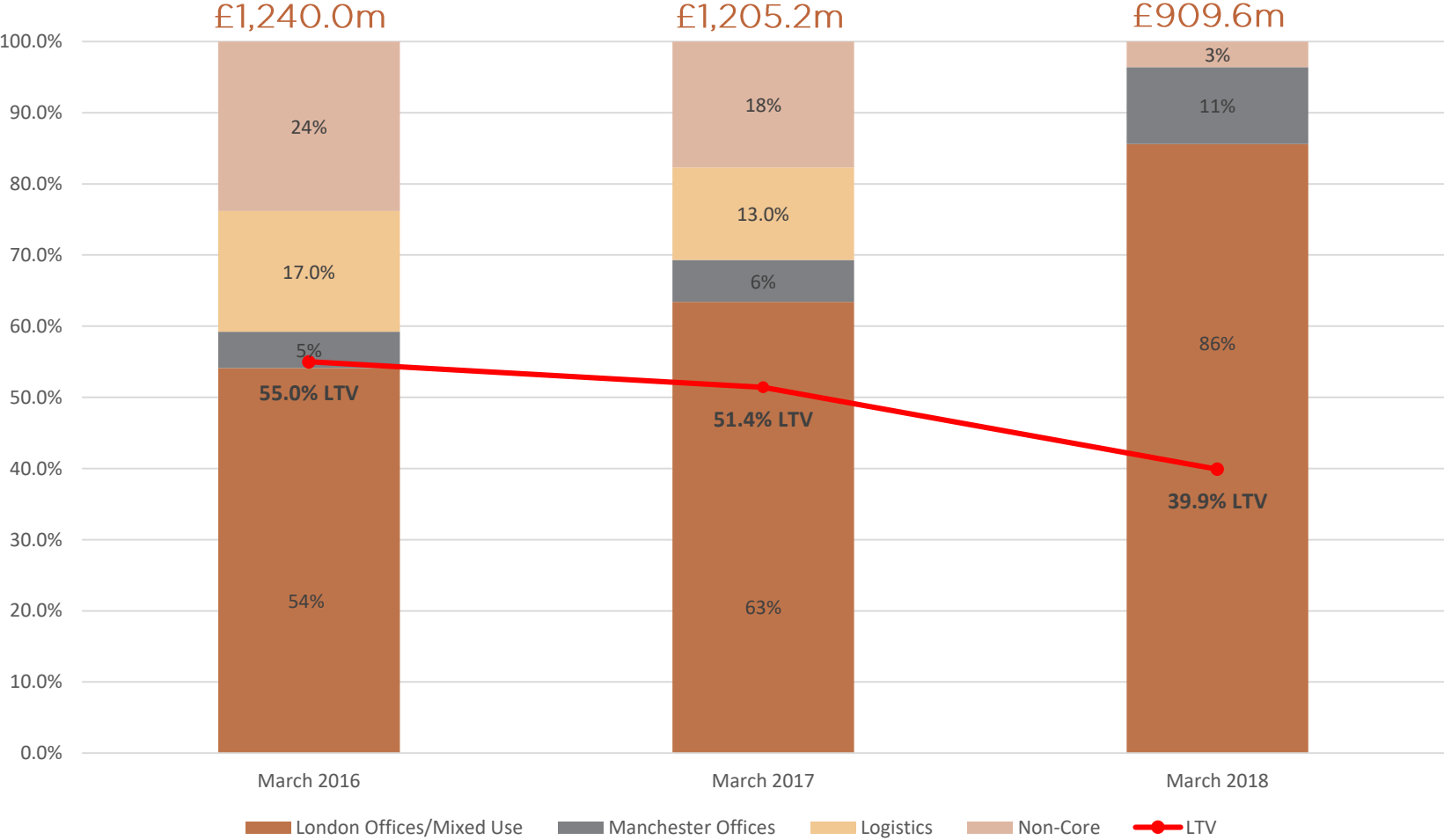
2. Provide greater focus to create a business that is understood clearly by the investor community

3. Reduce LTV



PORTFOLIO ALLOCATION AND LTV

- Reduction of non-core from 41% to 3%
- Reduction of LTV from 55% to 40%



STRATEGY

- **Focus**

- London – office and mixed use investment, development and refurbishment
- Manchester – office investment and refurbishment

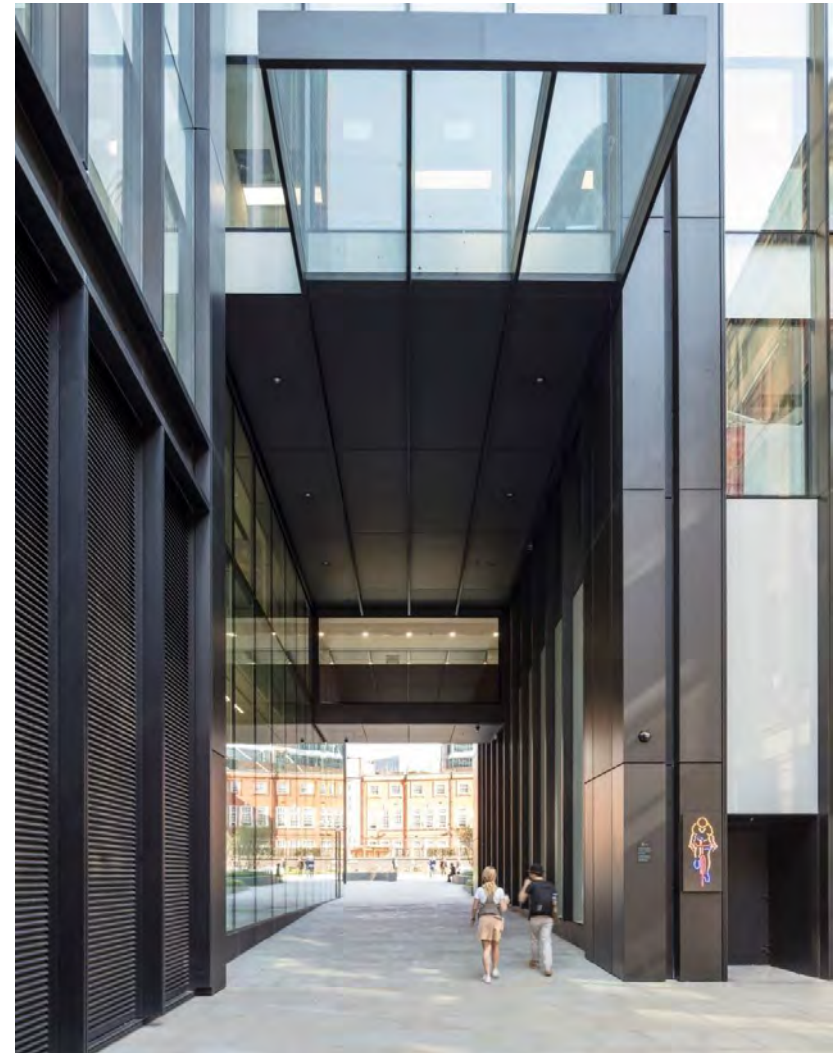
Continue to add to the high quality portfolio of multi-let office buildings in geographic clusters

- **Providing contemporary and existing work places**

- Flexible leases and well managed buildings for customers
- Anticipate customers' requirements
- Detailed customer survey conducted by FTI

- **Active value creation**

- Redevelopment and major refurbishment
- Repositioning and rolling upgrade
- Significant asset management
- Seek additional profit on larger schemes by co-investment or forward funding / sale with partners



