Press release

GPE. Greater together

14 November 2024

Delivering on our growth strategy

The Directors of Great Portland Estates plc announce the results for the Group for the six months ended 30 September 2024[1], with highlights including:

Rights issue proceeds deployment commenced
- Three acquisitions (£106.1 million or £201.0 million including capex) since 1 April 2024, at a 61% discount to replacement cost
- More acquisitions to come, £1.0 billion under review (£125 million in negotiation), plus £0.9 billion on watchlist

Significant liquidity; £670 million[5] of cash & undrawn facilities; LTV 23.3%
- New £250 million sustainable sterling bond issued in September; new £150 million RCF in October
- EPRA LTV 23.3%, cash and undrawn facilities £670 million[5]; weighted average debt maturity of 7.0 years[5]

Strong leasing, 7.0% ahead of ERV[2]; 8.9% for Fully Managed spaces; 16.2% for space under offer
- 28 new leases and renewals generating annual rent of £10.5 million p.a. across 94,900 sq ft, market lettings 7.0% above March 2024 ERV
- Our committed Flex offer now 525,000 sq ft (55% Fully Managed); targeting growth to one million sq ft
- Rent roll up 2.1% with growth of 99% to come from existing on site developments or 147% including near-term schemes
- Vacancy low at 4.0% (Mar 2024: 1.3%) up as we complete well-timed refurbishments
- Further £7.1 million of lettings under offer, 16.2% above March 2024 ERV

ERVs up 1.1%[3], valuation up 0.8%[3]; EPRA[4] NTA per share of 475 pence
- Portfolio valuation of £2.5 billion, up 0.8%[3]; 0.8% offices (inc. Fully Managed 2.6%) and 1.2% retail
- Rental values up by 1.1%[3] (1.2% offices (2.8% Prime, 1.4% Fully Managed) & 0.9% retail); yield expansion of 3 bp
- Portfolio ERV growth guidance maintained at 3.0% to 6.0% for financial year, prime offices 5.0% to 10.0%
- IFRS NAV and EPRA[4] NTA per share of 475 pence, up 0.4% since March 2024 pro forma for the rights issue
- EPRA[4] earnings £8.5 million, EPRA[4] EPS 2.3 pence, down 41.0%, earnings to inflect in FY2025
- IFRS profit after tax of £29.7 million; interim dividend maintained at £11.9 million (2.9 pence per share)
- Expectation of positive TAR in FY 2025 and 10%+ TAR CAGR into medium term

Significant development and refurbishment programme set to deliver £225 million in surpluses
- Good progress at seven on-site development and refurbishment schemes, £394 million capex to come
    - Of the three on-site HQ schemes 51% pre let, strong interest in remainder
- Further six near-term schemes, starts from Q1 2025; total capex £401 million
- Combined expected surplus of £225 million, assuming current rents and yields; upside potential

Toby Courtauld, Chief Executive, said*: "We are pleased to report on another successful operational performance, despite challenging political and economic conditions and fluctuating sector sentiment over the first half. With deep customer demand for prime, sustainable spaces in our core markets and an increasing shortage of such supply, we are well placed to capitalise; our leasing is strong, beating the valuer's estimates by 7% on average with our spaces currently under offer some 16% ahead. We expect our rents to continue rising, reaffirming our rental growth guidance, as we fill our well-timed and located, sustainable developments and refurbishments, growing our rent roll by some 99% from our existing commitments alone.*

We added substantially to our platform for growth during the half through our successful £350 million rights issue in June and a further £400 million of debt issuance since then. With investment capacity in excess of £650 million, and asset pricing at or near cyclical lows, we acquired £106m of new HQ development and Flex opportunities in the West End at deep discounts to replacement cost. With a circa £1 billion pipeline of potential purchases under review, we expect to transact further in the second half, supplementing our exceptional on-site and near-term development programme which already covers 1.2 million sq ft and will generate significant surpluses.

In this context, with our deep and talented team, GPE is in great shape and is positioned for growth. We look to our exciting future with confidence."

[1] All values include share of joint ventures unless otherwise stated [2] Leasing in period to 30 September 2024 [3] On a like-for-like basis [4] In accordance with EPRA guidance. We prepare our financial statements using IFRS, however we also use a number of adjusted measures in assessing and managing the performance of the business. These include like-for-like figures to aid in the comparability of the underlying business and proportionately consolidated measures, which represent the Group's gross share of joint ventures rather than the net equity accounted presentation included in the IFRS financial statements. These metrics have been disclosed as management review and monitor performance of the business on this basis. We have also included a number of measures defined by EPRA, which are designed to enhance transparency and comparability across the European Real Estate sector, see note 8 to the financial statements. Our primary NAV metric is EPRA NTA which we consider to be the most relevant investor measure for the Group. [5] Pro forma for new RCF and term loan repayment

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The results presentation will be broadcast live at 8.30am today with the link available at:

www.gpe.co.uk/investors/latest-results

A conference call facility will also be available to listen to the presentation at 8.30am today on the following numbers:

UK: 0808 109 0700 (freephone) International: +44 (0) 33 0551 0200
Quote: GPE Half Year Results

A video interview with Toby Courtauld and Nick Sanderson is available, along with accompanying presentation materials and appendices, at:

www.gpe.co.uk/investors/latest-results

For further information see www.gpe.co.uk or follow us on X at @GPE_London

LEI Number: 213800JMEDD2Q4N1MC42

Half Year Results

Our business

Our business is accompanied by graphics (see Appendix 1)

Our investment activities

Activity levels in the investment market have remained low, as elevated interest rates have muted investor demand and supply has been limited with few buildings being brought to the market. Markets such as these provide opportunities to acquire at cyclically attractive pricing and since 1 April 2024 we have made three acquisitions adding to our Fully Managed and HQ development pipelines.

£350 million rights issue completed to further exploit investment market conditions

In June 2024, we completed a fully underwritten £350 million rights issue to seize the significant opportunity we are seeing emerge in our central London real estate investment markets. To date, we have exchanged or completed on three acquisitions, totalling £106.1 million.

Furthermore, we are currently tracking approximately £1.0 billion of acquisition opportunities (£1.4 billion in May including The Courtyard) which we believe are capable of being purchased at or below replacement cost, with GPE well placed to take advantage of these opportunities given our best in class workspaces, sustainability credentials and differentiated flex offering. Beyond this, there is a further £0.9 billion of opportunities on our watchlist.

Property swap to acquire The Courtyard, WC1

In April 2024, the Group exchanged contracts to buy The Courtyard, WC1 for £10.4 million of cash and through a property exchange of 95/96 New Bond Street, W1 for £18.2 million (£462 per sq ft; 69% below replacement cost). The Courtyard comprises 62,700 sq ft of vacant office and partially let retail space and is well suited to be repositioned into the Group's Fully Managed offering. The Courtyard is located in a prime West End location, around 400 metres from Tottenham Court Road Elizabeth line station, and is adjacent to Alfred Place, one of the Group's other Fully Managed buildings. We anticipate the refurbishment will deliver a 12.5% profit of cost and a yield on cost of 6.5%.

