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Landsec — Appendices 1

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Our sustainability framework

MATERIAL ISSUES	KEY TARGETS
Decarbonising our portfolio	Reduce operational carbon emissions by 70% by 2030 compared with a 2013/14 baseline
Enhancing nature and green spaces	Reduce average embodied carbon by 50% compared with a typical building by 2030
Using resources efficiently	

2021/22 PROGRESS

Developed £135m net zero transition investment plan

52% reduction in carbon emissions (tCO₂e) compared with 2013/14 baseline

34% reduction in energy intensity (kWh/m²) compared with 2013/14 baseline

All new developments to be net zero, starting with The Forge, SE1 and Timber Square, SE1

44% of office portfolio rated EPC B or above

13% biodiversity net gain compared with 2016/17 across our existing sites offering greatest potential

Zero waste sent to landfill with 71% of waste recycled

MATERIAL ISSUES	KEY TARGETS
Creating opportunities and tackling local issues	Empower 30,000 people barriers into employment with the skills and opportunities to enter the world of work by 2030
Inclusive places	Create £200m of social value in our local communities by 2030
Improving wellbeing	

2021/22 PROGRESS

Created a Realising Potential Fund of £20m over next 10 years to enhance social mobility in our industry

1,802 people supported

£5.1m social value created

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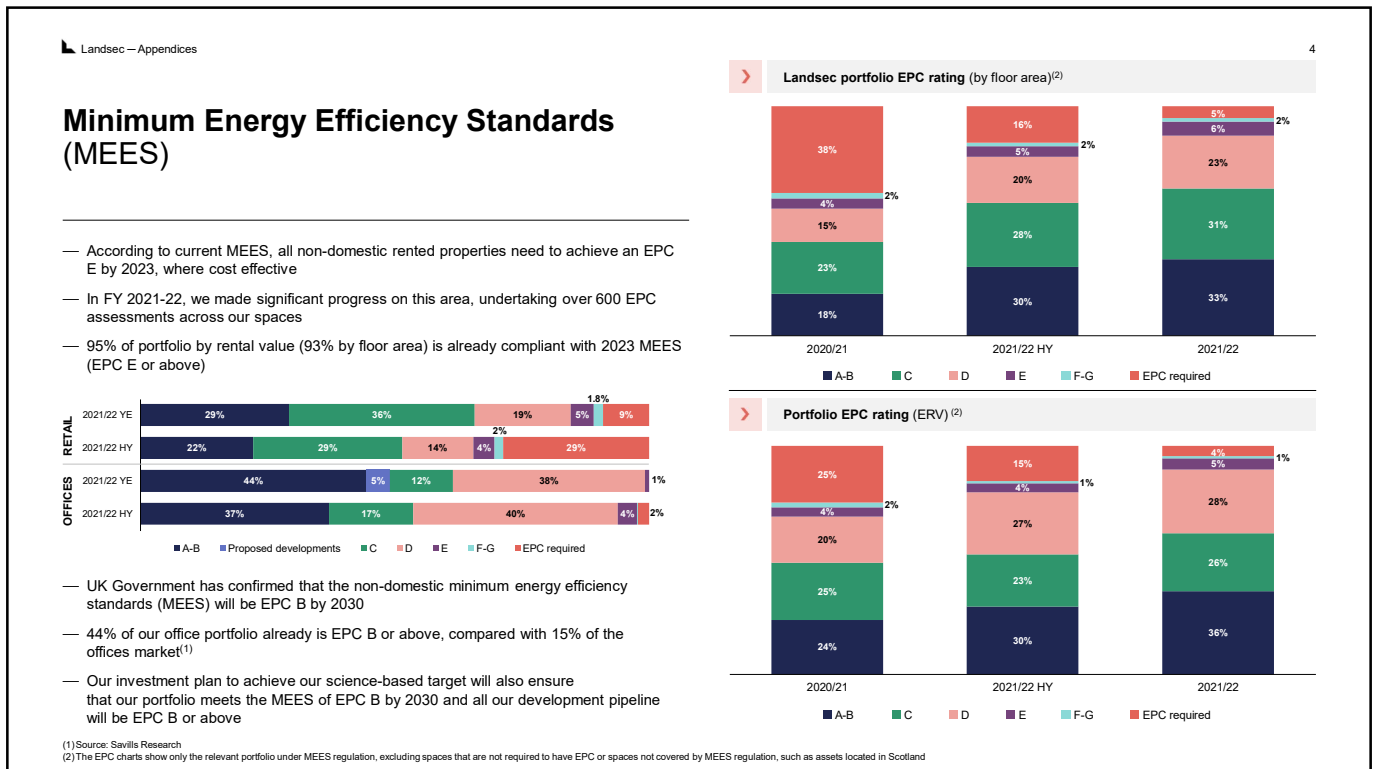
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Sustainability leadership

Demonstrated by our performance across all key ESG benchmarks

BENCHMARK	LATEST PERFORMANCE	BENCHMARK	LATEST PERFORMANCE
 GRESB <small>***** 2021</small>	GRESB 2021 Real Estate Sector leader – 5-star rated entity Standing Investments: Regional Listed Sector Leader for Europe within Diversified – Office/Retail (score 91%) Developments: Score 93%	 ecoact <small>an abs company</small>	Ecoact 2021 Ranked 1 st amongst FTSE 100 companies (2020: 3 rd) for our sustainability reporting and climate-related strategy and 3 rd across global indices analysed (FTSE 100, Euro STOXX 50 and DOW 30)
 CDP A LIST 2021 CLIMATE	CDP 2021 A-list (top 1.5%) for the fifth consecutive year Inclusion on the 2021 Supplier Engagement Leaderboard (top 8%)	 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	EPRA 2021 Received our 8 th Gold Award for best practice sustainability reporting
 Dow Jones Sustainability Indices <small>Member of</small> <small>Powered by the S&P Global CSA</small>	DJSI 2021 Score 85/top 99 th percentile European Real Estate leader, ranking 3 rd globally (2020: 4 th)	 FTSE4Good	FTSE4Good 2021 87 th percentile. We continue to retain our established position in the FTSE4Good Index
 S&P Global Sustainability Award <small>Bronze Class 2022</small>	Bronze Class distinction in the S&P Global Sustainability Awards	 ISS ESG <small>Corporate ESG Performance</small> <small>Prime</small>	ISS ESG 2021 Prime status. Rating B-. Decile rank 1/transparency level: very high
		 MSCI <small>ESG RATING</small>	MSCI ESG Rating 2021 AA rating
		 SUSTAINALYTICS <small>a Morningstar company</small>	Sustainalytics ESG Risk Rating 2021 8.5 (negligible risk)/ranking 13 out of 1,044 companies in the real estate industry
		 STONEWALL EMPLOYER <small>BRONZE</small>	Stonewall Workplace Equality Index 2022 Bronze award for our 1 st submission, acknowledging our efforts to advance LGBT+ equality