RESULTS HIGHLIGHTS

PROFIT BEFORE TAX

£30.8m

(2017: £41.6m)

TOTAL DIVIDEND PER SHARE

9.50p

+10.5% from 2017

SALE/VALUATION GAIN

£40.7m

(2017: £38.6m)

TOTAL ACCOUNTING RETURN

£27.2m

+5.3%

EPRA NAV PER SHARE

468p

-1.1%

NET RENTAL INCOME

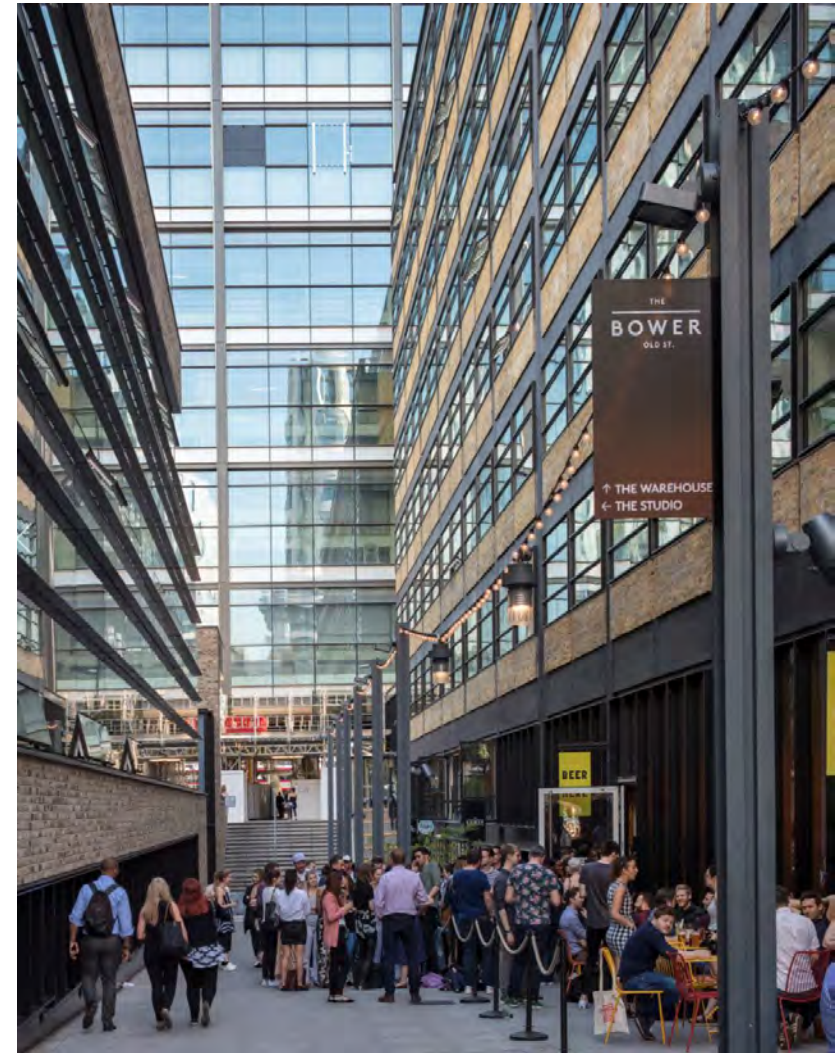
£36.1m

(2017: £47.0m)

SEE-THROUGH LOAN TO VALUE

39.9%

(pro-forma 37.1%)



OPERATIONAL HIGHLIGHTS - SALES

OFFICE

C SPACE £73.1M

READING £8.3M

CRAWLEY £7.9M



RETIREMENT VILLAGES

PORTFOLIO OF 4 PARKS £101.5M



RETAIL

CARDIFF £54.9M

GREAT YARMOUTH £4.2M

SOUTHEND ON SEA £14.2M



INDUSTRIAL / LOGISTICS

HINCKLEY £9.3M

CLEARBELL £20.3M - 3 ASSETS

MAGNUS £150.0M - 20 ASSETS



TOTAL SALES TO MAY £493.7m

OPERATIONAL HIGHLIGHTS - LETTINGS

LONDON OFFICES

341,363 sq ft

MANCHESTER OFFICES

123,374 sq ft

TOTAL LETTINGS

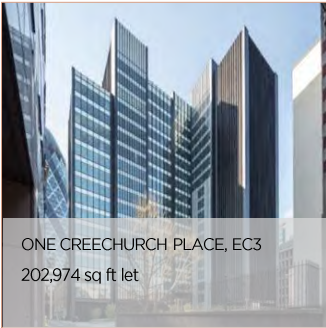
466,315 sq ft

UNDER OFFER

5,625 sq ft



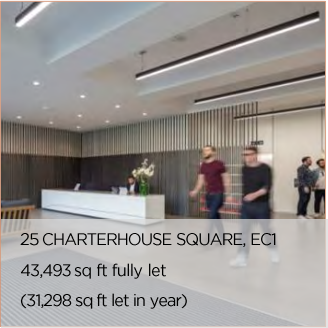
THE TOWER, THE BOWER, EC1
29,635 sq ft let



ONE CREECHURCH PLACE, EC3
202,974 sq ft let



THE LOOM, E1
38,965 sq ft let



25 CHARTERHOUSE SQUARE, EC1
43,493 sq ft fully let
(31,298 sq ft let in year)



POWER ROAD STUDIOS, W4
9,594 sq ft let



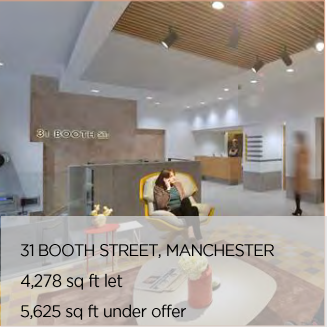
THE SHEPHERDS BUILDING, W14
28,897 sq ft let