19/23 Wells Street, W1

In October 2024, we acquired 19/23 Wells Street, W1, for £19.0 million (£991 per sq ft, c.45% discount to replacement cost). Located in the heart of Fitzrovia, the 19,200 sq ft building comprises basement, ground and five upper floors. We intend to convert the space to our Fully Managed offer, together with transforming the ground floor space to deliver best-in-class amenity for its customers. We anticipate the refurbishment will deliver a yield on cost of 6.5%.

In tandem, GPE has secured a new 125-year headlease with Berners-Allsopp Estate (the Freeholder) for an additional £1.25 million. The new headlease will be granted in October 2024 and expire in October 2149.

The building is within walking distance of a number of GPE's existing holdings, including wells&more, Elsley House, Kent House and 7/15 Gresse Street and will add to a growing cluster of GPE Fully Managed buildings in Fitzrovia.

Whittington House, WC1

In November 2024, we acquired the long leasehold interest of Whittington House, WC1 for a headline price of £58.5 million (£785 per sq ft on current NIA, c.60% discount to replacement cost). GPE acquired the building through the acquisition of a special purpose company and is subject to further balance adjustment post completion. The building is currently let on a short-term basis, at an annual rent of c.£5.2 million with vacant possession expected in Q1 2025.

Located a short walk from the Tottenham Court Road Elizabeth line station, the 74,500 sq ft HQ building provides GPE with an exciting opportunity to create outstanding office spaces that draw upon its iconic Richard Seifert & Partners design, delivering eight floors of sustainable offices with market leading amenity, fronting on to the newly pedestrianised Alfred Place. The repositioned building will be delivered in Q1 2027 coinciding with a potentially historic level of undersupply of such space. We anticipate starting on site in Q1 2026 and expect to deliver a profit on cost of 16.1%, an ungeared IRR of 10.3% and a development yield of 6.8%.

Whittington House sits adjacent to GPE's existing holdings at 31/34 Alfred Place and opposite The Courtyard, WC1, thereby adding to a growing cluster of buildings that will provide GPE customers with a choice of spaces and amenity in this vibrant location.

Further opportunities to come

Looking ahead, we anticipate that market conditions will continue to provide opportunities to buy. Our focus remains on development and repositioning opportunities, buildings that would suit our Fully Managed offer and assets that are challenged from a sustainability perspective. Looking ahead, we also have around £565 million of future sales under consideration where we are completing our business plans, although we continue to believe that current market conditions are more favourable for buying rather than selling.

Our leasing activities

Strength In our occupational markets remains. In the six months to 30 September 2024 we continued to see strong leasing demand across our portfolio, with rents achieved outperforming the valuers' estimate by 7.0%. Key highlights include:

- 28 new leases were signed during the first half (2023: 37 leases), generating annual rent of £10.5 million (our share: £8.2 million; 2023: £10.5 million), with market lettings 7.0% above March 2024 ERVs (offices; 8.9%; retail 3.5%), including:
    - 11 Fully Managed leases signed generating an additional £5.5 million of rent at an average £197 per sq ft (£238 per sq ft across the five West End deals), in total 8.9% ahead of March 2024 ERV; and
    - 12 new retail leases securing £4.2 million of rent with market lettings 3.5% ahead of March 2024 ERV.
- Six rent reviews securing £6.7 million p.a. (our share: £4.2 million; 2023: £3.2 million) of rent were settled during the half year, 3.3% ahead of previous passing rent and 10.0% ahead of ERV;
- Total space covered by new lettings, reviews and renewals during the first half was 171,100 sq ft (2023: 182,900 sq ft);
- The Group's rent roll has increased by 2.1% to £109.8 million following a successful leasing period (not including the pre-let at 2 Aldermanbury Square, EC2); and
- 96% (by area) of the 75 leases with breaks or expiries in the twelve months to 30 September 2024 were retained, re-let, or are under offer, leaving only 1,600 sq ft still to transact.

The table below summarises our leasing transactions in the period:

Leasing Transactions	Three months ended 30 September 2024	Six months ended 30 September 2024	Six months ended 30 September 2023
New leases and renewals completed			
Number	15	28	37
GPE share of rent p.a.	£4.1 million	£8.2 million	£10.5 million
Area (sq ft)	61,000	94,900	113,500
Rent per sq ft (including retail)	£100	£111	£131
Rent reviews settled			
Number	5	6	3
GPE share of rent p.a.	£3.8 million	£4.2 million	£3.2 million
Area (sq ft)	72,600	76,200	69,400
Rent per sq ft (including retail)	£87	£88	£82

Note: Includes joint ventures at share

Notable transactions during the six months included:

- In April 2024, we let the retail space at 141 Wardour Street, W1 to British luxury retail brand, REPRESENT, for its new London flagship store. The space comprises 5,000 sq ft across two floors, which will be its second store globally to date, following its LA opening in West Hollywood;
- At 16 Dufour's Place, W1, we renewed leases with existing customers on the 1st and 5th floors (5,100 sq ft) on a Fully Managed basis at an average rent of £249 per sq ft, an increase of 29% on the previous terms;
- Following the 22,500 sq ft letting to TK Maxx we announced last year, we have completed three new retail deals at Mount Royal, W1. The three retail brands that have signed new leases (totalling 20,000 sq ft) include the new immersive gaming brand, Activate (We Do Play); children's toy store, Keikoo; and Italian restaurant brand, Caffé Concerto. We have now secured new lettings on almost 60% of the space available at Mount Royal, W1 to great brands who all have a long-term vision for the location; and
- In September, we let 6,900 sq ft of retail space on a 10 year lease at 6/7 Portman Square, Orchard Court, W1 to luxury brand for professional-grade home appliances, Gaggenau. The brand will relocate from its current unit at 40 Wigmore Street, doubling its footprint occupying a prominent position on Portman Square.

At 30 September 2024, the Group's vacancy rate (including share of joint ventures) was 4.0%, up from 1.3% at 31 March 2024, due to recent completions of refurbishments. The average passing rent across our office portfolio was £85.20 per sq ft, up from £79.20 per sq ft at 31 March 2024 as we complete more Fully Managed deals.

Since 30 September 2024:

- We have signed an additional nine new leases, generating annual rent of £2.6 million (our share: £2.4 million), with market lettings 9.9% above March 2024 ERVs (offices; 10.2%; retail 2.6%); and
- Currently we have 144,200 ft of space under offer which would deliver approximately £7.1 million p.a. in rent (our share: £5.0 million), with market lettings 16.2% above March 2024 ERVs.

Our development activities and capex programme

Repositioning our buildings through redevelopment and refurbishment is a core part of our business model and presents a significant organic growth opportunity. Our forecasts suggest that the future supply of new spaces in London is severely constrained. We estimate that only 2.9 million sq ft p.a. of new space will be delivered on average over the next four years, in a market where the average take-up of new space is much greater, at 4.9 million sq ft p.a. Our significant capex programme is targeted to deliver new high quality space, with exemplary sustainability credentials, into these supportive markets through the delivery of new HQ developments and through the expansion of our Fully Managed spaces.

