Investor & analyst Flex session - Feb 2023

GPE.

We unlock potential, creating sustainable space for London to thrive

Agenda

Business update & overview	Toby Courtauld, Chief Executive
The Flex market, the GPE offer & leasing	Simon Rowley, Director of Flex Workspaces
Our Flex growth opportunity	Nick Sanderson, Chief Financial and Operating Officer
Summary	Toby Courtauld, Chief Executive
Q&A	

Q3 Business Update

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Strong Operational Performance

- £16.1 million of leases signed (9 months to 31 Dec 2023)
    - 10.7%> Mar '2023 ERV
- £4.9 million in quarter; 5.5% >Mar '2023 ERV
- Reaffirmed portfolio rental value guidance of +2.5% to +5%
    - Best space likely higher still

Preparation ongoing for two profitable near-term schemes

- Minerva House, SE1 anticipated H1 start
    - 143,100 sq ft of new Grade A offices; river frontage
- Soho Square Estate, W1 planning permission to be refined
    - 91,000 sq ft new build; potential start Q1 2025
- Healthy returns expected: PoC >18%; dev. yield >6.0%

Two committed developments; progressing well

- Good progress at 2 Aldermanbury Square, EC2; basement under construction; anticipated completion Q1 2026
- Vacant possession obtained at French Railways House, SW1
    - 67,600 sq ft of new Grade A space
    - Profit on cost: 24.9%; development yield 6.5%

Further Flex expansion

- Commitment to 141 Wardour Street
    - 29,900 sq ft of new Fully Managed space
    - Anticipated PoC >19.0%; yield on cost >6.5%

Confident Outlook Maintained

Why Flex matters

1. The default choice for sub 5,000 sq ft office space	57% of West End lettings sub 5,000 sq ft[1]
2. The market is sizeable and growing	50m sq ft by 2028[1] in central London
3. The customer base is diverse & broader than just SMEs	57% customers to have 10%+ in flex (2028)[1]
4. Customers are paying us a premium for hassle-free spaces	+103% net effective rent beat[2]
5. It will create income and valuation growth for GPE	+195% growth in NOI by 2028[3]
6. We have strong growth ambitions	1m sq ft Flex portfolio

Flex is a prerequisite for maximising returns from smaller central London spaces

1. CBRE, Instant Offices 2. GPE Fully Managed LTM 3. Committed Fully Managed space by 2025

The Flex Market Opportunity

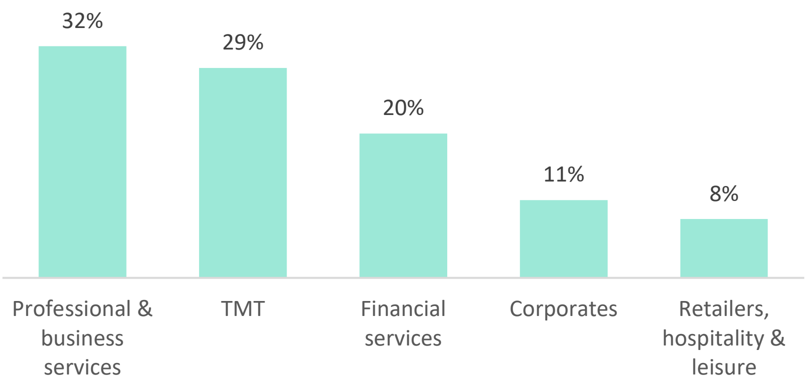
Themes play to GPE positioning

GPE.

The Market is Maturing

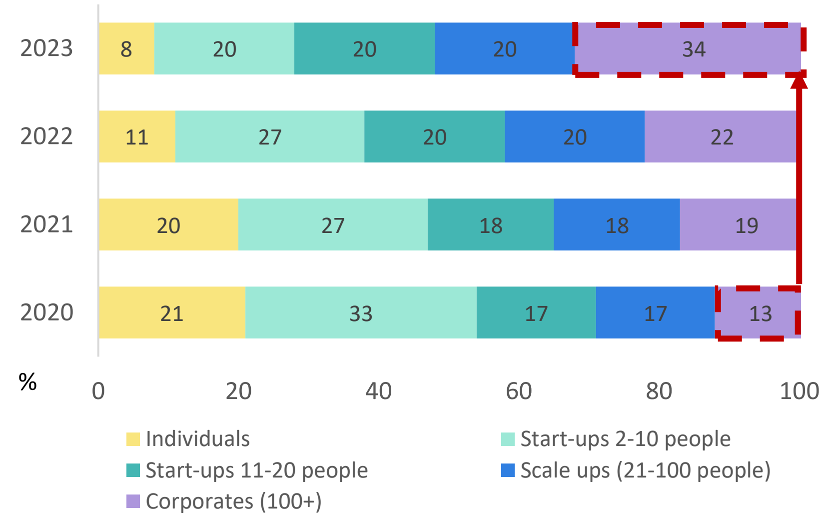
- **Increasingly default choice for smaller spaces:** 57% of West End lettings sub 5,000 sq ft[1]
- **Operator health variable:** WeWork effect; impact short term supply & increased focus on ownership
- **Market is maturing:** more Management Agreements, more owners to enter = more valuation evidence
- **Demand growing:** corporates leading; 57% customers to have 10%+ footprint as Flex by 2028[1]
- **Size of enquiries rising:** 80% of all enquiries[2] for 20+ desks; 45% for 20-50 desks = GPE Flex sweet spot
- **Focus on best in class:** location, quality of fit-out, amenity

Broad Customer Attraction[3]



Corporate Occupation Increasingly the Norm

Size of companies occupying flexible office space globally[4]:



- Corporate flex occupation grown rapidly
  - now 34% of global flexible office occupation
- Majority let to businesses of 21+ employees

1. CBRE, Instant Offices LTM 2. Valve 3. GPE Flex customers at 30 September 2023 4. Savills Flexmark report 4.0, November 2023

Our Flex Offers: Fitted

Hassle-free experience; business ready

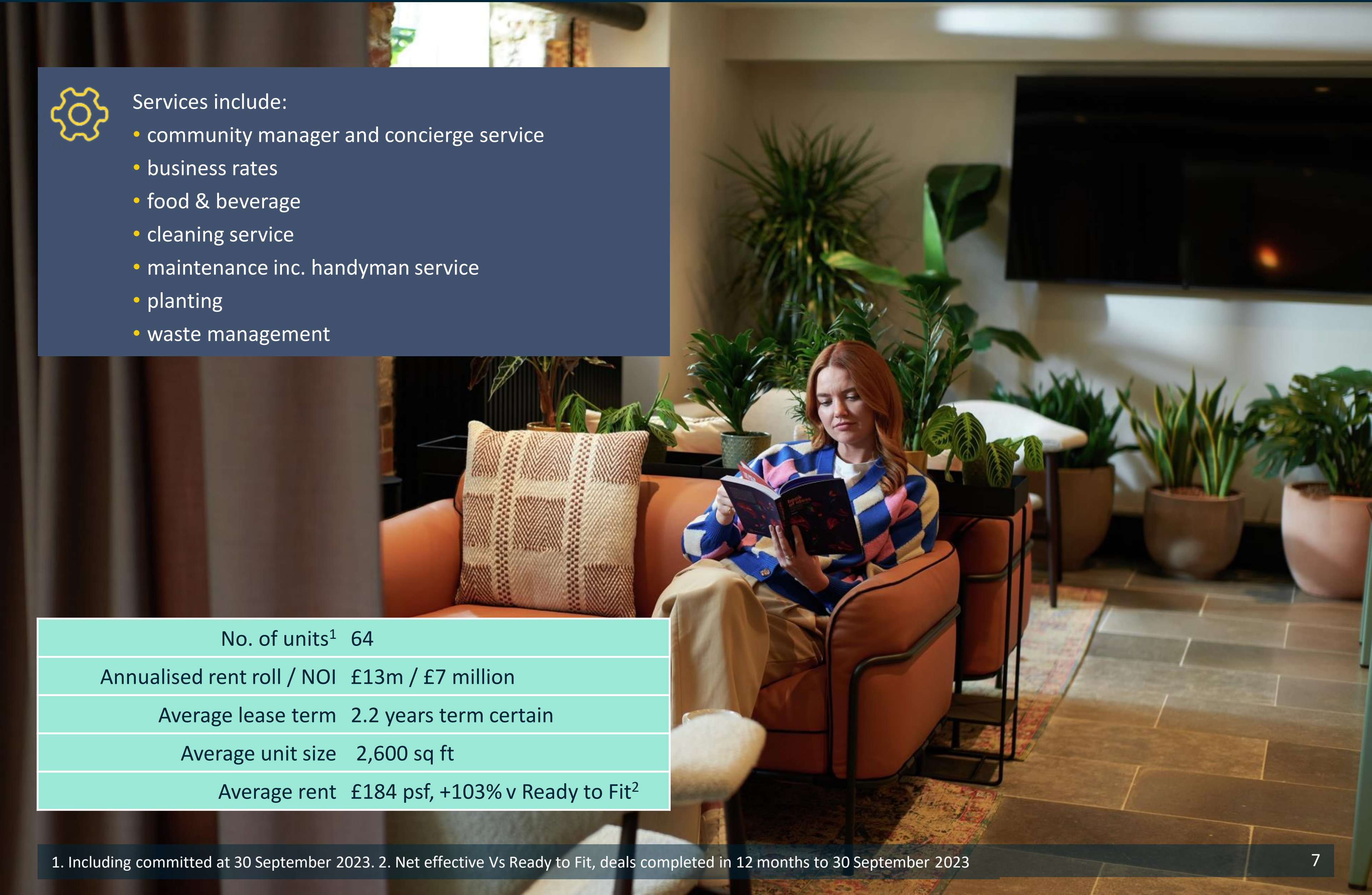
- Private floor with your own front door
- Customer branded, customisable space
- Desks, chairs & soft furnishings all included
- Plug and play with a secure internet connection
- sesame® smart building app and lifestyle concierge service
- Straight forward process, simple, flexible agreements
- No intermediary; deal directly with GPE
- Space to grow: expand organically within 1.9 m sq ft office portfolio