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Top 10 assets by value

As at 31 March 2022

Name	Ownership interest	Floor area	Rental income ⁽¹⁾	Let by income	Weighted average unexpired lease term
	%	Sq ft (000)	£m	%	Years
New Street Square, EC4	100	Office: 932 Retail: 23	51	98	6.9
21 Moorfields, EC2	100	Office: 564 ⁽²⁾	Development in progress	100 ⁽³⁾	24.6
Cardinal Place, SW1	100	Office: 458 Retail: 53	28	98	5.1
One New Change, EC4	100	Office: 348 Retail: 204	23	89	4.3
MediaCity, Greater Manchester	75	Office: 845 Retail: 52 Other: 782	24	96	10.1
Nova, Victoria, SW1	50	Office: 480 Retail: 75	17	100	8.7
Gunwharf Quays, Portsmouth	100	Retail: 555	28	97	3.6
Bluewater, Kent	48.75	Retail: 1,879	34	94	4.5
Queen Anne's Gate, SW1	100	Office: 354	32	100	4.7
Piccadilly Lights, W1	100	n/a	12	n/a	n/a

Aggregate value of top 10 assets: £5.7bn (47% of Combined Portfolio)
 (1) Landsec share. Annualised rental income is annual rental income, stated gross, prior to the deduction of ground rents, after the deduction of operational outgoings on car park and commercialisation activities
 (2) Development area
 (3) Pre-let to Deutsche Bank

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Valuation movements

As at 31 March 2022

	Market value 31 March 2022	Valuation change	LFL rental value change ⁽¹⁾	Net initial yield	Topped-up net initial yield ⁽²⁾	Equivalent yield	LFL movement in equivalent yield
	£m	%	%	%	%	%	bps
West end offices	3,013	3.0%	4.0%	4.2%	4.8%	4.6%	-2
City offices	1,928	5.6%	0.4%	3.6%	3.7%	4.6%	-8
Retail and other	1,131	1.5%	-	4.4%	4.6%	4.7%	15
Developments	1,709	4.0%	n/a	0.5%	2.2%	4.3%	n/a
Total Central London	7,781	3.7%	2.0%	3.3%	3.9%	4.5%	-1
Shopping centres	1,141	-1.3%	-2.4%	7.7%	8.2%	7.4%	3
Outlets	743	1.6%	1.4%	5.8%	6.1%	6.7%	-10
Total Major retail destinations	1,884	-0.1%	-0.9%	7.0%	7.3%	7.1%	-3
Completed investment	409	2.0%	n/a	5.1%	5.1%	5.7%	n/a
Developments	486	-6.5%	n/a	5.5%	5.6%	5.3%	n/a
Total Mixed-use urban	895	-2.8%	n/a	5.3%	5.4%	5.5%	n/a
Leisure	569	7.4%	0.3%	6.7%	6.9%	7.1%	-40
Hotels	422	3.5%	1.2%	4.2%	4.2%	5.5%	-1
Retail parks	466	31.9%	0.8%	5.7%	6.0%	5.7%	-187
Total Subscale sectors	1,457	12.9%	0.7%	5.6%		6.2%	-70
Total Combined Portfolio	12,017	3.6%	1.0%	4.3%		5.2%	-11

(1) Rental value change excludes units materially altered during the year

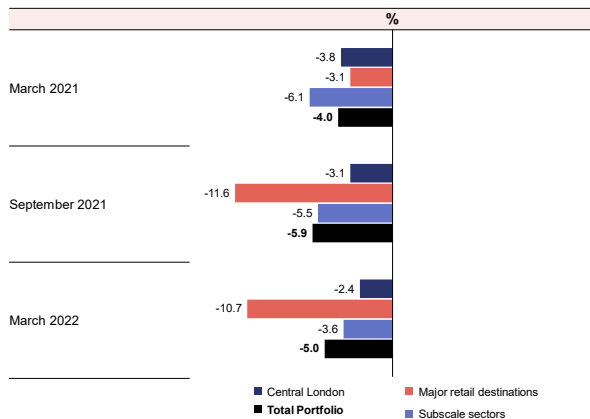
(2) Topped-up net initial yield adjusted to reflect the annualised cash rent that will apply at the expiry of current lease incentives

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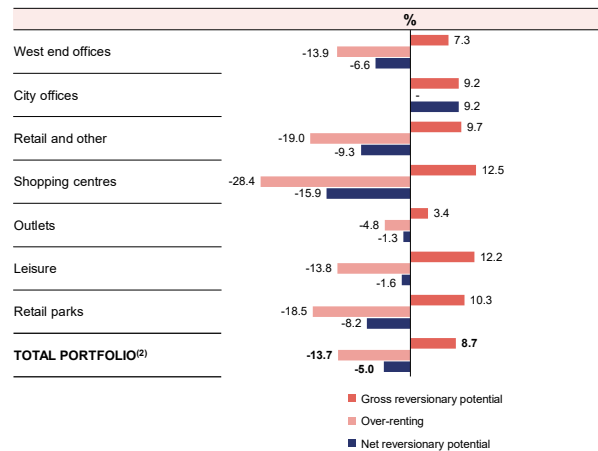
Reversionary potential