Three committed HQ development schemes

Our development works are making good progress at our fully pre-let 2 Aldermanbury Square, EC2, where we are substantially increasing the size of the building to 322,600 sq ft (up from 176,000 sq ft). Construction of the steel frame installation is progressing well and is now up to the 11th floor, with the main plant installation well underway in the basement areas. On completion the scheme will provide a number of public realm and amenity improvements that will have a positive impact on the local area. The new building will have best in class sustainability metrics and we are targeting BREEAM 'Outstanding'.

Whilst the development is currently anticipated to deliver a loss on cost from the commitment date of 12.6%, given market yield expansion driven valuation declines to date, from the 30 September 2024 valuation the scheme is expected to deliver around £27 million of future profit.

At 30 Duke Street, St James's, SW1 (formerly French Railways House & 50 Jermyn Street, SW1), we are nearing completion of the deconstruction of the existing buildings on the site. Our major office-led redevelopment will provide 68,600 sq ft (up from 54,700 sq ft) of new Grade A space. The scheme is designed to embrace the principles of the circular economy which includes retaining the existing foundations and basement and reusing the structural steel from the demolition of the previous building at 2 Aldermanbury Square, EC2. Once complete, the building will provide best in class, column free space together with high-specification amenities including a wellness suite, private terraces on the upper floors, a communal roof terrace with panoramic views, as well as the highest sustainability credentials. We have £84 million of costs to come and the scheme is anticipated to deliver a profit on cost of 24.1%, an ungeared IRR of 14.8% and a 6.5% development yield. The building is expected to complete in Q3 2026 and we are encouraged by the early leasing interest. With the valuers assuming an average office rent of £169 per sq ft, there is potential upside to these expected returns.

At Minerva House, SE1, our extensive refurbishment will take the overall commercial space to 143,100 sq ft, an increase of approximately 56% on the existing area. We are maintaining over 70% of the existing fabric and introducing innovative ways of working that will further reduce the overall embodied carbon impact of the development. As part of our activities, 20 tonnes of glass will be salvaged from site and used in the production of new glass; this is one of the first schemes in the country to participate in this truly circular and innovative process. Minerva House is also the first private development on the Thames to utilise a barge to remove materials from site during the first phase of the development. This pioneering approach will reduce the total number of heavy goods vehicles coming to site by 65% during the deconstruction phase, removing waste from an area with very high footfall, as well as reducing noise and air pollution in a congested, pedestrian heavy environment. The scheme is anticipated to complete in Q1 2027 and deliver a profit on cost of 19.1%, an ungeared IRR of 11.7% and a development yield of 7.0%.

In total, across the three on-site HQ development schemes we have committed expenditure to come of £353.0 million.

Four Fully Managed refurbishments; two recently completed

As we grow our flexible office offer, we are currently refurbishing four buildings to provide new dedicated Fully Managed spaces as well as converting a significant number of floors across our portfolio.

At 6 St Andrew Street, EC4, the newly rebranded 'SIX', completed in early November and offers 47,900 sq ft of newly refurbished office space comprising of workspaces ranging from 1,200 sq ft to 5,800 sq ft, across nine floors including a communal lounge and boardroom, a rooftop terrace, shared kitchen and wellness studio. SIX is within easy walking distance of Farringdon Elizabeth line station, Chancery Lane, Farringdon and Thameslink stations. The building is BREEAM Excellent, highly energy efficient, and is targeting NABERS 4.5* rating. Following the marketing launch earlier this month, early leasing interest is very encouraging.

At 31/34 Alfred Place, WC1, our extensive refurbishment of the building is nearing completion with our works at 31/32 completed earlier this month and 33/34 due to complete before the end of the year. Nestled in the heart of Fitzrovia, Alfred Place offers 41,500 sq ft of outstanding Fully Managed office space. Adjacent to The Courtyard, one of the Group's recent acquisitions, it is around 400 metres from Tottenham Court Road Elizabeth line station.

141 Wardour Street, W1 will provide 29,900 sq ft of new Fully Managed led space in the heart of Soho. Building on our success to date at nearby 16 Dufour's Place, W1, the building will deliver light-filled floorplates of 2,400 to 4,600 sq ft, terraces on the upper floors and excellent amenity space. The construction is expected to complete in Q2 2025 with capex to come of £15 million.

At Egyptian & Dudley House, SW1, we are comprehensively refurbishing the building to provide 25,600 sq ft of Fully Managed space. We are infilling lightwells to expand floorplates, creating new first-floor amenity space and creating an external terrace with garden to provide additional amenity and biodiversity. The scheme is expected to be delivered in Q2 2025 and will cost £18 million to complete.

These four buildings together will require around £41 million of capex to complete and, once delivered, will deliver annualised rent roll of £28.0 million and Net Operating Income (NOI) of £15.0 million. Today our committed Flex portfolio totals 525,000 sq ft (25% of our office portfolio).

In total, our seven on site schemes require capex of £394 million to complete and are expected to deliver a development surplus of £118.5 million. They will have a gross development value of c.£1.1 billion.

Further six schemes in the near-term pipeline

The Soho Square Estate, W1 is located in the heart of the West End at the eastern end of Oxford Street and backs onto Soho Square, just 100 metres from the new Tottenham Court Road Elizabeth Line station. The building was acquired with planning permission and we have reworked the designs and submitted them to Westminster to improve the quality of office and retail space, further increasing its attractiveness to prospective customers in a materially undersupplied market. The redevelopment will provide a best-in-class HQ office building on Soho Square with flagship retail fronting Oxford Street, arranged over basement, lower ground, ground and eight upper floors, with multiple private terraces and a communal roof terrace. We anticipate starting on site early 2025.

At St Thomas Yard, SE1 (formerly New City Court), we are currently in positive discussions with the London Borough of Southwark to extensively refurbish the existing space utilising a re-use and extend approach (similar to Minerva House). Our plan will increase the building to 185,300 sq ft of high quality, HQ offices, up from 98,000 sq ft today. We anticipate that the planning application will be submitted by the end of the year.

At the recently acquired Whittington House, WC1, once we achieve vacant possession in early 2025 we are planning to refurbish the building to deliver 74,500 sq ft of new Grade A offices, in close proximity to both the Courtyard and the recently completed 31/34 Alfred Place, both WC1. The building will be arranged over basement , ground and seven upper floors with a new terrace on the first floor together with a communal roof terrace with pavilion amenity space.

At the Courtyard, WC1, opposite 31/34 Alfred Place, we have recently submitted a planning application for a significant refurbishment of the building to deliver 62,700 sq ft of Fully Managed space. Our plans will add additional amenity on the roof, together with substantially reconfiguring the retail space on Tottenham Court Road. We anticipate commencing the refurbishment works in the first quarter of next year.

Together with Fully Managed conversions at 19/23 Wells Street and 7/15 Gresse Street, the near-term schemes will require capex to come of £401 million and we anticipate they will deliver a development surplus of around £107 million. They will have a gross development value of c.£0.9 billion.

