LONDONMETRIC PROPERTY PLC
(“LondonMetric” or the “Group” or the “Company”)
HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Cementing our position as the UK’s leading Triple Net Lease REIT with material earnings and dividend growth from structurally supported portfolio

LondonMetric today announces its half year results for the six months ended 30 September 2024.

Income Statement	**H1 2025**	**H1 2024**
Net rental income (£m)	193.1	76.0
EPRA earnings[1] (£m)	135.4	53.1
IFRS reported profit (£m)	163.8	81.0
EPRA earnings per share[1] (p)	6.6	5.3
IFRS earnings per share (p)	8.0	8.0
Dividend per share (p)	5.7	4.8
Balance Sheet	**H1 2025**	**FY 2024**
EPRA net tangible assets[1] (NTA) (£m)	4,002.3	3,908.9
IFRS net assets (£m)	4,053.9	3,969.5
EPRA NTA per share[1] (p)	195.7	191.7
IFRS net assets per share (p)	198.8	195.2

1. Further details on alternative performance measures can be found in the Financial Review and definitions can be found in the Glossary

Focus on winning sectors and transformational M&A drives rents, earnings and dividend growth
- Net rental income increased 154% to £193.1m
- EPRA earnings up 155% to £135.4m, +26.5% on a per share basis
- Sector leading EPRA cost ratio at 7.6%, - 400bps since year end
- Dividend increased 18.8% to 5.7p, 117% covered by earnings
- Q2 dividend declared today of 2.85p, in line with 12p dividend target for full year

Portfolio returns driven by reliable, repetitive and growing income
- Total property return +4.0%, capital value growth +1.1%, ERV growth +1.3%
- Like for like income growth 1.7% (3.5% annualised) driving valuation uplift of £40.9m
- EPRA NTA per share of 195.7p (+2.1%)
- IFRS reported profit of £163.8m (30 September 2023: £81.0m)
- Total accounting return of 4.9% (30 September 2023: 2.8%)

Reshaping portfolio to align to structurally supported sectors of logistics, convenience, healthcare and entertainment
- Portfolio value of £6.2bn (31 March 2024: £6.0bn), logistics represents 45% of portfolio, targeting 50% by year end
- £193.3m acquired in period comprising 19 logistics assets, £10m acquired post period end with £116m under offer
- £155.4m disposed (mainly LXi and CTPT assets), 21 assets sold post period end for £78.4m with £86m under offer

Activity continues to enhance portfolio quality, strengthening long and strong income characteristics
- Occupancy of 99%, WAULT of 19 years (18 years to first break) and gross to net income ratio of 99%
- Contractual rental uplifts on 78% of income, 42% of income subject to annual reviews
- 87% of portfolio EPC A-C rated, 3.3MWp of solar PV added in period, with 3MWp of near term potential

Occupational activity added £7.7m pa contracted income
- Rent reviews +17% on five yearly equivalent basis, including market reviews +44%
- Income uplift expected over next 18 months of £26m, 21% embedded reversion on logistics

Strong financial position provides flexibility and optionality
- FTSE 100 status with scale providing better access to capital as well as external growth and consolidation opportunities
- Extended maturity on £275m, added/extended £447m of hedging, actively engaged on new £175m facility
- LTV of 33.8% with weighted average debt maturity of 4.8 years and cost of debt at 4.0% (100% hedged)

Andrew Jones, Chief Executive of LondonMetric, commented:

"Following the transformational LXi deal, we have further cemented our position as the UK's leading triple net real estate income investor. The benefits of our actions are evidenced by the portfolio's exceptional income characteristics, our sector leading EPRA cost ratio of 7.6% and our strong financial performance in the period which saw earnings per share grow by 26%.

"Our £6.2 billion portfolio is aligned to the strongest thematics of logistics, convenience, hospitality and healthcare, and is invested in mission critical real estate with high occupier contentment. Importantly, our transactional capabilities, greater scale and strong shareholder alignment is ensuring our portfolio is constantly re-shaping, with £234 million of lower growth disposals and £203 million of high quality acquisitions year to date. This activity along with further external growth and consolidation opportunities that are presenting themselves is supporting our target to grow our logistics exposure to 50% by year end."

"Our all-weather portfolio with guaranteed rent growth, greater scale and a well positioned balance sheet underpins our earnings growth and our ability to deliver a tenth year of dividend progression and maintain our path to dividend aristocracy. After all, we continue to believe that income compounding is the eighth Wonder of the World – the secret ingredient that creates wealth over time."

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Meeting and audio webcast

An analysts meeting will be held at 9.15am today and a live audio webcast will be available at the below link. An on demand recording will also be available from the same link shortly after the meeting:
https://brrmedia.news/LMP_HY_24

Notes to editors

LondonMetric Property Plc is the UK's leading triple net lease REIT with a £6 billion portfolio aligned to structurally supported sectors of logistics, healthcare, convenience, entertainment and leisure. It owns and manages desirable real estate that meets occupiers' demands, delivers reliable, repetitive and growing income-led returns and outperforms over the long term.
Further information is available at www.londonmetric.com.

Alternative performance measures: The Group financial statements are prepared in accordance with IFRS where the Group's interests in joint ventures and non-controlling interests are shown as single line items on the income statement and balance sheet. Management reviews the performance of the business principally on a proportionately consolidated basis, which includes the Group's share of joint ventures and excludes non-controlling interests on a line by line basis. Alternative performance measures are financial measures which are not specified under IFRS but are used by management as they highlight the underlying performance of the Group's property rental business and are based on the EPRA Best Practice Recommendations (BPR) reporting framework which is widely recognised and used by public real estate companies

Chief Executive's Statement

Overview

LondonMetric is a high conviction triple net lease ('NNN') real estate income investor. Through our low cost and highly efficient approach, we behave and act like a true REIT with the delivery of reliable, repetitive and growing income at our core. The guaranteed positive trajectory of our rent roll underpins our earnings growth, our tenth year of dividend progression and our path to dividend aristocracy.

We believe that income and income growth are the defining characteristics of long term real estate investing and deliver superior total returns. Our income approach and focus on macro trends frames our capital allocation into the winning sectors and mission critical assets that are benefiting from evolving consumer behaviour. We have built an all weather portfolio that can see through short term macro volatility and has high occupier contentment. Our close occupier relationships and partnerships, together with our shareholder alignment, give us a positive edge and ensures that our portfolio remains fit for the future to create lasting value.

Our investment thesis is heavily focused towards structurally supported sectors with strong tailwinds – sheds, beds & breads. These sectors are winning out with their attractive income and income growth prospects, and so we have pivoted our investments to reflect the growth in online shopping, convenience shopping, private healthcare and leisure experiences. We actively avoid sectors with muted growth or that have structural headwinds where occupancy, amenity and environmental costs are weighing on net income and valuations. The legacy sectors of offices and shopping centres continue to be disrupted and, whilst many believe that the disruption is cyclical, we believe it is structural.

Our transformational LXi deal in March 2024 materially increased our scale and is delivering significant benefits through cost synergies, better debt optionality and much increased liquidity in our shares. We have achieved £13 million of annual cost savings through the deal on top of the £4 million annual savings from our acquisition of CT Property Trust ("CTPT"). The benefits of these deals and our alignment to the winning sectors is evidenced by the portfolio's strong and long income metrics, our 17% uplift on rent reviews in the period, our sector leading EPRA cost ratio of 7.6% and our strong financial performance.

During the six month period, we increased EPRA earnings per share by 26% and progressed our dividend by 19%, which is 117% covered by earnings and puts us firmly on track to deliver a full year dividend of 12 pence per share, a tenth year of dividend progression. Our EPRA net tangible assets per share increased by 2% and we delivered a total property return of 4.0% and a total accounting return of 4.9%. We have continued to proactively manage our debt facilities with 100% of drawn debt hedged against interest rate volatility, a blended cost of debt of 4.0%, average debt maturity at five years and an LTV below 34%.

Our total return model focusing on NNN income compounding and strong shareholder alignment is ensuring that we remain disciplined, rational and active, looking to continually improve our portfolio, financing and net operating income. Year to date, we have exchanged on £234 million of sales at 3% above prevailing book value, mostly non core assets inherited from LXi and CTPT. We are reinvesting those sales proceeds into higher quality assets in stronger sectors, mainly logistics, with better income reliability and growth trajectory, and have acquired £203 million year to date.

Our activity has seen us increase our logistics weighting, maintain a well positioned balance sheet and strong equity rating and achieve FTSE 100 status. We will continue to capture strong income growth and, with further external growth and consolidation opportunities presenting themselves, we expect to further enhance our position as the leading UK NNN lease REIT.

Macro events continue to dominate the investment backdrop

The global economic outlook continues to dominate the investment market backdrop with the market eagerly anticipating each economic data release to determine the likely path of interest rates.

Interest rates have hit the inflexion point with central banks cutting interest rates on the back of falling inflation and this has supported global equity markets and interest rate sensitive real assets. However, whilst the market has largely looked beyond geopolitical uncertainty, ongoing conflicts in the Middle East and Ukraine as well as the US election result and the UK budget have caused uncertainty and still pose ongoing risks.

Economic data has shown that the global economy, particularly the US, has been resilient to a higher interest rate environment. There are still elevated inflationary pressures which are impacting bond rates, making it likely that we will see more gradual interest rate cuts than previously expected.

The UK economy has proven to be resilient but it is clear that consumer and business confidence has been weaker of late and there are headwinds which could impact future growth, principally rising inactivity rates, ongoing uncertainty over the health of the labour market, the impact of the budget and rising UK debt levels. However, the UK economy remains in reasonable shape with an unemployment rate that remains steady at just over 4% and real wage growth.

Liquidity and sentiment in real estate is improving

Interest rates remain the yardstick against which most investments are measured. Consequently, sentiment in the real estate sector continues to be largely driven by the outlook for five year swap rates and ten year gilts. Unsurprisingly, after a recalibration of valuations over the last few years and with five year swap rates now at c.400bps, sentiment has improved and valuations have stabilised across most real estate sectors.

After a c.30% decline in UK real estate transactions in 2023, total UK investment year to date of £34 billion is 7% higher than the same period last year according to CBRE. We have seen healthy activity across the 'winning' sectors, as well as growing popularity for retail warehouse assets amongst UK institutions. There are also some signs of activity in the London office and shopping centre markets, with a handful of transactions, albeit at prices materially below previous valuations which reflects motivated vendors, falling rental values, growing capex requirements and expanded yields.

However, with current swap rates continuing to rule out many debt buyers, we are seeing the greatest liquidity for smaller lots sizes. Our view remains that normal liquidity won't return until five year swap rates fall closer to 300bps to derive an all in cost of debt of c.5%, a level that allows most debt led real estate transactions to work.

We have also seen further sector consolidation and managed wind-downs of externally managed REITs where poor structures, lack of scale, limited alignment of interest and legacy investment strategies have manifested in material discount ratings. The days of easy money for externally managed small cap REITs with little in the way of shareholder alignment seems a very distant memory.

As a result, we continue to believe that there are further opportunities for consolidation, with investors increasingly focused on larger, scalable and more efficient propositions. After all, boards have a duty of care to their shareholders.

As the UK's leading NNN REIT, we aim to deliver reliable, repetitive and growing income

We continue to believe that income and income growth are the defining characteristics of long term investment returns. We appreciate the true benefit of income compounding over the longer term, focusing on the quantity, quality and timing of when cash will be returned. Compounding is not intuitive and, as a result, is often misunderstood and underappreciated.

The right real estate can offer excellent inflation protection and alpha returns materially higher than many alternatives, with the added security of the intrinsic value of the property. After all, ten year indexed gilts are trading at approximately 1%.

NNN income REITs that invest in quality assets, with high occupier contentment and certainty of income growth, are very well placed to deliver long term compounded returns. This model has been highly successful in the US and is a scalable, low cost proposition that does not require great activity, people or risky decision making. We believe that this is the right way to invest - low cost, high quality, reliably and efficiently delivered.

The LXi deal materially progressed our ambition to be the UK's leading NNN REIT and further enhanced our reliable, repetitive and growing income streams. Our portfolio has an annual net contracted rent of £346 million and very strong income metrics with a WAULT of 19 years, occupancy at 99% and a gross to net income ratio of 99% which reflects our minimal property costs. With 78% of income subject to contractual rental uplifts and 42% subject to annual reviews, this is providing certainty of income growth.

Our strategy is to own quality assets in winning sectors underpinned by strong income

Our job is to allocate capital into real estate sectors where it will be treated best by looking for new trends and changes in direction. There is no substitute for being aware and always prepared to pivot.

We prioritise asset selection and occupier contentment in structurally supported sectors that are benefiting from consumer tailwinds and that have the correct thematic exposure. When you choose real estate where the wind is at your back, you are more likely to be a price setter than a price taker. We prioritise 'mission critical' assets as occupiers tend to stay longer, invest more and over time, pay higher rents. This prioritisation has served us very well over the last decade, improved our returns and differentiates us from our peers. We continue to have the utmost confidence in this approach.

Management's share ownership culture ensures that the Company pursues quality returns over long periods of time. After all, time is the friend of a wonderful portfolio, and so we are happy to get rich slowly. Our model is focused on long term compounding, rather than simply growing assets under management. This tempers our acquisition activity, limits speculative development exposure and frames our disposal decisions.

Buying lowly rated assets cheaply is not our strategy, as these assets tend to over distribute, diluting equity value and creating unnecessary risk, stress and valuable thinking time. We are not afraid to exit assets which have shorter leases, weakened credits and capital expenditure requirements that are likely to grow faster than net rents.

Similarly, we have never seen the attraction of managing intensive assets, particularly offices, where tenants are addicted to incentives, depreciation is speeding up and growing occupier and consumer expectations are for smarter and better amenities, all of which are paid for by the owners.

Investment activity focused on non core sales, recycling into higher growth logistics

As with most portfolios, you will never love all the assets and our primary focus has been the sell down of LXi assets that are not benefiting from structural tailwinds. Year to date, we have successfully sold £234 million, at 3% above prevailing book value with £150 million of LXi assets now sold. We have an additional £86 million under offer.

The proceeds of these sales are being used to primarily grow our logistics exposure, particularly urban logistics where we are seeing the strongest rental growth. Market uncertainty and elevated debt costs are creating opportunities at a time where the field of competitors is quieter, and we have transacted on £203 million of acquisitions year to date and have a further £116 million under offer.

Opportunities are arising from various sellers including pension funds exiting direct real estate, motivated vendors facing refinancing challenges, investment funds subject to investor redemptions, occupiers looking to raise money through sale & leasebacks and, of course, additional portfolios from various M&A opportunities.

The logistics sector remains highly attractive and we believe that the sector's structural tailwinds remain strong with continued online sales growth, reshoring activities, rewiring of supply chains and warehouse automation. After UK logistics take-up falling back in 2023 to pre-Covid levels, CBRE has estimated that logistics demand over Q1-Q3 2024 has risen 28% on the prior year comparative. Take up has broadly matched supply and the vacancy rate reduced slightly to 5.25%, with future market rental growth for logistics expected to be 2-3% per annum over the next few years.

Our logistics assets of £2.8 billion account for 45% of our portfolio, which is up from 43% over the period, and is expected to reach 50% in the near term as we recycle further capital into logistics. Our logistics assets delivered a total property return of 3.4% and saw further ERV growth of 2.6% with rent reviews settled at 18% above previous passing rents on a five yearly equivalent basis with urban logistics open market reviews seeing a 54% uplift. Our logistics portfolio remains highly reversionary with average ERVs 21% above average passing rents, and this is expected to provide superior returns as we capture embedded reversion.

We continue to believe that urban logistics remains the most attractive sub sector of logistics and has the greatest demand/supply tension and income growth potential. Supply continues to reduce as assets are converted into higher land uses. Highly granular occupier demand is further benefiting from an ongoing need for occupiers to evolve operationally by locating closer to the end customer, minimise delivery times, increase accuracy of delivery and satisfy consumer demands for instant gratification.

We remain active and open minded on future acquisition opportunities and expect to further enhance the quality of our portfolio with new investments and further disposals.

Our long income assets across the convenience, entertainment and healthcare sectors are delivering attractive income returns and benefiting from structural tailwinds

Our long income portfolio represents 52% of our assets and provides incredible income let to strong operators, with inflation protection and attractive income compounding qualities which form the bedrock of our dividend. It is 100% let, offers a topped up NIY of 5.8%, a WAULT of 24 years and contractual rental uplifts on 91% of income. The real estate is aligned to structurally supported sectors that are benefiting from changes in consumer behaviour as the population pivots expenditure towards convenience, experience and better healthcare. Strong demand/supply dynamics in these sectors and attractive replacement metrics ensure that these assets are mission critical operating assets for our occupiers. In the period, long income delivered a TPR of 4.2%.

It is crucial in real estate that income compounding from contractual uplifts does not of itself create an over renting position. This is why our long income assets are let at rents that are in line with market rents and/or are let to occupiers that can pass on higher rents to their customers thereby maintaining a healthy earnings to rent cover.

For the convenience sector, despite the growth in online shopping, the store network still remains integral to retailers. Well located, stand-alone or cluster properties that are fit for purpose, right sized and right rented and let on long NNN leases to grocers, discounters, home and DIY operators continue to be attractive investment propositions. These occupiers have resilient business models that are less exposed to the migration of shopping online, offering essential goods and omni-channel optionality in a convenient format. Roadside convenience has been an area of focus for us through drive thrus with a growing need to service customers using electric vehicles with new charging points. We now own a substantial number of drive thrus, let to national names like Costa, Burger King, McDonalds, Starbucks, as well as new entrants like Tim Hortons.

The entertainment & leisure sector is benefiting from the trend towards experiences, the recovery in international travel and greater consumer preferences for staycations given household financial pressures. The UK hotel sector has seen a strong recovery following the pandemic and is experiencing favourable dynamics following years of supply contraction and is a sector we expect will also benefit from the need for EV charging. Visitor attraction operators, including theme parks, have also benefitted from these trends, proving to be non-cyclical performers as consumers prioritise experiences over things and an unwillingness to cut back on discretionary spend in this area. Theme parks also have significant barriers to entry in the UK which adds to their defensive characteristics.

The healthcare sector is underpinned by strong demand drivers from an ageing and growing population as well as improvements in technology, and the real estate investment market in healthcare has been particularly active over the last six months. UK private hospitals are particularly well placed and are increasingly taking on NHS patients as a result of the growing NHS waiting lists where eight million people are awaiting treatment. Unsurprisingly, they are also seeing a strong growth in patients treated through private medical insurance as well as self-pay as they seek better and faster care. 2023 saw a record growth in insured patient volumes across the independent healthcare provider sector and, in its last financial year, Ramsay Health Care's UK business saw a strong increase in NHS admissions and private pay patients.