35 DALE STREET, MANCHESTER
45,137 sq ft let

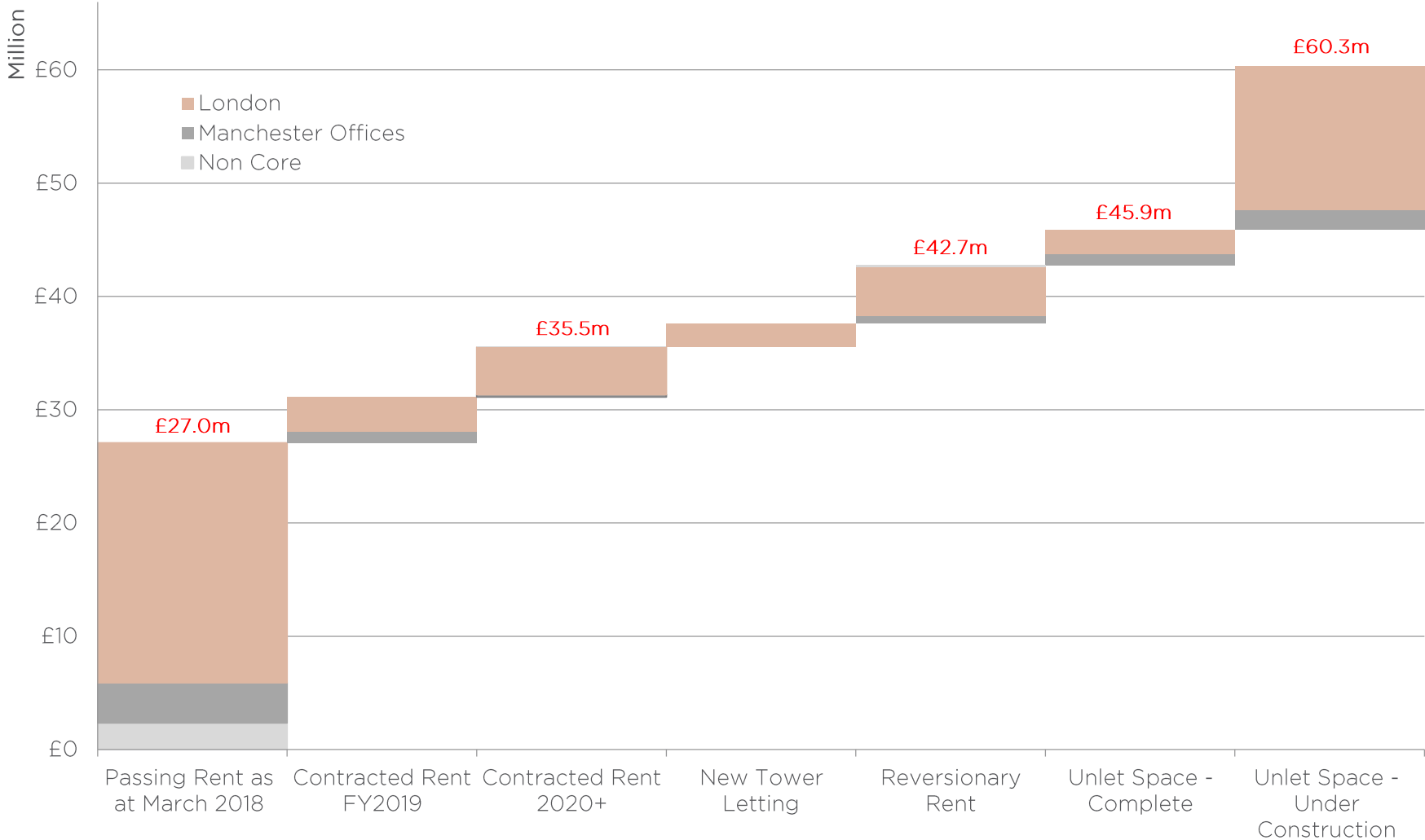


CHURCHGATE & LEE, MANCHESTER
73,959 sq ft let



31 BOOTH STREET, MANCHESTER
4,278 sq ft let
5,625 sq ft under offer

INCREASING RENTAL INCOME



INVESTMENT CASE

1. Rental / capital growth from existing portfolio:

- Existing rent - £27.0m
- Contracted rent - £35.5m
- ERV - £60.3m

2. Profit / valuation increases from lettings at:

- One Creechurch Place, EC3
- One Bartholomew, EC1
- The Tower, The Bower, EC1
- The Loom, E1
- Power Road Studios, W4
- Manchester

3. Profit from sales of residential at Barts Square

4. New opportunity

- Farringdon East, EC1

5. Additional new opportunities

- London & Manchester



MARKET COMMENT

- London remains destination of choice for both foreign capital and multinational business
- Latest Reuters poll of 119 firms in City estimated 5,000 jobs lost or moved as a result of Brexit
- 171,000 new jobs to be created in Greater London 2017 – 2022 (Oxford Economics)
- Crossrail opens Q4 2018
- Q1 Central London take up 2.65m sq ft (6% above 5 year Q1 average) (Cushman & Wakefield)
- Under offer space 3m sq ft – 41% more than same point in 2017 (Cushman & Wakefield)
- Rents will increase for the best buildings. A clear differential between prime and the rest



A professional portrait of Tim Murphy, a middle-aged man with short brown hair, wearing a dark blue suit jacket, a white shirt, and a patterned tie. He is looking directly at the camera with a slight smile. The background is a blurred office setting with windows.

FINANCIALS

TIM MURPHY

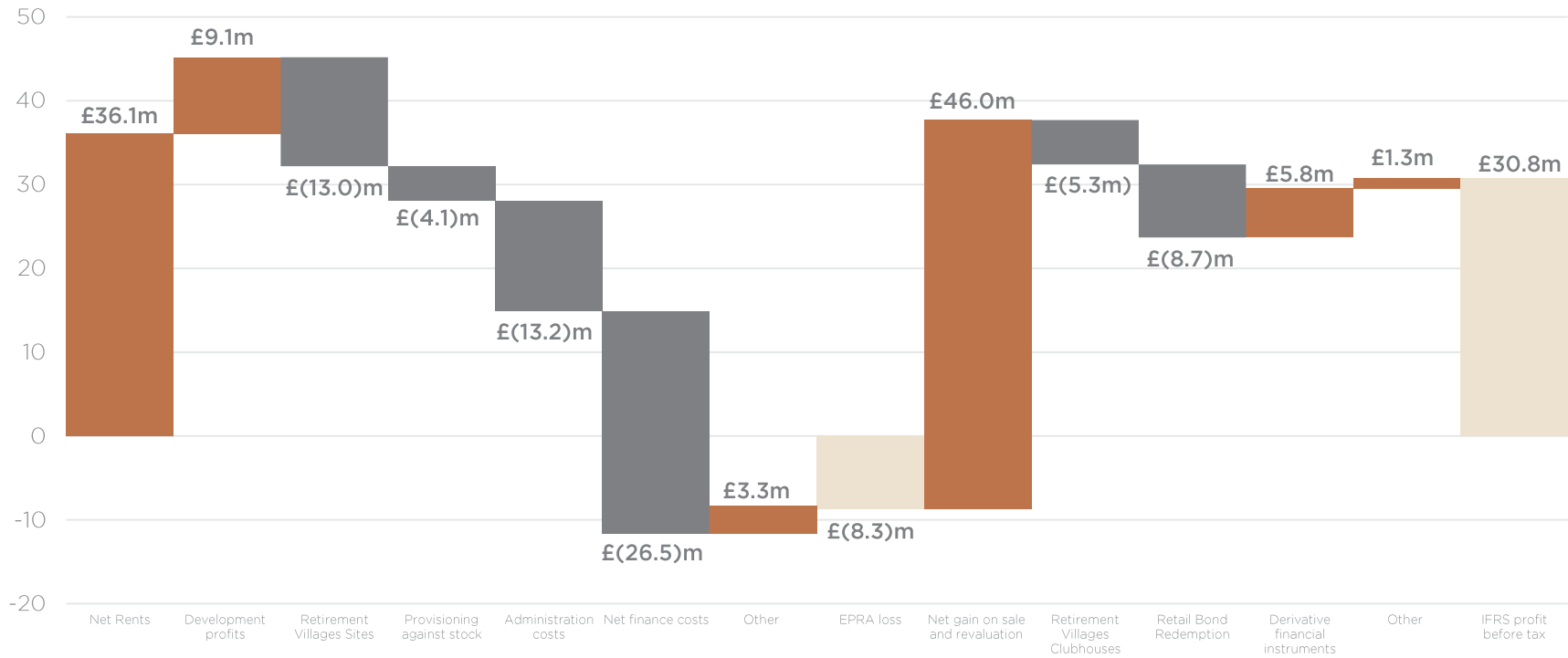
HEADLINE NUMBERS

SEE-THROUGH INCOME STATEMENT	March 2016	March 2017	March 2018	Notes
	£m	£m	£m	
Total property return				
- Net rental income	43.4	47.0	36.1	
- Development profits / (losses)	27.5	(5.7)	(8.0)	
- Gain on sale and revaluation of investment properties	93.7	38.6	40.7	
	164.6	79.9	68.8	
Total accounting return	22.5%	8.3%	5.3%	
IFRS profit before tax	£114.0m	£41.6m	£30.8m	
EPRA earnings / (loss)	£19.6m	£0.5m	(£8.3m)	
EPRA earnings / (loss) per share	17.1p	0.5p	(7.0)p	
Final dividend per share	5.87p	6.20p	7.00p	+12.9%
Total dividend per share	8.17p	8.60p	9.50p	+10.5%