Valuation

Valuation is accompanied by graphics (see Appendix 2 and 4)

The valuation of the Group's properties, including its share of joint ventures, was £2,496.5 million as at 30 September 2024 (31 March 2024: £2,331.2 million), reflecting a valuation increase of 0.8% on a like-for-like basis since 31 March 2024. At 30 September 2024, the wholly-owned portfolio was valued at £2,013.2 million (31 March 2024: £1,855.1 million) and the Group had three active joint ventures which owned properties valued at £483.3 million (our share) (31 March 2024: £476.1 million) by CBRE. At 30 September 2024, 72% of our portfolio was located in the West End.

Values inflecting, up 0.8%

The key drivers behind the Group's valuation movement for the six-month period were:

- Rental value growth – the continued demand for our best in class spaces has helped increase our rental values. Since the start of the financial year, across out portfolio rental values increased by 1.1% on a like-for-like basis, with our fully managed offices increasing by 1.4%, our long dated offices increasing by 3.0% and our overall office portfolio up by 1.2%, whilst our retail portfolio also increased by 0.9%;
- Portfolio management – a strong six months, 34 new leases, rent reviews and renewals were completed, securing £12.4 million (our share) of annual income, supporting the valuation. At 30 September 2024, the portfolio was 8.9% reversionary;
- A small upward movement in yields on a like-for-like basis (office +2 basis point; retail +4 basis points). At 30 September 2024, the portfolio true equivalent yield was 5.4% (West End: 5.3%; Rest of central London: 5.7%) and reversionary yield was 6.7%; and
- Developments – the valuation of our committed development properties decreased by 2.0% on a like-for-like basis to £275.4 million during the period.

Including rent from leases currently in rent free periods, the topped-up initial yield of the investment portfolio at 30 September 2024 was 3.9%, the same as the start of the financial year.

Whilst the overall valuation increased by 0.8% during the six months on a like-for-like basis, elements of the portfolio continued to show greater variation:

- Including developments, our West End portfolio (+1.6%) performed better than our rest of London portfolio (-1.2%) given stronger rental value growth of +1.5% in our West End portfolio compared to +0.5% in the rest of London portfolio on a like-for-like basis;
- Our Flex office space increased in value by 1.3%, of which Fully managed properties increased by 2.6% outperforming the Group's wider office space which increased by 0.8% in value, whilst our retail space outperformed offices increasing in value by 1.2% resulting from an overall softening in retail yields; and
- Our short leasehold properties (<100 years), which represent around 6% of the portfolio, continued to reduce in value down by 0.8% compared to an increase in value of 0.9% across the rest of the portfolio.

Near-term market outlook

Our markets are cyclical, as a result, we actively monitor numerous lead indicators to help identify key trends in our marketplace. Over the last six months, given reduced levels of inflation and the first of a number of anticipated reductions in interest rates, our property capital value indicators have improved marginally from those we reported in May. Investment market activity remains subdued, with the improved interest rate environment yet to feed into investor confidence. However, September saw a number of high profile properties brought to market suggesting that activity may pick up over the coming months.

In the occupational market, given the scarcity of high quality spaces in central London, particularly in the West End, we expect our leasing and rental performance of the portfolio in the first half of the year to continue, despite signs of weakening business confidence. Accordingly, we have maintained our rental value growth range for the financial year to 31 March 2025 at between 3.0% and 6.0%, prime offices 5.0% to 10.0%.

Our financial results

Our financial results are accompanied by graphics (see Appendix 3)

We prepare our financial statements using IFRS. We also use a number of Alternative Performance Measures (APMs) to help explain the performance of the business. These include quoting a number of measures on a proportionately consolidated basis to include joint ventures, as it describes how we manage the portfolio, like-for-like measures and using measures prescribed by the European Public Real Estate Association (EPRA). The measures defined by EPRA are designed to enhance transparency and comparability across the European real estate sector. Reconciliations of APMs are included in note 8 to the accounts.

We calculate net assets and earnings per share in accordance with EPRA's Best Practice Recommendations. The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe, enhancing the transparency and coherence of the sector. EPRA's Best Practice Recommendations include three NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant investor metric for the Group and the primary measure of net asset value and relevant reconciliations between IFRS numbers and EPRA metrics are included in note 8 to the accounts.

£350 million rights issue completed

In June 2024, we completed a fully underwritten 3 for 5 rights issue to raise gross proceeds of approximately £350.3 million (£335.6 million net of expenses) through the issue of 152,320,747 new ordinary shares at a price of 230 pence each. The rights issue will allow GPE to seize the significant opportunity we see emerging in the central London commercial real estate space. The correction in asset values over recent years has resulted in central London commercial real estate trading in line with levels last seen in 2009 in real terms. Today, we have a deep pipeline of acquisition opportunities, including three deals agreed since April 2024, and a further £1.9 billion under review or on our watchlist.

We expect that the acquisitions and developments we acquire through the deployment of the proceeds of the rights issue will enhance shareholder returns, be accretive to both EPRA earnings and NTA per share and support our ambition to deliver a total accounting return of 10% plus over the medium term (before yield compression). Furthermore, with the macro-economic environment improving, there is further upside should property yields contract in a falling interest rate and improving rental growth environment.

Valuations up 0.8%; EPRA NTA marginally up to 475 pence per share

IFRS NAV per share and EPRA NTA per share at 30 September 2024 were 475 pence per share, an increase of 0.4% over the last six months compared to the pro forma net assets per share at 31 March 2024 adjusted for the rights issue (see note 8). The increase was largely due to the 0.8% like-for-like increase in the value of the property portfolio. The main drivers of the 2 pence per share increase in NTA from 31 March 2024 were:

- The increase of 5 pence per share arising from the revaluation of the property portfolio;
- EPRA earnings for the period of 2 pence per share increased NTA; and
- The final dividend of 5 pence per share reduced NTA.

The EPRA NTA increase of 0.4% (compared to the pro forma net assets per share at 31 March 2024) combined with the payment of last year's final dividend of £11.9 million (or 4.9 pence per share on the post rights number of shares), delivered a total accounting return for the six months to 30 September 2024 of +1.2% (2023: -13.1%).

At 30 September 2024, the Group's net assets were £1,928.6 million, up from £1,583.0 million at 31 March 2024, with the increase largely attributable to the receipt of the £335.6 million net proceeds from the rights issue and the increase in the property valuation. On a pro forma basis, EPRA NDV per share increased marginally to 488 pence at 30 September 2024, compared to 486 pence at 31 March 2024 (up 0.4%).

Earnings down in line with guidance and our portfolio activities

Revenue from our wholly-owned properties fell from £47.6 million to £44.9 million. Net rental income (including the spreading of lease incentives) reduced to £31.5 million compared to £35.0 million for the period to September 2023, as we achieved vacant possession of both development sites and floors for Fully Managed conversion across the portfolio. Service charge income fell from £8.9 million to £7.5 million due to lower service charge spend across the portfolio due to the continued conversion to Fully Managed spaces.