We continue to grow our income and improve our asset quality by using our expertise to work in partnership with our occupiers

We continue to see high occupier contentment and demand across our portfolio. During the six month period, occupier initiatives added £7.7 million per annum of rent and delivered like for like income growth of 3.5% on an annualised basis. Lettings and regears added £2.0 million and were signed on average lease lengths of ten years whilst rent reviews added £5.7 million, representing a 17% uplift on a five yearly equivalent basis.

Looking forward, we will benefit from collecting additional income from our highly reversionary logistics assets as well as the guaranteed uplifts on our long income assets and other asset management initiatives, with an additional £26 million of rental uplift expected over the next 18 months.

Our strong occupier relationships have seen us secure new pre-lets and de-risk our development activity. In Cardiff, we are building a new 36,000 sq ft warehouse for an existing customer, Ferrari Pistons, and in Weymouth we are building a new 42,000 sq ft state of the art food and general merchandise store for M&S. Both buildings are let on new 15 year leases and we continue to execute on other accretive and long let asset management opportunities.

We continue to embed sustainability and high ESG standards across our activities, driven by our own aspirations as well as those of our customers and stakeholders. We see ourselves as strong stewards of underinvested or poorer quality assets with the expertise and appetite to materially improve buildings. Over the period, the portfolio's EPC A-C rating increased from 85% to 87% and its A-B rating also improved from 49% to 52%. Three solar PV projects completed in the period adding 3.3MWp of installed capacity, and we have a further 3MWp of near term potential. Following integration of the LXi assets, we are now developing our Net Zero Pathway and expect to publish this with our full year results.

As a larger and growing business, we recognise the importance of investing in our people and have continued to strengthen our team with several new hires. The appointment of Darren Richards to the newly created role of Chief Investment Officer is a particularly important hire for us. He is well known to the senior management team and we look forward to working with him again when he starts in January 2025.

Polarisation across real estate will continue

Technological disruption continues to affect the way we communicate, travel, work and shop with profound and permanent consequences for which real estate sectors win and lose. Structural tailwinds are providing strong support for logistics, convenience, private healthcare, hospitality and experiences. Student accommodation and build-to-rent are similarly benefiting from tailwinds but are sectors that do not meet our NNN strategy as they have high associated operating costs. Data centres also offer exciting growth prospects aligned to the need for a growing digital infrastructure but remain a complex sector with availability of power a major constraint.

For the troubled sectors, although their prospects have improved, significant headwinds persist. In the office market, outside of London's West End, there are still strong parallels to shopping centres nearly ten years ago. New technology, increasing obsolescence, new sustainability requirements and changing workers' preferences, are disrupting demand for all but the very best office space. It is most definitely a case where capital expenditure by office landlords is rising quicker than rents and occupancy.

This is impacting vacancy rates, rental levels and of course valuations, at a time when a massive amount of debt secured against offices is due to be refinanced. Like the shopping centre market, many lending banks will end up holding the keys. Whilst many office owners will confidently talk about their repurposing options, very few of them can point to these being financially accretive initiatives rather than defensive ones; a case of melting ice cubes.

Operational retail property continues to suffer as the consumer pivots further towards an omni-channel and convenience shopping model. The shift online has resulted in massive value erosion across many parts of physical retail, where there is simply too much space and not enough occupiers. This is less pronounced in some of the strongest locations but, even here, passing rents are very often still higher than true ERVs once the incentive required to maintain occupancy are stripped out.

The adoption of omni-channel models is, however, helping retail parks which are seeing strong occupancy, reduced supply and stronger pricing equilibrium. This is particularly the case around the better geographies, where space is being lost to other higher value alternatives like residential and demand/supply metrics remain attractive and asset management initiatives can create NNN income characteristics.

In the retail grocery convenience sector, stores retain their important role in essential spending due to low online penetration. However, performances remain polarised as larger format supermarkets continue to fight strong competition from the smaller, right rented, fit for purpose convenience and discount stores.

Outlook

Our NNN income model is delivering strong income and elevated levels of rental growth through a low cost and efficient platform. We believe that this is the right way to invest and internally we refer to it as the three Cs – collect, compound and watch the yields compress.

Scale is increasingly important and our activity has given us improved liquidity, material earnings enhancement, access to quality investment opportunities and economies in terms of overheads, efficiency and debt optionality. Our EPRA cost ratio is the lowest in the sector and with this strong cost control and limited income leakage, we are able to further increase our net rental income, earnings per share and progress our covered dividend. This puts us on track for our tenth consecutive year of dividend progression.

Our decisions remain heavily influenced by the macro environment, consumer behaviour and demand/supply dynamics. After all, no matter how great the intelligence or how hard the work, the macro will always out run the micro. As we have demonstrated over many years, our deep experience and confidence to position the portfolio where we see best growth will ensure that our portfolio remains fit for the future.

We will never stop exercising to improve the quality of our assets and income stream by trimming our exposure to certain sub-sectors and individual credits. The logistics market remains our strongest conviction for attractive income growth and so we continue to reinvest sale receipts into this market.

We are fully aligned with a shared mission and will be ruthlessly efficient in how we operate our business and how we allocate capital in our quest towards dividend aristocracy. After all, income compounding is the eighth Wonder of the World – the secret ingredient and the rocket fuel that creates wealth.

Property Review

Our portfolio is aligned to structurally supported sectors

After a doubling in the size of the portfolio over the previous year, the portfolio value increased from £6.0 billion to £6.2 billion over the period.

Logistics remained our largest sector weighting, increasing over the period from 43% to 45% of the portfolio, whilst our long income weighting, which comprises the convenience, entertainment & leisure and healthcare & education sectors, fell from 54% to 52%.

Acquisitions in the period comprised 19 logistics properties which were purchased for £193 million at a NIY of 5.9% and a reversionary yield of 6.7%.

Disposals in the period comprised 34 assets, most of which were former LXi and CTPT non core assets. They were sold for £155 million at a NIY of 7.2% and consisted primarily of seven offices sold for £52 million, ten convenience assets sold for £70 million and 14 healthcare & education assets sold for £29 million.

Post period end, we have transacted on:

- A further convenience acquisition for £10 million and we have £116 million under offer; and
- 21 disposals totalling £78.4 million, which takes year to date sales to £234 million, transacted at a 3% premium to prevailing book value. We are under offer on a further £86 million of sales.

We have now sold 41 assets from the LXi portfolio for £150 million and 14 assets from the CTPT portfolio for £54 million.

Portfolio weightings
(by value at 30 September 2024)

Logistics	45%
Entertainment & leisure	21%
Healthcare & education	16%
Convenience	15%
Other[1]	3%

1. Mainly comprises two multi-let retail parks, six offices and a life science asset.

The portfolio delivered a total property return of 4.0% over the period. ERV growth was 1.3%, and the portfolio delivered a 0.7% property valuation increase despite 16bps of yield expansion. The portfolio's EPRA topped up net initial yield is 5.3%, unchanged from year end, and its equivalent yield is 6.4%.

Our portfolio metrics remain very strong

Net contracted rent increased over the period from £339.7 million to £345.6 million, whilst the portfolio's WAULT remained at 19 years (18 years to first break), providing very strong income security with only 6% of income expiring within the next three years.

Occupancy remained at 99% and our gross to net income ratio of 99% continues to reflect the portfolio's high retention rate, very low property costs and minimal operational requirements.

Contractual rental uplifts apply to 78% of our income (31 March 2024: 79%) providing high certainty of income growth, with 42% of income subject to annually compounded contractual rent reviews:

- 53% of rent is index linked: with 28% RPI linked, 16% CPI+1 linked and 9% CPI or CPIH linked; and
- 25% of rent is subject to fixed uplifts, with a weighted average uplift of 2.6% per annum.

The remaining 22% of income is linked to open market rent reviews.

Index linked rent reviews are subject to a range of collars and caps which are typically between 1% to 4% over a five-year period such that:

- For RPI reviews, at 22% inflation over a five-year period (equivalent to 4% per annum), 97% of inflation is captured; and
- For CPI reviews, at 16% inflation over a five-year period (equivalent to 3% per annum), 100% of inflation is captured.

Asset management continues to generate attractive income growth as we work in partnership with our occupiers

During the period, we undertook 166 occupier initiatives adding £7.7 million per annum of rent and delivering like for like income growth of 3.5% on an annualised basis (1.7% for the six month period).

Our high occupancy and significantly longer leased portfolio as a result of the LXi merger limited our leasing activity in the period with 27 new leases or regears signed, adding £2.0 million per annum of rent with a WAULT of ten years. We settled 139 rent reviews, adding £5.7 million per annum of rent at an average of 17% above previous passing on a five yearly equivalent basis with:

- 131 fixed and index linked reviews delivering an uplift of £5.0 million at an average of 16% above passing on a five-yearly equivalent basis; and
- 8 open market rent reviews delivering an uplift of £0.7 million at an average of 44% above passing. Open market reviews on urban logistics continued to see substantial increases and were settled on average at 54% above passing.

We continue to see high occupier contentment and engagement across the portfolio. In particular, engagement with LXi's key occupiers continues to be very positive and we are actively engaged on asset management initiatives with a number of them to further enhance our real estate.

Over the next 18 months, with the benefit of a high proportion of contractual uplifts, material rent review uplifts on our logistics portfolio and other active asset management initiatives, we expect to add £26 million of additional income.

We have strong and diversified income

Our investment and asset management actions over a number of years have increased the resilience of our portfolio by aligning our income to structurally supported sectors and assets that are in demand from occupiers and investors. The LXi merger increased our income diversification through the addition of new sectors where we believe there are strong structural tailwinds.

A major focus for us over recent years has also been to diversify our income and improve the granularity of our occupier base. The LXi deal materially increased our income concentration to our top ten occupiers with Ramsay Health Care, Merlin Entertainments and Travelodge, our three largest occupiers, accounting for 26.5% of net contracted rent.

Whilst these are strong credits with robust business models occupying key operating assets and investing materially in their estate, we will look to reduce our exposure to these occupiers over time.

Top ten occupiers	(% of income)
Ramsay Health Care[1]	11.1%
Merlin Entertainments[2]	9.1%
Travelodge	6.3%
Primark	1.8%
Tesco	1.8%
Great Bear	1.6%
Amazon	1.5%
Argos	1.4%
Q-Park	1.4%
SMG Europe	1.2%
Total	**37.2%**

1. Ramsay Health Care provides quality healthcare globally with twelve million admissions and patient visits per annum in over 500 locations. Ramsay is listed on the Australian Stock Exchange valued at £5 billion. In the UK, Ramsay has 34 acute hospitals caring for approximately 200,000 patients per annum and employing 7,500 people. UK revenues in the last financial year were 14% higher at £1.2 billion, driven by a strong increase in NHS admissions and private pay patients.

2. Merlin Entertainments is the global leader in branded entertainment destinations with 62 million guests per annum. It operates 141 attractions in over 20 countries, including Alton Towers, Thorpe Park and Warwick Castle that are owned by LondonMetric. It recorded revenues of £2.1 billion in 2023 and is owned by the Lego family, Blackstone, Wellcome Trust and Canada Pension Plan Investment Board.

We continue to improve our ESG focus and sustainability credentials

We recognise the importance of a comprehensive ESG strategy which includes minimising the environmental impact of our business, maximising the energy efficiency of our assets and improving the climate resilience of our portfolio. As part of our drive to upgrade the quality of our assets, we continue to invest in high quality buildings and focus on working with our occupiers to progress energy efficiency and clean energy initiatives, mainly from solar PV, LED lighting upgrades, roof improvements and degasification.

The alignment of our portfolio to NNN income assets means that our landlord Scope 1 and 2 emissions have fallen considerably to very low levels, the energy intensity of our buildings is lower than for many other property sectors and the ability to improve assets' energy ratings and carbon emissions is relatively easier and typically funded by our occupiers. In order to implement environmental initiatives and ultimately achieve net zero carbon on our buildings, we remain reliant on our occupiers sharing similar environmental ambitions to us due to our full repair and insuring ('FRI') / NNN lease structure and our long lease lengths.

As part of our integration of the LXi assets, we are in the process of developing our portfolio Net Zero Pathway, setting a clear baseline for the combined group as well as our specific asset decarbonisation pathways. We expect to report on our Net Zero Pathway with our full year results. As part of this exercise, we continue to assess improvements that can positively impact EPC ratings and achieve net zero on our buildings. In addition, we are embedding sustainability initiatives into our asset management activity and collaborating with our occupiers on asset improvements at lease events to ensure any capex and lease incentives are accretive to rents and our buildings.

Key ESG progress over the period included:

- An increase in the portfolio's EPC A-C rating from 85% to 87% with A-B rating improving from 49% to 52%;
- Maintaining our above peer group average score in the latest GRESB survey, scoring 73 (2023:76) and achieving two green stars. We also maintained our Gold Award in the EPRA sBPR; and
- Increasing solar PV installed capacity to 7.8MWp across 32 assets following the completion over the period of three projects in Huntingdon (1.9MWp), Biggin Hill (1.2MWp) and Bicester (0.2MWp). We have a further near term pipeline of solar PV installations totalling 3MWp of capacity.

Logistics Review

Overview

Our logistics assets are spread across the urban, regional and mega sub-sectors and valued at £2,779 million, with a WAULT of 11.8 years and occupancy of 98.2%.

Urban logistics has been our strongest conviction call for a number of years and our urban portfolio now totals £1,744 million, located across 162 locations and accounting for 63% of our overall logistics exposure. Demonstrating our focus on strong geographies, 59% of our urban portfolio is located in London and the South East and 26% is in the Midlands.

Logistics continues to deliver attractive rental growth which, together with material embedded reversionary potential within our portfolio, is allowing us to drive strong rental growth. Average ERVs on our logistics portfolio are 21% higher than average passing rents, with urban logistics assets at 19% (31 March 2024: 25%) and our regional and mega assets at 24%. The higher reversionary potential on regional and mega assets reflects their greater exposure to index linked or fixed reviews as well as their longer leases, which limits our ability to capture market rental values over the short term.

Our logistics assets delivered a total property return over the period of 3.4%. Despite a small outward yield shift of 4bps our actions and continued market rental growth, as reflected in the logistics portfolio's ERV growth in the period of 2.6%, resulted in a valuation increase over the period of 0.7% for logistics. ERV growth was again strongest in urban logistics at 3.2%. Our logistics assets are valued at a topped up NIY of 4.7% and an equivalent yield of 5.8%.

As at 30 September 2024	Urban	Regional	Mega
Typical warehouse size	Up to 100,000 sq ft	100,000 to 500,000 sq ft	In excess of 500,000 sq ft
Value[1]	£1,744m	£721m	£314m
WAULT	10 years	14 years	15 years
Average rent (psf)	£9.20	£6.90	£6.30
ERV (psf)	£11.00	£8.30	£8.30
ERV growth (H1)	3.2%	1.7%	1.7%
Topped up NIY	4.6%	4.9%	4.5%
Contractual uplifts	48%	70%	100%
Total property return (H1)	**3.5%**	**3.1%**	**3.6%**

1 Including developments

Logistics investment activity focused on sale and leasebacks and pension fund opportunities

Logistics acquisitions in the period totalled £193.3 million, bought at a NIY of 5.9% and a reversionary yield of 6.7%. The acquisitions had a WAULT of 12 years and 88% of the rent is subject to open market reviews. They comprised:

- A 526,000 sq ft off market portfolio for £78.0 million from a FTSE 100 pension fund. The assets are located in Stafford, Banbury, Romford, Southampton, Bristol and Aberdeen and are leased to strong tenants including General Electric, Thales, EVRI, Macarthys Laboratories and KCA Deutag;
- A 211,000 sq ft fully let logistics park in Wednesbury acquired from a pension fund for £25.0 million with a low site density of 21% and immediate asset management opportunities through open market reviews;

- A 182,000 sq ft regional warehouse in Avonmouth let to Farmfoods acquired through a sale and leaseback for £26.4 million and with five-yearly rent reviews to the higher of OMV or CPI+1 compounded annually;
- A 106,000 sq ft warehouse in Cardiff let to Booker, acquired for £8.8 million;
- A 95,000 sq ft warehouse in Milton Keynes let to Ingram Content Group, acquired for £18.6 million;
- 88,000 sq ft of warehousing in Derby, Huntingdon, Farnborough and Leeds acquired for £14.3 million through sale and leasebacks with Travis Perkins;
- 45,000 sq ft of warehousing in Bolton and Derby let to MKM acquired for £6.5 million;
- A 30,000 sq ft multi-let warehouse in York acquired for £6.0 million;
- A 28,000 sq ft multi-let warehouse in Reading acquired for £6.2 million; and
- A 18,000 sq ft warehouse in Swindon let to Jewson acquired for £3.5 million.

Logistics disposals totalled £3.9 million in the period with £2.5 million sold post period end.

Logistics asset management added £3.3 million of additional rent

Logistics lettings and regears were undertaken on 18 assets in the period adding £1.3 million per annum of income and signed with a WAULT of 11 years. The main deals consisted of:

- A new letting on a 36,000 sq ft warehouse to Ferraris Piston Service (FPS) in Cardiff on a 15-year lease at an annual rent of £0.4 million. The new development is expected to deliver a yield on cost of over 6% and complete in Spring 2025;
- A new letting on a recently vacated 14,000 sq ft warehouses in Dulwich to Howdens on a ten year lease and at a rent of £0.2 million;
- Ten urban logistics regears across 0.3 million sq ft extending term certain to nine years and increasing rental income by £0.7 million per annum, representing an uplift of 32% against previous passing rent. The largest regears were at warehouses in Crawley, Dudley, Greenford, Havant, Newhaven and Leamington; and
- A break removal on a 0.3 million sq ft regional warehouse in Bognor Regis where the term certain was extended by five years and improvement works are being undertaken which will improve the EPC from its current ‘C’ rating.

Logistics rent reviews were settled in the period across 2.6 million sq ft, adding £2.0 million per annum of income at 18% above previous passing rent, on a five yearly equivalent basis. These reviews comprised:

- 15 urban reviews settled at 25% above passing rent on a five yearly equivalent basis with open market urban reviews delivering a 54% uplift;
- One regional RPI linked review settled at 22% above previous passing on a five yearly equivalent basis; and
- Two contractual mega reviews settled at 12% above previous passing rent on a five yearly equivalent basis.