Like-for-like portfolio

Net reversionary potential⁽¹⁾



Reversionary potential⁽¹⁾ at 31 March 2022



(1) Excludes voids and rent-free periods

(2) As at 31 March 2022, Queen Anne's Gate (QAG), SW1 accounted for 93% of the West End offices like-for-like over-renting. Excluding QAG, the West End offices segment and Combined Portfolio would be 6.6% and -1.2% net reversionary, respectively

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Rent reviews and lease expiries and breaks⁽¹⁾

Central London excluding developments

	Outstanding	2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review	65	34	18	7	8	10	142
Adjusted ERV ⁽²⁾	64	35	18	6	8	10	141
Over-renting ⁽³⁾	(3)	(1)	-	(1)	-	-	(5)
Gross reversion under lease provisions	2	2	-	-	-	-	4
		2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
		£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks ⁽⁴⁾		29	23	12	35	54	153
ERV		33	25	14	35	35	142
Potential rent change		4	2	2	-	(19)⁽⁵⁾	(11)
Total reversion from rent reviews and expiries or breaks							(7)
Vacancies and tenants in administration ⁽⁶⁾							15
Total							8

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2027
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Due to over-renting at Queen Anne's Gate. Excluding this, the 2026/27 potential rent change is £nil
(6) Excludes tenants in administration where the administrator continues to pay rent

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Rent reviews and lease expiries and breaks⁽¹⁾

Major retail destinations excluding developments

	Outstanding	2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review ⁽²⁾	58	26	5	2	3	1	95
Adjusted ERV ⁽³⁾	51	21	5	1	3	1	82
Over-renting ⁽⁴⁾	(10)	(6)	(1)	(1)	(1)	-	(19)
Gross reversion under lease provisions	3	1	1	-	1	-	6
		2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
		£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks ⁽⁵⁾		44	22	18	20	12	116
ERV		41	20	16	16	10	103
Potential rent change		(3)	(2)	(2)	(4)	(2)	(13)
Total reversion from rent reviews and expiries or breaks							(7)
Vacancies and tenants in administration ⁽⁶⁾							13
Total							6

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Annualised rents have been reduced to reflect the impact of Covid-19 on turnover related rent, which has driven an increase in reversionary potential across Major retail destinations
(3) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2027
(4) Not crystallised at rent review because of upward only rent review provisions
(5) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(6) Excludes tenants in administration where the administrator continues to pay rent

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Rent reviews and lease expiries and breaks⁽¹⁾ Mixed-use urban excluding developments

	Outstanding	2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review ⁽²⁾	5	6	4	7	7	1	30
Adjusted ERV ⁽³⁾	5	4	4	7	7	1	28
Over-renting ⁽⁴⁾	(1)	(2)	-	-	-	-	(3)
Gross reversion under lease provisions	1	-	-	-	-	-	1
		2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
		£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks ⁽⁵⁾		5	8	2	1	4	20
ERV		6	6	2	1	3	18
Potential rent change		1	(2)	-	-	(1)	(2)
Total reversion from rent reviews and expiries or breaks							(1)
Vacancies and tenants in administration ⁽⁶⁾							3
Total							2

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2027
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Excludes tenants in administration where the administrator continues to pay rent

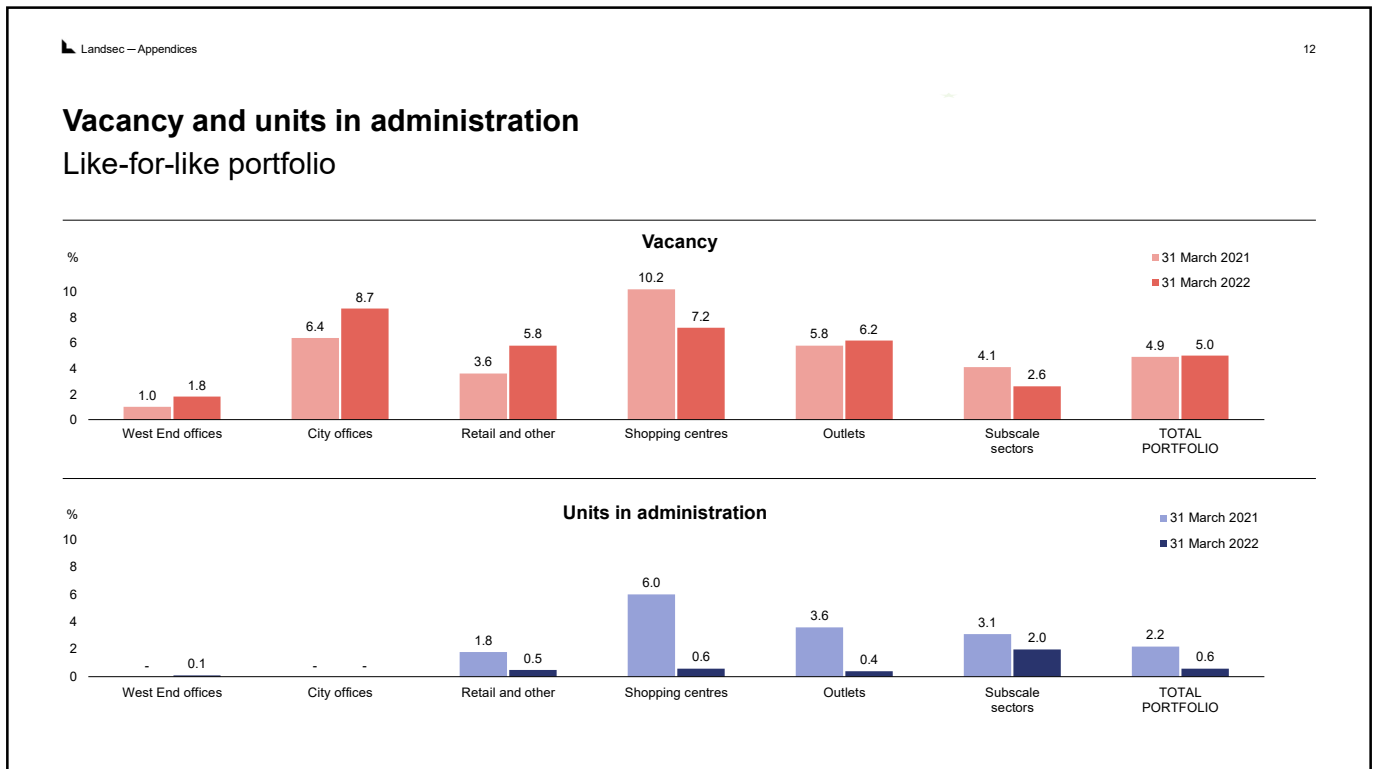
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Rent reviews and lease expiries and breaks⁽¹⁾ Subscale sectors excluding developments