Accordingly, Fully Managed services income rose from £2.7 million to £4.7 million as we continued to roll out and lease up our flexible office offer.

Adjusting for acquisitions, disposals and transfers to and from the development programme, like-for-like rental income (including from joint venture properties) increased by 0.4% on the prior period.

Cost of sales increased from £16.3 million to £16.8 million for the period to 30 September 2024, with the reduced levels of service charge expenses being offset by increased Fully Managed services as we continue to convert space to our Fully Managed offer.

Administration costs were £19.5 million, a decrease of £1.4 million on the prior year as we benefit from the team restructuring in the prior year and other associated cost savings, partially offset by higher provisions for share based payments.

EPRA earnings from joint ventures (excluding fair value movements) were £3.7 million, a decrease of £2.2 million from the prior year, largely driven by taking vacant possession of some floors at Gray's Inn Road as we commenced refurbishment of part of the building, as well as the insolvency settlement at Mount Royal in the prior year from the Arcadia administration not repeating. In total, our joint ventures delivered a IFRS profit before tax of £6.7 million (2023: loss of £39.6 million).

Gross interest on our debt facilities was £16.9 million, up £6.5 million on the prior period. This increase was primarily due to higher interest rates from the utilisation of the £250 million term loan, offset by higher underlying rates on lower amounts of drawn debt. We capitalised interest of £11.1 million (2023: £4.3 million), with the increase attributable to increased development activity and interest rates over the last 12 months. As a result, the Group had net finance costs (including interest receivable) of £3.9 million, a £0.5 million reduction on the prior period.

EPRA earnings were £8.5 million, 28.0% lower than for the same period last year. Revaluation gains together with EPRA earnings resulted in an IFRS profit after tax of £29.7 million (2023: loss of £253.4 million). The basic and diluted profit per share for the period was 8.1 pence, compared to a restated loss of 83.4 pence per share for 2023. Diluted EPRA earnings per share was 2.3 pence (2023: 3.9 pence), in line with guidance. We expect the Group's EPRA earnings for the current financial year to be broadly stable when compared to the prior financial year, however they will be lower on a per share basis given the higher number of shares in issue post the rights issue. Looking beyond 31 March 2025, we anticipate that the Group's earnings will return to growth as we complete, and let, our on-site development and refurbishment schemes.

Results of joint ventures

The Group's net investment in joint ventures was £495.3 million, an increase from £491.3 million at 31 March 2024, largely due to a small increase of 0.4% in value of the property portfolio on a like-for-like basis as well as the part repayment of partner loan balance in our GHS joint venture. Our share of joint venture net rental income was £7.7 million, down from £10.0 million last year primarily as a result of taking vacant possession of 144,000 sq ft at Gray's Inn Road, WC1 as we commenced an extensive refurbishment of the space. The underlying joint venture profits are stated after charging £1.0 million of GPE management fees, which were broadly flat year on year (2023: £0.6 million).

Overall, our three active joint ventures represent an important proportion of the Group's business. At 30 September 2024, joint ventures represented 19.4% of the portfolio valuation, 25.7% of net assets and 20.4% of rent roll (31 March 2024: 20.4%, 31.0% and 21.4% respectively).

Strong liquidity and low LTV; more than £670 million of cash and undrawn facilities; EPRA LTV 23.3%

The Group's consolidated net debt excluding restricted cash, decreased to £547.7 million at 30 September 2024, compared to £738.0 million at 31 March 2024. The decrease was largely due to receipt of the rights issue proceeds in the period of £335.6 million (net of expenses) offset by on-going development capital expenditure across the Group of £140 million in the six months. Group gearing decreased to 28.5% at 30 September 2024 (31 March 2024: 46.8%). Including cash balances in the joint ventures, total net debt was £526.2 million (31 March 2024: £713.5 million) equivalent to an EPRA loan to value of 23.3% (31 March 2024: 32.6%).

The Group is operating with substantial headroom over its debt covenants. At 30 September 2024, property values would have to fall by around 55% before covenant breach. Through the cycle, the Group aims to maintain a target LTV range between 10% and 35%, consistent with our low leverage levels over the last 10 years. Our interest cover ratio under our Group covenants was high at 3.5 times (covenant: 1.35 times).

In September 2024, we announced our first sterling denominated senior unsecured sustainable bond. The £250 million Bond has a term of seven years, bears interest at a rate of 5.375% and is rated Baa2 by Moody's Investor Services Ltd. Alongside our unsecured ESG-linked bank facilities, this sustainable Bond further diversifies our debt funding sources and has extended our weighted average debt maturity.

The Group's weighted average cost of debt, including fees, for the period was 5.3% (year to 31 March 2024: 4.1%). The weighted average interest rate (excluding fees) at the period end was 5.0%, up from 4.3% at 31 March 2024, following the repayment of £175 million 2.15% private placement notes in May 2024.

At 30 September 2024, including the new sterling bond, 94% of the Group's total debt was at fixed or hedged rates (31 March 2024: 87%) and our weighted average drawn debt maturity was 5.8 years (31 March 2024: 3.4 years).

In October 2024, we signed a new £150 million ESG-linked unsecured revolving credit facility (RCF) at a headline margin of 90 basis points over SONIA. The facility has an initial three-year term which may be extended to a maximum of five years at GPE's request, subject to bank consent.

In November 2024, we also repaid £175 million of the Group's £250 million term loan.

Following this activity, the Group has cash and undrawn credit facilities in excess of £670 million and our weighted average debt maturity extends to around seven years.

Taxation

The tax charge in the income statement for the half year was £0.2 million (2023: £nil) and the effective tax rate on EPRA earnings was 0% (2023: 0%). The majority of the Group's income is tax-free as a result of its REIT status. Other allowances were available to set against non-REIT profits.

As a REIT, the majority of rental profits and chargeable gains from our property rental business are exempt from UK corporation tax, provided we meet a number of conditions including distributing at least 90% of the rental income profits of this business (known as Property Income Distributions (PIDs)) on an annual basis. These PIDs are then typically treated as taxable income in the hands of shareholders. During the six months ended 30 September 2024, the Group paid a PID of £10.1 million.

The Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

Dividends

The Board has declared an interim ordinary dividend of 2.9 pence per share (2023: 4.7 pence) which will be paid on 3 January 2025. None of this interim dividend will be a REIT Property Income Distribution (PID) in respect of the Group's tax-exempt property rental business.

Principal risks and uncertainties

The Group recognises that the successful management of risk is critical to enable delivery of the Group's strategic priorities. Ultimate responsibility for risk rests with the Board but the effective day-to-day management of risk is integral to the way the Group does business and its culture. The Board undertakes a robust assessment of the principal risks facing the Group on a regular basis.