Long income review

Overview

Our long income assets have low operational requirements and are let on long leases to strong operators in structurally supported sectors that are benefiting from the changes in the way people live and shop. They are spread across the convenience, entertainment & leisure and healthcare & education sectors.

As at the end of the period, the value of our long income assets was broadly unchanged at £3,223 million, representing 52% of our portfolio. These assets are 100% occupied, let with a WAULT of 24 years and generate an attractive topped up NIY of 5.8% with 91% of income subject to contractual rental uplifts and an equivalent yield of 6.9%. Long income delivered a total property return over the six month period of 4.2% with ERV growth of 0.3% and 27 bps of equivalent yield outward movement delivering a valuation increase of 0.7%.

As at 30 September 2024	Entertainment & Leisure	Convenience	Healthcare & Education
Value[1]	£1,280m	£966m	£977m
Net Contracted rent	£84m	£57m	£56m
WAULT	35 years	13 years	15 years
Topped up NIY	6.1%	5.8%	5.4%
Contractual uplifts	97%	73%	100%
Total property return (H1)	**4.1%**	**3.8%**	**5.0%**

1 Including developments

Entertainment & leisure represents 40% of long income:

- Theme parks – Consists of Thorpe Park, Alton Towers, Warwick Castle and Heide Park (in Germany). These assets represent 45% of this sub sector's weighting and are let with a WAULT of 53 years to Merlin Entertainments, with a mixture of annual CPI+0.5% rent reviews and annual fixed rent reviews of 3.3% per annum;
- Hotels – Consists of 77 budget hotels, with 68 let to Travelodge. These assets represent 31% of this sub sector's weighting and are let with a WAULT of 25 years, mainly on five yearly CPI+0.5% / RPI linked reviews. They are located nationwide and focused on roadside locations; and
- Other – Comprises pubs, cinemas, garden centres and events venues including the AO Manchester Arena, which is mostly let to SMG Europe for a further 21 years.

Convenience assets represent 30% of long income:

- Foodstores – 47 assets let at an average rent of £18.70 psf with key occupiers including Waitrose, Co-op, Costco, Tesco and Aldi. These are predominantly smaller format grocery with an average area of c.30,000 sq ft. Foodstores represent 46% of convenience;
- NNN retail – 29 assets, primarily single or cluster assets let to discount, essential, electrical and home retail occupiers such as B&M, Currys, DFS, Dunelm, Home Bargains, Pets at Home and The Range at an average rent of £18.70 psf. These assets typically benefit from high alternative use values. NNN retail represents 26% of convenience;
- Roadside – 66 assets, primarily convenience stores with attached petrol filling stations, drive-thru coffee outlets and automated car washes. Key occupiers include Co-op, IMO, BP, McDonalds, MFG and Starbucks. Roadside represents 14% of convenience weighting; and
- Other – Comprises 23 trade/DIY stores and autocentres (with key occupiers including Halfords, Kwik Fit, Topps Tiles and Wickes) and ten car parks let to Q-Parks with a WAULT of 26 years and annual rent reviews linked to RPI.

Healthcare & education represents 30% of long income:

- Hospitals – 12 private hospitals make up 79% of this sub-sector. 11 are let to Ramsay Health Care with a WAULT of 13 years and annual fixed rent reviews of 2.75%. The two largest hospitals are in Sawbridgeworth and Chelmsford. Ramsay is one of the leading independent healthcare providers in England, providing a comprehensive range of clinical specialities to private and self-insured patients, as well as patients referred by the NHS. Ramsay is seeing strong growth in both private and NHS volumes, and 97% of its facilities are rated 'Good' by the Care Quality Commission in the UK;
- Care homes & assisted living – 19 assets with key occupiers comprising Bupa and Priory (recent sales have reduced our exposure to seven assets and allowed us to exit from all of our assisted living assets); and
- Education – Comprises two training centres, one in Milton Keynes (sale of which is expected to complete in the second half of the year) and one in the West Midlands, both let to Compass as well as a number of children's nurseries and adventure centres, and one student accommodation asset.

Disposals activity in long income focused on LXi non core assets

We sold £99.4 million of long income properties largely as part of our sell down of non core assets previously acquired through the LXi and CTPT acquisitions. These assets were sold at a NIY of 6.8%, with a WAULT of 17 years and comprised:

- In entertainment & leisure, one Travelodge hotel in Preston was sold for £0.9 million
- In convenience, ten assets were sold for £70.0 million, consisting of:
  - A 106,000 sq ft Asda foodstore in Scotland sold for £10.5 million;
  - A 51,000 sq ft NNN retail asset in Weymouth sold for £14.3 million;
  - A 41,000 sq ft trade/DIY asset in Ipswich sold for £10.2 million;
  - A 34,000 sq ft roadside asset in York let to Vertu sold for £10.5 million;
  - A 34,000 sq ft NNN retail asset in Basildon let to Lok'nStore sold for £10.0 million;
  - A 34,000 sq ft NNN retail asset in Stourbridge let to B&M sold for £2.8 million;
  - Two Cazoo roadside assets in Edinburgh and Cardiff sold for £6.4 million;
  - An 11,000 sq ft roadside site in Birstall for £4.1 million; and
  - A 1,400 sq ft NNN retail asset in Kingston for £1.2 million
- In healthcare & education, 14 assets were sold for £28.5 million, consisting of:
  - A 169,000 sq ft Compass training centre in Milton Keynes sold for £23.7 million, which is expected to complete in the second half of the year; and
  - 13 care homes/assisted living assets sold for £4.8 million.

We have also sold a further 20 long income assets post period end for £75.9 million comprising:

- A 73,000 sq ft large format Asda foodstore in Halesowen, sold for £28.0 million;
- Six pubs, sold for a total consideration of £6.9 million;
- Two leisure assets in Hamilton and Fulham, sold for £9.0 million and £21.8 million respectively;
- Seven assisted living assets, sold for £5.6 million marking our exit from the assisted living sector;
- Three Travelodge hotels in Perth, Carlisle and Stonehouse, sold for £4.0 million; and
- A Boots retail unit for £0.6 million.

Post period end, we have acquired a convenience and drive-thru asset in Basildon for £10.0 million.

Long income asset management added £4.0 million per annum of rent

Seven lettings or regears were signed in the period across the long income portfolio, adding £0.3 million per annum of income and let with a WAULT of six years.

The largest letting was a 25,000 sq ft letting to Sainsbury's of a convenience grocery store in Bromsgrove on a ten year lease. Sainsbury's replaces Homebase as the occupier and the annual rent increased by 24% to £0.5 million. We own one other Homebase in Luton which is 24,000 sq ft and have agreed terms to let this unit.

120 long income rent reviews were settled in the period generating an uplift of £3.7 million per annum at 17% above previous passing on a five yearly equivalent basis. All but three of the reviews were inflation linked or fixed uplifts and the deals comprised:

- 20 entertainment & leisure rent reviews, adding £1.5 million of annual rent
- 45 convenience rent reviews, adding £0.5 million of annual rent
- 55 healthcare & education rent reviews, adding £1.7 million of annual rent of which £1.0 million relates to annual fixed reviews on our 11 Ramsay Hospitals.

Post period end, activity has been strong across our convenience sector. We have signed a 42,000 sq ft letting in Weymouth to M&S of a new full line store on a 15-year lease at an annual rent of £0.9 million. Planning consent has recently been obtained for the new BREEAM Very Good development which is expected to deliver a yield on cost of 8% and complete in Spring 2026. We have also secured planning for a 16,000 sq ft foodstore development in London with terms agreed to let the unit on a 15 year term.

We have also accelerated our asset management plans at our four garden centres that were acquired through the LXi merger. Following the restructuring announced by Dobbies recently, we have conditionally agreed deals with various garden centre operators to sell one of the sites and let the other three sites. Dobbies continues to pay rent on these sites.

Financial Review

Our corporate merger activity, with CTPT on 7 August 2023 and LXi on 5 March 2024, was transformational, doubling the size of the portfolio and increasing our contracted rent roll by 134% last year. Our increased scale and FTSE 100 listing provide better access to capital and the benefit of cost synergies and income longevity to support a progressive dividend.

Our results for the first half of 2025 are strong and include the full benefit of our merger activity last year, underpinning the 155% growth in EPRA earnings to £135.4 million or 26.5% growth on a per share basis to 6.64p. In line with our projected dividend progression, we increased the dividend for the period by 18.8% to 5.7p per share, whilst maintaining EPRA earnings cover of 117% and full cash cover. Earnings growth was driven by a 154% increase in net rental income and exceptionally low operating costs. Our sector leading EPRA cost ratio of just 7.6% reflects merger synergies and a continued focus on cost control.

Our balance sheet remains robust and IFRS net assets increased in the period by £84.4 million or by 2.1% to £4.1 billion. EPRA net tangible assets ('NTA') per share increased similarly by 2.1% to 195.7p (31 March 2024: 191.7p).

Liquidity and sentiment for real estate has improved over the six month period alongside the fall in interest rates and inflation. Our portfolio has seen a valuation increase of £40.9 million or 2.0p per share and we have made significant progress with sales of non core assets acquired through corporate transactions, enabling us to reinvest in higher quality assets in stronger sectors and with better income growth prospects.

We are in a secure financial position, with diversified sources of funding, significant available debt facilities and headroom under our loan covenants, and our finance costs are very well protected against adverse movements in interest rates.

Following the LXi merger, we entered into a new £700 million unsecured facility in March to refinance £625 million of LXi's secured facilities on more favourable terms and with the ability to draw up to £100 million in euros to hedge currency movements on our German asset.

We retained all of the LXi interest rate hedging on acquisition and have acquired £296.5 million of current and forward starting derivatives in the period and extended protection on a further £150 million, at an average rate of 3.0% and cost of £2.1 million, to extend our hedging and mitigate against interest rate movements. At the period end, our drawn debt was fully hedged by fixed rate loans and interest rate derivatives and our floating rate debt drawn is fully hedged by swaps and caps until September 2026 and substantially covered until its maturity.

Our other debt metrics remain robust, with debt maturity at the period end of 4.8 years (31 March 2024: 5.4 years) and post period end, we have extended the maturity on our £275 million revolving credit facility by a further year. We have £350 million of former LXi debt that matures in October 2025 and our objective is to create full optionality around funding sources for its refinancing or repayment, which will include a credit rating.

Our average cost of debt has increased marginally to 4.0% (31 March 2024: 3.9%) and still significantly below current base rates.

At 30 September 2024, our loan to value was 33.8% (31 March 2024: 33.2%) and we had available debt facilities and cash of £661.4 million, providing sufficient optionality to transact whilst maintaining ample headroom under our banking covenants.

Presentation of financial information

The condensed financial information is prepared in accordance with IFRS, where the Group's share of its joint venture is shown as a single line item on the income statement and balance sheet and its subsidiaries including any non-controlling interest are fully consolidated.

The Group uses alternative performance measures based on the European Public Real Estate Association ('EPRA') Best Practice Recommendations ('BPR') to supplement IFRS, in line with best practice in our sector, as they highlight the underlying performance of the Group's property rental business and enhance the transparency and comparability of financial information across public real estate companies.

EPRA earnings and EPRA net tangible assets are key business metrics adopted in this review and throughout this report and exclude items including property and derivative valuation movements, profits and losses on disposal of properties, net gains on business combinations and acquisitions costs, all of which may fluctuate considerably from year to year.

The supplementary notes to the condensed financial information include other EPRA metrics and a proportionally consolidated EPRA income statement and balance sheet. Further details, definitions and reconciliations between EPRA measures and the IFRS financial statements can be found in note 7 to the financial statements, Supplementary notes i to vii and xviii, and in the Glossary.

Income statement

EPRA earnings for the six months to 30 September 2024 and previous comparable period are summarised in the table below.

For the six months to 30 September	**2024 £m**	2023 £m
Gross rental income	**195.3**	76.6
Property costs	**(2.2)**	(0.6)
Net rental income	**193.1**	76.0
Management fees	**0.6**	0.6
Net income	**193.7**	76.6
Administrative costs	**(12.9)**	(8.6)
Net finance costs	**(45.4)**	(16.3)
Share of joint venture and non-controlling interest[1]	**1.0**	1.1
Tax	**(1.0)**	0.3
EPRA earnings	**135.4**	53.1

1 Reflects EPRA earnings for MIPP of £1.6 million reduced by the NCI share of EPRA earnings of £0.6 million as shown in Supplementary note ii

Net rental income

Our mission as the UK's leading NNN lease REIT is to deliver reliable, repetitive and progressive income for our shareholders over the long term. Key to this is our ability to deliver sustained growth in net rental income. In the six months to 30 September 2024, net rental income increased by 154% compared to the previous half year, primarily as a result of corporate acquisitions that completed in the second half of FY 2024 which added further rent of £117.7 million this half year.

The detailed movements in net rental income this half year compared to the previous comparative period are categorised below based on properties held, developed, acquired or disposed of since 1 April 2023.

	£m	£m
Net rental income in the half year to 30 September 2023		76.0
Additional rent from existing properties and developments		2.4
Movement in surrender premium income		0.2
Additional rent from acquisitions[1]	121.8	
Rent lost through disposals	(3.7)	
Additional rent from net acquisitions		118.1
Increase in rent provisions		(2.0)
Movement in property costs		(1.6)
Net rental income in the half year to 30 September 2024		**193.1**

1 Includes additional rent from CTPT of £6.6 million, from LXi of £111.1 million and from other acquisitions of £4.1 million

Despite the increase in property costs and rent provisions this half year, which have arisen as a result of our enlarged portfolio, our cost leakage ratio remains low at 1.1% (30 September 2023: 0.9%, and 31 March 2024: 1.0%).

Prior to our merger, LXi entered into an income strip arrangement. The proceeds LXi received on two theme parks are matched with a corresponding financial liability of £225.5 million and a 30% pay away of rent. The gross rental income receivable from the tenant is reflected in the income statement within revenue and the 30% pay away is reflected under IFRS as interest payable on lease liabilities and included within finance costs. The total balance sheet liability of £225.5 million at 30 September 2024 is set out in detail in note 13a(ii). The corresponding income strip asset represents a gross up of the financial liability in accordance with IFRS 9 and is reflected within investment properties in the balance sheet.

Rent collection

Our rent collection rates continue to be exceptionally strong, reflecting the importance we place on credit control and the quality of our covenants. We have collected 99.7% of rent due in the period and just £0.5 million remains unpaid.

Administrative costs and EPRA cost ratio

Administrative costs have increased by £4.3 million to £12.9 million as a result of increased headcount, salaries and advisory fees arising from of our corporate transactions. However, our EPRA cost ratio is sector leading at 7.6% and below our FY 2025 target of 8%. This is due to our focus on cost control, alongside the growth in our rent roll. The ratio reflects total operating costs as a percentage of gross rental income. The full calculation is shown in Supplementary note iv.

	30 September 2024 %	30 September 2023 %	31 March 2024 %
EPRA cost ratio including direct vacancy costs	**7.6**	11.5	11.6
EPRA cost ratio excluding direct vacancy costs	**7.2**	11.0	11.1

Net finance costs

Group net finance costs have increased by 179% to £45.4 million this half year as a result of higher borrowings and additional interest charged on debt acquired through corporate transactions last year of £1.2 billion, which was also at a higher average fixed rate of 5.2%. Whilst the £700 million refinancing we completed in March 2024 was on more favourable terms than the secured LXi facilities being replaced, our average cost at 30 September 2024 was higher at 4.0% compared to 3.3% the previous half year.

The £29.1 million increase in net finance costs in the period reflects increased interest charges net of derivative receipts of £22.3 million, higher commitment, amortisation and other fees of £2.5 million, increased interest charged on lease liabilities of £4.3 million and the unwinding of debt fair value discounts on acquisition of £2.2 million, offset by increases in interest receivable and capitalised interest of £2.2 million. Further detail is provided in note 4 to the financial statements.

Taxation

As the Group is a UK REIT, any income and capital gains from our qualifying property rental business are exempt from UK corporation tax. Any UK income that does not qualify as property income within the REIT regulations is subject to UK tax in the normal way. We acquired one German asset as part of the LXi merger which is subject to German corporate income tax and deferred tax is provided on property revaluation gains. The tax charge of £1.0 million in the period relates primarily to German corporate taxes and the UK corporation tax charge attributable to the Group's non-controlling interest in LMP Retail Warehouse JV Holdings Limited.

The Group's tax strategy is compliance oriented; to account for tax on an accurate and timely basis and meet all REIT compliance and reporting obligations. We continue to monitor and comfortably comply with the REIT balance of business tests and distribute as a Property Income Distribution ('PID') 90% of REIT relevant earnings to ensure our REIT status is maintained. The Group has paid the estimated PID for the year to 31 March 2024 ahead of the 12 month deadline for submission.

IFRS reported profit

A reconciliation between EPRA earnings and the IFRS reported profit is given in note 7(b) to the accounts and is summarised in the table below.

For the six months to 30 September		**2024 £m**	2023 £m
EPRA earnings		**135.4**	53.1
Revaluation of property	Group	**40.5**	27.6
	Share of JV and NCI	**0.4**	(1.0)
Fair value of derivatives		**(11.3)**	4.9
Loss on disposals		**(0.6)**	(3.6)
Other movements[1]		**(0.6)**	–
IFRS reported profit		**163.8**	81.0

1 Includes revaluation of investments (-£0.2 million) and deferred tax (-£0.4 million) in the six months to 30 September 2024

The Group's reported profit for the period was £163.8 million compared with £81.0 million in the previous comparative period, representing a 102% increase. As well as the increase in EPRA earnings of £82.3 million, the movement reflects a higher portfolio revaluation gain of £14.3 million and an adverse movement in the fair value of derivatives compared to the previous half year of £16.2 million.

Balance sheet

EPRA net tangible assets ('NTA') is a key performance measure that includes both income and capital returns but excludes the fair valuation of derivative instruments that are reported in IFRS net assets. A reconciliation between IFRS and EPRA NTA is detailed in the table below and in note 7(c) to the financial statements. The EPRA proportionally consolidated balance sheet is shown in Supplementary note iii.