No. of units[1]	38
Annualised rent roll	£9 million
Average lease term	4.3 years term certain
Average unit size	3,400 sq ft
Average rent	£82 psf, +66%[2]

1. Including committed at 30 September 2023. 2. Net effective vs Ready to Fit, deals completed in 12 months to 30 September 2023

Our Flex Offers: Fully Managed

All the benefits of Fitted, plus full-service delivery by GPE; all-in-one bill



Services include:

- community manager and concierge service
- business rates
- food & beverage
- cleaning service
- maintenance inc. handyman service
- planting
- waste management

No. of units[1]	64
Annualised rent roll / NOI	£13m / £7 million
Average lease term	2.2 years term certain
Average unit size	2,600 sq ft
Average rent	£184 psf, +103% v Ready to Fit[2]

1. Including committed at 30 September 2023. 2. Net effective Vs Ready to Fit, deals completed in 12 months to 30 September 2023

Our Flex Offers: Flex Partnerships

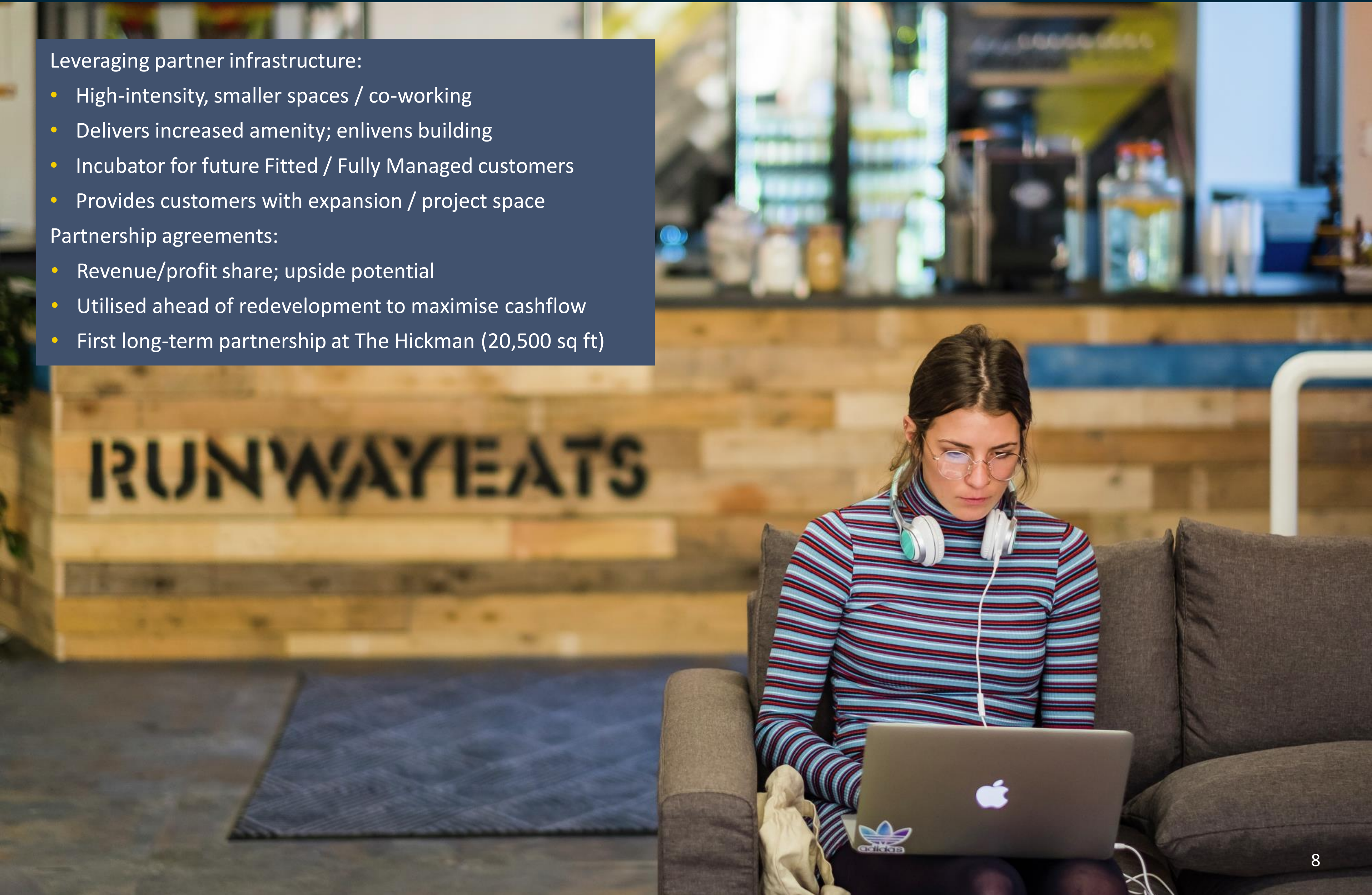
By desk and room

Leveraging partner infrastructure:

- High-intensity, smaller spaces / co-working
- Delivers increased amenity; enlivens building
- Incubator for future Fitted / Fully Managed customers
- Provides customers with expansion / project space

Partnership agreements:

- Revenue/profit share; upside potential
- Utilised ahead of redevelopment to maximise cashflow
- First long-term partnership at The Hickman (20,500 sq ft)



<u>Not</u> WeWork, <u>Not</u> Co-Working

Our Unique Flex Offer

GPE.

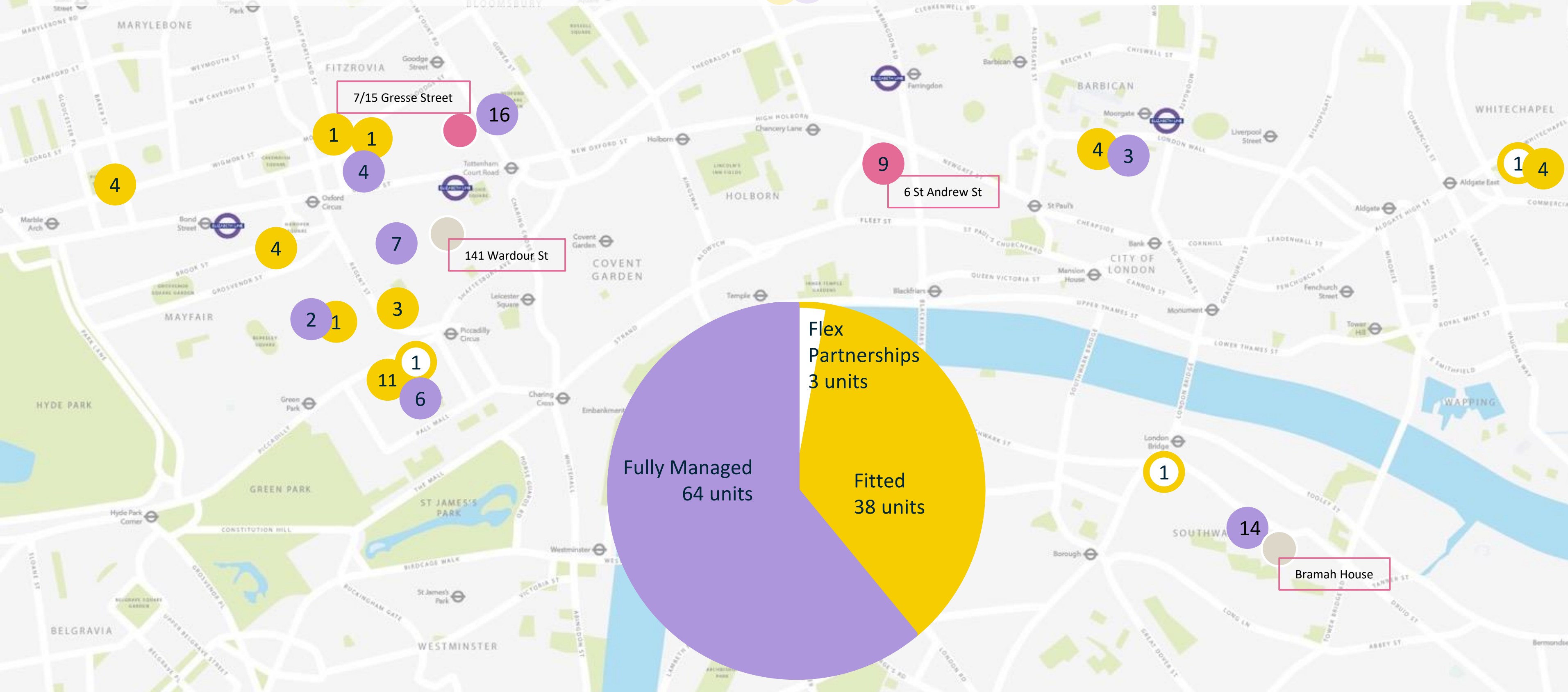
Proven in numerous buildings and locations: 434,000 sq ft; 105 units

Well-located, high-quality buildings operated by trusted owner

<u>Leased</u> by floor/unit (not desk): 'Fully Yours'

- **Fitted:** Dedicated, furnished space; your own front door
- **Fully Managed:** fitted, plus all-in-one GPE service provision
  - ***Delivering the highest returns & greatest opportunity for growth***
- **Flex Partnerships:** selective use, driving cashflow

20 Buildings	**2,400 sq ft** Avg unit size
56 Customers	**3.7 years** Avg lease length



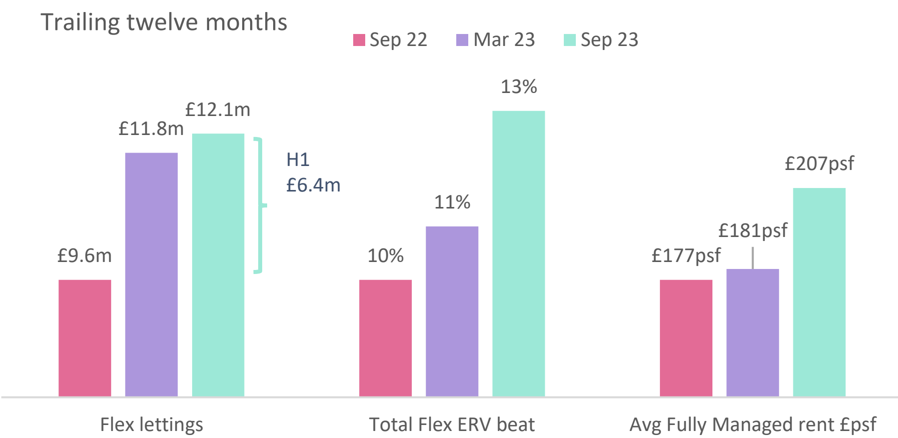
Number of units | Flex acquisitions last 2 years | Flex acquisitions since March '23

Our Flex Performance

Strong leasing driving performance

GPE.