	Outstanding	2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review ⁽²⁾	25	5	8	7	3	2	50
Adjusted ERV ⁽³⁾	23	5	6	7	3	2	46
Over-renting ⁽⁴⁾	(4)	(1)	(2)	(1)	-	-	(8)
Gross reversion under lease provisions	2	1	-	1	-	-	4
		2022/23	2023/24	2024/25	2025/26	2026/27	Total to 2027
		£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks ⁽⁵⁾		5	7	10	7	5	34
ERV		5	5	9	6	5	30
Potential rent change		-	(2)	(1)	(1)	-	(4)
Total reversion from rent reviews and expiries or breaks							-
Vacancies and tenants in administration ⁽⁶⁾							4
Total							4

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2027
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Excludes tenants in administration where the administrator continues to pay rent

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Retail sales and footfall – outlet and regional only

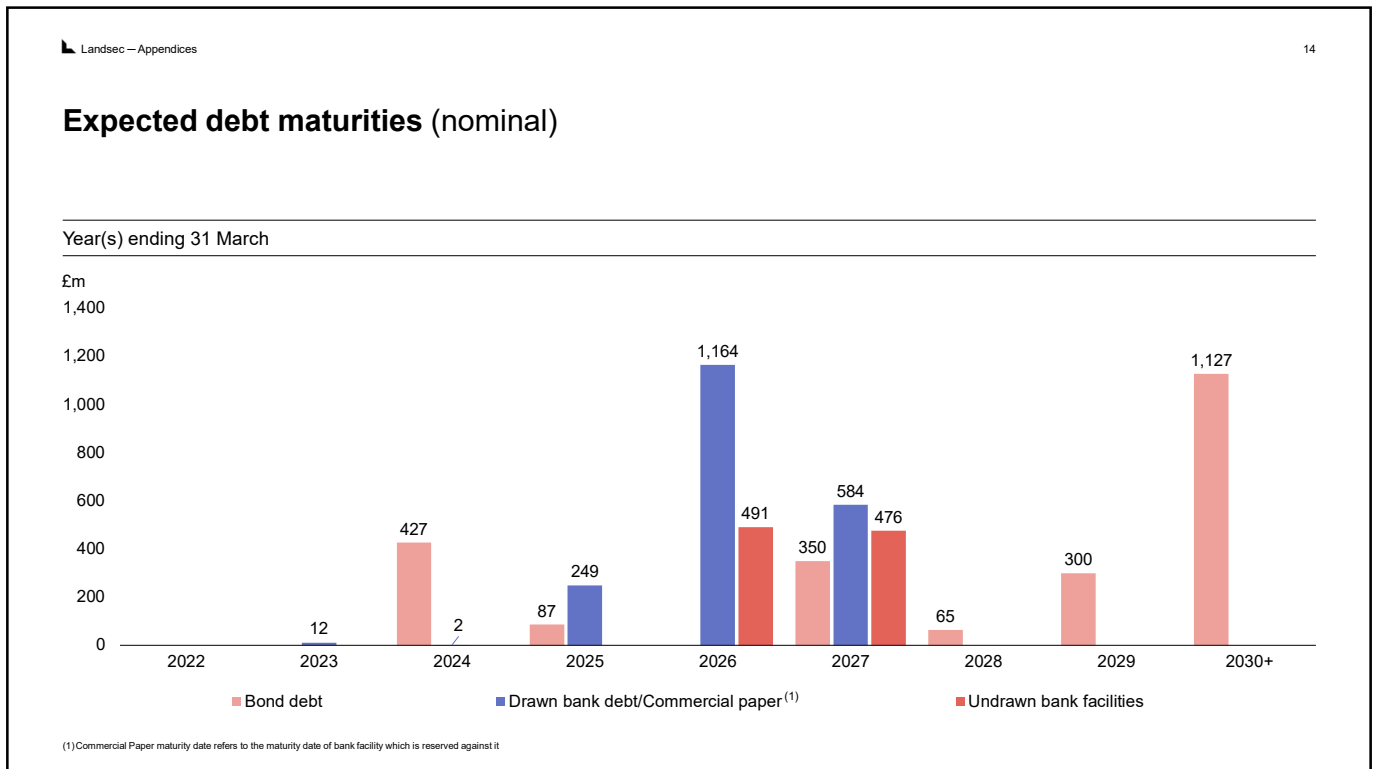
Footfall and sales growth/decline (52 weeks to 3rd April 22 vs 2019 and 5th April 2020)

Landsec	YTD April - March vs 2019	YTD April - March vs LLY	Benchmarks	YTD April - March vs 2019	YTD April - March vs LLY	Comments
Footfall	-23.4%	-19.6%	UK footfall ⁽¹⁾	-25.8%	-18.5%	
Same centre sales ⁽²⁾	-7.7%	-4.2%	BRC non-food in-store total ⁽³⁾	-6.9%		Sales benchmarks include retail parks, which have continue to benefit above other asset types post pandemic
Same centre sales excluding Tesla	-6.0%	-2.4%				
Same store sales ⁽⁵⁾	-0.1%	1.1%				
Same store shopping centre sales	-2.7%	-1.5%	BRC non-food in-store LFL ⁽³⁾	11.1%		Categories that have higher exposure within Landsec have had the furthest to climb post pandemic e.g. Fashion.
Same store outlets sales	5.4%	6.8%				
			BRC non-food all retail ⁽⁴⁾	6.5%		

Source: Landsec, unless specified below, data is exclusive of VAT and for the 52-week figures above, based on over 2,000 tenancies where the occupiers provide Landsec with turnover data