As at	30 September 2024 £m	31 March 2024 £m
Investment property	**6,364.3**	6,232.2
Assets held for sale	**28.7**	8.5
Trading property	**1.1**	1.1
	6,394.1	6,241.8
Share of joint venture	**69.5**	69.2
Share of non-controlling interest	**(28.3)**	(28.0)
Gross debt	**(2,155.3)**	(2,087.4)
Cash	**85.5**	111.9
Other net liabilities	**(363.2)**	(398.6)
EPRA NTA	**4,002.3**	3,908.9
Derivatives	**23.4**	32.6
Deferred tax	**(0.1)**	–
IFRS equity shareholders' funds	**4,025.6**	3,941.5
Share of non-controlling interest	**28.3**	28.0
IFRS net assets	**4,053.9**	3,969.5

IFRS reported net assets have increased by £84.4 million or 2.1% since March to £4.1 billion. EPRA NTA has increased by £93.4 million or 2.1% on a per share basis to 195.7p. The movement is reflected in the table below.

	EPRA NTA £m	EPRA NTA per share p
At 1 April 2024	3,908.9	191.7
EPRA earnings	135.4	6.6
Dividends[1]	(76.7)	(3.8)
Property revaluation	40.9	2.0
Derivatives purchased	(2.1)	(0.1)
Other movements[2]	(4.1)	(0.7)
At 30 September 2024	**4,002.3**	**195.7**

1 Dividend charge of £87.3 million less scrip saving of £10.6 million. Dividend per share is based on the weighted average number of shares in the period

2 Other movements include loss on sales (-£0.6 million), share based awards (-£2.4 million), currency movements (-£0.6 million) and other movements (-£0.5 million)

EPRA earnings in the period covered dividends paid, increasing EPRA NTA per share by 2.8p. The revaluation gain added 2.0p per share and the cost of derivatives acquired and other movements reduced EPRA NTA per share by 0.8p. The movement in EPRA NTA per share, together with the dividend paid in the period, results in a total accounting return of 4.9%. The full calculation can be found in supplementary note viii.

Dividend

Our policy of paying a sustainable and progressive dividend remains unchanged and the dividend for the period is 117% covered by EPRA earnings and fully covered on a cash basis. We have continued to declare quarterly dividends and offer shareholders a scrip alternative to cash payments.

The Company paid the third and fourth quarterly dividends for the year to 31 March 2024 of £87.3 million or 5.4p per share in the period as reflected in note 6 to the financial statements. The Company issued 5.7 million ordinary shares under the terms of the Scrip Dividend Scheme, which reduced the cash dividend payment by £10.6 million to £76.7 million.

The first quarterly payment for the current year of 2.85p per share was paid as a Property Income Distribution (PID) in October 2024 and the Company has approved a second quarterly payment of 2.85p per share in January

2025. The total dividend payable for the half year of 5.7p represents an increase of 18.8% over the previous half year.

Portfolio valuation

Our property portfolio valuation of £6.2 billion has increased by £153.4 million over the half year as set out in the table below. It includes the value of assets held for sale and trading properties that are reflected separately in the balance sheet, as well as the Group's share of joint ventures.

As at	**30 September 2024 £m**	31 March 2024 £m
Group opening valuation	**5,972.7**	2,958.7
Acquisitions[1]	**193.3**	3,157.9
Developments[2]	**15.0**	43.9
Capital expenditure[3]	**27.3**	22.5
Disposals[4]	**(119.5)**	(203.6)
Revaluation	**40.5**	(7.5)
Foreign currency	**(3.3)**	0.8
Group closing valuation	**6,126.0**	5,972.7
Share of joint venture	**67.5**	67.1
Share of non-controlling interest	**(36.7)**	(36.4)
Property portfolio value	**6,156.8**	6,003.4
Income strip asset	**225.5**	221.5
Head lease and right of use assets	**42.6**	47.6
Closing valuation	**6,424.9**	6,272.5

1 Group acquisitions include purchase costs and represent completed investment properties as shown in note 8 to the financial statements
2 Group developments include acquisitions, capital expenditure and lease incentive movements on properties under development as reflected in note 8
3 Group capital expenditure and lease incentive movements on completed properties as reflected in note 8 to the financial statements
4 Group disposals as reflected in notes 8a and 8b to the financial statements

Reconciliation to the Group Balance Sheet		
Group closing valuation	**6,126.0**	5,972.7
Income strip asset	**225.5**	221.5
Head lease and right of use assets	**42.6**	47.6
Group investment property	**6,394.1**	6,241.8

During the six month period, we acquired property assets for £193.3 million and spent £42.3 million on developments and other capital expenditure. We generated net proceeds of £126.7 million which reduced the book value of property by £127.3 million (including the cost of lease incentives written off for the Group of £7.8 million).

Three disposals which generated proceeds of £6.7 million had exchanged last year. At the period end, we had exchanged to sell eight assets for £28.6 million (book value £28.7 million) and acquire two assets for £15.9 million, and these transactions will be accounted for on completion in the second half of the year. A full reconciliation between transactions exchanged and completed in the period is set out in Supplementary note xix.

We incurred development expenditure on five LXi forward funded assets in Houghton Le Spring, Horncastle, Dundee, Yeovil and East Ham, two of which completed in the period. Our development exposure remains low at just 0.5% of the portfolio. A breakdown of the property portfolio by sector and on a proportionately consolidated basis is reflected in the table below. Further detail on property acquisitions, sales, asset management and development can be found in the Property Review.

As at	30 September 2024 £m	30 September 2024 %	31 March 2024 £m	31 March 2024 %
Mega distribution	**314.0**	**5.1**	310.2	5.2
Regional distribution	**721.2**	**11.7**	689.7	11.5
Urban logistics	**1,736.1**	**28.2**	1,557.2	25.9
Distribution	**2,771.3**	**45.0**	2,557.1	42.6
Convenience	**942.2**	**15.3**	995.2	16.5
Entertainment & leisure	**1,279.7**	**20.8**	1,271.3	21.2
Healthcare & education	**976.8**	**15.9**	960.2	16.0
Long income	**3,198.7**	**52.0**	3,226.7	53.7
Other	**153.9**	**2.5**	180.3	3.0
Investment portfolio	**6,123.9**	**99.5**	5,964.1	99.3
Development[1]	**32.9**	**0.5**	39.3	0.7
Property portfolio value	**6,156.8**	**100.0**	6,003.4	100.0
Income strip asset[2]	**225.5**		221.5	
Head lease and right of use assets	**42.6**		47.6	
	6,424.9		6,272.5	

1 Represents urban logistics £7.5 million (0.1%), convenience £24.3 million (0.4%) and other £1.1 million (0.0%) as at 30 September 2024. Split of prior year comparative was urban logistics £6.0 million (0.1%), convenience £16.9 million (0.3%) and other £16.4 million (0.3%)

2 Represents the gross up of the financial liability associated with the sale of a 65 year income strip of Alton Towers and Thorpe Park in 2022, as reflected in note 13a(ii)

Financing

The key performance indicators used to monitor the Group's debt and liquidity position are shown in the table below. The Group and joint venture split is shown in Supplementary note iii.

As at	30 September 2024 £m	31 March 2024 £m
Gross debt	**2,155.3**	2,087.4
Cash[1]	**87.9**	114.1
Net debt	**2,067.4**	1,973.3
Loan to value[2]	**33.8%**	33.2%
Cost of debt[3]	**4.0%**	3.9%
Interest cover[4] (times)	**4.5**	4.5
Undrawn facilities	**573.5**	680.8
Average debt maturity	**4.8 years**	5.4 years
Hedging[5]	**100%**	100%

1 Proportionally consolidated cash balance as reflected in Supplementary note iii

2 LTV includes the impact of sales and acquisitions that have exchanged and excludes the fair value of debt as reflected in Supplementary note xviii

3 Cost of debt is based on gross debt and including amortised costs but excluding commitment fees

4 Net income divided by net interest payable as defined by the Group's private placement and RCF funding arrangements

5 Based on the notional amount of existing hedges and total debt drawn

Net debt has increased by £94.1 million in the period to fund net property acquisitions and developments. We have repaid £40 million of our Private Placement debt on expiry and post period end have extended the maturity on our £275 million revolving credit facility by a further year. Our loan to value remains modest at 33.8% (31 March 2024: 33.2%) after taking account of acquisitions and sales that have exchanged and will complete in the second half of the year.

Our other debt metrics remain robust, with debt maturity at the period end of 4.8 years (31 March 2024: 5.4 years) and an average cost of debt of 4.0% (31 March 2024: 3.9%), which is still significantly below current base rates.

We have £350 million of former LXi debt that matures in October 2025 and our objective is to create full optionality around funding sources for its refinancing or repayment, which will include a credit rating.

The Group's policy continues to be to limit exposure to interest rate volatility by entering into hedging and fixed rate arrangements. We retained all of the LXi hedging on acquisition and have acquired £296.5 million of current and forward starting derivatives in the period and extended protection on a further £150 million, at an average rate of 3.0% and cost of £2.1 million, to extend our hedging and mitigate against interest rate movements. At the period end, our drawn debt was fully hedged by fixed rate loans and interest rate derivatives and our floating rate debt drawn is fully hedged by swaps and caps until September 2026 and substantially covered until its maturity. We received £11.1 million (31 March 2024: £6.7 million) from interest rate derivatives in place during the period and continue to monitor our hedging profile in light of interest rate projections.

The Group has comfortably complied throughout the period with the financial covenants contained in its debt funding arrangements and has substantial levels of headroom within these. Covenant compliance is regularly stress tested for changes in capital values and income. The Group's unsecured facilities and private placement loan notes, which together account for 62.4% of debt drawn at the period end, contain gearing and interest cover financial covenants.

At 30 September 2024, the Group's gearing ratio as defined within these funding arrangements was 60% which is significantly lower than the maximum limit of 125%, and its interest cover ratio was 4.5 times, comfortably higher than the minimum level of 1.5 times. Property values would have to fall by 32% to reach the banking gearing threshold, which would equate to an LTV ratio of 54%, and rents would have to fall by 62% or interest costs rise by 163% before the banking interest covenant is breached.

At 30 September 2024, we had total debt facilities of £2.7 billion, undrawn debt facilities and cash of £661.4 million and ample headroom under banking covenants. We are in a strong financial position, with diversified sources of funding and significant flexibility and to execute transactions as opportunities arise.

Cash flow

During the period since March, the Group's cash balances decreased by £26.4 million as reflected in the table below.

For the six months to 30 September	**2024 £m**	2023 £m
Net cash from operations before changes in working capital	**158.3**	62.9
Working capital movements and tax paid	**(25.8)**	(6.5)
Net cash from operating activities	**132.5**	56.4
Net cash (used in)/from investing activities	**(84.7)**	137.6
Net cash used in financing activities	**(74.2)**	(200.4)
Net decrease in cash and cash equivalents	**(26.4)**	(6.4)

The net cash inflow from operations of £158.3 million incorporates operational cash flows of LXi and CTPT which were acquired last year.

The Group spent £213.1 million acquiring and developing property in the period and £12.6 million on other investments. It received £127.0 million from property disposals, £1.8 million from joint ventures investments and £12.2 million in interest. Cash outflows from financing activities reflect dividend payments and distributions of £77.1 million, financing costs of £60.7 million and share purchases and awards of £4.7 million, offset by cash inflows from net loans drawn of £68.3 million. Further detail is provided in the consolidated cash flow statement.

Risk Management

Our Board is ultimately responsible for determining the type and level of risk that the business is willing to take in achieving its strategic objectives and it has overall responsibility for determining risk appetite and for establishing and maintaining an effective risk management and internal controls framework. The Audit Committee assists the Board by providing a key oversight and assurance role.

The Board's risk appetite and processes for identifying, assessing and mitigating principal and emerging risks are set out on pages 86 to 98 of our 2024 Annual Report and the Board is satisfied that these continue to be sound. Risk is considered under three main categories and our principal risks and uncertainties including any material changes identified since the publication of our last Annual Report are summarised below.

Corporate risks

Risks within this category include those that affect our strategy and culture, market, systems, employees and wider stakeholders, our regulatory, social and environmental responsibilities.

Strategy and its execution

Risk: Our success depends on owning quality assets in selected sectors underpinned by dependable and growing income. Our assets or the sectors in which we invest may not be appropriate for the current economic climate, market cycle or occupier needs. External factors or poor strategy implementation may mean that our investment objectives are not met. Failure to respond appropriately to changing external factors or execute strategy effectively may adversely affect our financial performance and achievement of our growth targets.

Major event

Risk: An unforeseen national, regional or global event or series of events such as a financial crisis, pandemic, conflict, acts of terrorism or a political or economic event or events may result in a market downturn, sector specific turbulence or significant business disruption. Such events if sustained may impair occupier demand, asset liquidity, revenue and values putting loan covenants and shareholder returns under pressure and may negatively impact debt markets.

Update: Heightened geopolitical tensions including the ongoing war in Ukraine and escalating conflict in the Middle East may lead to renewed inflationary pressures in addition to those anticipated from the impact of the recent UK budget and US presidential election result.

People

Risk: An inability to attract, motivate and retain high calibre skilled staff may jeopardise delivery of the Group's strategy and its ability to maintain a competitive advantage.

Systems, processes and financial management

Risk: The integrity of our property database and financial systems and the accuracy and timeliness of financial information which supports strategy may be poor. Decisions may be made on inaccurate information and published information may be misstated or late.

Update: At the year end we highlighted that virtually all of LXi's functions, including the provision of accounting services, were outsourced to third party service providers. Surrendering day-to-day control of accounting processes can lead to inaccuracies in financial information as well as delays in reporting timelines. The lack of direct access to accounting systems may also cause delays in information sharing and difficulties in resolving issues promptly. LXi's reliance on the performance and reliability of its administrator meant that operational issues could have disrupted the quality and continuity of the services provided affecting financial reporting. During the half year we have therefore successfully migrated all the functions previously undertaken by LXi's administrator in-house to reduce this risk. We have also enhanced the Group's financial forecast model with third party specialist support to reflect the increased requirements and complexity of the enlarged Group.

Responsible business and sustainability

Risk: Non-compliance with Responsible Business practices and management of climate-related risk may lead to reputational damage and be detrimental to our relationship with key stakeholders. It may also impact asset liquidity, shareholder returns and potentially reduce access to debt and capital markets.

Regulatory framework

Risk: Non-compliance with legal, tax or regulatory obligations may result in potential reputational damage, increased costs, fines, penalties, or sanctions. Access to debt and capital markets may also be reduced.

Property risks

These risks are focused on our core business and relate to portfolio composition and management, development activity, factors impacting capital values, income returns and our occupiers.

Investment risk

Risk: We may be unable to source rationally priced investment opportunities and deploy capital into value enhancing and earnings accretive investments. We may also be unable to recycle capital by disposing of mature assets in a weaker market.

Update: As reported in the Property Review we have made significant progress on the sale of non core assets acquired through our corporate mergers and successfully reinvested the proceeds into higher quality properties, in stronger sectors that will deliver accelerated income growth.

Valuation risk

Risk: There is no certainty that property values will be realised. This risk is inherent in the real estate sector.

Transaction and tenant risk

Risk: Acquisitions and asset management initiatives may be inconsistent with strategy or our due diligence may be flawed. Tenant default and failure to let vacant assets may adversely affect our financial performance and achievement of our growth targets.

Financing risks

Financing risks focus on how we fund our operations through cash management, capital and debt markets and joint ventures.

Capital and finance risk

Risk: The Group may have insufficient funds and credit available to enable it to fund investment opportunities and implement strategy. Exposure to high interest rates may have a negative impact on earnings.

Condensed consolidated income statement

	Note	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Revenue	3	**195.9**	77.2	178.1
Cost of sales		**(2.2)**	(0.6)	(1.7)
Net income		**193.7**	76.6	176.4
Administrative costs		**(12.9)**	(8.6)	(19.7)
Net gain on business combinations		**-**	-	49.4
Acquisition costs		**-**	-	(29.8)
Profit/(loss) on revaluation of investment properties	8a	**40.5**	27.6	(7.5)
Loss on revaluation of investments		**(0.2)**	-	-
Loss on sale of investment properties		**(0.6)**	(3.6)	(7.4)
Share of profits/(losses) of joint ventures	9	**2.1**	1.0	(0.1)
Operating profit		**222.6**	93.0	161.3
Finance income	4a	**13.2**	3.5	8.5
Finance costs	4b	**(69.9)**	(14.9)	(49.8)
Profit before tax		**165.9**	81.6	120.0
Taxation	5	**(1.4)**	0.3	(0.1)
Profit for the period		**164.5**	81.9	119.9
Attributable to:				
Equity shareholders		**163.8**	81.0	118.7
Non-controlling interest	17b	**0.7**	0.9	1.2
Earnings per share				
Basic	7b	**8.0p**	8.0p	10.6p
Diluted	7b	**8.0p**	8.0p	10.6p

Condensed consolidated statement of comprehensive income

		Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Profit for the period		**164.5**	81.9	119.9
Foreign exchange translation (loss)/gain		**(0.6)**	–	0.5
Other comprehensive (expense)/income		**(0.6)**	–	0.5
Total comprehensive income		**163.9**	81.9	120.4
Attributable to:				
Equity shareholders		**163.2**	81.0	119.2
Non-controlling interest	17b	**0.7**	0.9	1.2

All amounts relate to continuing activities.