Leasing Momentum Driving Performance



Lettings 12mths to Sept-23	Fitted	Fully Managed	
	Actual	Actual	Target
Net Effective Rent Beat[1]	+66%	+103%	>50%
Relative Cashflow Beat[1,2]	+30%	+76%	>35%
Average lease term[3]	5.8 yrs	2.1 yrs	n/a

GPE Positioning Driving Strong Leasing

- Record level of monthly enquiries in November (177)
- Strong quarter[6] for Fully Managed transactions
  - 8 deals completed
- 95% Flex Occupancy
- Taking less than 12 weeks to let space (on average)
- £2.9m deals completed/under offer since Dec '23
  - Avg. £200 psf; 10.9% ahead of ERV

Recent Leasing Successes

Empire House, SW1
Fully Managed: £230 psf 1,850 sq ft

Pollen House, W1
Fully Managed: £244 psf 1,800 sq ft

Woolyard, SE1
Fully Managed: £182 psf 1,930 sq ft

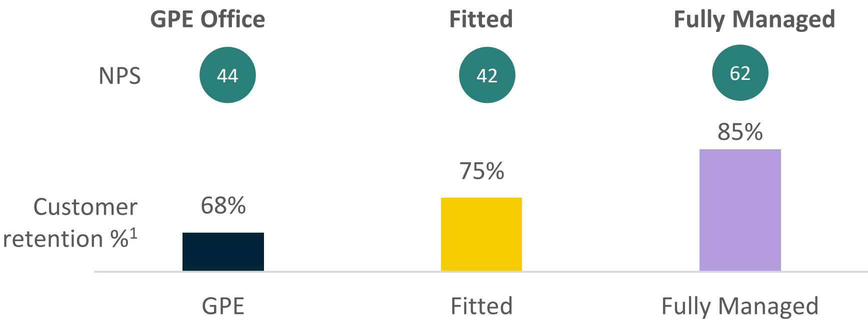
16 Dufour's Place, W1
Fully Managed: £258 psf 2,210 sq ft

1. Relative to Ready to Fit 2. 10-year cashflow after voids and fit out costs
3. To expiry 4. At 30 September 5. Average Headline rent roll, 95% occupancy 6. Quarter to Dec 23

Flex Opportunity

Customer retention key; further benefits from scale

Strong Customer Satisfaction and Retention: Key to Success



Benefits of Retention

No friction costs	No vacancy costs	Lower refresh spend

Benefits from GPE Scale

- Clustering
  - Customer retention & growth
  - Opex management
- Pricing power
- Fit-out capex economies
- Team capability & expertise:
  - Design & delivery
  - Operations & customer experience
  - Leasing

Breadth and depth of customers

Attracting New Customers

lottie, World Rugby, scienta, aggreko, Reventus Power, BusinessFourZero, Handshake, c_space, Morgan Stanley, Spectrum Equity, goodlord

Transitioning Ready to Fit customers to Flex

New Look, M|3 Capital Partners

GPE customers for 10+yrs

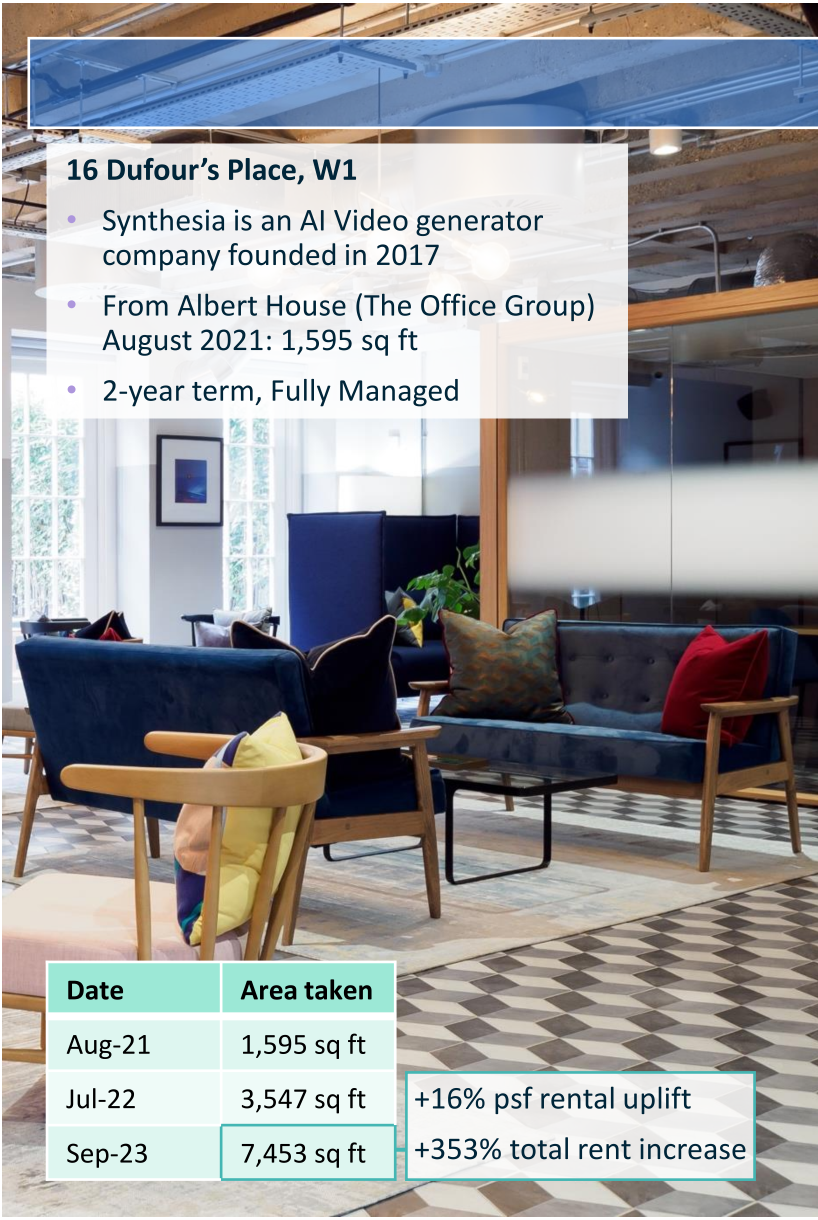
Retaining existing Flex customers

Marriott Vacation Club, Synthesia, Wunderkind, H&P, Blend Group, Pagefield

1. Since 2018 / inception (GPE 77% last twelve months)

Growing With Our Flex Customers

Our journey with Synthesia so far…



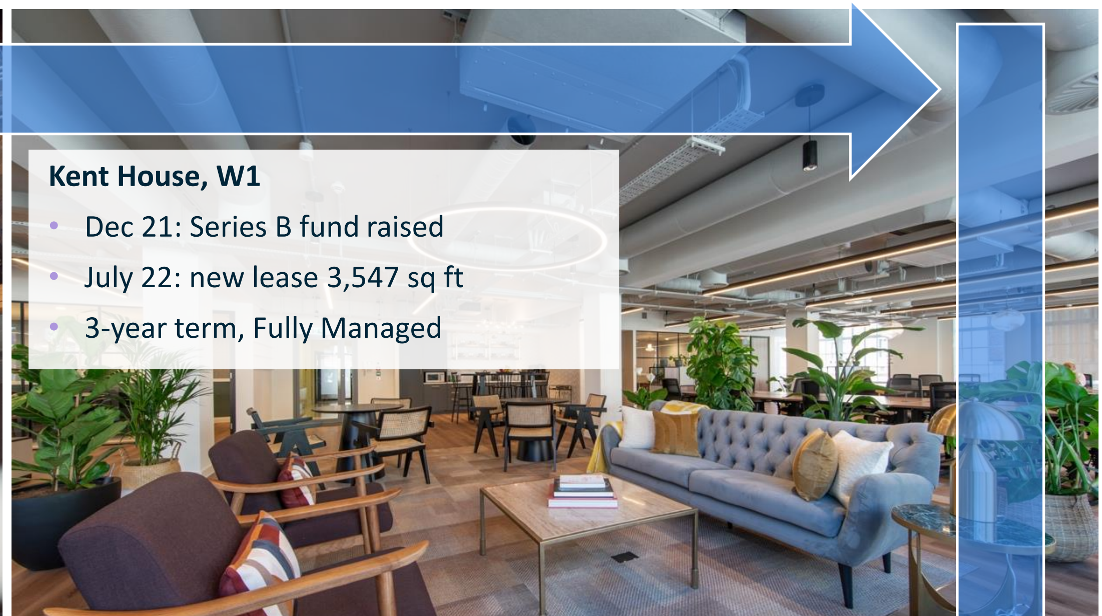
16 Dufour's Place, W1

- Synthesia is an AI Video generator company founded in 2017
- From Albert House (The Office Group) August 2021: 1,595 sq ft
- 2-year term, Fully Managed