(1) Springboard UK national benchmark, Springboard index based on more than 600 UK Retail Destinations
 (2) Landsec same centre total sales. Based on all store sales and takes into account new stores, new space and lost sales through lockdown.
 (3) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of quarterly non-food retail sales growth for physical i.e. bricks and mortar stores only (does not include online sales)
 (4) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of quarterly non-food retail sales growth including online sales
 (5) Landsec same store/same tenant like-for-like sales only includes sales for tenants that were open and trading throughout the period

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Office-led development programme returns

Status		21 Moorfields, EC2	The Forge, SE1	Lucent, W1	n2, SW1
		Fully committed; pre-let	Fully committed; speculative	Fully committed; speculative	Fully committed; speculative
Estimated completion date		October 2022	December 2022	March 2023	June 2023
Description of use		Office – 100%	Office – 99% Retail – 1%	Office – 77% Retail – 21% Residential – 2%	Office – 100%
Landsec ownership	%	100	100	100	100
Size	Sq ft (000)	564	140	144	167
Letting status	%	100	-	-	-
Market value	£m	733	115	159	104
Net income/ERV	£m	38	10	14	14
Total development cost (TDC) to date	£m	478	107	186	103
Forecast TDC	£m	594	150	248	207
Gross yield on cost ⁽¹⁾	%	6.4	6.4	5.5	6.6
Valuation surplus/(deficit) to date	£m	246	8	(26)	1
Market value + outstanding TDC	£m	849	158	222	209
Gross yield on market value + outstanding TDC	%	4.5	6.3	6.3	6.7

⁽¹⁾ Based on ERV to the nearest £0.1m

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Pipeline of near term office-led development opportunities

Status	Timber Square, SE1	Portland House, SW1	Liberty of Southwark, SE1	Red Lion Court, SE1
	Planning consent granted	Planning consent granted	Planning consent granted	Planning application submitted
Earliest start date	H2 2022	H2 2022	H2 2022	H2 2023
Description of use	Office – 96% Retail – 4%	Office – 90% Retail – 10%	Office – 86% Residential – 14%	Office – 95% Retail – 5%
Landsec ownership %	100	100	100	100
Current annualised rental income £m	-	-	-	-
Current size Sq ft (000)	141	310	-	128
Proposed size Sq ft (000)	380	295	200	235

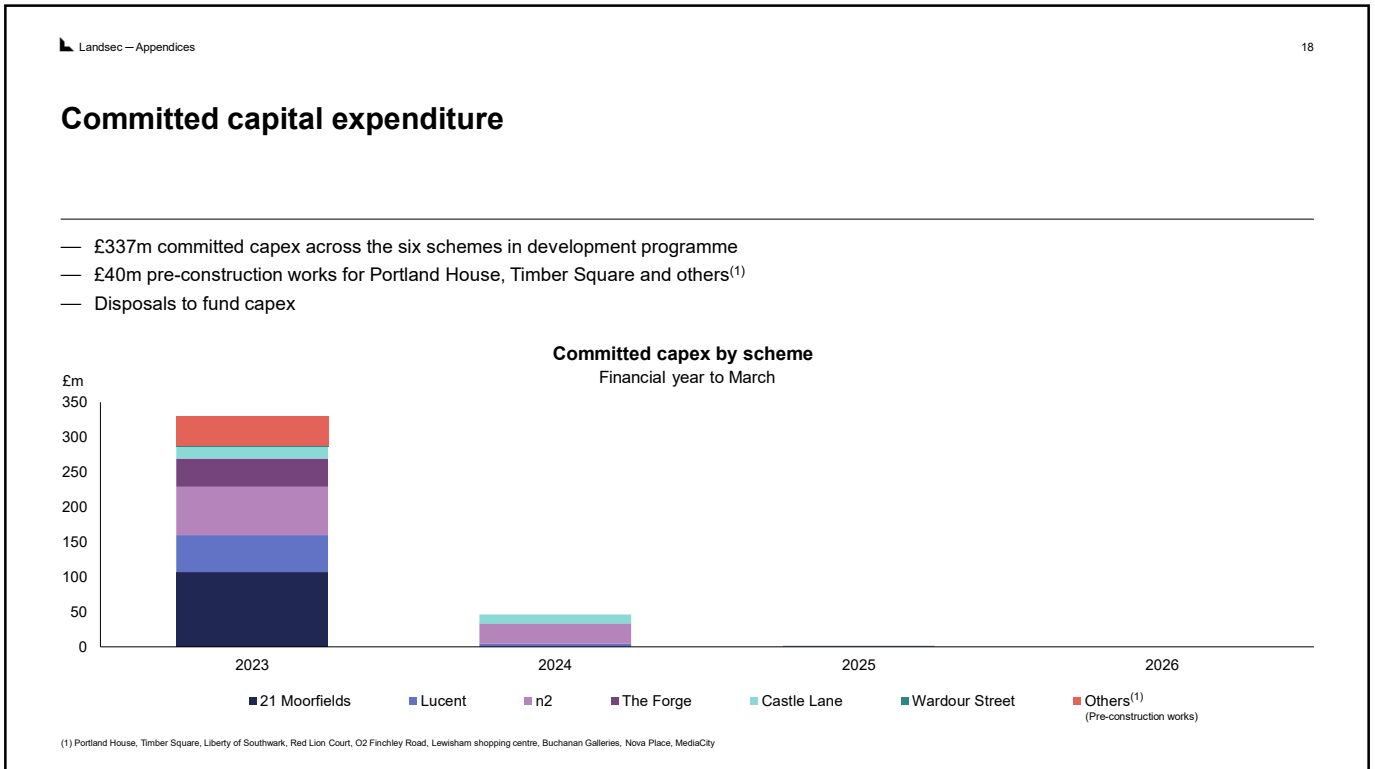
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Doubled the pipeline to 9m sq ft and accelerated programme Mixed-use urban