Condensed consolidated balance sheet

	Note	**Unaudited 30 September 2024 £m**	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Non current assets				
Investment properties	8a	**6,364.3**	3,125.4	6,232.2
Investment in equity accounted joint ventures	9	**69.5**	72.2	69.2
Other investments and tangible assets		**13.9**	1.4	1.7
Derivative financial instruments	13b	**23.4**	16.0	32.6
		6,471.1	3,215.0	6,335.7
Current assets				
Assets held for sale	8b	**28.7**	16.9	8.5
Trading properties		**1.1**	1.1	1.1
Trade and other receivables	10	**15.8**	7.4	21.4
Cash and cash equivalents	11	**85.5**	26.2	111.9
		131.1	51.6	142.9
Total assets		**6,602.2**	3,266.6	6,478.6
Current liabilities				
Trade and other payables	12	**126.5**	70.8	155.8
Borrowings	13a(i)	**65.4**	40.0	43.5
Other financial liabilities	13a(ii)	**8.8**	-	8.6
Lease liabilities		**0.9**	-	1.1
		201.6	110.8	209.0
Non current liabilities				
Borrowings	13a(i)	**2,078.1**	926.5	2,030.6
Other financial liabilities	13a(ii)	**216.7**	-	212.9
Lease liabilities		**42.2**	6.8	47.0
Deferred tax liabilities	5	**9.7**	-	9.6
		2,346.7	933.3	2,300.1
Total liabilities		**2,548.3**	1,044.1	2,509.1
Net assets		**4,053.9**	2,222.5	3,969.5
Equity				
Called up share capital	14,15	**204.2**	108.9	203.7
Share premium	14,15	**414.8**	580.2	404.7
Capital redemption reserve	15	**9.6**	9.6	9.6
Other reserve	15	**2,331.5**	492.1	2,332.4
Retained earnings	15	**1,065.5**	1,003.7	991.1
Equity shareholders' funds		**4,025.6**	2,194.5	3,941.5
Non-controlling interest	17b	**28.3**	28.0	28.0
Total equity		**4,053.9**	2,222.5	3,969.5
IFRS net asset value per share	7c	**198.8p**	204.5p	195.2p

Condensed consolidated statement of changes in equity

Six months ended 30 September 2024 (Unaudited)

	Note	**Share capital £m**	**Share premium £m**	**Capital redemption reserve £m**	**Other reserves £m**	**Retained earnings £m**	**Equity shareholders' funds £m**	**Non-controlling interest £m**	**Total equity £m**
At 1 April 2024		203.7	404.7	9.6	2,332.4	991.1	**3,941.5**	28.0	**3,969.5**
Profit for the period		–	–	–	–	163.8	**163.8**	0.7	**164.5**
Other comprehensive expense		–	–	–	(0.6)	–	**(0.6)**	–	**(0.6)**
Total comprehensive (expense)/income		–	–	–	(0.6)	163.8	**163.2**	0.7	**163.9**
Purchase of shares held in trust		–	–	–	(4.2)	–	**(4.2)**	–	**(4.2)**
Vesting of shares held in trust		–	–	–	3.9	(4.4)	**(0.5)**	–	**(0.5)**
Distribution to non-controlling interest	17b	–	–	–	–	–	**–**	(0.4)	**(0.4)**
Share-based awards		–	–	–	–	2.3	**2.3**	–	**2.3**
Dividends	6	0.5	10.1	–	–	(87.3)	**(76.7)**	–	**(76.7)**
At 30 September 2024		**204.2**	**414.8**	**9.6**	**2,331.5**	**1,065.5**	**4,025.6**	**28.3**	**4,053.9**

Year ended 31 March 2024 (Audited)

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Equity shareholders' funds £m	Non-controlling interest £m	Total equity £m
At 1 April 2023		98.3	395.5	9.6	490.3	973.6	1,967.3	27.9	1,995.2
Profit for the year		–	–	–	–	118.7	118.7	1.2	119.9
Other comprehensive income		–	–	–	0.5	–	0.5	–	0.5
Total comprehensive income for the year		–	–	–	0.5	118.7	119.2	1.2	120.4
Share issue of acquisitions		104.9	–	–	1,840.1	–	1,945.0	–	1,945.0
Purchase of shares held in trust		–	–	–	(2.5)	–	(2.5)	–	(2.5)
Vesting of shares held in trust		–	–	–	4.0	(4.5)	(0.5)	–	(0.5)
Distribution to non-controlling interest	17b	–	–	–	–	–	–	(1.1)	(1.1)
Share-based awards		–	–	–	–	3.5	3.5	–	3.5
Dividends	6	0.5	9.2	–	–	(100.2)	(90.5)	–	(90.5)
At 31 March 2024		203.7	404.7	9.6	2,332.4	991.1	3,941.5	28.0	3,969.5

Six months ended 30 September 2023 (Unaudited)

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Equity shareholders' funds £m	Non-controlling interest £m	Total equity £m
At 1 April 2023		98.3	395.5	9.6	490.3	973.6	1,967.3	27.9	1,995.2
Profit for the period and total comprehensive income		–	–	–	–	81.0	81.0	0.9	81.9
Share issue on acquisition		10.5	183.1	–	–	–	193.6	–	193.6
Purchase of shares held in trust		–	–	–	(2.2)	–	(2.2)	–	(2.2)
Vesting of shares held in trust		–	–	–	4.0	(4.5)	(0.5)	–	(0.5)
Distribution to non-controlling interest	17b	–	–	–	–	–	–	(0.8)	(0.8)
Share-based awards		–	–	–	–	1.7	1.7	–	1.7
Dividends	6	0.1	1.6	–	–	(48.1)	(46.4)	–	(46.4)
At 30 September 2023		108.9	580.2	9.6	492.1	1,003.7	2,194.5	28.0	2,222.5

Condensed consolidated cash flow statement

	Note	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Cash flows from operating activities				
Profit before tax		**165.9**	81.6	120.0
Adjustments for non-cash items:				
(Profit)/loss on revaluation of investment properties		**(40.5)**	(27.6)	7.5
Loss on revaluation of investments		**0.2**	–	–
Loss on sale of investment properties		**0.6**	3.6	7.4
Share of post-tax (profit)/loss of joint ventures		**(2.1)**	(1.0)	0.1
Movement in lease incentives		**(24.8)**	(6.8)	(17.4)
Share-based payment		**2.3**	1.7	3.5
Net gain on business combinations		**–**	–	(49.4)
Net finance costs		**56.7**	11.4	41.3
Cash flows from operations before changes in working capital		**158.3**	62.9	113.0
Change in trade and other receivables		**5.8**	(0.4)	(4.1)
Change in trade and other payables		**(30.9)**	(6.1)	14.8
Cash flows from operations		**133.2**	56.4	123.7
Tax paid		**(0.7)**	–	(0.6)
Cash flows from operating activities		**132.5**	56.4	123.1
Investing activities				
Net cash acquired from the acquisition of CTPT		**–**	26.0	26.0
Net cash acquired from the acquisition of LXi		**–**	–	47.3
Purchase of investment and development properties		**(199.5)**	(12.7)	(57.4)
Capital expenditure on investment properties		**(7.9)**	(0.4)	(5.8)
Purchase of other investments and tangible assets		**(12.6)**	(0.3)	(0.5)
Lease incentives paid		**(5.7)**	(0.9)	(1.7)
Sale of investment properties		**127.0**	132.6	198.3
Investment in joint ventures		**–**	(10.5)	(10.5)
Distributions from joint ventures		**1.8**	0.8	2.7
Interest received		**12.2**	3.0	7.7
Net cash (used in)/from investing activities		**(84.7)**	137.6	206.1
Financing activities				
Dividends paid		**(76.7)**	(46.4)	(90.5)
Distribution to non-controlling interest	17b	**(0.4)**	(0.8)	(1.1)
Purchase of shares held in trust		**(4.2)**	(2.2)	(2.5)
Vesting of shares held in trust		**(0.5)**	(0.5)	(0.5)
New borrowings and amounts drawn down	16	**250.0**	105.0	669.2
Repayment of loan facilities	16	**(181.7)**	(235.0)	(769.2)
Purchase of derivative financial instruments		**(2.1)**	–	–
Financial arrangement fees and break costs		**(3.2)**	(1.8)	(10.6)
Lease liabilities and other financial liabilities paid		**(5.1)**	(0.4)	(1.1)
Interest paid		**(50.3)**	(18.3)	(43.6)
Net cash used in financing activities		**(74.2)**	(200.4)	(249.9)
Net (decrease)/increase in cash and cash equivalents	16	**(26.4)**	(6.4)	79.3
Opening cash and cash equivalents		**111.9**	32.6	32.6
Closing cash and cash equivalents		**85.5**	26.2	111.9

Notes to the condensed set of financial statements

1. Basis of preparation and general information

Basis of preparation

The condensed consolidated financial information included in this Half Year Report has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom. The current period information presented in this document is reviewed but unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the year to 31 March 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The Half Year Report should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2024, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and applied by the Group at the time.

These condensed financial statements were approved and authorised for issue by the Board of Directors on 26 November 2024. The same accounting policies, estimates, presentation and methods of computation are followed in the Half Year Report as those applied in the Group's consolidated financial statements for the year to 31 March 2024, except for certain new accounting amendments which became effective for the financial year commencing 1 April 2024 as noted below:

- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements
- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Amendments to IAS 1 – Classification of liabilities as current or non-current – Deferral of effective date
- IFRS S1 - General requirements for disclosure of sustainability related financial information
- IFRS S2 – Climate-related disclosures

The new amendments had no material impact on the financial statements.

Going concern

The Board has continued to pay particular attention to the appropriateness of the going concern basis in preparing these financial statements. The going concern assessment considers the principal risks and uncertainties facing the Group's activities, future development and performance as discussed in detail in the Risk Management section of this report.

A key consideration is the Group's financial position, cash flows and liquidity, including its access to debt facilities and headroom under financial loan covenants, which is discussed in detail in the Financial Review.

The Group's unsecured revolving credit facilities and private placement loan notes, which together represented 62.4% of total Group borrowings including its share of joint ventures at the half year, contain gearing and interest cover covenants. At 30 September 2024, the Group had substantial headroom within these covenants. Gearing was 60%, substantially lower than the maximum limit of 125% and its interest cover ratio was 4.5 times, comfortably higher than the minimum level of 1.5 times. Property values would have to fall by 32% and rents by 62% before banking covenants are breached.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance. They were mindful of the Group's income certainty and diversity, strong rent collection rates and long lease lengths when assessing the Group's going concern position.

On the basis of their review, together with available market information and the Directors' experience and knowledge of the portfolio, they have a reasonable expectation that the Company and the Group can meet its liabilities as they fall due and has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Half Year Report.

Significant accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The accounting policies subject to significant judgements and estimates are as follows:

Significant area of estimation uncertainty

<u>Property valuations</u>

The valuation of the property portfolio is a critical part of the Group's performance. The Group carries the property portfolio at fair value in the balance sheet and engages professionally qualified external valuers to undertake six monthly valuations.

The determination of the fair value of each property requires, to the extent applicable, the use of estimates and assumptions in relation to factors such as estimated rental value and current market yields. In addition, to the extent possible, the valuers make reference to market evidence of transaction prices for similar properties.

The fair value of a development property is determined by using the 'residual method', which deducts all estimated costs necessary to complete the development, together with an allowance for development risk, profit and purchasers' costs, from the fair valuation of the completed property.

2. Segmental information

Property value

	100% owned[1] £m	Share of JV £m	NCI £m	**Unaudited 30 September 2024 £m**	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Distribution	2,771.3	–	–	**2,771.3**	2,267.0	2,557.1
Long income	3,154.0	67.5	(22.8)	**3,198.7**	742.8	3,226.7
Other[2]	167.8	–	(13.9)	**153.9**	150.6	180.3
Development	32.9	–	–	**32.9**	9.8	39.3
	6,126.0	67.5	(36.7)	**6,156.8**	3,170.2	6,003.4
Income strip asset	225.5	–	–	**225.5**	–	221.5
Head lease and right of use assets	42.6	–	–	**42.6**	6.8	47.6
	6,394.1	67.5	(36.7)	**6,424.9**	3,177.0	6,272.5

1 Includes trading property of £1.1 million (30 September 2023: £1.1 million, 31 March 2024: £1.1 million) and assets held for sale of £28.7 million (30 September 2023: £16.9 million, 31 March 2024: £8.5 million)

2 In the six months to 30 September 2023, other assets were reflected as separate operating sectors comprising retail parks, office and residential

Gross rental income

	100% owned £m	Share of JV £m	NCI £m	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Distribution	68.3	–	–	**68.3**	52.8	115.2
Long income	120.9	2.0	(0.9)	**122.0**	21.2	56.1
Other	6.1	–	(0.3)	**5.8**	3.6	7.6
	195.3	2.0	(1.2)	**196.1**	77.6	178.9

Net rental income

	100% owned £m	Share of JV £m	NCI £m	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Distribution	67.3	–	–	**67.3**	52.5	114.1
Long income	120.0	1.9	(0.9)	**121.0**	21.1	56.0
Other	5.8	–	(0.3)	**5.5**	3.3	7.0
	193.1	1.9	(1.2)	**193.8**	76.9	177.1

An operating segment is a distinguishable component of the Group that engages in business activities, earns revenue and incurs expenses, whose results are reviewed by the Group's Chief Operating Decision Makers ('CODMs') and for which discrete financial information is available. Gross rental income represents the Group's revenues from its tenants and net rental income is the principal profit measure used to determine the performance of each sector. Total assets are not monitored by segment. However, property assets are reviewed on an ongoing basis. The Group operates predominantly in the United Kingdom and no geographical split is provided in information reported to the Board.

Included within the distribution operating segment are the sub-categories of urban logistics, regional distribution and mega distribution and within the long income operating segment are the sub categories of convenience, entertainment and leisure and healthcare and education. However the sub-category results are not separately reviewed by the CODMs as they are not considered separate operating segments. Instead the CODMs review the distribution and long income sectors as a whole as their own operating segments. The income strip asset and right of use assets are not considered separate operating segments and are included in this note for reconciliation purposes only.

3. Revenue

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Gross rental income	**195.3**	76.6	177.0
Property management fee income	**0.6**	0.6	1.1
Revenue	**195.9**	77.2	178.1

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Gross rental income	**195.3**	76.6	177.0
Cost of sales – property operating expenses	**(2.2)**	(0.6)	(1.7)
Net rental income	**193.1**	76.0	175.3

Two tenants each individually contributed more than 10% of gross rental income in the current period. The net contracted rental income of the Group's top ten occupiers is shown in the Supplementary information section in note xvii.

4. Finance income and costs

a) Finance income

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Interest received on bank deposits	**1.1**	0.5	1.0
Interest receivable from interest rate derivatives	**11.1**	2.5	6.7
Interest receivable from forward funded developments	**1.0**	0.5	0.8
Total finance income	**13.2**	3.5	8.5

b) Finance costs

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Interest payable on loans and related derivatives	**49.6**	18.7	41.5
Unwinding of fair value adjustment to fixed rate debt	**2.3**	0.1	0.7
Amortisation of loan issue and amendment costs	**2.2**	1.0	2.0
Interest on lease liabilities	**4.4**	0.1	1.0
Commitment fees and other finance costs	**2.5**	1.2	2.9
Total borrowing costs	**61.0**	21.1	48.1
Less interest capitalised on developments	**(2.4)**	(1.3)	(2.2)
Net borrowing costs	**58.6**	19.8	45.9
Fair value loss/(gain) on derivative financial instruments	**11.3**	(4.9)	3.9
Total finance costs	**69.9**	14.9	49.8

Net finance costs deducted from EPRA earnings as disclosed in Supplementary note ii exclude the fair value loss on derivative financial instruments of £11.3 million (30 September 2023: gain of £4.9 million, 31 March 2024: loss of £3.9 million).

5. Taxation

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Current tax			
UK corporation tax	**0.6**	(0.3)	(0.1)
German corporate income tax	**0.4**	–	0.1
Deferred tax on German asset	**0.4**	–	0.1
Total tax charge/(credit)	**1.4**	(0.3)	0.1

As the Group is a UK REIT, any profits and gains arising from its property rental business are exempt from UK corporation tax and there is no provision for deferred tax arising on the revaluation of properties.

The UK corporation tax charge relates to tax arising on income attributable to the Group's non-controlling interest and other residual tax. Following the merger with LXi last year, the Group has one German property and is subject to German corporate income tax at an effective rate of 15.825%, which resulted in a tax charge of £0.4 million in the period. An associated deferred tax liability was recognised on acquisition and the revaluation movement of £0.4 million has been reflected in the period along with a favourable currency movement of £0.3 million, resulting in a deferred tax liability of £9.7 million (30 September 2023: nil, 31 March 2024: £9.6 million).

6. Dividends

			Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Ordinary dividends paid					
2023	Third quarterly interim dividend:	2.3p per share	**–**	22.6	22.5
2023	Fourth quarterly interim dividend:	2.6p per share	**–**	25.5	25.5
2024	First quarterly interim dividend:	2.4p per share	**–**	–	26.1
2024	Second quarterly interim dividend:	2.4p per share	**–**	–	26.1
2024	Third quarterly interim dividend:	2.4p per share	**26.2**	–	–
2024	Fourth quarterly interim dividend:	3.0p per share	**61.1**	–	–
			87.3	48.1	100.2
Ordinary dividends payable					
2025	First quarterly interim dividend:	2.85p per share	**58.1**		
2025	Second quarterly interim dividend:	2.85p per share	**58.3**		

The Company paid its first quarterly interim dividend in respect of the financial year to 31 March 2025 of 2.85p per share, wholly as a Property Income Distribution (PID), on 8 October 2024 to ordinary shareholders on the register at the close of business on 30 August 2024.

The second quarterly interim dividend for the current year of 2.85p per share will be paid on 13 January 2025, wholly as a PID, to ordinary shareholders on the register at the close of business on 6 December 2024. A scrip dividend alternative will be offered to shareholders as it was for the first quarterly dividend payment.

Neither dividend has been included as a liability in these accounts. Both dividends will be recognised as an appropriation of retained earnings in the six months to 31 March 2025. During the period, the Company issued 5.7 million ordinary shares under the terms of the Scrip Dividend Scheme, which reduced the cash dividend payment by £10.6 million to £76.7 million.

7. Earnings and net assets per share

Adjusted earnings and net assets per share are calculated in accordance with the Best Practice Recommendations (BPR) of The European Public Real Estate Association (EPRA). The EPRA earnings measure highlights the underlying performance of the property rental business.

The basic earnings per share calculation uses the weighted average number of ordinary shares during the period and excludes the average number of shares held by the Employee Benefit Trust for the period. The IFRS net asset per share calculation uses the basic number of shares in issue at the period end which excludes the actual number of shares held by the Employee Benefit Trust at the period end. The fully diluted calculations assume that new shares are issued in connection with the expected vesting of the Group's long term incentive plan. Further EPRA performance measures are reflected in the Supplementary information section.

a) EPRA earnings

EPRA earnings for the Group and its share of joint ventures are summarised in the Financial Review and in Supplementary note ii. The reconciliation between EPRA earnings and the IFRS reported loss is disclosed in the Financial Review and in note 7(b) below.

b) Earnings per ordinary share attributable to equity shareholders

		Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
IFRS reported profit		**163.8**	81.0	118.7
EPRA adjustments				
Revaluation of investment property	Group	**(40.5)**	(27.6)	7.5
	JV	**(0.5)**	0.8	3.7
Revaluation of investments	Group	**0.2**	–	–
Fair value of derivatives	Group	**11.3**	(4.9)	3.9
Loss on disposals	Group	**0.6**	3.6	7.4
Deferred tax	Group	**0.4**	–	0.1
Gain on acquisition	Group	**–**	–	(49.4)
Acquisition costs	Group	**–**	–	29.8
Non-controlling interest share of adjustments		**0.1**	0.2	(0.1)
EPRA earnings		**135.4**	53.1	121.6

	Unaudited Six months to 30 September 2024 Number of shares (millions)	Unaudited Six months to 30 September 2023 Number of shares (millions)	Audited Year to 31 March 2024 Number of shares (millions)
Weighted ordinary share capital	**2,041.0**	1,013.8	1,119.5
Shares held in the Employee Benefit Trust	**(2.7)**	(2.5)	(2.5)
Weighted average number of ordinary shares - basic	**2,038.3**	1,011.3	1,117.0
Employee share schemes	**5.7**	4.5	4.7
Weighted average number of ordinary shares – fully diluted	**2,044.0**	1,015.8	1,121.7
Earnings per share			
Basic	**8.0p**	8.0p	10.6p
Diluted	**8.0p**	8.0p	10.6p
EPRA Earnings per share			
Basic	**6.6p**	5.3p	10.9p
Diluted	**6.6p**	5.2p	10.8p

c) Net assets per share attributable to equity shareholders

The EPRA best practice recommendations for financial disclosures by public real estate companies include three measures of net asset value: EPRA net tangible assets (NTA), EPRA net reinstatement value (NRV) and EPRA net disposal value (NDV).