Date	Area taken
Aug-21	1,595 sq ft
Jul-22	3,547 sq ft
Sep-23	7,453 sq ft

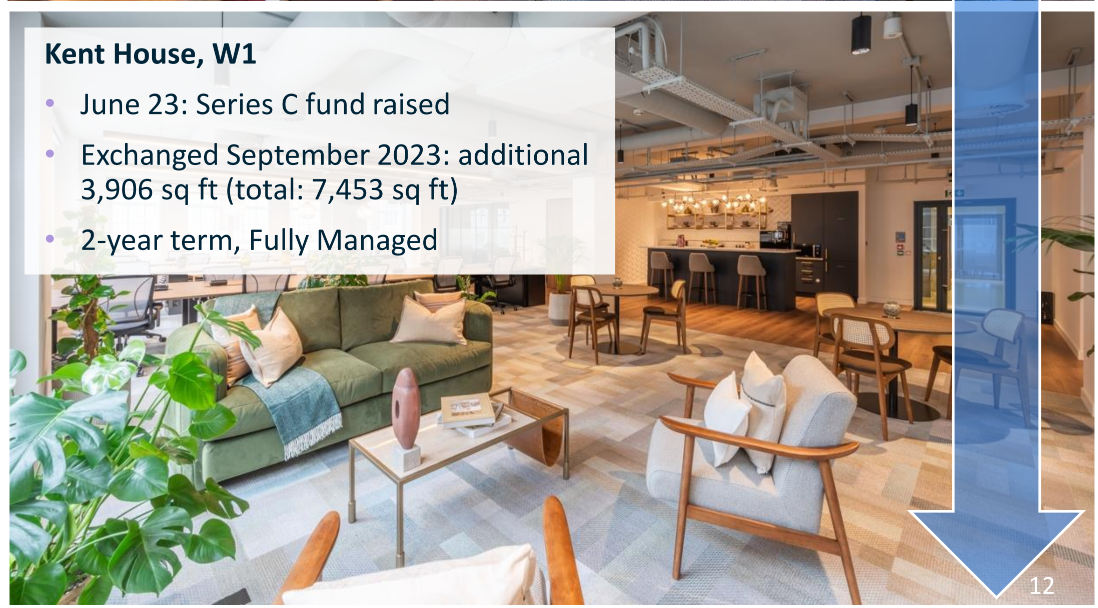
+16% psf rental uplift

+353% total rent increase



Kent House, W1

- Dec 21: Series B fund raised
- July 22: new lease 3,547 sq ft
- 3-year term, Fully Managed



Kent House, W1

- June 23: Series C fund raised
- Exchanged September 2023: additional 3,906 sq ft (total: 7,453 sq ft)
- 2-year term, Fully Managed

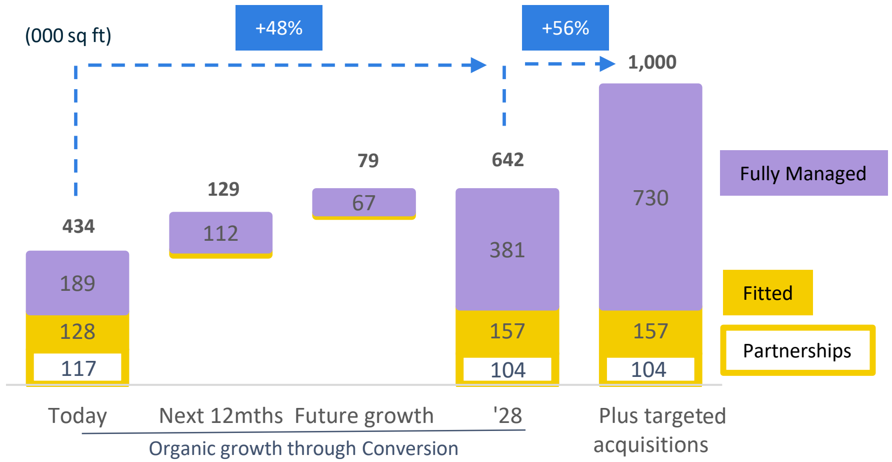
Attractive Growth Opportunity

Targeting growth to 1m sq ft: predominantly Fully Managed

GPE.

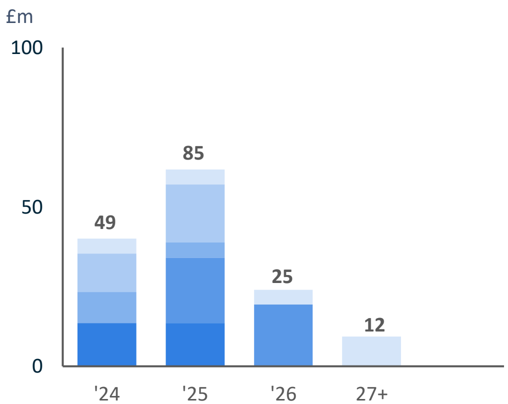
Growth to 1m+ sq ft: Predominantly Fully Managed

- **Organic:** Portfolio well suited; 84% GPE office spaces <10k sq ft
  - 208k sq ft (48%) further planned conversions
- **Acquisitions:** 5 purchases for Flex in last 18 months; £127m; 146k sq ft
  - Clear criteria, disciplined approach
  - More expected in next 12 months



Organic Growth – Predominantly into West End Fully Managed Buildings

Expected Capex £171m



Committed Capex	£42m
6/10 St Andrew Street	£27m
Alfred Place	£15m
141 Wardour Street	£22m

Uncommitted Capex	£129m
7/15 Gresse Street	£40m
Egyptian House	£30m
Kent House	£13m
Other Flex Capex	£24m

Conversion of existing GPE spaces

Egyptian House, SW1
Acquired: 2012 — 25,600 sq ft

Alfred Place, WC1
Acquired: 2015 — 38,200 sq ft

Kent House, W1
Acquired: 1984 — 40,700 sq ft

Recent acquisitions

6/10 St Andrew Street, EC4
Acquired: 2022 — 47,800 sq ft

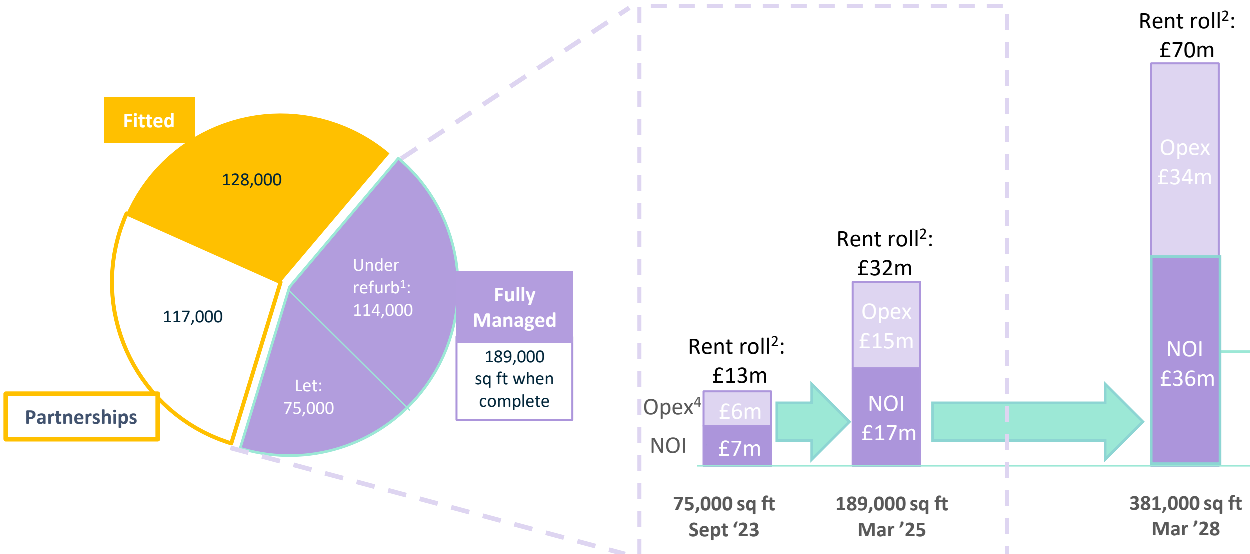
Bramah House, W1
Acquired: 2023 — 15,700 sq ft

141 Wardour Street, W1
Acquired: 2023 — 30,100 sq ft

Attractive Organic Growth Opportunity

Investment in Fully Managed space to drive returns; NOI up by 195% by 2028

Fully Managed space today: 75,000 sq ft let → **Rising to 189,000 sq ft post refurbishment: £17m NOI by 2025** → **Further growth to 381,000 sq ft by 2028: £36m of NOI by 2028 (up 195%[3])**



Income & value upside

381k sq ft; 21% of offices	
Ready to Fit ERV	£25m
Fitted ERV	£29m
Fully Managed NOI	**£36m**
+195% v Current Income[3]	
Services profit (£36m-£29m):	£7m
@ CBRE cap rate:	8.5%
	c.£80m
= Additional value[5]	***>£200 psf***