SEE-THROUGH BALANCE SHEET	March 2016	March 2017	March 2018	
Net assets	£480.7m	£516.9m	£533.9m	
EPRA net asset value per share	456p	473p	468p	-1.1%
EPRA triple net asset value per share	424p	442p	448p	+1.4%
Net debt	£681.8m	£620.0m	£362.9m	-41.5%
Loan to value ratio	55.0%	51.4%	39.9%	
Gearing	141.8%	119.9%	68.0%	

Notes:
All figures include share of joint ventures

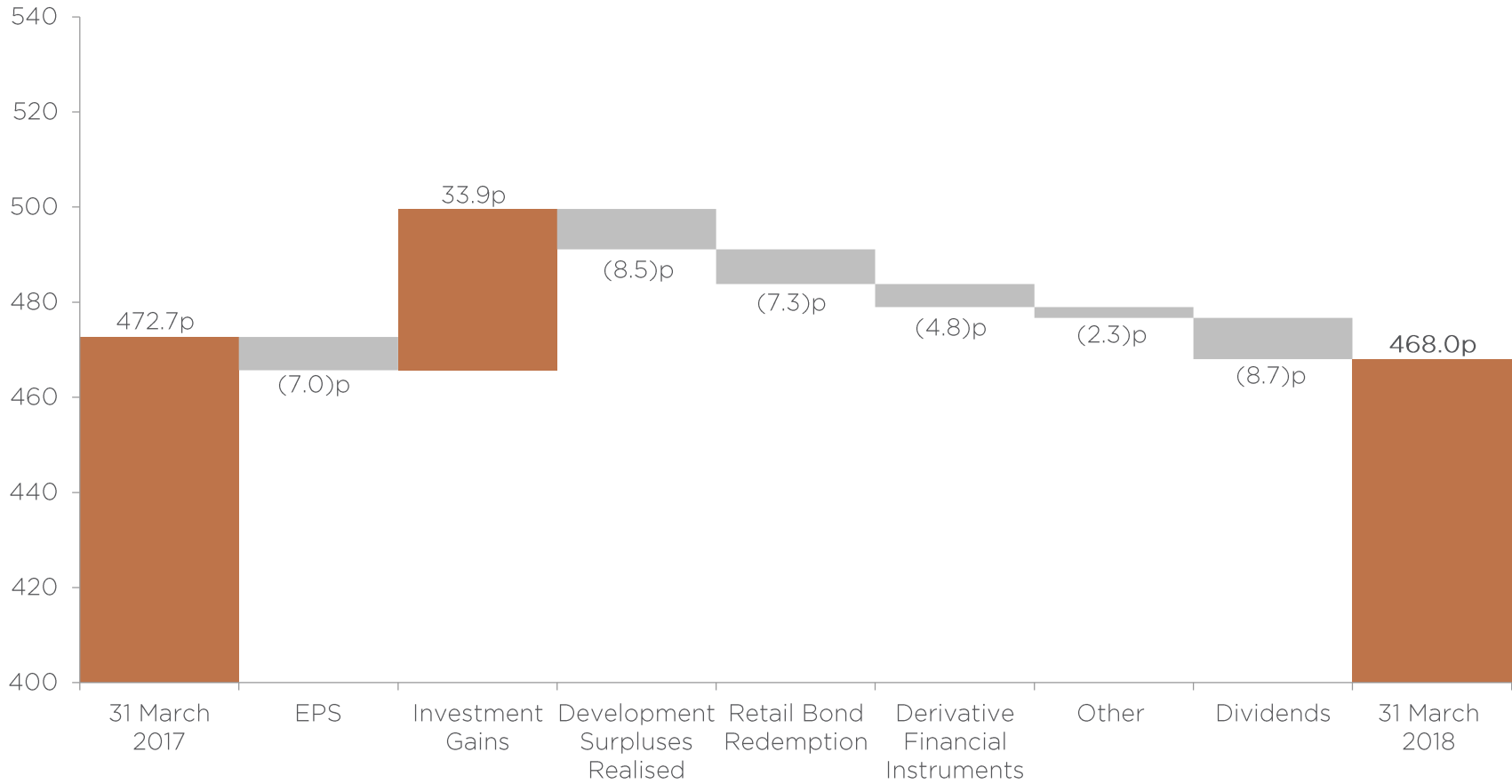
INCOME STATEMENT



2017	£47.0m	£7.1m	-	£(12.8)m	£(18.7)m	£(21.2)m	£(0.9)m	£0.5m	£38.6m	-	-	£0.7m	£1.8m	£41.6m
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- Net rents have reduced by 23%
- EPRA loss of £8.3m equates to (7.0)p per share
- Revaluation gains included £20.3m in London and £7.6m in Manchester, with gains on sale, before Retirement Villages, of £18.9m