EPRA NTA is considered to be the most relevant measure for the Group. All three measures are calculated on a diluted basis, which assumes that new shares are issued in connection with the expected vesting of the Group's long term incentive plan.

As at 30 September 2024 (unaudited)	**EPRA net tangible assets £m**	**EPRA net disposal value £m**	**EPRA net reinstatement value £m**
Equity shareholders' funds	**4,025.6**	**4,025.6**	**4,025.6**
Deferred tax on fair value gains of investment property	**0.1**	**–**	**0.1**
Fair value of Group derivatives	**(23.4)**	**–**	**(23.4)**
Mark to market of fixed rate debt	**–**	**72.2**	**–**
Purchasers' costs[1]	**–**	**–**	**418.7**
EPRA net asset value	**4,002.3**	**4,097.8**	**4,421.0**

1 Estimated from the portfolio's external valuation which is stated net of purchasers' costs of 6.8%

As at 30 September 2023 (unaudited)	EPRA net tangible assets £m	EPRA net disposal value £m	EPRA net reinstatement value £m
Equity shareholders' funds	2,194.5	2,194.5	2,194.5
Fair value of Group derivatives	(16.0)	–	(16.0)
Mark to market of fixed rate debt	–	81.1	–
Purchasers' costs	–	–	214.8
EPRA net asset value	2,178.5	2,275.6	2,393.3

As at 31 March 2024 (audited)	EPRA net tangible assets £m	EPRA net disposal value £m	EPRA net reinstatement value £m
Equity shareholders' funds	3,941.5	3,941.5	3,941.5
Deferred tax on fair value gains of investment property	9.6	–	9.6
Fair value of Group derivatives	(32.6)	–	(32.6)
Gain on business combinations as a result of deferred tax	(9.6)	–	(9.6)
Mark to market of fixed rate debt	–	86.0	–
Purchasers' costs	–	–	408.2
EPRA net asset value	3,908.9	4,027.5	4,317.1

As at	**Unaudited 30 September 2024 Number of shares (millions)**	Unaudited 30 September 2023 Number of shares (millions)	Audited 31 March 2024 Number of shares (millions)
Ordinary share capital	**2,042.2**	1,089.2	2,036.5
Shares held in Employee Benefit Trust	**(2.7)**	(2.5)	(2.6)
Number of ordinary shares - basic	**2,039.5**	1,086.7	2,033.9
Employee share schemes	**6.1**	4.9	4.8
Number of ordinary shares – fully diluted	**2,045.6**	1,091.6	2,038.7
IFRS net asset value per share	**198.8p**	204.5p	195.2p
EPRA net tangible assets per share	**195.7p**	199.6p	191.7p
EPRA net disposal value per share	**200.3p**	208.5p	197.5p
EPRA net reinstatement value per share	**216.1p**	219.2p	211.8p

8. Investment properties

a) Investment properties

	Completed £m	Under development £m	**Unaudited 30 September 2024 £m**	Completed £m	Under development £m	Audited 31 March 2024 £m
Opening balance	6,146.4	38.2	**6,184.6**	2,905.2	32.6	2,937.8
Acquisitions	193.3	8.7	**202.0**	3,379.4	39.8	3,419.2
Capital expenditure	4.6	6.3	**10.9**	5.9	4.1	10.0
Disposals	(93.9)	(19.8)	**(113.7)**	(183.8)	–	(183.8)
Property transfers[1]	(23.0)	(3.0)	**(26.0)**	28.7	(37.2)	(8.5)
Revaluation movement	40.5	–	**40.5**	(6.4)	(1.1)	(7.5)
Foreign currency movement	(3.3)	–	**(3.3)**	0.8	–	0.8
Movement in income strip assets	4.0	–	**4.0**	–	–	–
Movement in tenant incentives, rent free and fixed uplifts	22.7	–	**22.7**	16.6	–	16.6
Property portfolio	6,291.3	30.4	**6,321.7**	6,146.4	38.2	6,184.6
Head lease and right of use assets	42.6	–	**42.6**	47.6	–	47.6
	6,333.9	30.4	**6,364.3**	6,194.0	38.2	6,232.2

1 Properties totalling £26.0 million (31 March 2024: £8.5 million) have been transferred to current assets and separately disclosed as assets held for sale as reflected in note 8b

Investment properties are held at fair value as at 30 September 2024 based on external valuations performed by professionally qualified valuers CBRE Limited ('CBRE'), Savills (UK) Limited ('Savills') and Knight Frank LLP ('Knight Frank'). The valuations have been prepared in accordance with the RICS Valuation – Global Standards 2022 on the basis of fair value. There has been no change in the valuation technique in the period. The total fees earned by CBRE, Savills and Knight Frank from the Company represent less than 5% of their total UK revenues. CBRE and Savills have continuously been the signatory of valuations for the Company since October 2007 and September 2010 respectively.

A reconciliation of the total portfolio valuation to the valuers' reports is provided below:

As at	Note	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 £m
Property portfolio valuation	8a	**6,321.7**	6,184.6
Assets held for sale	8b	**28.7**	8.5
Less income strip assets		**(225.5)**	(221.5)
Portfolio valuation from external valuation reports		**6,124.9**	5,971.6

As part of the LXi merger last year, the Group acquired a financial liability associated with the sale of a 65 year income strip of Alton Towers and Thorpe Park in 2022 as set out in note 13a(ii). The income strip asset represents a gross up of this liability. The movement in the period reflects the asset gross up of £4.0 million set out in note 8a above.

Completed properties include buildings that are occupied or are available for occupation. Properties under development include land under development and investment property under construction. Internal staff costs of the development team of £1.0 million (30 September 2023: £0.8 million, 31 March 2024: £1.5 million) have been capitalised in the period, being directly attributable to the development projects in progress.

Long term leasehold values included within investment properties amount to £1,128.8 million (30 September 2023: £102.9 million, 31 March 2024: £1,144.5 million). Over half relates to Theme Park assets which are let on 999 year leases. All other properties are freehold. The historical cost of all of the Group's investment properties at 30 September 2024 was £5,559.9 million (30 September 2023: £2,609.2 million, 31 March 2024: £5,469.3 million).

Included within the investment property valuation is £135.3 million (30 September 2023: £101.5 million, 31 March 2024: £112.6 million) in respect of unamortised lease incentives and rent free periods. The movement in the period reflects lease incentives paid of £5.7 million (30 September 2023: £0.9 million, 31 March 2024: £1.7 million) and rent free and amortisation movements of £24.8 million (30 September 2023: £6.8 million, 31 March 2024: £17.4 million), offset by incentives written off on disposal of £7.8 million (30 September 2023: £2.2 million, 31 March 2024: £2.5 million).

Capital commitments have been entered into amounting to £9.7 million (30 September 2023: £7.0 million, 31 March 2024: £27.5 million) which have not been provided for in the financial statements.

b) Assets held for sale

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Opening balance	**8.5**	19.8	19.8
Disposals	**(5.8)**	(19.8)	(19.8)
Property transfers	**26.0**	16.9	8.5
Closing balance	**28.7**	16.9	8.5

The valuation of property held for sale at 30 September 2024 was £28.7 million, representing long income, logistics and office assets, the sales of which are expected to complete within the next year.

9. Investment in joint ventures

At 30 September 2024, the following property interest, being a jointly-controlled entity, has been equity accounted for in these financial statements:

	Country of Incorporation or Registration[1]	Property Sector	Group Share
Metric Income Plus Partnership ('MIPP')	England	Long income	50.0%

1 The registered address for MIPP is One Curzon Street, London W1J 5HB

The principal activity is property investment in long income assets in the UK, which complements the Group's operations and contributes to the achievement of its strategy. At 30 September 2024, the freehold and leasehold investment properties were externally valued by CBRE. There were no properties held for sale by joint ventures in the current or comparative periods. The movement in the carrying value of joint venture interests in the period is summarised as follows:

	Unaudited Six months to 30 September 2024 £m	Unaudited Six months to 30 September 2023 £m	Audited Year to 31 March 2024 £m
Opening balance	**69.2**	61.5	61.5
Investment in the period	**–**	10.5	10.5
Share of profit/(loss) in the period	**2.1**	1.0	(0.1)
Distributions received	**(1.8)**	(0.8)	(2.7)
Closing balance	**69.5**	72.2	69.2

The Group's share of the profit after tax and net assets of Metric Income Plus Partnership is as follows:

	Unaudited Total 30 September 2024 £m	**Unaudited Group share 30 September 2024 £m**	Unaudited Total 30 September 2023 £m	Unaudited Group share 30 September 2023 £m
Summarised income statement				
Gross rental income	**3.9**	**2.0**	4.3	2.2
Property costs	**(0.1)**	**(0.1)**	(0.1)	(0.1)
Net rental income	**3.8**	**1.9**	4.2	2.1
Management fees	**(0.6)**	**(0.3)**	(0.6)	(0.3)
Revaluation	**1.0**	**0.5**	(1.6)	(0.8)
Finance income	**0.1**	**–**	–	–
Profit after tax	**4.3**	**2.1**	2.0	1.0
Group share of profit after tax	**2.1**		1.0	
EPRA adjustments				
Revaluation	**(1.0)**	**(0.5)**	1.6	0.8
EPRA earnings	**3.3**	**1.6**	3.6	1.8
Group share of EPRA earnings	**1.6**		1.8	

	Unaudited Total 30 September 2024 £m	**Unaudited Group share 30 September 2024 £m**	Audited Total 31 March 2024 £m	Audited Group share 31 March 2024 £m
Summarised balance sheet				
Investment properties	**135.0**	**67.5**	134.1	67.1
Other current assets	**0.1**	**0.1**	0.2	0.1
Cash	**6.1**	**3.0**	6.1	3.0
Current liabilities	**(2.3)**	**(1.1)**	(2.0)	(1.0)
Net assets	**138.9**	**69.5**	138.4	69.2
Group share of net assets	**69.5**		69.2	

10. Trade and other receivables

	Unaudited 30 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Trade receivables	**6.0**	3.9	10.9
Prepayments and accrued income	**4.0**	1.6	3.9
Other receivables	**5.8**	1.9	6.6
	15.8	7.4	21.4

All amounts fall due for payment in less than one year. Trade receivables comprise rental income which is due on contractual payment dates with no credit period.

11. Cash and cash equivalents

Cash and cash equivalents include £38.1 million (30 September 2023: £10.5 million, 31 March 2024: £59.5 million) retained in rent and restricted accounts which are not readily available to the Group for day-to-day commercial purposes. Cash retained in rent accounts of £23.1 million will be released following the next interest payment date.

12. Trade and other payables

	Unaudited 30 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Trade payables	**5.3**	13.4	5.7
Amounts payable on property acquisitions and disposals	**3.1**	3.7	13.5
Rent received in advance	**63.4**	27.8	72.5
Accrued interest	**4.2**	2.1	4.9
Tax liabilities	**14.2**	-	19.0
Other payables	**21.0**	11.6	21.9
Other accruals and deferred income	**15.3**	12.2	18.3
	126.5	70.8	155.8

The Group has financial risk management policies in place to ensure that all payables are settled within the required credit timeframe.

13. Borrowings and financial instruments

a) Borrowings

i) Secured and unsecured loans

	Unaudited 30 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Secured loans	**798.8**	148.7	798.2
Unsecured loans	**1,356.5**	825.0	1,289.2
	2,155.3	973.7	2,087.4
Unamortised finance costs	**(11.8)**	(7.2)	(13.3)
	2,143.5	966.5	2,074.1

As at 30 September 2024 (unaudited)	Total debt facility £m	Floating rate debt drawn £m	Fixed rate debt drawn £m	Unamortised fair value adjustments £m	Total debt £m	Weighted average maturity (years)
Secured loans:						
Scottish Widows fixed rate debt (Mucklow)	**60.0**	–	60.0	1.7	**61.7**	**7.2**
Canada Life fixed rate debt (CTPT)	**90.0**	–	90.0	(2.2)	**87.8**	**2.1**
L & G fixed rate debt (LXi)	**62.6**	–	62.6	(0.4)	**62.2**	**0.9**
AIG fixed rate debt (LXi)	**287.8**	–	287.8	(1.6)	**286.2**	**1.0**
Scottish Widows fixed rate debt (LXi)	**170.0**	–	170.0	(15.8)	**154.2**	**9.2**
Canada Life fixed rate debt (LXi)	**148.0**	–	148.0	(1.3)	**146.7**	**14.6**
Unsecured loans:						
Revolving credit facility 2021 (syndicate)	**225.0**	140.0	–	–	**140.0**	**1.6**
Wells Fargo revolving credit facility	**175.0**	55.0	–	–	**55.0**	**1.6**
Revolving credit facility 2022 (syndicate)	**275.0**	180.0	–	–	**180.0**	**2.1**
Revolving credit facility 2024 (syndicate)	**560.0**	286.5	–	–	**286.5**	**3.3**
Term loan 2024 (syndicate)	**140.0**	140.0	–	–	**140.0**	**1.3**
Private placement 2016 (syndicate)	**25.0**	–	25.0	–	**25.0**	**4.0**
Private placement 2018 (syndicate)	**150.0**	–	150.0	–	**150.0**	**6.3**
Private placement 2021(syndicate)	**380.0**	–	380.0	–	**380.0**	**7.7**
	2,748.4	801.5	1,373.4	(19.6)	**2,155.3**	**4.8**

As at 31 March 2024 (audited)	Total debt facility £m	Floating rate debt drawn £m	Fixed rate debt drawn £m	Unamortised fair value adjustments £m	Total debt £m	Weighted average maturity (years)
Secured loans:						
Scottish Widows fixed rate debt (Mucklow)	60.0	–	60.0	1.8	61.8	7.7
Canada Life fixed rate debt (CTPT)	90.0	–	90.0	(2.7)	87.3	2.6
L & G fixed rate debt (LXi)	62.8	–	62.8	(0.6)	62.2	1.4
AIG fixed rate debt (LXi)	289.3	–	289.3	(2.3)	287.0	1.5
Scottish Widows fixed rate debt (LXi)	170.0	–	170.0	(16.7)	153.3	9.7
Canada Life fixed rate debt (LXi)	148.0	–	148.0	(1.4)	146.6	15.1
Unsecured loans:						
Revolving credit facility 2021 (syndicate)	225.0	90.0	–	–	90.0	2.1
Wells Fargo revolving credit facility	175.0	55.0	–	–	55.0	2.1
Revolving credit facility 2022 (syndicate)	275.0	100.0	–	–	100.0	2.6
Revolving credit facility 2024 (syndicate)	560.0	309.2	–	–	309.2	3.8
Term loan 2024 (syndicate)	140.0	140.0	–	–	140.0	1.8
Private placement 2016 (syndicate)	65.0	–	65.0	–	65.0	2.0
Private placement 2018 (syndicate)	150.0	–	150.0	–	150.0	6.8
Private placement 2021(syndicate)	380.0	–	380.0	–	380.0	8.2
	2,790.1	694.2	1,415.1	(21.9)	2,087.4	5.4

Certain bank loans at 30 September 2024 are secured by fixed charges over Group investment properties with a carrying value of £2,082.5 million (30 September 2023: £428.7 million, 31 March 2024: £1,953.9 million). Borrowings of £65.4 million are repayable within one year (30 September 2023: £40.0 million, 31 March 2024: £43.5 million). During the period, the Group repaid borrowings of £40 million relating to the 2016 Private Placement.

ii) Other financial liability

As part of the merger with LXi, the Group acquired a financial liability associated with the sale of a 65 year income strip of Alton Towers and Thorpe Park in 2022. The structure comprised selling the freehold of the properties to a UK institutional investor, with 999 year leases granted back to LXi pursuant to which was the obligation to pay rental income equivalent to 30% of the annual rental income received from the tenant. The Group has the ability to acquire the freehold back in 2087 for £1. The financial obligations in relation to this transaction were fair valued on acquisition in the last financial year using the prevailing market interest rate. At 30 September 2024 the total liability was £225.5 million based on amortised cost, with £8.8 million being due in less than one year. For disclosure purposes, the fair value of the liability at 30 September 2024 was assessed by independent experts Chatham Financial to be £222.6 million. The corresponding income strip asset represents the gross up of the financial liability. The gross rental income receivable from the tenant is reflected in the income statement within revenue and the 30% pay away is reflected within finance costs.

The following table shows the contractual maturity profile of the Group's loans, interest payments on loans, other financial liabilities and derivative financial instruments on an undiscounted cash flow basis and assuming settlement on the earliest repayment date.

As at 30 September 2024 (unaudited)	**Less than one month £m**	**One to three months £m**	**Three months to one year £m**	**One to two years £m**	**Two to five years £m**	**More than five years £m**	**Total £m**
Secured and unsecured loans	9.9	17.8	144.3	695.5	878.6	866.8	**2,612.9**
Other financial liabilities	–	2.2	6.6	8.9	27.3	724.2	**769.2**
Derivative financial instruments	(1.9)	(3.7)	(15.4)	(16.8)	(20.2)	–	**(58.0)**
	8.0	**16.3**	**135.5**	**687.6**	**885.7**	**1,591.0**	**3,324.1**

As at 31 March 2024 (audited)	Less than one month £m	One to three months £m	Three months to one year £m	One to two years £m	Two to five years £m	More than five years £m	Total £m
Secured and unsecured loans	9.3	17.1	118.6	578.4	987.7	879.2	2,590.3
Other financial liabilities	0.7	1.4	6.5	8.7	26.8	719.5	763.6
Derivative financial instruments	(1.8)	(3.7)	(16.4)	(20.7)	(7.0)	–	(49.6)
	8.2	14.8	108.7	566.4	1,007.5	1,598.7	3,304.3

The Group is exposed to interest rate risk from the use of debt financing at a variable rate and currency risk relating to loans denominated in euros. There is a risk that future cash flows of a financial instrument will fluctuate because of changes in interest or currency rates.