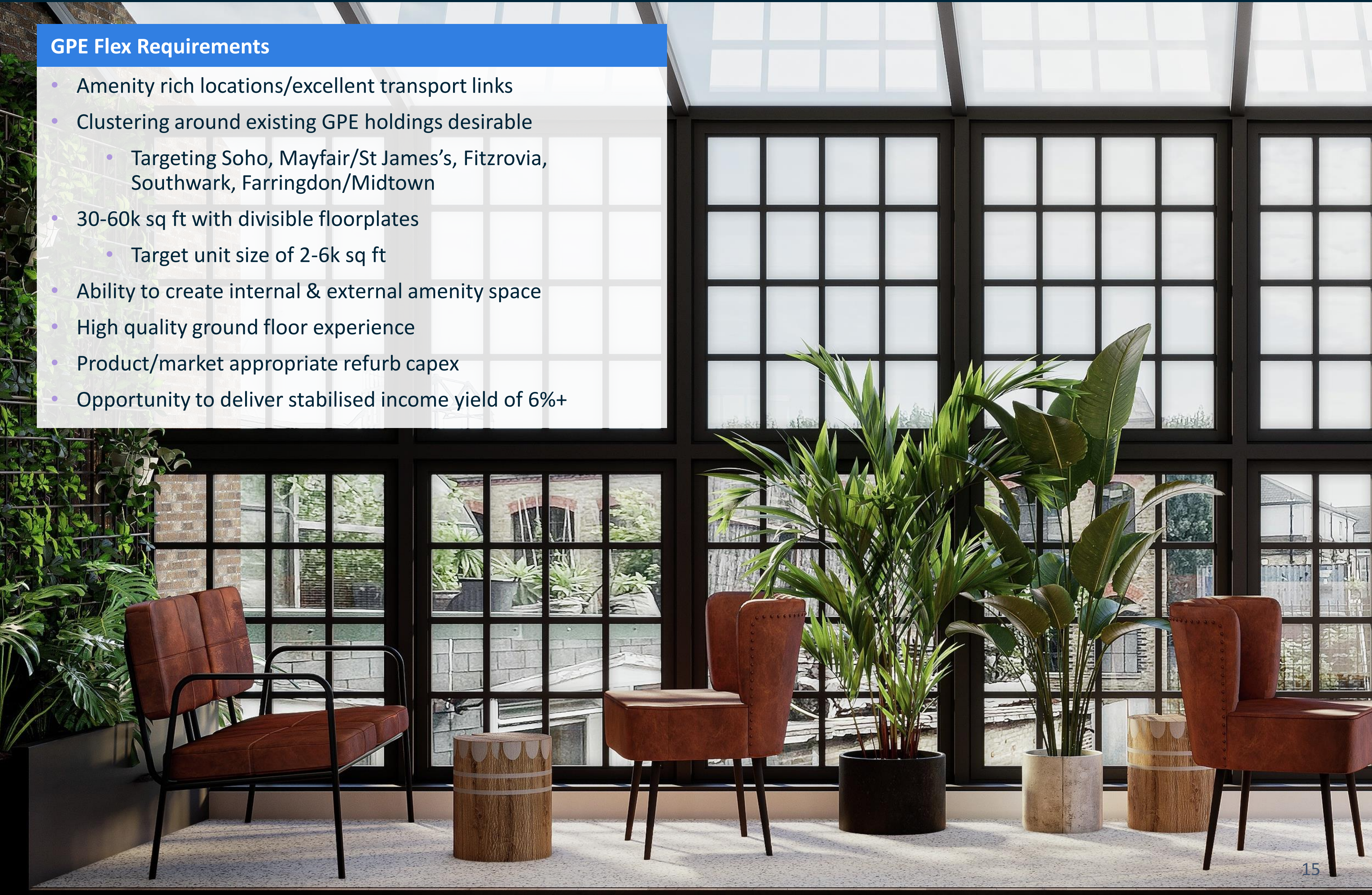
1. Estimates at 30 September 2023 2. Average net effective rent, assuming 95% occupancy, based on ERVs as at 30 September '23 3. After deducting existing rent roll/NOI at 30 September 2023 of £13m 4 . Rates: 52%, cleaning: 12%, amenity, catering & events: 10%, utilities: 9%, other: 17% 5. Assuming yields and rents at 30 September 2023

Flex Acquisitions

Clear criteria

GPE Flex Requirements

- Amenity rich locations/excellent transport links
- Clustering around existing GPE holdings desirable
  - Targeting Soho, Mayfair/St James's, Fitzrovia, Southwark, Farringdon/Midtown
- 30-60k sq ft with divisible floorplates
  - Target unit size of 2-6k sq ft
- Ability to create internal & external amenity space
- High quality ground floor experience
- Product/market appropriate refurb capex
- Opportunity to deliver stabilised income yield of 6%+



Flex Acquisitions

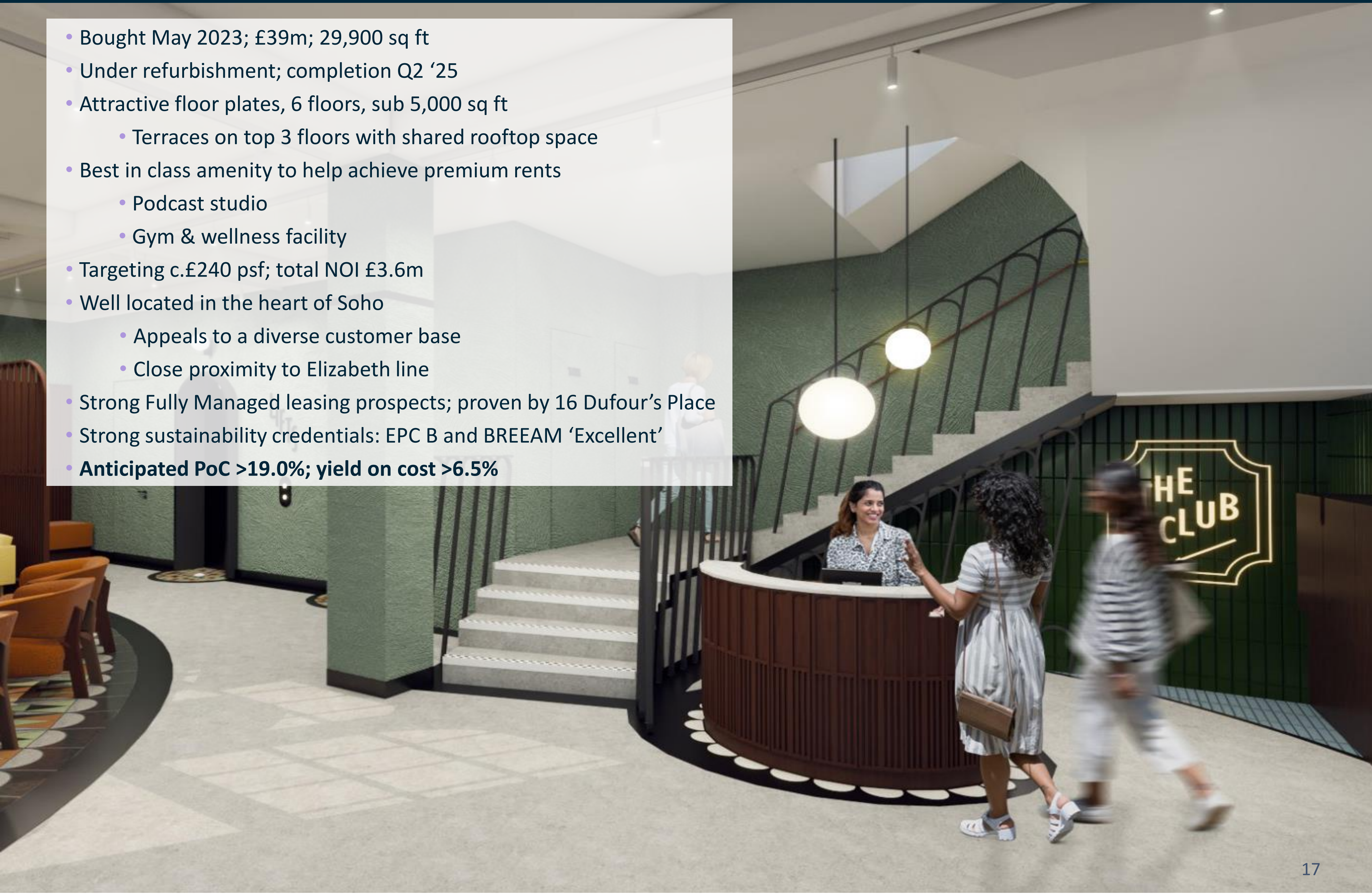
Strong acquisition track record; 6 St Andrew Street, EC4

- Bought May 2022; £30m; 46,200 sq ft
- Under refurbishment; completion Q4 '24
    - Two new floors
- 9 floors, 1,200 – 5,800 sq ft
- Targeting c.£178 psf; total NOI £4.9m
- Large amenity provision
    - Welcome lounge and boardroom
    - Gym & wellness facility
    - Rooftop meeting suite and cookery classroom
- Close to Farringdon and Elizabeth Line
- Accessing maturing customer base
- Strong sustainability credentials: EPC B and BREEAM 'Excellent'
- **Anticipated PoC 14.7%; yield on cost 6.5%**