The principal risks and uncertainties facing the Group for the remaining six months of the financial year remain in line with those detailed on pages 76 to 87 of the 2024 Annual Report with no material changes:

Failure to meet customer needs	Failure to profitably deliver the development and/or refurbishment programme
Climate change and decarbonisation	People
London attractiveness	Health and safety
Adverse macro-economic environment	Cyber security and infrastructure failure
Poor capital allocation decisions and/or misreading market conditions (now also in respect of our investment of the proceeds from our recent rights issue)	Failure to profitably deliver the Flex Strategy

The Board and Executive Committee continue to regularly review the potential risks and impacts presented by the volatile economic backdrop, including in relation to inflation and higher underlying interest rates, as well as the potential impacts of geo-political tensions arising from events both in the Ukraine and the Middle East. The Board also continues to monitor for both short-term and potential longer-term structural changes in working practices, an evolving planning regime and the level and nature of demand for space in central London.

As a result of current levels of economic uncertainty, the Group's forecasts and business plans continue to be prepared under a variety of market scenarios to reflect a number of potential outcomes.

Condensed group income statement

For the six months ended 30 September 2024

Year to 31 March 2024 Audited £m		Notes	**Six months to 30 September 2024 Unaudited £m**	Six months to 30 September 2023 Unaudited £m
95.4	Revenue	3	**44.9**	47.6
(33.3)	Cost of sales	4	**(16.8)**	(16.3)
62.1			**28.1**	31.3
(42.3)	Administrative expenses		**(19.5)**	(20.9)
(0.1)	Expected credit losses	13	**–**	(0.1)
19.7	Operating profit before surplus/(deficit) from investment property, revaluation movements and results of joint ventures		**8.6**	10.3
(267.3)	Surplus/(deficit) from investment property	9	**19.0**	(219.7)
(0.2)	Deficit on revaluation of other investments	12	**(0.1)**	–
(46.7)	Share of results of joint ventures	10	**6.7**	(39.6)
(294.5)	**Operating profit/(loss)**		**34.2**	(249.0)
6.1	Finance income	5	**3.3**	2.9
(17.7)	Finance costs	6	**(7.2)**	(7.3)
(1.7)	Fair value loss on derivatives		**(0.4)**	–
(307.8)	**Profit/(loss) before tax**		**29.9**	(253.4)
–	Tax	7	**(0.2)**	–
(307.8)	**Profit/(loss) for the period**		**29.7**	(253.4)

(101.4p)	**Basic profit/(loss) per share***	8	**8.1p**	(83.4p)
(101.4p)	**Diluted profit/(loss) per share***	8	**8.1p**	(83.4p)
5.9p	**Basic EPRA earnings per share***	8	**2.3p**	3.9p
5.9p	**Diluted EPRA earnings per share***	8	**2.3p**	3.9p

* Previous year/period per share metrics adjusted for the June 2024 rights issue

All results are derived from continuing operations in the United Kingdom and are attributable to ordinary equity holders.

Condensed group statement of comprehensive income

For the six months ended 30 September 2024

Year ended 31 March 2024 Audited £m		**Six months to 30 September 2024 Unaudited £m**	Six months to 30 September 2023 Unaudited £m
(307.8)	Profit/(loss) for the period	**29.7**	(253.4)
	Items that will not be reclassified subsequently to profit and loss:		
0.1	Actuarial (loss)/gain on defined benefit scheme	**(0.7)**	–
–	Deferred tax on actuarial loss on defined benefit scheme	**0.2**	–
(307.7)	**Total comprehensive income/(expense) for the period**	**29.2**	(253.4)

Condensed group balance sheet

At 30 September 2024

As at 31 March 2024 Audited £m		Notes	**As at 30 September 2024 Unaudited £m**	As at 30 September 2023 Unaudited £m
	Non-current assets			
1,911.0	Investment property	9	**2,069.1**	1,880.8
491.3	Investment in joint ventures	10	**495.3**	500.4
2.0	Property, plant and equipment	11	**1.3**	2.7
4.9	Pension asset		**4.5**	4.4
0.4	Derivative financial instruments	15	**–**	-
2.4	Other investments	12	**2.7**	2.2
2,412.0			**2,572.9**	2,390.5
	Current assets			
24.9	Trade and other receivables	13	**37.9**	29.5
22.9	Cash and cash equivalents	20	**241.8**	23.4
47.8			**279.7**	52.9
	Current assets held for sale			
18.2	Investment property held for sale	9	**18.2**	5.0
18.2			**18.2**	5.0
2,478.0	**Total assets**		**2,870.8**	2,448.4
	Current liabilities			
(175.0)	Interest-bearing loans and borrowings	15	**–**	(174.9)
(0.3)	Corporation tax		**(0.3)**	(0.3)
(76.2)	Trade and other payables	14	**(98.4)**	(63.0)
(251.5)			**(98.7)**	(238.2)
	Non-current liabilities			
(565.4)	Interest-bearing loans and borrowings	15	**(765.9)**	(491.9)
(74.1)	Head lease obligations	17	**(74.1)**	(66.7)
(1.0)	Occupational lease obligations	18	**(0.5)**	(1.5)
(3.0)	Provisions in respect of warranties on sold buildings		**(3.0)**	(3.0)
(643.5)			**(843.5)**	(563.1)
(895.0)	**Total liabilities**		**(942.2)**	(801.3)
1,583.0	**Net assets**		**1,928.6**	1,647.1
	Equity			
38.7	Share capital	16	**62.0**	38.7
46.0	Share premium account		**358.3**	46.0
326.7	Capital redemption reserve		**326.7**	326.7
1,166.0	Retained earnings		**1,177.5**	1,233.0
5.6	Investment in own shares	19	**4.1**	2.7
1,583.0	**Total equity**		**1,928.6**	1,647.1
521p	**Net assets per share***	8	**477p**	542p
520p	**EPRA NTA (diluted)***	8	**475p**	541p
473p	**Pro forma net assets per share***	8	**n/a**	n/a

* Previous year/period per share metrics adjusted for the June 2024 rights issue

Condensed group statement of cash flows

For the six months ended 30 September 2024

Year to 31 March 2024 Audited £m		Notes	**Six months to 30 September 2024 Unaudited £m**	Six months to 30 September 2023 Unaudited £m
	Operating activities			
(294.5)	Operating profit/(loss)		**34.2**	(249.0)
313.4	Adjustments for non-cash items	21	**(22.1)**	258.4
(8.6)	Increase in receivables		**(12.7)**	(13.7)
4.1	Increase in payables		**8.1**	2.8
14.4	**Cash generated from/(used in) operations**		**7.5**	(1.5)
(22.3)	Interest paid		**(16.8)**	(10.2)
0.3	Interest received		**0.5**	–
(7.6)	**Cash flow used in operating activities**		**(8.8)**	(11.7)
	Investing activities			
6.7	Repayment of loans by joint ventures		**5.5**	1.8
(0.1)	Investment in joint ventures		**–**	(0.1)
(121.7)	Development of investment property		**(116.3)**	(44.3)
(128.3)	Purchase of investment property		**–**	(128.9)
(0.1)	Purchase of plant and equipment		**(0.1)**	(0.1)
(0.8)	Purchase of other investments		**(0.4)**	(0.4)
12.6	Sale of properties		**0.2**	(0.5)
(231.7)	**Cash flow used in investing activities**		**(111.1)**	(172.5)
	Financing activities			
(275.4)	Revolving credit facility repaid	15	**(321.0)**	(23.4)
308.4	Revolving credit facility drawn	15	**274.0**	231.4
248.0	Term loan drawn		**–**	–
–	Private placement notes repaid		**(175.0)**	–
–	Issue of sustainable sterling bond		**247.0**	–
–	Proceeds from rights issue		**350.3**	–
–	Transaction costs of rights issue		**(14.7)**	–
–	Purchase of own shares		**(1.2)**	–
(2.1)	Purchase of derivative		**–**	–
(3.4)	Payment of lease obligations		**(1.9)**	(1.7)
(32.7)	Dividends paid	23	**(18.7)**	(18.1)
242.8	**Cash flow generated from financing activities**		**338.8**	188.2
3.5	Net increase in cash and cash equivalents		**218.9**	4.0
19.4	Cash and cash equivalents at 1 April		**22.9**	19.4
22.9	Cash and cash equivalents at balance sheet date		**241.8**	23.4