The Group uses interest rate derivatives and fixed rates to manage its interest rate exposure and hedge future interest rate risk for the term of the loan. At 30 September 2024, all of the Group's debt drawn was hedged, through fixed coupon debt arrangements and interest rate swaps and caps.

b) Financial instruments

Details of the fair value of the Group's derivative financial instruments that were in place at 30 September 2024 are provided below.

	Average rate		**Notional amount**		**Fair value**	
Interest rate swaps – expiry	**Unaudited 30 September 2024 %**	Audited 31 March 2024 %	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 £m	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 £m
One to two years	**2.4**	–	**96.5**	–	**(0.4)**	–
Two to five years[1]	**3.1**	3.1	**725.0**	375.0	**11.4**	10.8
	3.0	3.1	**821.5**	375.0	**11.0**	10.8

1 Includes £350 million forward starting swaps and swaptions (31 March 2024: £150.0 million)

	Average rate		**Notional amount**		**Fair value**	
Interest rate caps – expiry	**Unaudited 30 September 2024 %**	Audited 31 March 2024 %	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 £m	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 £m
Less than one year	**2.5**	2.5	**60.0**	60.0	**0.4**	1.1
One to two years	**2.0**	–	**400.0**	–	**12.0**	–
Two to five years	**–**	2.5	**–**	550.0	**–**	20.7
	2.1	2.5	**460.0**	610.0	**12.4**	21.8
Total fair value					**23.4**	32.6

All derivative financial instruments are interest rate derivatives and are carried at fair value following a valuation by Chatham Financial. In accordance with accounting standards, fair value is estimated by calculating the present value of future cash flows, using appropriate market discount rates. For all derivative financial instruments, this equates to a Level 2 fair value measurement as defined by IFRS 13 Fair Value Measurement. The valuation therefore does not reflect the cost or gain to the Group of cancelling its interest rate protection at the balance sheet date, which is generally a marginally higher cost (or smaller gain) than a market valuation.

14. Share capital

	Unaudited 30 September 2024 Number	**Unaudited 30 September 2024 £m**	Audited 31 March 2024 Number	Audited 31 March 2024 £m
Issued, called up and fully paid				
Ordinary shares of 10p each	**2,042,208,255**	**204.2**	2,036,519,647	203.7

The movement in the share capital and share premium of the Company during the current and previous year is summarised below.

Share capital issued, called up and fully paid	Ordinary shares Number	Ordinary shares £m	Share premium £m
At 1 April 2023	982,646,261	98.3	395.5
Issued on acquisition	1,048,579,674	104.9	–
Issued under scrip share scheme	5,293,712	0.5	9.2
At 31 March 2024 (audited)	2,036,519,647	203.7	404.7
Issued under scrip share scheme	5,688,608	0.5	10.1
At 30 September 2024 (unaudited)	**2,042,208,255**	**204.2**	**414.8**

The Company issued 5.7 million ordinary shares under the terms of its Scrip Dividend Scheme during the period. Post period end in October, the Company issued a further 5.1 million ordinary shares under the terms of its Scrip Dividend Scheme.

The movement in the shares held by the Employee Benefit Trust in the current and previous period is summarised in the table below.

Shares held by the Employee Benefit Trust	Ordinary shares Number	Ordinary shares £m
At 1 April 2023	2,942,592	0.3
Shares issued under employee share schemes	(1,791,027)	(0.2)
Shares acquired by the Employee Benefit Trust	1,437,642	0.2
At 31 March 2024 (audited)	**2,589,207**	**0.3**
Shares issued under employee share schemes	(1,968,850)	(0.2)
Shares acquired by the Employee Benefit Trust	2,102,125	0.2
At 30 September 2024 (unaudited)	**2,722,482**	**0.3**

In June 2024, the Company granted options over 3,107,303 ordinary shares under its Long Term Incentive Plan. In addition, 1,968,850 ordinary shares in the Company that were granted to certain Directors and employees under the Company's Long Term Incentive Plan in 2021 vested. The average share price on vesting was 194.7p. As at 30 September 2024, the Company's Employee Benefit Trust held 2,722,482 shares in the Company to satisfy awards under the Company's Long Term Incentive and Deferred Bonus Plans.

15. Reserves

The following describes the nature and purpose of each reserve within equity:

Share capital	The nominal value of shares issued.
Share premium	The premium paid for new ordinary shares issued above the nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued ordinary shares.
Other reserve	A reserve relating to the application of merger relief in the acquisition of LondonMetric Management Limited, Metric Property Investments Plc, A&J Mucklow Group Plc, CT Property Trust Limited and LXi REIT plc by the Company, the cost of shares held in trust to provide for the Company's future obligations under share award schemes and a foreign currency exchange reserve. A breakdown of other reserves is provided for the Group below.
Retained earnings	The cumulative profits and losses after the payment of dividends.

Other reserves	Merger relief reserve £m	Employee Benefit Trust shares £m	Foreign currency exchange reserve £m	**Unaudited 30 September 2024 Total other reserves £m**	Merger relief reserve £m	Employee Benefit Trust shares £m	Foreign currency exchange reserve £m	Audited 31 March 2024 Total other reserves £m
Opening balance	2,337.5	(5.6)	0.5	**2,332.4**	497.4	(7.1)	–	490.3
Share issue on acquisitions	–	–	–	**–**	1,840.1	–	–	1,840.1
Foreign currency exchange	–	–	(0.6)	**(0.6)**	–	–	0.5	0.5
Employee share schemes:								
Purchase of shares	–	(4.2)	–	**(4.2)**	–	(2.5)	–	(2.5)
Vesting of shares	–	3.9	–	**3.9**	–	4.0	–	4.0
Closing balance	2,337.5	(5.9)	(0.1)	**2,331.5**	2,337.5	(5.6)	0.5	2,332.4

16. Analysis of movement in net debt

	1 April 2024 £m	Financing cash flows £m	Other cash flows £m	Non cash movements: Debt issue costs and foreign exchange £m	Non cash movements: Fair value and other movements £m	Non cash movements: Interest charge and unwinding of discount £m	**Unaudited 30 September 2024 £m**
Secured and unsecured loans	2,087.4	68.3	–	(2.7)	–	2.3	**2,155.3**
Derivative financial instruments	(32.6)	(2.1)	–	–	11.3	–	**(23.4)**
Unamortised finance costs	(13.3)	(0.7)	–	2.2	–	–	**(11.8)**
Other finance costs	–	(2.5)	–	2.5	–	–	**–**
Interest payable	4.9	(50.3)	–	–	–	49.6	**4.2**
Other financial liabilities	221.5	(4.3)	–	–	4.6	3.7	**225.5**
Lease liabilities	48.1	(0.8)	–	–	(4.9)	0.7	**43.1**
Total liabilities from financing activities	2,316.0	7.6	–	2.0	11.0	56.3	**2,392.9**
Cash and cash equivalents	(111.9)	–	26.4	–	–	–	**(85.5)**
Net debt	2,204.1	7.6	26.4	2.0	11.0	56.3	**2,307.4**

	1 April 2023 £m	Financing cash flows £m	Other cash flows £m	Non cash movements: Acquisition of subsidiaries £m	Non cash movements: Debt issue costs and foreign exchange £m	Non cash movements: Fair value and other movements £m	Non cash movements: Interest charge and unwinding of discount £m	Audited 31 March 2024 £m
Secured and unsecured loans	1,017.0	(100.0)	–	1,169.7	–	–	0.7	2,087.4
Derivative financial instruments	(11.1)	–	–	(25.4)	–	3.9	–	(32.6)
Unamortised finance costs	(7.2)	(7.7)	–	(0.4)	2.0	–	–	(13.3)
Other finance costs	–	(2.9)	–	–	2.9	–	–	–
Interest payable and fees	1.5	(43.6)	–	5.2	0.3	–	41.5	4.9
Other financial liabilities	–	(0.6)	–	221.4	–	–	0.7	221.5
Lease liabilities	7.1	(0.5)	–	41.2	–	–	0.3	48.1
Total liabilities from financing activities	1,007.3	(155.3)	–	1,411.7	5.2	3.9	43.2	2,316.0
Cash and cash equivalents	(32.6)	–	(79.3)	–	–	–	–	(111.9)
Net debt	974.7	(155.3)	(79.3)	1,411.7	5.2	3.9	43.2	2,204.1

17. Related party transactions

a) Joint arrangements

Management fees and distributions receivable from the Group's joint arrangements during the period are summarised in the table below.

		Management fees		Distributions	
	Group interest	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m	**Unaudited Six months to 30 September 2024 £m**	Unaudited Six months to 30 September 2023 £m
Metric Income Plus Partnership	50%	**0.6**	0.6	**1.8**	0.8

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

b) Non-controlling interest

The Group's non-controlling interest ('NCI') represents a 31% shareholding in LMP Retail Warehouse JV Holdings Limited, which owns a portfolio of retail assets.

The Group's interest in LMP Retail Warehouse JV Holdings Limited is 69%, requiring it to consolidate the results and net assets of its subsidiary in these financial statements and reflect the non-controlling share as a deduction in the consolidated income statement and consolidated balance sheet. At the period end, LMP Retail Warehouse JV Holdings Limited owed £28.8 million to the Company, which has been eliminated on consolidation.

As at the period end, the NCI's share of profits was £0.7 million (30 September 2023: £0.9 million, 31 March 2024: £1.2 million) and its share of net assets was £28.3 million (30 September 2023: £28.0 million, 31 March 2024: £28.0 million). Distributions to the NCI in the period totalled £0.4 million (30 September 2023: £0.8 million, 31 March 2024: £1.1 million).

18. Post balance sheet events

Post period end, the Group exchanged or completed asset sales for £83.3 million, of which £4.9 million had exchanged in the period, and it exchanged or completed asset acquisitions of £25.9 million, of which £15.9 million had exchanged in the period.

Directors' Responsibility Statement

The Directors are responsible for preparing the condensed set of financial statements, in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- This condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom; and

- This condensed set of financial statements includes a fair review of the information required by Sections DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

By order of the Board

Andrew Jones
Chief Executive

Martin McGann
Finance Director

26 November 2024

Independent Review Report to LondonMetric Property Plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 18.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

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

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information

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

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
26 November 2024

Supplementary information

i EPRA Summary table

	30 September 2024	30 September 2023	31 March 2024
EPRA earnings per share	**6.6p**	5.3p	10.9p
EPRA net tangible assets per share	**195.7p**	199.6p	191.7p
EPRA net disposal value per share	**200.3p**	208.5p	197.5p
EPRA net reinstatement value per share	**216.1p**	219.2p	211.8p
EPRA vacancy rate	**1.0%**	1.3%	0.6%
EPRA cost ratio (including vacant property costs)	**7.6%**	11.5%	11.6%
EPRA cost ratio (excluding vacant property costs)	**7.2%**	11.0%	11.1%
EPRA loan to value	**35.7%**	–	35.4%
EPRA net initial yield	**5.2%**	4.3%	5.2%
EPRA 'topped up' net initial yield	**5.3%**	4.8%	5.3%

ii EPRA proportionally consolidated income statement

For the six months to 30 September	100% owned £m	JV £m	NCI £m	**Total 2024 £m**	100% owned £m	JV £m	NCI £m	Total 2023 £m
Gross rental income	195.3	2.0	(1.2)	**196.1**	76.6	2.2	(1.2)	77.6
Property costs	(2.2)	(0.1)	0.1	**(2.2)**	(0.6)	(0.1)	–	(0.7)
Net rental income	193.1	1.9	(1.1)	**193.9**	76.0	2.1	(1.2)	76.9
Management fees	0.6	(0.3)	–	**0.3**	0.6	(0.3)	–	0.3
Administrative costs	(12.9)	–	–	**(12.9)**	(8.6)	–	–	(8.6)
Net finance costs[1]	(45.4)	–	0.3	**(45.1)**	(16.3)	–	0.3	(16.0)
Tax[2]	(1.0)	–	0.2	**(0.8)**	0.3	–	0.2	0.5
EPRA earnings	134.4	1.6	(0.6)	**135.4**	52.0	1.8	(0.7)	53.1
Revaluation	40.5	0.5	(0.1)	**40.9**	27.6	(0.8)	(0.2)	26.6
Derivatives	(11.3)	–	–	**(11.3)**	4.9	–	–	4.9
Loss on disposal	(0.6)	–	–	**(0.6)**	(3.6)	–	–	(3.6)
Other	(0.6)	–	–	**(0.6)**	–	–	–	–
IFRS reported profit	162.4	2.1	(0.7)	**163.8**	80.9	1.0	(0.9)	81.0

1 Group net finance costs reflect borrowing costs of £58.6 million (2023: £19.8 million) (note 4b) and finance income of £13.2 million (2023: £3.5 million) as set out in note 4a

2 Group tax reflects UK corporation tax of £0.6 million (2023: -£0.3 million) and German corporate income tax of £0.4 million (2023: nil) as set out in note 5

iii EPRA proportionally consolidated balance sheet

As at	100% owned £m	JV £m	NCI £m	**30 September 2024 £m**	100% owned £m	JV £m	NCI £m	31 March 2024 £m
Investment property	6,364.3	67.5	(36.7)	**6,395.1**	6,232.2	67.1	(36.4)	6,262.9
Assets held for sale	28.7	–	–	**28.7**	8.5	–	–	8.5
Trading property	1.1	–	–	**1.1**	1.1	–	–	1.1
	6,394.1	67.5	(36.7)	**6,424.9**	6,241.8	67.1	(36.4)	6,272.5
Gross debt	(2,155.3)	–	–	**(2,155.3)**	(2,087.4)	–	–	(2,087.4)
Cash	85.5	3.0	(0.6)	**87.9**	111.9	3.0	(0.8)	114.1
Other net liabilities	(363.2)	(1.0)	9.0	**(355.2)**	(398.6)	(0.9)	9.2	(390.3)
EPRA NTA	3,961.1	69.5	(28.3)	**4,002.3**	3,867.7	69.2	(28.0)	3,908.9
Derivatives	23.4	–	–	**23.4**	32.6	–	–	32.6
Deferred tax	(0.1)	–	–	**(0.1)**	–	–	–	–
IFRS equity shareholders' funds	3,984.4	69.5	(28.3)	**4,025.6**	3,900.3	69.2	(28.0)	3,941.5
IFRS net assets	3,984.4	69.5	–	**4,053.9**	3,900.3	69.2	–	3,969.5
Loan to value	33.8%	–	–	**33.8%**	33.2%	–	–	33.2%
Cost of debt	4.0%	–	–	**4.0%**	3.9%	–	–	3.9%
Undrawn facilities	573.5	–	–	**573.5**	680.8	–	–	680.8

iv EPRA cost ratio

For the six months to 30 September	**2024 £m**	2023 £m
Property operating expenses	**2.2**	0.6
Administrative costs	**12.9**	8.6
Share of joint venture and NCI property costs, administrative costs and management fees	**0.3**	0.4
Less:		
Joint venture property management fee income	**(0.6)**	(0.6)
Ground rents	**(0.4)**	(0.1)
Total costs including vacant property costs (A)	**14.4**	8.9
Group vacant property costs	**(0.6)**	(0.4)
Total costs excluding vacant property costs (B)	**13.8**	8.5
Gross rental income	**195.3**	76.6
Share of joint venture gross rental income	**2.0**	2.2
Share of non-controlling interest gross rental income	**(1.2)**	(1.2)
	196.1	77.6
Less: Head rents and income strip payments	**(5.5)**	(0.1)
Total gross rental income (C)	**190.6**	77.5
Total EPRA cost ratio (including vacant property costs) (A)/(C)	**7.6%**	11.5%
Total EPRA cost ratio (excluding vacant property costs) (B)/(C)	**7.2%**	11.0%

v EPRA net initial yield and 'topped up' net initial yield

As at	30 September 2024 £m	31 March 2024 £m
Investment property – wholly owned[1]	**6,124.9**	5,971.6
Investment property – share of joint ventures	**67.5**	67.1
Trading property	**1.1**	1.1
Less development properties	**(32.9)**	(39.3)
Less non-controlling interest	**(36.7)**	(36.4)
Completed property portfolio	**6,123.9**	5,964.1
Allowance for:		
Estimated purchasers' costs	**416.4**	405.6
Estimated costs to complete	**7.1**	13.7
EPRA property portfolio valuation (A)	**6,547.4**	6,383.4
Annualised passing rental income	**336.7**	329.2
Share of joint ventures	**4.3**	4.3
Less development properties	**(2.0)**	(3.4)
Annualised net rents (B)	**339.0**	330.1
Contractual rental increase across the portfolio	**7.3**	9.0
'Topped up' net annualised rent (C)	**346.3**	339.1
EPRA net initial yield (B/A)	**5.2%**	5.2%
EPRA 'topped up' net initial yield (C/A)	**5.3%**	5.3%

1 Wholly owned investment property includes assets held for sale and excludes head lease and income strip assets

vi EPRA vacancy rate

As at	30 September 2024 £m	31 March 2024 £m
Annualised estimated rental value of vacant premises	**3.9**	2.2
Portfolio estimated rental value[1]	**370.6**	362.7
EPRA vacancy rate	**1.0%**	0.6%