EPRA NET ASSETS PER SHARE

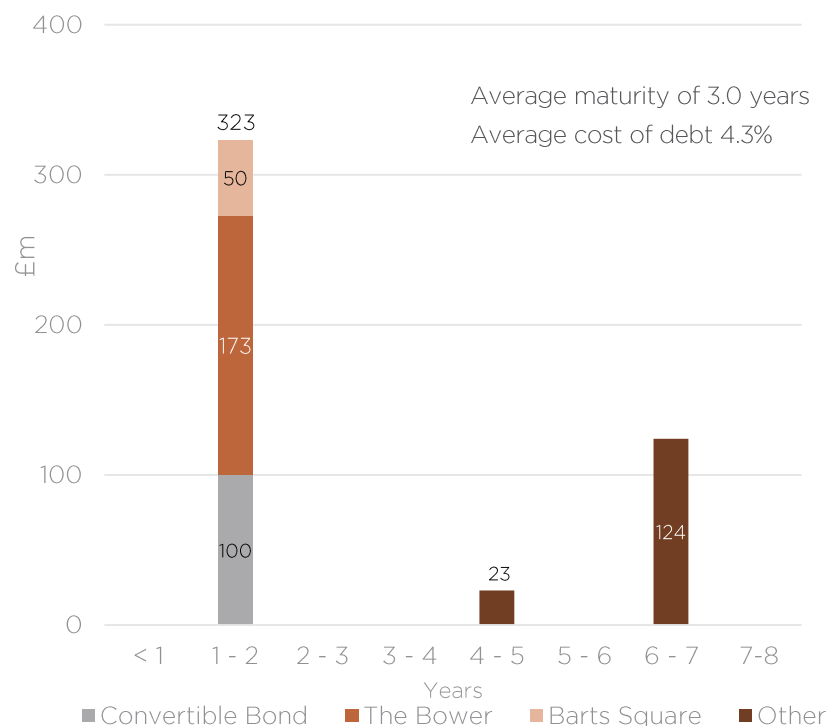


2017	455.7p	0.5p	32.2p	(5.8)p	-	(0.7)p	(5.5)p	(3.7)p	472.7p
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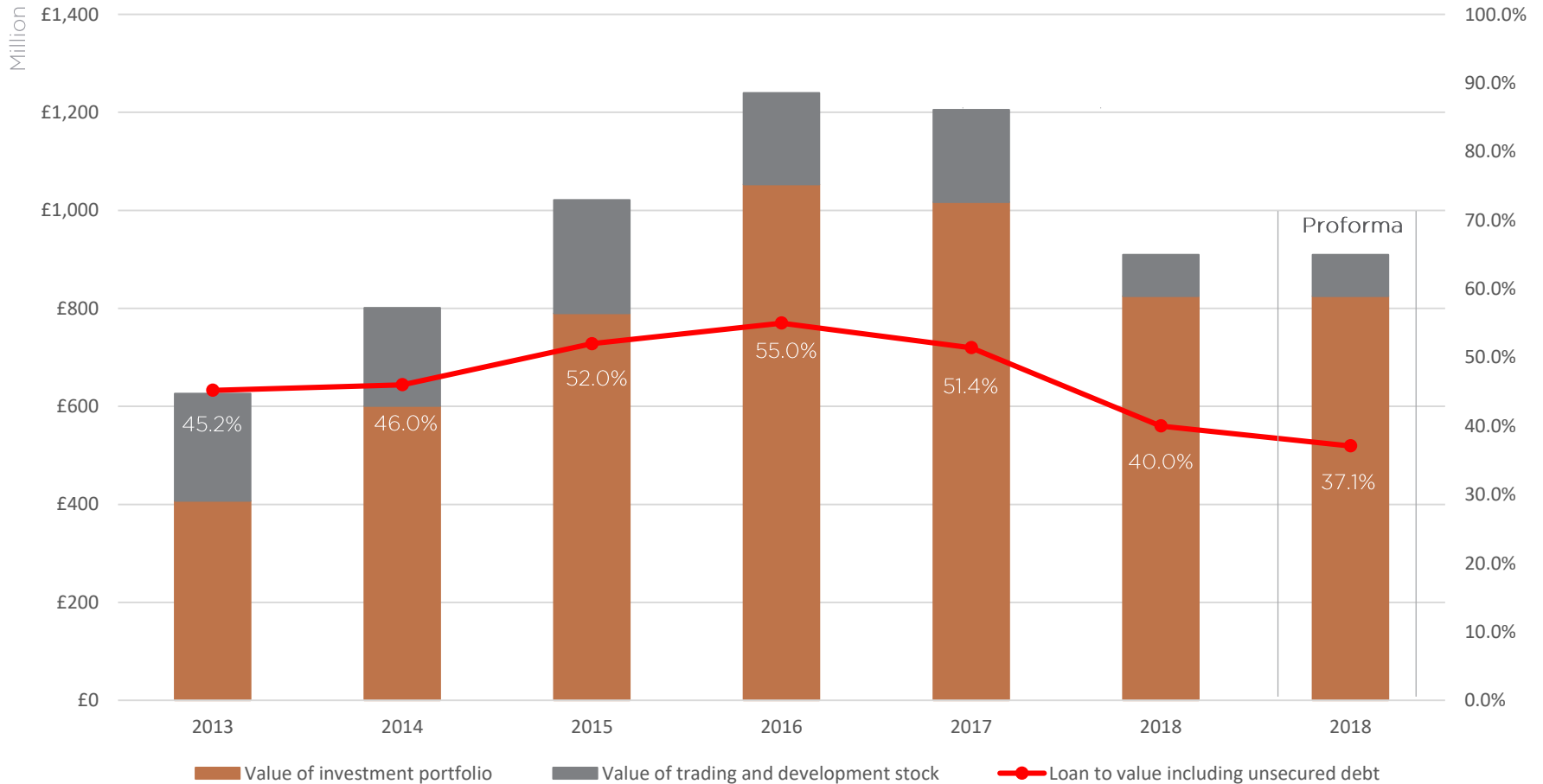
DEBT SUMMARY

	2017	2018
Total facilities	£894.9m	£642.0m
Gross debt	£736.6m	£470.7m
Unutilised facilities	£158.3m	£172.7m
Percentage of unsecured debt	24%	22%
Uncharged properties	£17m	£105m
Average interest rate	4.3%	4.3%
Average interest rate (fully utilised)	4.0%	3.6%
Proportion of drawn down facilities at fixed rate or hedged	88%	78%
Average maturity of borrowings	3.6 yrs	3.0 yrs
LTV ratio	51.4%	39.9%

- Increased our investment facility with Aviva by £45m to £124m
- Agreed a £50.9m five year development and investment facility for Farringdon East, EC1
- £102m investment facility with Deutsche Pfandbriefbank AG repaid
- £80m Retail Bond due June 2020, repaid early with £8.7m redemption premium, 7.3p per share
- Repaid £105m of RCF's
- Transferred £60m development facility with £46m drawn down, to purchaser of retirement villages
- Cancelled £180m of interest rate swaps



LOAN TO VALUE

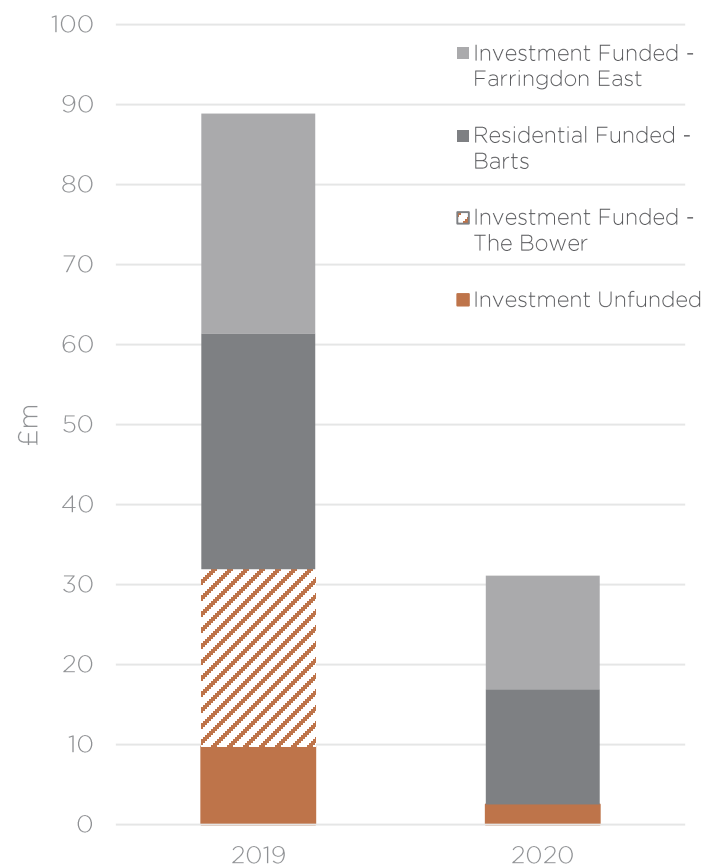


- Committed capex programme of £114.2m
- Planned additional capex of £5.9m
- Contracted sales at Barts Square of c.£37m receivable by August 2018

NET CASH FLOW MOVEMENTS

	March 2016 £m	March 2017 £m	March 2018 £m
Cash generated from/(used by) operations	38.5	(8.1)	26.4
Acquisitions	(377.1)	-	(24.3)
Capex	(28.0)	(59.3)	(71.5)
Joint ventures	94.1	1.6	(4.7)
Net disposal proceeds	121.8	156.3	337.6
Dividends paid	(14.4)	(3.6)	(10.2)
Other cash flow movements	(0.4)	(0.5)	1.3
Increase / (reduction) in net borrowing	138.1	(60.9)	(262.5)
Shares (purchased) / sold	(18.9)	(0.9)	0.5
Net (decrease) / increase in cash	(46.3)	24.6	(7.4)
Cash at start of year	121.0	74.7	99.3
Cash at end of year	74.7	99.3	91.9

FORECAST CAPITAL EXPENDITURE



SUMMARY

Earnings - at 31 March 2018	Passing	Contracted	ERV
	£m	£m	£m
Gross rents (ERV including Farringdon East)	27.0	35.5	60.3
Current annualised finance costs	(20.4)	(20.4)	(20.4)
- Additional finance costs	-	-	(0.9)
Current annual recurring administrative costs	(11.0)	(11.0)	(11.0)
	(4.4)	4.1	28.0

OBJECTIVES

1. To achieve ERV
2. To reduce finance costs through lettings

BALANCE SHEET

1. To extend debt maturity
2. To provide additional firepower

A professional headshot of Matthew Bonning-Snook, a middle-aged man with short, light-colored hair, wearing a dark blue suit jacket, a light blue dress shirt, and a dark blue patterned tie. He is looking directly at the camera with a neutral expression. The background is a blurred office interior with large windows.