Flex Acquisitions

Strong acquisition track record; 141 Wardour Street, W1

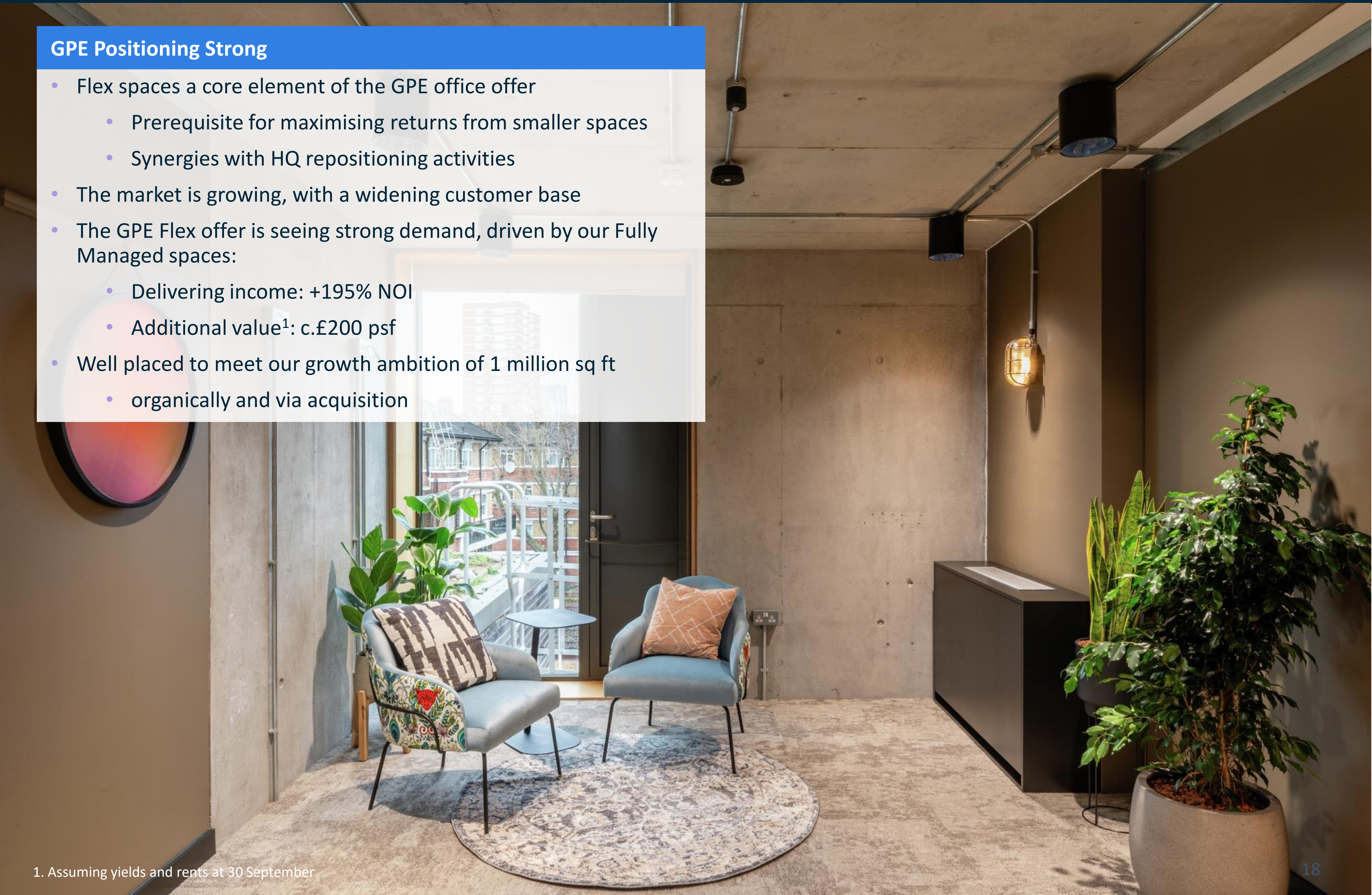
- Bought May 2023; £39m; 29,900 sq ft
- Under refurbishment; completion Q2 ‘25
- Attractive floor plates, 6 floors, sub 5,000 sq ft
    - Terraces on top 3 floors with shared rooftop space
- Best in class amenity to help achieve premium rents
    - Podcast studio
    - Gym & wellness facility
- Targeting c.£240 psf; total NOI £3.6m
- Well located in the heart of Soho
    - Appeals to a diverse customer base
    - Close proximity to Elizabeth line
- Strong Fully Managed leasing prospects; proven by 16 Dufour’s Place
- Strong sustainability credentials: EPC B and BREEAM ‘Excellent’
- **Anticipated PoC >19.0%; yield on cost >6.5%**



Summary

GPE Positioning Strong

- Flex spaces a core element of the GPE office offer
  - Prerequisite for maximising returns from smaller spaces
  - Synergies with HQ repositioning activities
- The market is growing, with a widening customer base
- The GPE Flex offer is seeing strong demand, driven by our Fully Managed spaces:
  - Delivering income: +195% NOI
  - Additional value[1]: c.£200 psf
- Well placed to meet our growth ambition of 1 million sq ft
  - organically and via acquisition



1. Assuming yields and rents at 30 September

Appendix

We unlock potential,
creating sustainable space
for London to thrive

GPE Group Strategy

Addressing all the key themes

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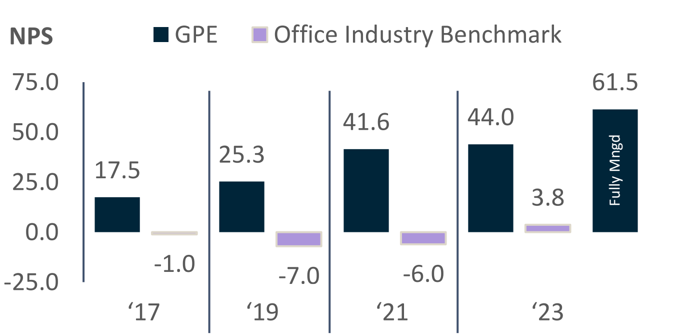
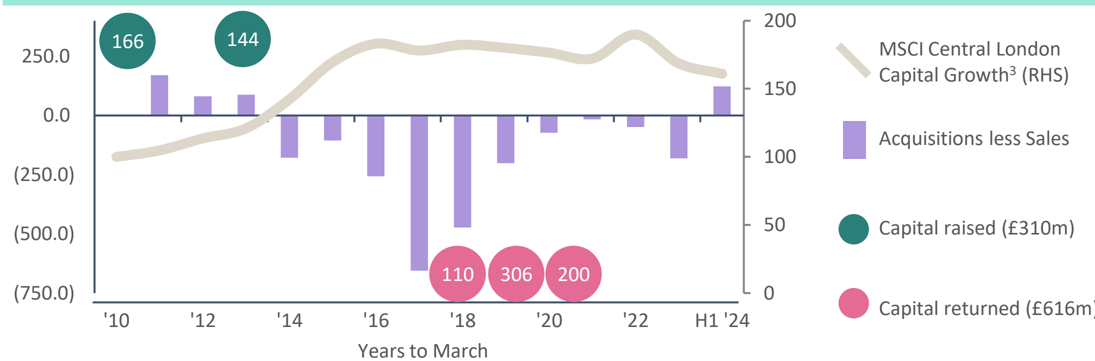
Key Themes…	… Addressing Each Through Our Strategic Givens
Macro challenges	**Low financial leverage;** through the cycle focus on in-demand markets with supply shortage
Best outperforms rest	**Create the best;** leasing well & prime rents rising **100% central London**; 75% West End; one of lowest vacancy rates globally
Best is changing	**Reposition properties;** sustainable, flexible, healthy, tech-enabled, connected
Flex; growing importance across London	**Ambition;** 0.4m today to 1m sq ft **Customer First;** our compelling Flex offer delivering market-leading NPS
Sustainable spaces win	**Sustainability is an imperative;** +21% avg value premium[1]; innovating
Return of the cycle	**Match risk to cycle;** take advantage; long track record of outperformance selling prime completed business plans buying well-located raw material to create Prime; into supply crunch **Disciplined capital management;** assets (buy & sell); equity (raise & return)

Exceptional Customer Satisfaction[2]



Disciplined Capital Management



Addressing the themes through differentiated, growth strategy; we know how to execute well

1. JLL; BREEAM rating 2. RealService; benchmark based on NPS of 22 UK-centric office property companies 3. MSCI West End and Midtown Capital Growth Index

London Market Conditions

Macro affecting yields; London leasing fundamentals compelling; best rents rising

Main Messages

Near-term macro challenges; central London outperforming UK

- London GVA > UK GDP (1.7% vs 1.4% avg ‘24-’26)[1]

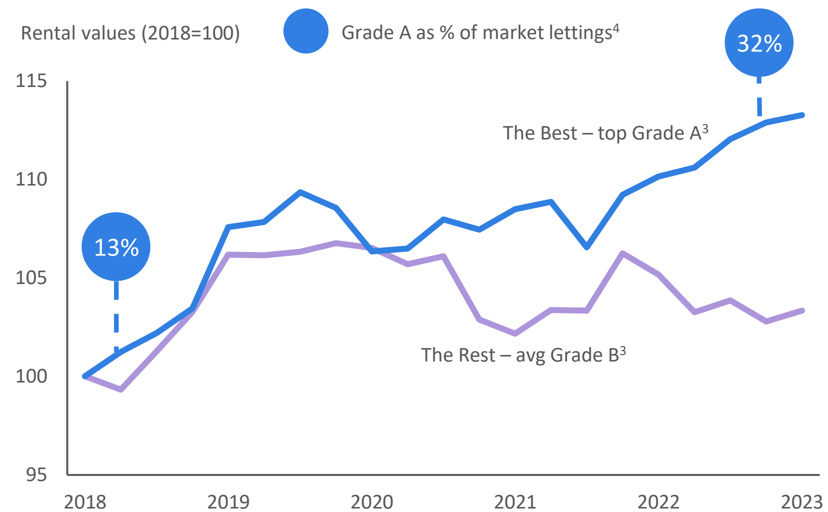
London leasing fundamentals remain compelling

- Population growing; 135,000 net new jobs ‘23- ‘28[1] = c.14m sq ft of net demand
- Barriers to entry rising; e.g. planning & sustainability
- Demand up for central, quality, sustainable spaces
- Supply / demand: moving further in our favour
- Widening gap best vs rest; best rents rising

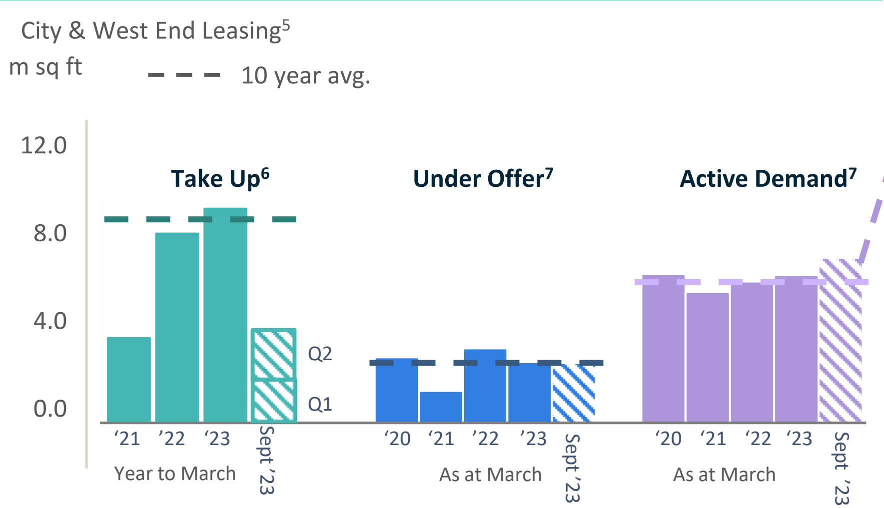
All themes that we stand to benefit from