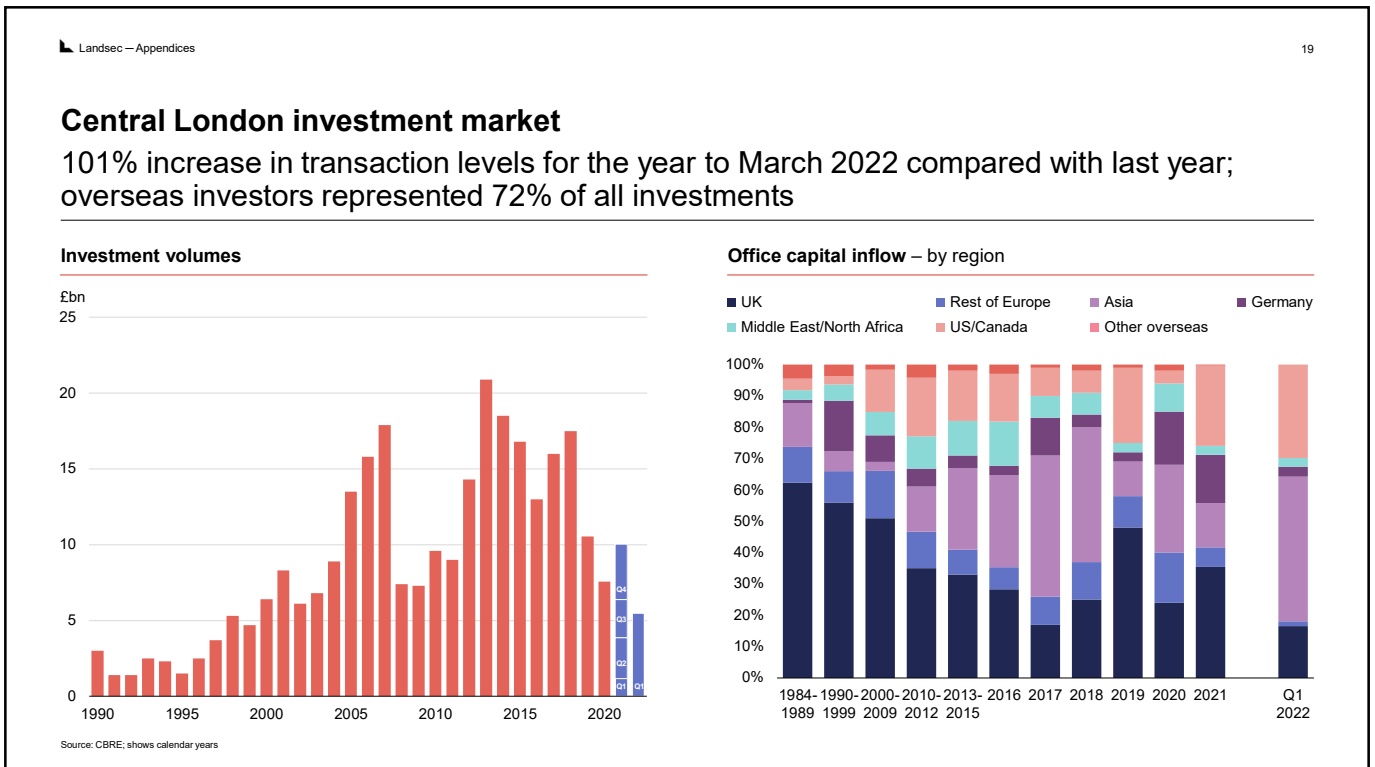
NEAR-TERM PROGRAMME	Ownership	Sq ft (NIA) (000)	Use	Earliest start on site	Number of blocks	Estimated completion of phase 1	Estimated scheme completion	TOTAL SCHEME	
								Indicative TDC £m	Target yield on cost ⁽¹⁾ %
Mayfield, Manchester	50%	2,500	Office Retail Residential	2022	18	2025	2032	750 - 900	6.5 - 7.0
MediaCity, Greater Manchester	75%	1,900 ⁽²⁾	Office Residential Retail	2023	8	2025	2030	500 - 600	6.5 - 7.0
O2, Finchley Road	100%	1,400	Residential Retail	2023	10	2026	2033	900 - 1,100	5.5 - 6.0
Buchanan Galleries, Glasgow	100%	1,400	Office Retail Residential	2024	11	2027	2031	550 - 700	6.5 - 7.0
Lewisham shopping centre, SE13	100%	1,800	Residential Retail	2024	14	2028	2037	1,000 - 1,200	5.5 - 6.0
Total		9,000						3,700 - 4,500	

Note: All financial data is Landsec share
 (1) Yield on cost excludes affordable housing
 (2) Assumes greater massing achieved