PORTFOLIO HIGHLIGHTS

MATTHEW BONNING-SNOOK

ONE CREECHURCH PLACE, EC3

272,913 sq ft (17 floors)

6 tenants

Completed November 2016

Let 202,974 sq ft - 74.4%

115,910 sq ft Hyperion (11-17th floors)

31,958 sq ft Enstar (7th and 8th floors)

15,994 sq ft Coverys (6th floor)

15,969 sq ft Travelers (3rd floor)

22,357 sq ft Dell Corp. (1st and part 2nd floors)

786 sq ft Illy (Retail)

Available 25.6%

69,939 sq ft

Profit target - on track





25 CHARTERHOUSE SQUARE, EC1

38,355 sq ft offices

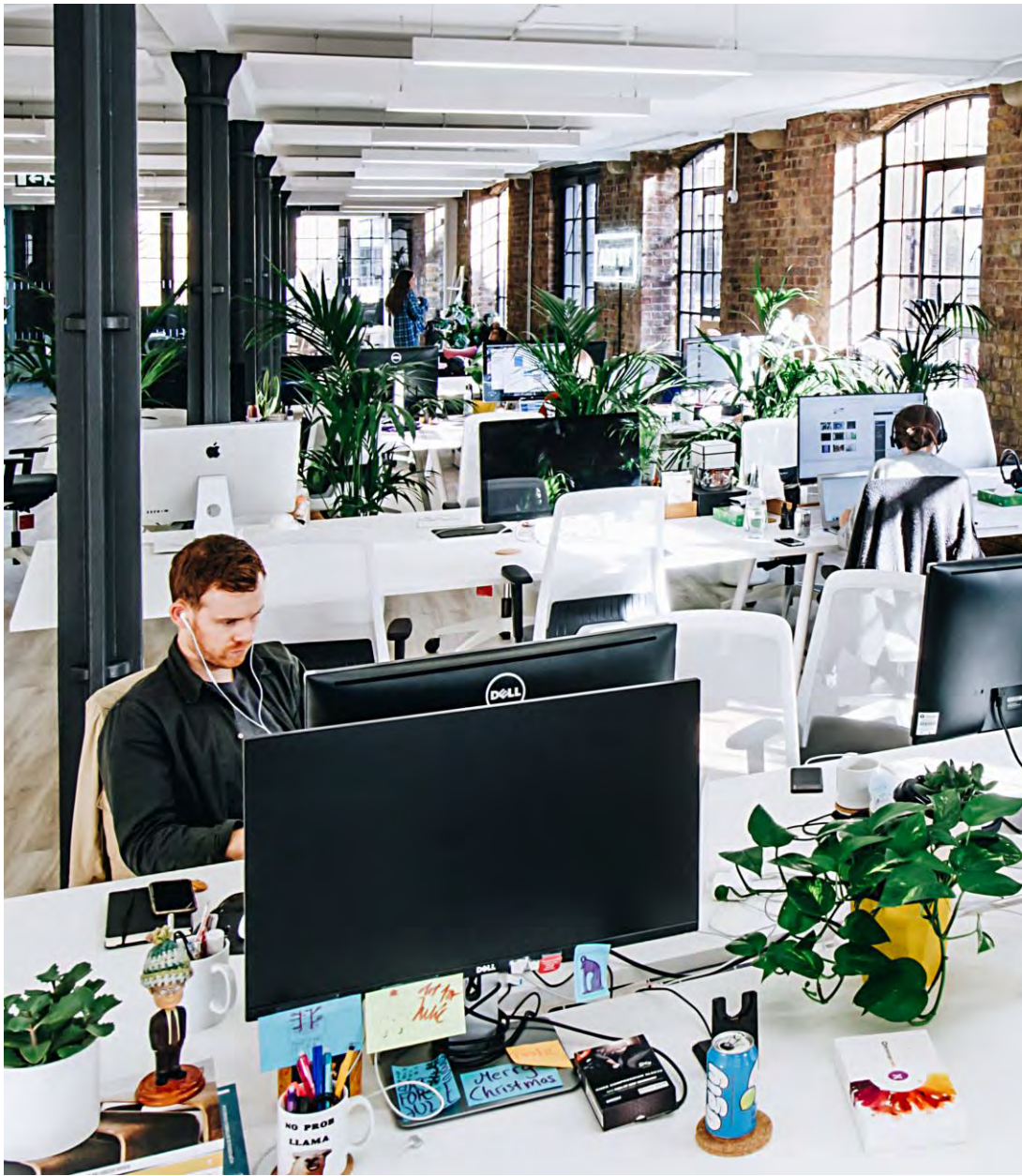
5,138 sq ft retail/restaurant/showroom

4 tenants

Completed March 2017 - Fully let December 2017

6th Floor	£75 psf	Anomaly
5th Floor	£75 psf	Anomaly
4th Floor	£75 psf	Peakon
3rd Floor	£75 psf	Anomaly
2nd Floor	£75 psf	Hudson Sandler
1st Floor	£77 psf	Senator Int.
Ground Floor	Unit 1 - £61 psf Unit 2 - £57.50 psf	Senator Int. Senator Int.

- Maximise rent by providing flexibility
- Ongoing asset management



THE LOOM, E1

110,068 sq ft offices

36 tenants

Refurbishment complete September 2016

Since 1st April 2017 new lettings totalling 38,965 sq ft

Newly refurbished space being let at £52.50 - £55.00 psf

THE WAREHOUSE & THE STUDIO, THE BOWER, EC1

141,141 sq ft office (NIA) 10,298 sq ft retail (GIA)