- GPE leasing well; dialled into richest seams of demand: Prime HQ, great Flex spaces; in the core

‘Best vs Rest’[2]

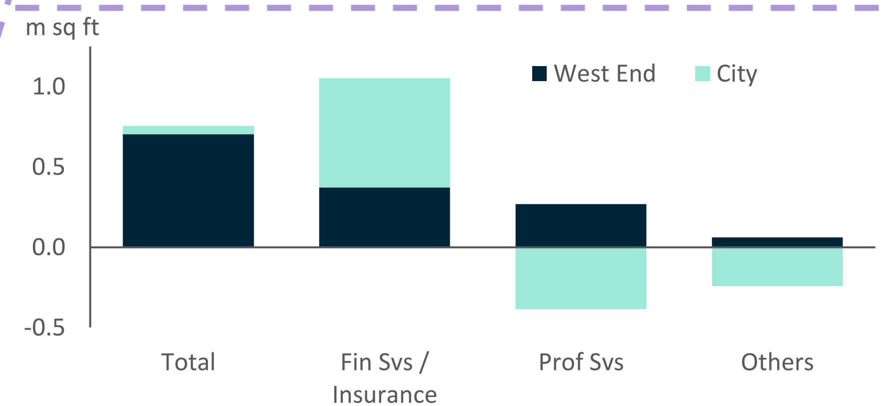


Leasing Activity Robust



Active Demand Higher[8]

Net change +12% since Mar 23; now 17% above 10-year avg

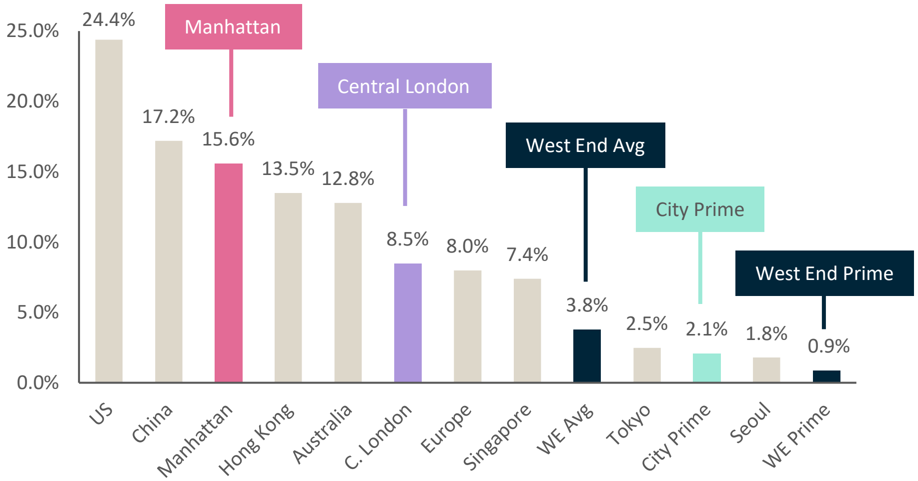


1. Oxford Economics 2. Savills 3. Avg central London 4. Market: leasing of all central London office units 5. CBRE (Take Up and Under Offer) / Knight Frank (Active Demand), West End and City combined 6. 12 months to March unless shown 7. As at March unless shown 8. Knight Frank, Active Demand as at Sept ‘23

London Market Conditions

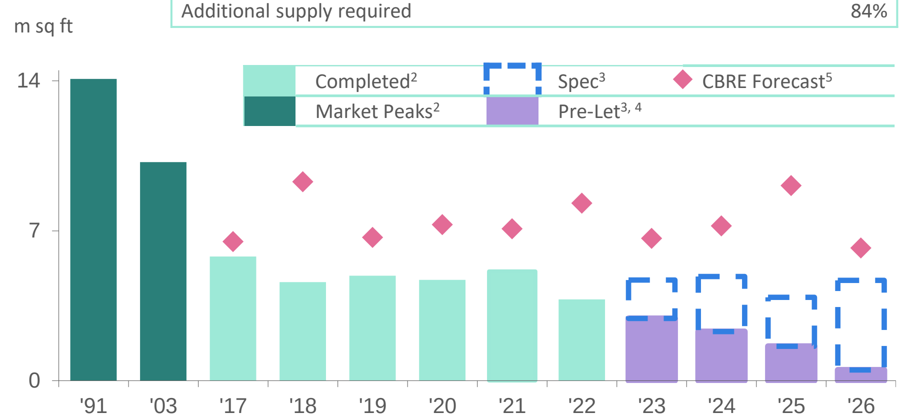
Vacancy low; prospective supply low; best rents rising

Office Vacancy[1] ; West End Prime Globally Low

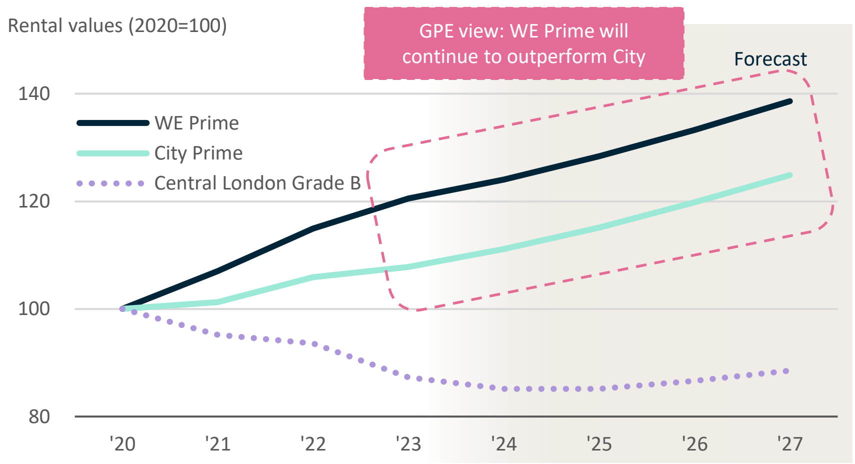


New Office Supply to Tighten Further[2, 3]

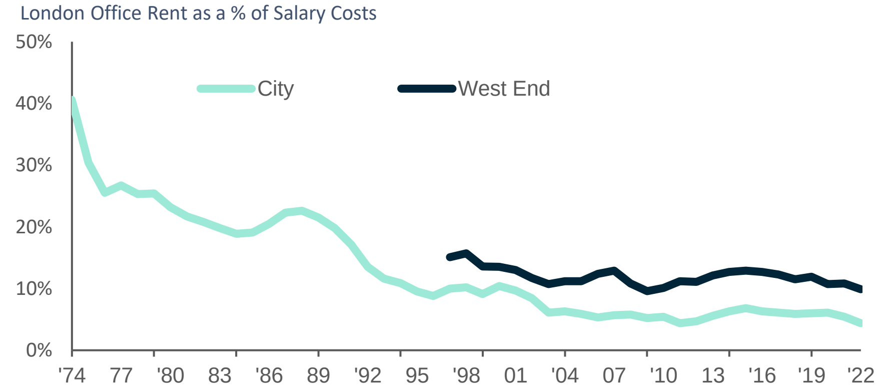
Spec Completions ('23-'26 avg)[3]	2.7m sq ft p.a.
New / Pre-Let Take Up (10 yr avg)[2]	5.0m sq ft p.a.
Additional supply required	84%



Office Prime Headline Rental Growth[6]



Structural Decline in Rent as % of Salary Cost[7]



GPE: 75% core West End; 93% near Elizabeth Line;

Conditions play to our positioning and strengths

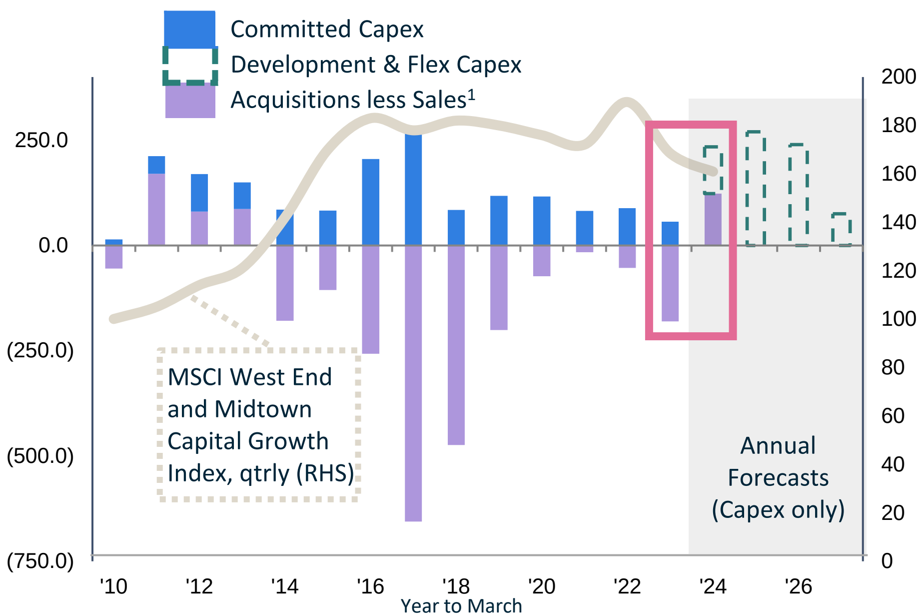
1. CBRE / Savills Research: Figures are based on market averages for all grades, not just prime. US figures are based on availability. 'Current' data as at 1 October 2023 2. CBRE 3. GPE forecast central London Speculative Grade A 4. Pre-Let and U/O 5. CBRE forecast; historic forecasts are forecast at 24 months prior to delivery date 6. Savills, indexed to 2020 7. ONS, PMA

Where Next For Capital Activity?