Condensed group statement of changes in equity

For the six months ended 30 September 2024 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2024	**38.7**	**46.0**	**326.7**	**1,166.0**	**5.6**	**1,583.0**
Profit for the period	**–**	**–**	**–**	**29.7**	**–**	**29.7**
Actuarial loss on defined benefit scheme	**–**	**–**	**–**	**(0.7)**	**–**	**(0.7)**
Deferred tax on defined benefit scheme	**–**	**–**	**–**	**0.2**	**–**	**0.2**
Total comprehensive income for the period	**–**	**–**	**–**	**29.2**	**–**	**29.2**
Proceeds from 3 for 5 rights issue	**23.3**	**327.0**	**–**	**–**	**–**	**350.3**
Costs of issue	**–**	**(14.7)**	**–**	**–**	**–**	**(14.7)**
Employee share-based incentive charge	**–**	**–**	**–**	**–**	**2.0**	**2.0**
Purchase of own shares	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Transfer to retained earnings	**–**	**–**	**–**	**2.3**	**(2.3)**	**–**
Dividends to shareholders	**–**	**–**	**–**	**(20.0)**	**–**	**(20.0)**
Total equity at 30 September 2024	**62.0**	**358.3**	**326.7**	**1,177.5**	**4.1**	**1,928.6**

Condensed group statement of changes in equity

For the six months ended 30 September 2023 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2023	38.7	46.0	326.7	1,504.4	2.8	1,918.6
Loss for the period	–	–	–	(253.4)	–	(253.4)
Actuarial gain on defined benefit scheme	–	–	–	–	–	–
Deferred tax on defined benefit scheme	–	–	–	–	–	–
Total comprehensive expense for the period	–	–	–	(253.4)	–	(253.4)
Employee share-based incentive charge and other items	–	–	–	–	1.9	1.9
Transfer to retained earnings	–	–	–	2.0	(2.0)	–
Dividends to shareholders	–	–	–	(20.0)	–	(20.0)
Total equity at 30 September 2023	38.7	46.0	326.7	1,233.0	2.7	1,647.1

Condensed group statement of changes in equity

For the year ended 31 March 2024 (audited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2023	38.7	46.0	326.7	1,504.4	2.8	1,918.6
Loss for the year	–	–	–	(307.8)	–	(307.8)
Actuarial gain on defined benefit scheme	–	–	–	0.1	–	0.1
Deferred tax on defined benefit scheme	–	–	–	–	–	–
Total comprehensive expense for the year	–	–	–	(307.7)	–	(307.7)
Employee share-based incentive charge	–	–	–	–	4.0	4.0
Transfer to retained earnings	–	–	–	1.2	(1.2)	–
Dividends to shareholders	–	–	–	(31.9)	–	(31.9)
Total equity at 31 March 2024	38.7	46.0	326.7	1,166.0	5.6	1,583.0

Condensed notes forming part of the half year results

1 Basis of preparation

The information for the year ended 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 year 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 auditors 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 annual financial statements of Great Portland Estates plc will be prepared in accordance with United Kingdom adopted international accounting standards and the requirements of the Companies Act 2006 as applicable to companies reporting under those 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 and in accordance with the Disclosure, Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The accounting policies and methods of computation applied are consistent with those applied in the Group's latest annual audited financial statements. The nature of the Critical Judgements and Key Sources of Estimation Uncertainty applied in the condensed financial statements have remained consistent with those applied in the Group's latest annual audited financial statements. The key source of estimation uncertainty is the valuation of the property portfolio. There were no critical judgements made in the preparation of the condensed financial statements. The Group's performance is not subject to seasonal fluctuations.

The Group has not applied IFRS 18 – Presentation and Disclosure in the financial statements, a new IFRS standard that has been issued but is not yet effective. The Directors expect that the adoption of the standard will have a material impact on the presentation of the financial statements of the Group for reporting periods beginning on or after 1 January 2027 and will also apply to comparative information.

There were no new or revised IFRSs, amendments or interpretations in issue but not yet effective that are potentially material for the Group and which have not yet been applied.

Going concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 30 September 2024, with particular focus on the impact of geopolitical tensions and high interest rates on the macro-economic conditions in which the Group is operating. The Directors' assessment is based on the next 12 months of the Group's financial forecasts, including a going concern scenario which included the following key assumptions:

- a 17.3% decline in the valuation of the property portfolio from 30 September 2024; and
- an increase in EPRA earnings due to the delivery and letting of four on-site flex schemes.

The going concern scenario demonstrates that the Group over a period of at least 12 months:

- has significant liquidity to fund its ongoing operations, including the drawdown in September 2024 of a new £250 million sustainable sterling bond and in October 2024 of a new £150 million RCF, alongside £175 million partial early repayment of the £250 million term loan;
- is operating with significant headroom above its Group debt financing covenants;
- property values would have to fall by a further 24% before breach (or 55% from 30 September 2024 values);
- the Group does not project any breaches of its interest cover ratio, with minimum coverage of 6.91x (vs 1.35x covenant) throughout the going concern period; and
- has no debt maturities other than set out above.

Based on these considerations, together with extensive stress testing, available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors have adopted the going concern basis in preparing the accounts for the period ended 30 September 2024.

2 Segmental analysis

IFRS 8 Operating Segments requires the identification of operating segments based on internal financial reports detailing components of the Group regularly reviewed by the chief operating decision makers (the Group's Executive Committee) in order to allocate resources to the segments and to assess their performance.

The Directors have concluded that, based on the level of information provided to the Executive Committee, that its Fully Managed operations is an operating segment as defined by IFRS 8. Furthermore, given the revenue is in excess of 10% of wider Group revenue, the segment should be separately reported from the remainder of the Group's activities.