12 tenants

PHASE 1 – Fully let with Contracted Rent of £8m

Rental progression and flexibility

The Studio

18,283 sq ft £45 psf



The Warehouse

9th Floor 7,665 sq ft £60.00 psf

8th Floor 9,751 sq ft £60.00 psf

7th Floor 12,398 sq ft £67.50 psf

6th Floor 12,430 sq ft £52.50 psf

5th Floor 12,396 sq ft £50.25 psf

4th Floor 12,327 sq ft £50.25 psf

3rd Floor 18,035 sq ft £55.50 psf

2nd Floor 18,112 sq ft £53.50 psf

1st Floor 19,744 sq ft £52.50 psf

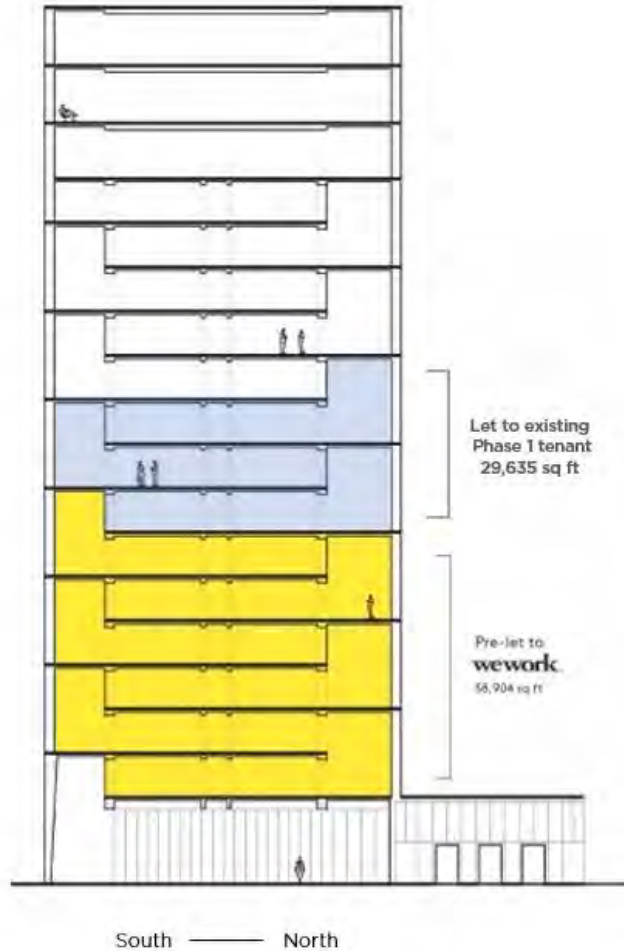
Food & Beverage Franze & Evans, Bone Daddies, The Draft House, Enoteca Da Luca, Honest Burger, The Shoreditch Grind



THE TOWER, THE BOWER, EC1

52% let

NIA	Floor
11,356 sq ft	17
11,353 sq ft	16
11,356 sq ft	15
9,558 sq ft	14
10,048 sq ft	13
9,559 sq ft	12
10,073 sq ft	11
9,509 sq ft	10
10,075 sq ft	9
9,536 sq ft	8
10,024 sq ft	7
9,550 sq ft	6
10,047 sq ft	5
9,483 sq ft	4
10,035 sq ft	3
10,036 sq ft	2
9,864 sq ft	1



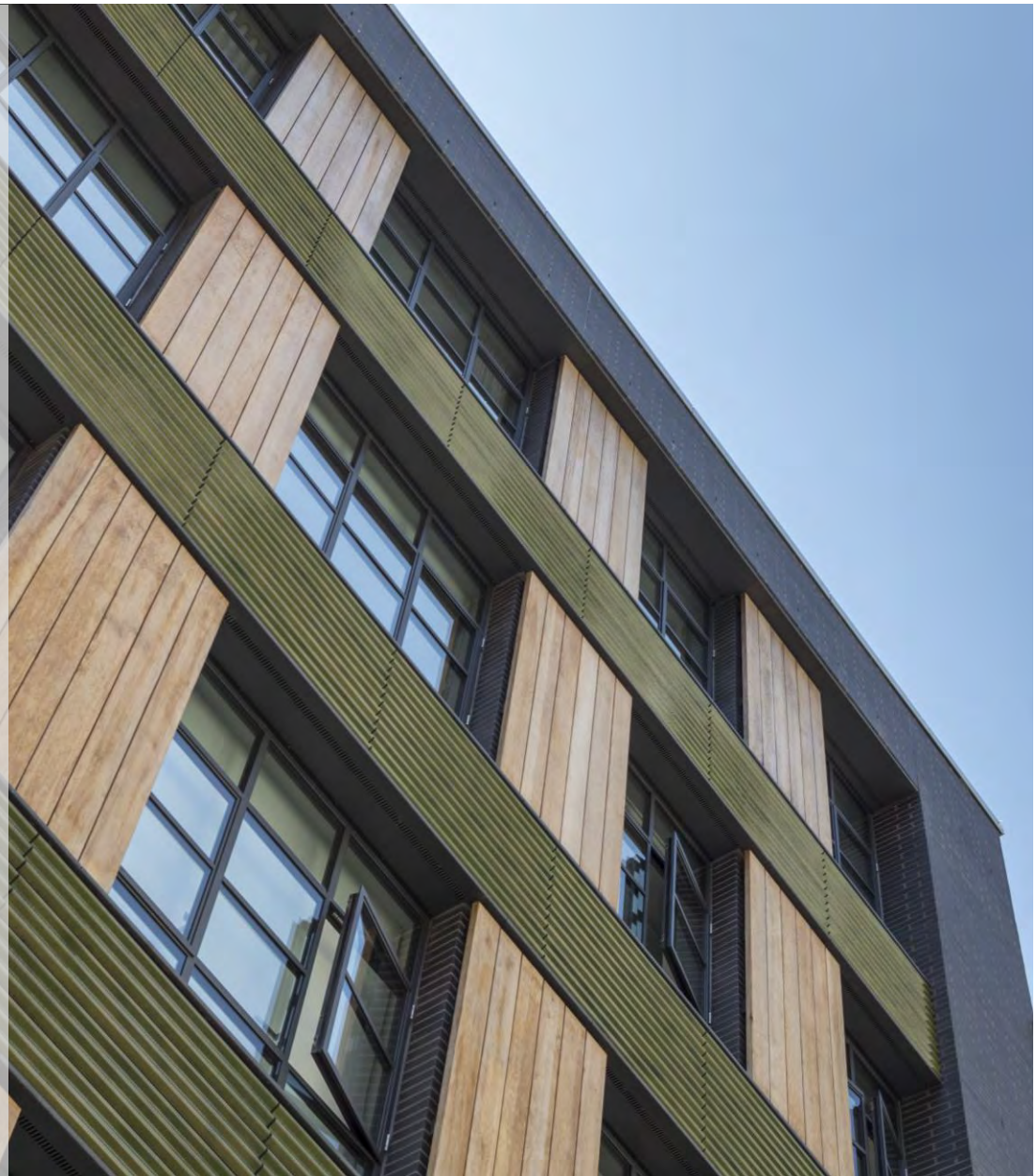
BARTS SQUARE, EC1

PHASE 1

- 144 residential units (plus 3,193 sq ft retail)
- 133 sold
- Average sales price - £1,560 psf
- 11 units available
- 74 sales completed to date and 59 to complete as they are handed over in period to August 2018

PHASE 2

- Demolition commenced November 2016
- Completion Q3 2019
- 92 apartments (plus 12,217 sq ft retail)
- 22 exchanged
- Average sales price - £1,782 psf



90 BARTHOLOMEW CLOSE, EC1

24,013 sq ft offices
6,282 sq ft restaurant unit

Completion May 2018

Character office space over six floors behind
retained facades

Flagship restaurant unit on ground
floor/basement





ONE BARTHOLOMEW, EC1

213,179 sq ft offices

Completion October 2018

Funding Partner – clients of Ashby Capital LLP

Baupost/Helical to receive profit share based on fixed yield, variable on rent



FARRINGTON EAST, EC1

89,000 sq ft office scheme over Farringdon East Crossrail Station

Floor Areas

5 th Floor	c.19,500 sq ft	Offices
4 th Floor	c.19,500 sq ft	Offices
3 rd Floor	c.19,500 sq ft	Offices
2 nd Floor	c. 14,000 sq ft	Offices
1 st Floor	c. 14,000 sq ft	Offices
Ground Floor	c. 2,500 sq ft	Restaurant / Retail
c. 89,000 sq ft		