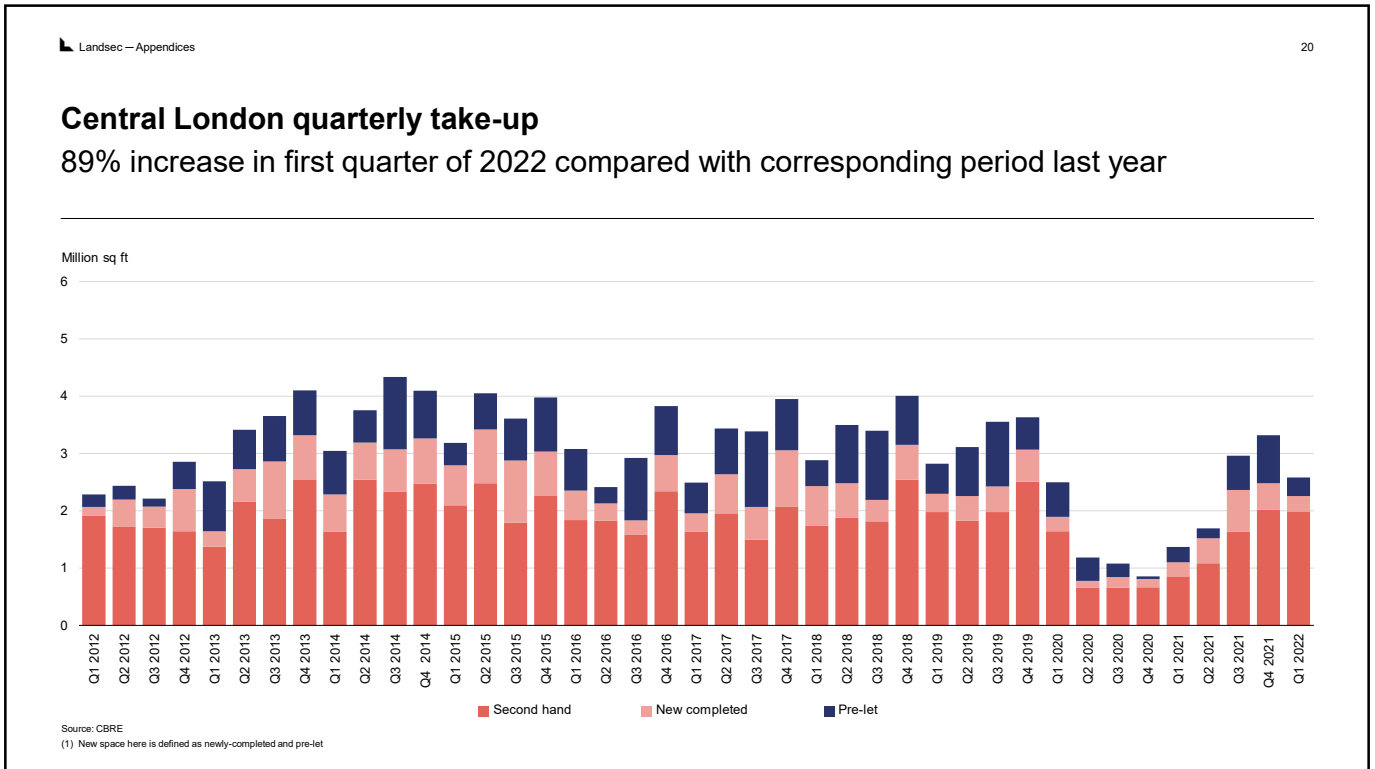
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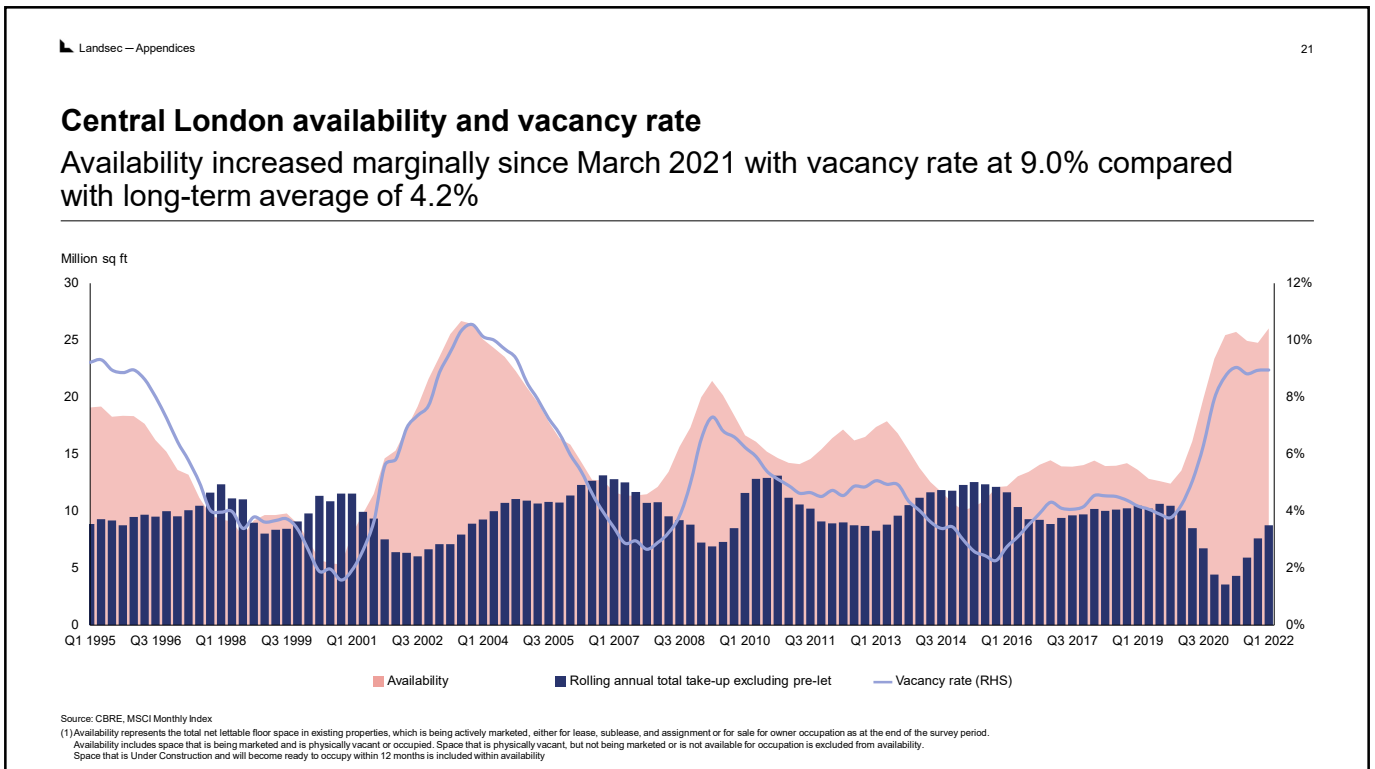
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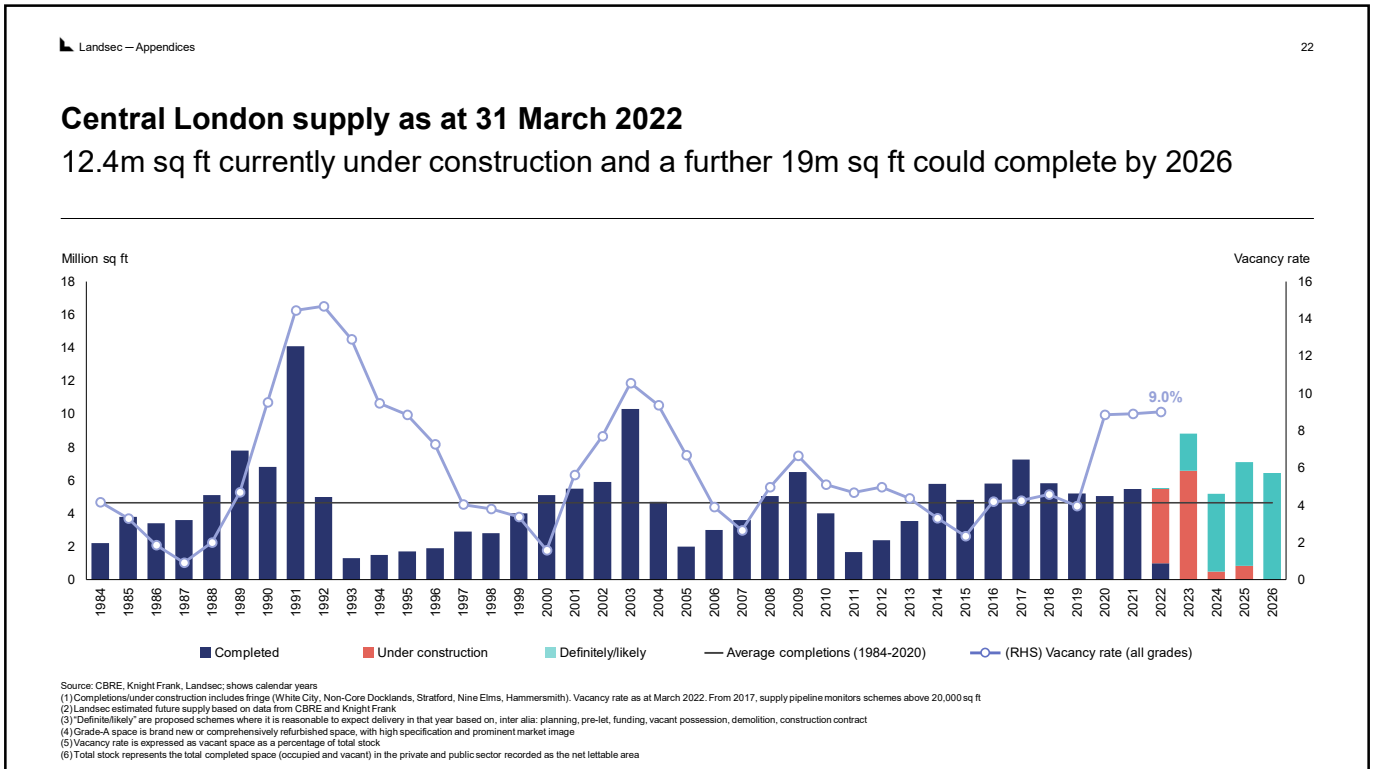
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