1 Excludes development properties

vii EPRA capital expenditure analysis

As at	100% owned[5] £m	JV £m	NCI £m	**30 September 2024 £m**	100% owned £m	JV £m	NCI £m	31 March 2024 £m
Opening valuation	6,241.8	67.1	(36.4)	**6,272.5**	2,965.8	70.8	(35.7)	3,000.9
Acquisitions[1]	193.3	–	–	**193.3**	3,157.9	–	–	3,157.9
Developments[2]	13.2	–	–	**13.2**	41.7	–	–	41.7
Investment properties								
- Incremental lettable space[3]	0.8	–	–	**0.8**	1.9	–	(0.2)	1.7
- No incremental lettable space[3]	3.2	–	(0.2)	**3.0**	4.0	–	(0.3)	3.7
- Tenant incentives	22.7	(0.1)	–	**22.6**	16.6	–	(0.3)	16.3
Capitalised interest[4]	2.4	–	–	**2.4**	2.2	–	–	2.2
Total EPRA capex	235.6	(0.1)	(0.2)	**235.3**	3,224.3	–	(0.8)	3,223.5
Disposals[6]	(119.5)	–	–	**(119.5)**	(203.6)	–	–	(203.6)
Revaluation	40.5	0.5	(0.1)	**40.9**	(7.5)	(3.7)	0.1	(11.1)
Foreign currency	(3.3)	–	–	**(3.3)**	0.8	–	–	0.8
Income strip asset	4.0	–	–	**4.0**	221.5	–	–	221.5
ROU asset	(5.0)	–	–	**(5.0)**	40.5	–	–	40.5
Closing valuation	6,394.1	67.5	(36.7)	**6,424.9**	6,241.8	67.1	(36.4)	6,272.5

1 Group acquisitions in the period include completed investment properties as reflected in note 8 to the financial statements

2 Group developments include acquisitions, capital expenditure and lease incentive movements on properties under development as reflected in note 8 to the financial statements after excluding capitalised interest noted in footnote 4 below

3 Group capital expenditure on completed properties as reflected in note 8 to the financial statements after excluding capitalised interest noted in footnote 4 below

4 Capitalised interest on investment properties of £0.6 million (31 March 2024: £nil) and development properties of £1.8 million (31 March 2024: £2.2 million)

5 Including trading property of £1.1 million (31 March 2024: £1.1 million) and assets held for sale of £28.7 million (31 March 2024: £8.5 million)

6 Group disposals include assets held for sale

viii Total accounting return

	30 September 2024 p/share	30 September 2023 p/share	31 March 2024 p/share
EPRA net tangible asset value per share			
- at end of period	**195.7**	199.6	191.7
- at start of period	**191.7**	198.9	198.9
Increase/(decrease) in the period	**4.0**	0.7	(7.2)
Dividend paid	**5.4**	4.9	9.7
Total increase	**9.4**	5.6	2.5
Total accounting return	**4.9%**	2.8%	1.3%

ix Portfolio split and valuation

As at	30 September 2024 £m	30 September 2024 %	31 March 2024 £m	31 March 2024 %
Mega distribution	**314.0**	**5.1**	310.2	5.2
Regional distribution	**721.2**	**11.7**	689.7	11.5
Urban logistics	**1,736.1**	**28.2**	1,557.2	25.9
Distribution	**2,771.3**	**45.0**	2,557.1	42.6
Convenience	**942.2**	**15.3**	995.2	16.5
Entertainment & leisure	**1,279.7**	**20.8**	1,271.3	21.2
Healthcare & education	**976.8**	**15.9**	960.2	16.0
Long income	**3,198.7**	**52.0**	3,226.7	53.7
Other	**153.9**	**2.5**	180.3	3.0
Investment portfolio	**6,123.9**	**99.5**	5,964.1	99.3
Development[1]	**32.9**	**0.5**	39.3	0.7
Total portfolio	**6,156.8**	**100.0**	6,003.4	100.0
Income strip asset[2]	**225.5**		221.5	
Head lease and right of use assets	**42.6**		47.6	
	6,424.9		6,272.5	

1 Represents urban logistics £7.5 million (0.1%), convenience £24.3 million (0.4%) and other £1.1 million (0.0%) as at 30 September 2024. Split of prior year comparative was urban logistics £6.0 million (0.1%), convenience £16.9 million (0.3%) and other £16.4 million (0.3%)

2 Represents the gross up of the financial liability associated with the sale of a 65 year income strip of Alton Towers and Thorpe Park in 2022, as reflected in note 13a(ii)

x Investment portfolio yields

As at	30 September 2024 EPRA NIY %	30 September 2024 EPRA topped up NIY %	30 September 2024 Equivalent yield %	31 March 2024 EPRA NIY %	31 March 2024 EPRA topped up NIY %	31 March 2024 Equivalent yield %
Distribution	4.5	4.7	**5.8**	4.5	4.7	5.7
Long income	5.7	5.8	**6.9**	5.7	5.8	6.6
Other	5.2	5.5	**7.1**	5.8	6.0	7.3
Investment portfolio	5.2	5.3	**6.4**	5.2	5.3	6.3

xi Investment portfolio – Key statistics

As at 30 September 2024	**Area ’000 sq ft**	**WAULT to expiry years**	**WAULT to first break years**	**Occupancy %**	**Average rent £ per sq ft**
Distribution	17,484	11.8	11.0	98.2	8.00
Long income	7,272	23.7	22.4	99.9	22.30
Other	785	13.6	13.5	94.0	12.00
Investment portfolio	**25,541**	**18.8**	**17.7**	**99.0**	**12.30**

xii Total property returns

	All property 30 September 2024 %	All property 30 September 2023 %	All property 31 March 2024 %
Capital return	**1.1**	0.7	(0.3)
Income return	**2.8**	2.4	5.0
Total return	**4.0**	3.2	4.7

xiii Net contracted rental income[1]

As at	**30 September 2024 £m**	30 September 2023 £m	31 March 2024 £m
Distribution	**137.7**	105.0	126.4
Long income	**196.9**	43.7	198.4
Other	**9.0**	10.3	11.5
Investment portfolio	**343.6**	159.0	336.3
Development	**2.0**	–	3.4
Total portfolio	**345.6**	159.0	339.7

1 Contracted Rent net of income strip and head lease payments

xiv Rent subject to expiry

As at 30 September 2024	**Within 3 years %**	**Within 5 years %**	**Within 10 years %**	**Within 15 years %**	**Within 20 years %**	**Within 25 years %**
Distribution	10.6	18.1	45.1	69.4	88.0	96.3
Long income	2.8	4.0	10.4	40.2	56.6	70.5
Other	21.7	26.1	45.5	62.9	63.0	95.1
Investment portfolio	**6.3**	**10.1**	**24.8**	**52.1**	**69.0**	**81.2**

xv Contracted rent subject to inflationary or fixed uplifts

	30 September 2024		31 March 2024	
As at	**£m**	**%**	£m	%
Distribution	**82.7**	**59.8**	81.2	64.0
Long income	**189.2**	**91.1**	188.0	90.4
Other	**4.5**	**49.6**	5.5	47.8
Investment portfolio	**276.4**	**77.9**	274.7	79.3

xvi Top ten assets (by value)

As at 30 September 2024	**Area ’000 sq ft**	**Net contracted Rent £m**	**Occupancy %**	**WAULT to expiry years**	**WAULT to first break years**
Ramsay Rivers Hospital	193	9.9	100	12.6	12.6
Alton Towers Park	–	9.5	100	52.8	52.8
Thorpe Park	–	7.1	100	52.8	52.8
Bedford Link	715	5.8	100	16.2	14.4
Primark, Islip	1,062	6.1	100	15.9	15.9
Great Bear, Dagenham	454	4.8	100	19.0	19.0
Ramsay Springfield Hospital	43	5.7	100	12.6	12.6
Argos, Bedford	658	4.8	100	9.5	9.5
Heide Park	–	5.5	100	52.8	52.8
THG, Warrington	686	4.1	100	20.2	20.2

xvii Top ten occupiers

As at 30 September 2024	Net contracted rental income £m	Net contracted rental income %
Ramsay Health Care	38.4	11.1%
Merlin Entertainments	31.3	9.1%
Travelodge	21.7	6.3%
Primark	6.1	1.8%
Tesco	6.1	1.8%
Great Bear	5.5	1.6%
Amazon	5.0	1.5%
Argos	5.0	1.4%
Q-Park	4.7	1.4%
SMG Europe	4.3	1.2%
Total	**128.1**	**37.2%**

xviii Loan to value

As at	100% owned £m	JV £m	NCI £m	**30 September 2024 £m**	31 March 2024 £m
Gross debt	2,155.3	–	–	**2,155.3**	2,087.4
less: Fair value adjustments	19.6	–	–	**19.6**	21.9
less: Cash balances	(85.5)	(3.0)	0.6	**(87.9)**	(114.1)
Net debt	2,089.4	(3.0)	0.6	**2,087.0**	1,995.2
Acquisitions exchanged in the period	15.9	–	–	**15.9**	2.3
Disposals exchanged in the period[1]	(28.6)	–	–	**(28.6)**	(9.3)
Adjusted net debt (A)	2,076.7	(3.0)	0.6	**2,074.3**	1,988.2
Exclude:					
Acquisitions exchanged in the period	(15.9)	–	–	**(15.9)**	(2.3)
Disposals exchanged in the period[1]	28.6	–	–	**28.6**	9.3
Include:					
Net payables	110.7	1.0	(0.2)	**111.5**	135.0
EPRA net debt (B)	2,200.1	(2.0)	0.4	**2,198.5**	2,130.2
Investment properties at fair value	6,096.2	67.5	(36.7)	**6,127.0**	5,993.8
Properties held for sale	28.7	–	–	**28.7**	8.5
Trading properties	1.1	–	–	**1.1**	1.1
Total property portfolio	6,126.0	67.5	(36.7)	**6,156.8**	6,003.4
Acquisitions exchanged in the period	15.9	–	–	**15.9**	2.3
Disposals exchanged in the period[1]	(28.7)	–	–	**(28.7)**	(8.5)
Adjusted property portfolio (C)	6,113.2	67.5	(36.7)	**6,144.0**	5,997.2
Exclude:					
Acquisitions exchanged in the period	(15.9)	–	–	**(15.9)**	(2.3)
Disposals exchanged in the period[1]	28.7	–	–	**28.7**	8.5
Include:					
Financial assets	8.9	–	–	**8.9**	8.9
EPRA property portfolio (D)	6,134.9	67.5	(36.7)	**6,165.7**	6,012.3
Loan to value (A)/(C)				**33.8%**	33.2%
EPRA Loan to value (B)/(D)				**35.7%**	35.4%

1 Disposal proceeds for sales exchanged in the period were £28.6 million and the corresponding book value was £28.7 million

xix Acquisitions and disposals

As at	**30 September 2024 £m**	31 March 2024 £m
Acquisition costs		
Completed in the period	**193.3**	3,157.9
CTPT price discount on acquisition	**–**	23.3
Exchanged in the previous period	**(2.3)**	–
Exchanged but not completed in the period	**15.9**	–
Forward funded investments classified as developments	**–**	27.2
Transaction costs and other	**(13.6)**	(6.7)
Exchanged in the period	**193.3**	3,201.7
Disposal proceeds		
Completed in the period	**126.7**	198.7
Exchanged in the previous period	**(6.7)**	(19.6)
Exchanged but not completed in the period	**28.6**	9.3
Transaction costs and other	**6.8**	(3.5)
Exchanged in the period	**155.4**	184.9

Glossary

Building Research Establishment Environmental Assessment Methodology ('BREEAM')

A set of assessment methods and tools designed to help construction professionals understand and mitigate the environmental impacts of the developments they design and build.

Capital Return

The valuation movement on the property portfolio adjusted for capital expenditure and expressed as a percentage of the capital employed over the period.

Chief Operating Decision Makers ('CODMs')

The Executive Directors, Senior Leadership Team members and other senior managers.

Contracted Rent

The annualised rent excluding rent free periods.

Cost of Debt

Weighted average interest rate payable.

CT Property Trust Limited ('CTPT')

CT Property Trust Limited (now LMP Bude Limited). Incorporated in Guernsey with registration number 41870.

Debt Maturity

Weighted average period to expiry of debt drawn.

Distribution

The term is used synonymously with 'Logistics' and means the organisation and implementation of operations to manage the flow of physical items from origin to the point of consumption by the end user.

Energy Performance Certificate ('EPC')

Required certificate whenever a property is built, sold or rented. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for ten years. An EPC contains information about a property's energy use and typical energy costs, and recommendations about how to reduce energy use and save money.

EPRA Cost Ratio

Administrative and operating costs (including and excluding costs of direct vacancy) as a percentage of gross rental income.

EPRA Earnings per share ('EPS')

Underlying earnings from the Group's property rental business divided by the weighted average number of shares in issue over the period.

EPRA Loan to Value (LTV)

Net debt and net current payables if applicable, divided by the total property portfolio value including net current receivables if applicable and financial assets due from the NCI.

EPRA NAV per share

Balance sheet net assets excluding fair value of derivatives, divided by the number of shares in issue at the balance sheet date.

EPRA Net Disposal Value per share

Represents the shareholders' value under a disposal scenario, where assets are sold and/or liabilities are not held to maturity. Therefore, this measure includes an adjustment to mark to market the Group's fixed rate debt.

EPRA Net Reinstatement Value per share

This reflects the value of net assets required to rebuild the entity, assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives that are not expected to crystallise in normal circumstances, are excluded. Investment property purchasers' costs are included.

EPRA Net Tangible Asset Value per share

This reflects the value of net assets on a long term, ongoing basis assuming entities buy and sell assets. Assets and liabilities, such as fair value movements on financial derivatives that are not expected to crystallise in normal circumstances, are excluded.

EPRA Net Initial Yield

Annualised rental income based on cash rents passing at the balance sheet date, less non recoverable property operating expenses, expressed as a percentage of the market value of the property, after inclusion of estimated purchaser's costs.

EPRA Topped Up Net Initial Yield

EPRA net initial yield adjusted for expiration of rent free periods or other lease incentives such as discounted rent periods and stepped rents.

EPRA Vacancy Rate

The Estimated Rental Value ('ERV') of immediately available vacant space as a percentage of the total ERV of the investment portfolio.

Equivalent Yield

The weighted average income return expressed as a percentage of the market value of the property, after inclusion of estimated purchaser's costs.

Estimated Rental Value ('ERV')

The external valuers' opinion of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

European Public Real Estate Association ('EPRA')

EPRA is the industry body for European Real Estate Investment Trusts ('REITs').

GHG

Greenhouse gases (GHG) are gases that contribute directly to climate change by trapping heat in the earth's atmosphere.

GRESB

Global Real Estate Sustainability Benchmark.

Gross Rental Income

Rental income for the period from let properties reported under IFRS, after accounting for lease incentives and rent free periods. Gross rental income will include, where relevant, turnover based rent, surrender premiums and car parking income.

Group

LondonMetric Property Plc and its subsidiaries.

IFRS

The International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the UK.

IFRS Net Assets

The Group's equity shareholders' funds at the period end including the net assets attributable to the non-controlling interest.

IFRS Net Assets per share

IFRS net assets divided by the number of shares in issue at the balance sheet date.

IFRS Reported Profit

The Group's equity shareholders' profit for the period excluding the profit for the period attributable to the non-controlling interest.

Income Return

Net rental income expressed as a percentage of capital employed over the period.

Income Strip Asset and Liability

Through the sale of a 65 year income strip of Alton Towers and Thorpe Park in 2022, the Group has an obligation to pay rental income equivalent to 30% of the annual rental income received from the tenant and the ability to acquire the freehold back in 2087 for £1.

Investment Portfolio

The Group's property portfolio excluding development, land holdings and residential properties.

Like for Like Income Growth

The movement in contracted rental income on properties owned through the period under review, excluding properties held for development and residential.

Loan to Value ('LTV')

Net debt expressed as a percentage of the total property portfolio value at the period end, adjusted for deferred completions on sales and acquisitions that exchanged in the period.

Logistics

The term is used synonymously with 'Distribution' and means the organisation and implementation of operations to manage the flow of physical items from origin to the point of consumption by the end user.

LXi Acquisition/Merger

The acquisition of the entire issued share capital of LXi REIT plc implemented by way of a Scheme of Arrangement under Part 26 of the Companies Act 2006 and deemed a reverse takeover and Class 1 transaction pursuant to the Listing Rules.

LXi REIT plc ('LXi')

LXi REIT plc (now LXi Limited). Incorporated in the UK with company number 10535081.

Net Debt

The Group's secured and unsecured loans net of cash balances at the period end.

Net Rental Income

Gross rental income receivable after deduction for ground rents and other net property outgoings including void costs and net service charge expenses.

Net Zero Carbon

Companies, processes, and buildings become Net Zero Carbon when they reduce their absolute emissions to a minimum, with only a small amount, if any, being offset.

NNN

NNN, or Triple Net Lease, is a type of lease agreement commonly used in commercial real estate. In a NNN lease, the tenant is responsible for paying key expenses in addition to the base rent.

NNN REIT

Also known as Triple Net Lease Real Estate Investment Trust, is a type of real estate investment trust (REIT) that specialises in properties leased to tenants under triple net leases. In a triple net lease, the tenant agrees to pay all ongoing operating expenses associated with the property, in addition to rent and utilities.

Occupancy Rate

The ERV of the let units as a percentage of the total ERV of the investment portfolio.

Passing Rent

The gross rent payable by tenants under operating leases, less any ground rent payable under head leases and the income strip.

Property Income Distribution ('PID')

Dividends from profits of the Group's tax-exempt property rental business under the REIT regulations. The PID dividend is paid after deducting withholding tax at the basic rate.

Real Estate Investment Trust ('REIT')

A listed property company which qualifies for and has elected into a tax regime which is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties.

Scope 1

Direct GHG emissions from the combustion of fuel in equipment that is owned or controlled by the Company, largely resulting from the use of natural gas, refrigerants, and vehicle fuel. For LondonMetric, this includes landlord-procured gas usage at our operational assets, including void units.

Scope 2

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the Company. For LondonMetric, this includes electricity usage at our head office and landlord-procured electricity at our operational assets, including void units.

Total Accounting Return ('TAR')

The movement in EPRA Net Tangible Assets per share plus the dividend paid during the period expressed as a percentage of the EPRA net tangible assets per share at the beginning of the period.

Total Property Return ('TPR')

Unlevered weighted capital and income return of the property portfolio as calculated by MSCI.

Triple Net Lease

Triple Net Lease, or NNN, is a type of lease agreement commonly used in commercial real estate. In a NNN lease, the tenant is responsible for paying key expenses in addition to the base rent.

Triple Net Lease REIT

Also known as NNN REIT, is a type of real estate investment trust (REIT) that specialises in properties leased to tenants under triple net leases. In a triple net lease, the tenant agrees to pay all ongoing operating expenses associated with the property, in addition to rent and utilities.

Weighted Average Interest Rate

The total loan interest and derivative costs per annum (including the amortisation of finance costs) divided by the total debt in issue at the period end.

Weighted Average Unexpired Lease Term ('WAULT')

Average unexpired lease term across the investment portfolio weighted by contracted rent.