The Crossrail Station opens December 2018

Station fit out and surrounding public realm works underway

Completion due October 2019

Site establishment underway for office development

Main construction activity begins August 2018



THE SHEPHERDS BUILDING, W14

150,470 sq ft offices fully let

32 tenants

Contracted rent £6.49m

Average rents now £45+ psf

Continued strong occupational demand

Since 1st April 2017, new lettings totalling 28,897 sq ft



POWER ROAD STUDIOS, W4

57,289 sq ft multi let campus on 2 acre site

17 tenants

Average rent at acquisition £24.50 psf

New lettings at £40+ psf

Contracted rent £1.59m (average rent £38 psf on offices)

CHURCHGATE & LEE HOUSE, MANCHESTER

- 243,701 sq ft
- 13 tenants
- Fully let
- Continuation of asset management initiatives
- 34,000 sq ft of office space and Lee House reception planned refurbishment



BOOTH STREET, MANCHESTER

- 25,441 sq ft
- 4,278 sq ft let
- 5,625 sq ft under offer
- Heads of terms out on all vacant space



DALE HOUSE, MANCHESTER

- 53,265 sq ft
- 10 tenants
- Final stages of refurbishment programme
- Since April 2017 new lettings totalling 45,137 sq ft



TRINITY COURT, MANCHESTER

- Redevelopment underway
- Due for completion December 2018
- 59,109 sq ft once completed





OCCUPIER SURVEY

Independent Survey – February 2018 – 47 occupiers (face to face meetings)

The Loom, The Shepherds Building
25 Charterhouse Square, The Bower

“With the benefit of hindsight how pleased are you that you decided to have your organisation located here?”

81% very pleased

13% slightly pleased

6% not pleased

Tenant Demand for Space by end of 2018

50% stay same

38% significantly or slightly increase (25% significant)

6% significantly or slightly decrease

6% don't know

OCCUPIER SURVEY

“The sole reason we came to this building was to help attract and retain employees”

“[Helical are] very friendly and engaged in what their tenants do, and very helpful on our move into the building.”

Peakon, 25 Charterhouse Square

“I saw [Helical] very early on in our relationship, which has allowed us to pick up the phone if there are any problems. I think they're great.”

John Brown Media, The Bower

“We have had many [landlords] in our time here and we find [Helical] by far the most constructive and responsive we've had”

“Helical have done quite a lot of work here, which is a significant improvement. The common parts are much better than they were. It's a lot brighter and lighter inside.”

CBB, The Loom

“[Helical] have done a great job on the building. I've been here nearly 30 years and seen a few landlords come and go. When I have dealt with them, they've been very helpful.”

Profile Print, The Loom



SUMMARY

Focus of portfolio – London and Manchester

Flexibility for customers and to maximise income

Upside potential from enduring quality of chosen assets

Opportunity in our area of activity





Q & A



APPENDIX

INVESTMENT PORTFOLIO – KEY STATISTICS

Valuation increase of 4.5% in the year to March 2018 on a like for like basis for assets held as investments

		% OF PORTFOLIO (HB SHARE)	VALUATION CHANGE	EPRA TOPPED UP NET INITIAL YIELD	REVERSIONARY YIELD
London Offices	- Completed, let and available to let	59.2%	3.3%	4.5%	5.3%
	- Being redeveloped	25.6%	7.8%	n/a	5.6%
Manchester Offices	- Completed, let and available to let	10.1%	10.8%	5.3%	6.5%
	- Being redeveloped	1.8%	n/a	n/a	7.0%
TOTAL Core Portfolio		96.7%	4.9%	4.6%	5.6%
Regional Offices		2.1%	(5.7)%	8.7%	9.2%
Retail		1.2%	-	7.4%	7.6%
TOTAL Non-Core Portfolio		3.3%	(3.5)%	8.2%	8.7%
TOTAL PORTFOLIO		100.0%	4.5%	4.8%	5.7%

PROPERTY PORTFOLIO – HELICAL'S SHARE

	FAIR VALUE	% VALUE
London Offices - Completed	£502.9m	55.3%
London Offices - Being redeveloped	£211.3m	23.2%
London Offices - Held for sale or future redevelopment	£5.4m	0.6%
London Residential	£59.0m	6.5%
TOTAL London Portfolio	£778.6m	85.6%
Manchester Offices - Completed	£83.4m	9.2%
Manchester Offices - Being redeveloped	£14.6m	1.6%
TOTAL Core Portfolio	£876.6m	96.4%
Regional Offices	£16.7m	1.8%
Regional Retail	£13.5m	1.5%
Land	£2.8m	0.3%
TOTAL Non-Core Portfolio	£33.0m	3.6%
TOTAL PORTFOLIO	£909.6m	100.0%

INVESTMENT PORTFOLIO

	CAPITAL VALUE PSF £*	VACANCY RATE %**	WAULT YEARS
London Offices			
• Completed, let and available to let	910	8.3	5.8
• Being redeveloped	971	n/a	n/a
TOTAL London Portfolio	927	8.3	5.8
Manchester Offices			
• Completed, let and available to let	259	12.8	4.2
• Being redeveloped	309	n/a	n/a
TOTAL Core Portfolio	707	10.0	5.5
Regional Offices	179	1.4	2.3
Retail	235	-	6.2
TOTAL Non-Core Portfolio	196	1.0	3.8
TOTAL	651	8.7	5.4

* Excludes Farringdon East, EC1

**The vacancy rates exclude assets in the course of redevelopment and assets in joint ventures

INVESTMENT PORTFOLIO KEY STATISTICS

LEASE EXPIRIES AND TENANT BREAK OPTIONS

	2019	2020	2021	2022	2023
Percentage of Rent Roll	11%	8%	7%	20%	11%
Number of Leases	47	51	29	25	15
Average Rent per Lease	£71,792	£48,440	£81,294	£255,741	£228,817

TOTAL PORTFOLIO CONTRACTED RENT £M

Rent lost at break/expiry	(3.7)
Rent reviews and uplifts on lease renewals	0.2
New lettings:	
- London	5.7
- Manchester	1.3
Total increase in the period from asset management activities	3.5
Contracted rent reduced through sale of:	
- London assets	(3.6)
- Logistics assets	(12.2)
- Other assets	(5.8)
Contracted rent increased from purchases of investment properties	1.4
Total contracted rental change from sales and purchases	(20.2)
Net decrease in contracted rents in the period	(16.7)

TOP TENANTS

RANK	TENANT	TENANT INDUSTRY	RENT (HELICAL)	CONTRACTED RENT ROLL
1	Endemol Shine UK Limited	Media	£3.7m	10.3%
2	Gopivotal (UK) Limited	Technology	£2.0m	5.6%
3	Farfetch UK Limited	Online retail	£1.9m	5.2%
4	Anomaly UK Limited	Marketing	£1.4m	3.9%
5	CBS Interactive Limited	Media	£1.0m	2.9%
6	Allegis Group Limited	Recruitment	£1.0m	2.8%
7	Stripe Payments UK Limited	Technology	£0.8m	2.3%
8	The Growth Company Limited	Economic development	£0.8m	2.3%
9	Senator International Limited	Furniture	£0.8m	2.3%
10	Capita Life & Pensions Regulated Services Limited	Technology	£0.8m	2.3%
TOTAL			£14.2m	39.9%

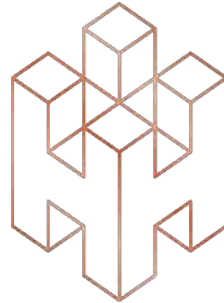
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