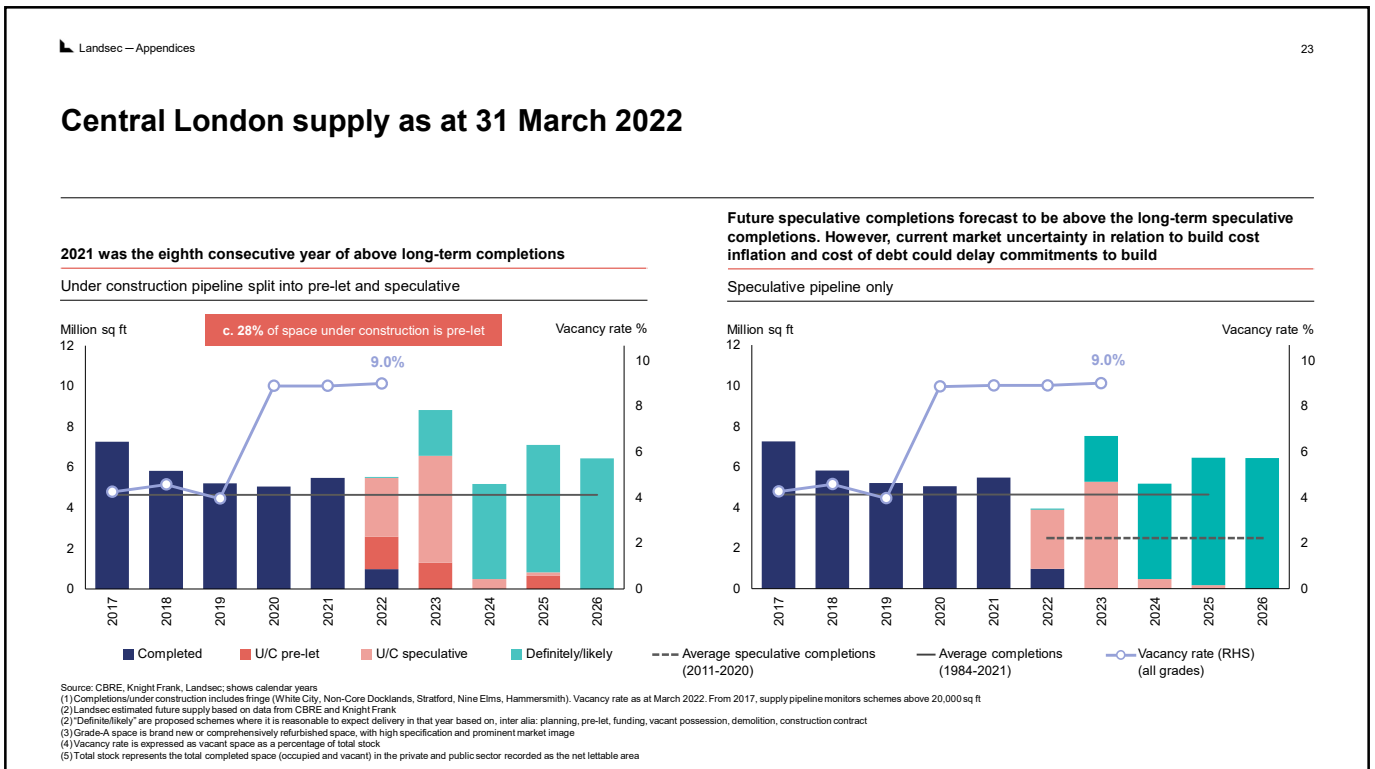
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Important notice

This presentation may contain certain 'forward-looking' statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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