Take advantage of re-emerging cycle

GPE.

Capital Activity (£m)



Progress Capex Programme

- HQ & Flex in core locations – well timed into supply shortage
- Healthy demand; rents to rise

Grow Flex

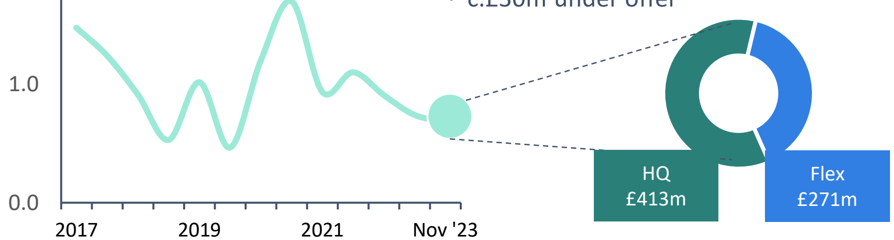
- Existing c.434k sq ft
- Grow to 1 million sq ft; organic growth and acquisitions
- Built operating capability
- Growth market; strong demand; rents rising

Recycle Capital

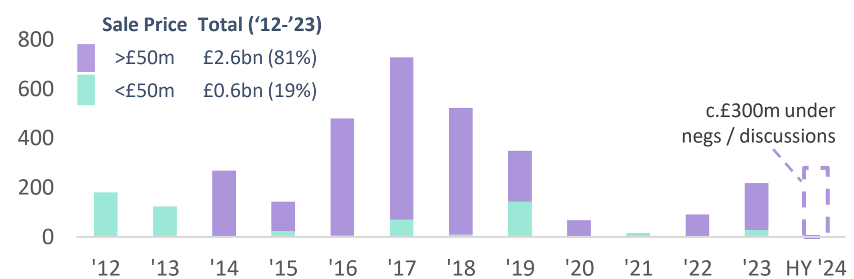
- Buy value-add opportunities; value emerging;
  - c.£700m under review
- Selling; c.£300m in negotiation/early discussions
  - Crystallising value on completed plans; typically HQ
  - Feeding strongest part of market

Acquisitions under Review

- £684m under review[2]
- 49% off market
- c.£30m under offer



Sales; £3.2bn since 2012



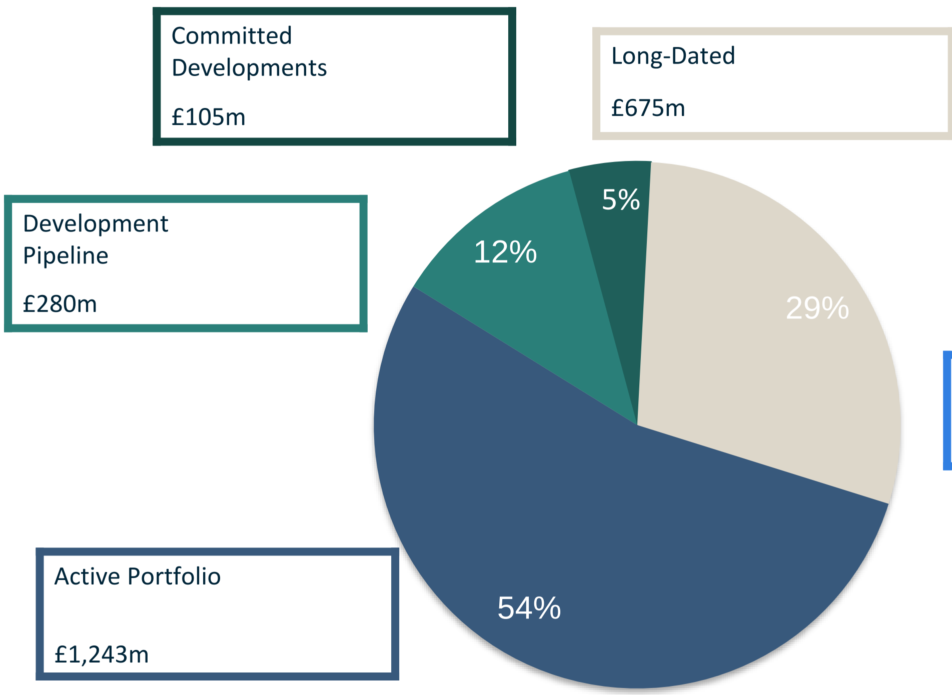
Clear operating direction; taking advantage of cycle
Maintaining our capital allocation discipline

1. Only includes exchanged or completed sales. 2. As at Nov 2023

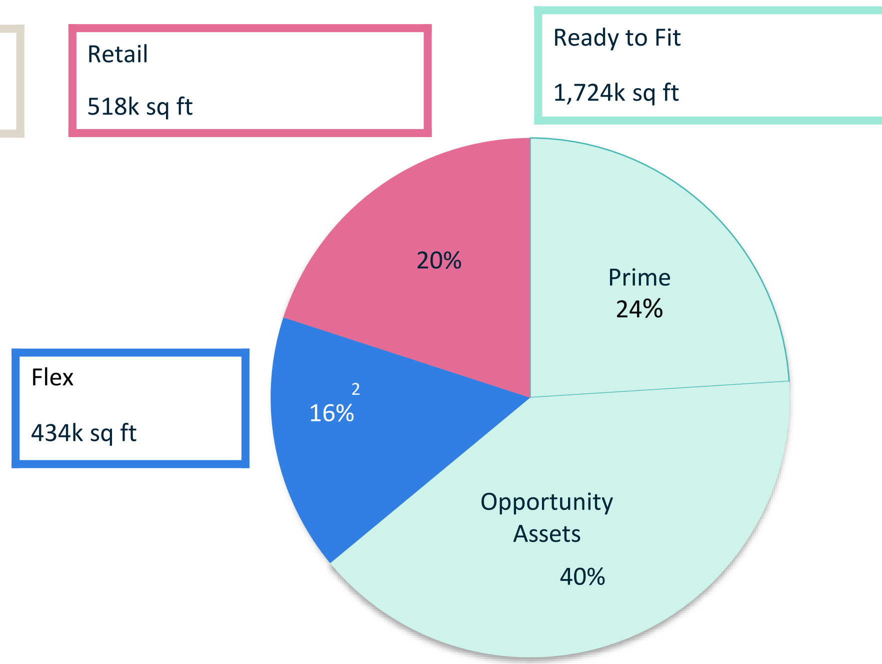
Our Portfolio[1]

Significant potential to add value

Portfolio by Asset Class by Value



Portfolio by Product by Area



1. At 30 Sept. 2. % of total portfolio

Our Flex Performance

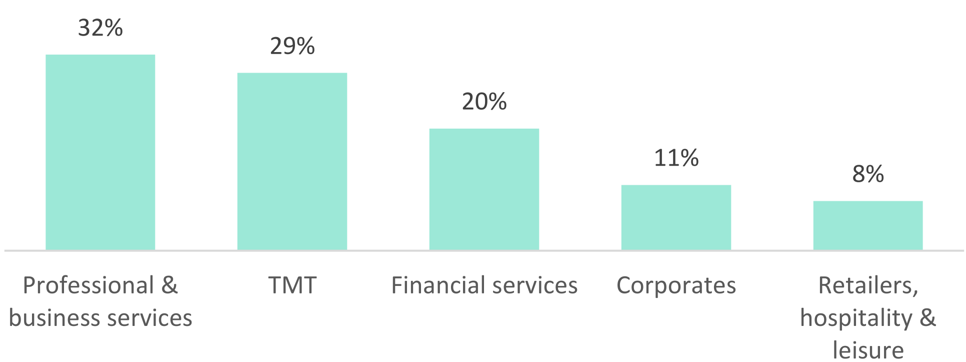
How we measure performance

	Target		Lettings 12mths to Sept-23		Calculation	Purpose
	Fitted	Managed	Fitted	Managed		
Net effective rent beat	30%+	50%+	66%	103%	Flex NE rent – Opex / Ready to Fit NE rent	Additional rent being generated from Flex
10yr cashflow beat	10%	35%	30%	76%	Flex 10yr net cashflow / Ready to Fit 10 yr net cashflow	Additional cashflow being generated from Flex, ignoring valuation movement
Yield on cost	5.0%+	6.0%+	5.0%	6.0%	Flex NE rent – opex – voids / Book value + Capex Average over 10 years post refurb	Relative income return on capital invested
Services margin	n/a	20%	n/a	39%	Fully Managed NE rent – Opex – Fitted NE rent / Opex	Excess income being generated for every £1 of opex spent to provide Fully Managed service
Average lease term	n/a	n/a	Break: 3.6yrs[1] Expiry: 5.8yrs	Break: 1.3yrs Expiry: 2.1yrs	Years from lease start to a) first break and b) lease expiry	Flex customers' lease terms comparable to Ready to Fit

Key assumptions / definitions:

- **NE (Net Effective) Rent**: Headline rent – rent free
- **Net cashflow**: NE rent, after opex, voids and capex
- **Opex**: For Fully Managed; service provision, business rates, legal/letting/broker fees, SDLT
- **Voids**: 50% customers vacate on expiry, with 3 month void equates to occupancy of 95%
- **Capex**: Initial CAT A/B capex, plus £5psf p.a. refresh over 10 years

Our Flex customers by sector



1. Excluding New Look deal at the Hickman, break: 2.7 years and expiry: 3.6 years

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