The remainder of the Group's components are managed together, with their operating results reviewed on an aggregated basis. All of the Group's revenue is generated from investment properties located in a small radius within central London. The properties are managed as a single portfolio by a portfolio management team whose responsibilities are not segregated by location or type but are managed on an asset-by-asset basis. The majority of the Group's assets are mixed-use, therefore the office, retail and any residential space is managed together. The Directors have considered the nature of the business, how the business is managed and how they review performance, and in their judgement, the Group has only two reportable segments.

The Executive Committee reviews the performance of its Fully Managed offer based on gross revenue (including Fully Managed services income) net of cost of sales on a proportionally consolidated basis (including the Group's joint ventures at share). Total assets and liabilities are not monitored by segment.

Segmental analysis for the period ended 30 September 2024

Year to 31 March 2024 £m		**Fully Managed offices including joint ventures £m**	**Joint ventures £m**	**Group Fully Managed offices £m**	**Remainder of portfolio £m**	**30 September 2024 £m**	30 September 2023 £m
95.4	Revenue	**9.0**	**(0.9)**	**8.1**	**36.8**	**44.9**	47.6
(33.3)	Cost of sales	**(4.5)**	**0.3**	**(4.2)**	**(12.6)**	**(16.8)**	(16.3)
62.1	Net result	**4.5**	**(0.6)**	**3.9**	**24.2**	**28.1**	31.3

Revenue for the Group's Fully Managed offices in the period to 30 September 2023 was £5.3 million (£5.6 million including share of joint ventures).

3 Revenue

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
67.2	Gross rental income	**32.7**	32.0
5.7	Spreading of lease incentives	**(1.0)**	3.4
14.4	Service charge income	**7.5**	8.9
1.7	Joint venture fee income	**1.0**	0.6
6.4	Fully Managed services income	**4.7**	2.7
95.4		**44.9**	47.6

3 Revenue (continued)

The table below sets out the Group's gross rental income split between types of space provided:

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
37.9	Ready to fit	**17.2**	17.8
10.5	Retail	**5.0**	6.1
6.8	Fitted	**4.1**	2.7
5.8	Fully Managed	**3.4**	2.6
3.8	Flex Partnerships	**1.5**	2.1
2.4	Hotel	**1.5**	0.7
67.2		**32.7**	32.0

The table below sets out the Group's net rental income, please see note 8 for the Group's alternative performance measures:

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
67.2	Gross rental income	**32.7**	32.0
(0.2)	Expected credit losses	**–**	(0.1)
67.0	Rental income	**32.7**	31.9
5.7	Spreading of lease incentives	**(1.0)**	3.4
(0.6)	Ground rent	**(0.2)**	(0.3)
72.1		**31.5**	35.0

4 Cost of sales

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
17.7	Service charge expenses	**8.3**	9.8
8.1	Fully Managed service expenses	**4.2**	3.3
6.9	Other property expenses	**4.1**	2.9
0.6	Ground rent	**0.2**	0.3
33.3		**16.8**	16.3

The table below sets out the Group's property costs, please see note 8 for the Group's alternative performance measures:

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
(14.4)	Service charge income	**(7.5)**	(8.9)
17.7	Service charge expenses	**8.3**	9.8
(6.4)	Fully Managed services income	**(4.7)**	(2.7)
8.1	Fully Managed services expenses	**4.2**	3.3
6.9	Other property expenses	**4.1**	2.9
(0.1)	Expected credit losses	**–**	–
11.8		**4.4**	4.4

5 Finance income

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
5.8	Interest income on joint venture balances	**2.9**	2.9
0.3	Interest on cash deposits	**0.4**	–
6.1		**3.3**	2.9

6 Finance costs

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
5.8	Interest on revolving credit facilities	**2.4**	4.3
8.5	Interest on term loan	**9.1**	–
11.0	Interest on private placement notes	**4.1**	5.5
1.2	Interest on debenture stock	**0.6**	0.6
–	Interest on sustainable sterling bond	**0.3**	–
2.4	Interest on obligations under head leases	**1.4**	1.2
0.1	Other	**0.4**	–
29.0	Gross finance costs	**18.3**	11.6
(11.3)	Less: capitalised interest	**(11.1)**	(4.3)
17.7		**7.2**	7.3

The Group capitalised interest on certain developments with specific associated borrowings at 7.3% (2023: n/a), with the remainder at the Group's weighted average cost of non-specific borrowings of 4.0% (2023: 3.75%).

7 Tax

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
	Current tax		
–	UK corporation tax – current period	**–**	–
–	UK corporation tax – prior periods	**–**	–
–	Total current tax	**–**	–
–	**Deferred tax**	**0.2**	–
–	Tax charge for the period	**0.2**	–

The difference between the standard rate of tax and the effective rate of tax arises from the items set out below:

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
(307.8)	Profit/(loss) before tax	**29.9**	(253.4)
(77.0)	Tax charge/(credit) on profit/(loss) at standard rate of 25% (2023: 25%)	**7.5**	(63.4)
80.5	Changes in the fair value of properties not subject to tax	**(5.4)**	66.2
(7.4)	REIT tax-exempt rental profits and gains	**(3.4)**	(4.2)
3.9	Other	**1.5**	1.4
–	Tax charge for the period	**0.2**	–

During the period, £0.2 million (2023: £nil) of deferred tax was debited directly to equity. The Group recognised a net deferred tax asset at 30 September 2024 of £nil (2023: £nil). This consists of deferred tax assets of £1.4 million (2023: £1.2 million) and deferred tax liabilities of £1.4 million (2023: £1.2 million). Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Movement in deferred tax:

	At 1 April 2024 £m	**Recognised in the income statement £m**	**Recognised in equity £m**	**At 30 September 2024 £m**
Net deferred tax asset/(liability) in respect of other temporary differences	–	**(0.2)**	**0.2**	**–**

The Group has not recognised further deferred tax assets in respect of gross temporary differences arising from the following items, because it is uncertain whether future taxable profits will arise against which these assets can be utilised:

31 March 2024 £m		30 September 2024 £m	30 September 2023 £m
24.6	Revenue losses	**28.5**	18.9
8.4	Share-based payments	**7.2**	6.9
1.3	Other	**1.4**	1.4
34.3		**37.1**	27.2

As a REIT, the majority of rental profits and chargeable gains from the Group's property rental business are exempt from UK corporation tax. The Group is otherwise subject to corporation tax. In particular, the Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

In order to ensure that the Group is able to both retain its status as a REIT and to avoid financial charges being imposed, a number of tests (including a minimum distribution test) must be met by both Great Portland Estates plc and by the Group as a whole on an ongoing basis. These conditions are detailed in the Corporation Tax Act 2010.

8 Earnings per share, alternative performance measures and EPRA metrics

Adjusted earnings and net assets per share are calculated in accordance with the Best Practice Recommendations issued by the European Public Real Estate Association (EPRA). The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe, enhancing the transparency and coherence of the sector. The directors consider these standard metrics to be the most appropriate method of reporting the value and performance of the business. The reconciliations between these measures and the equivalent IFRS figures are shown in the tables below.

In June 2024, the Company issued 152,320,747 new shares through a rights issue (see note 16). To reflect the rights issue, the comparative number of shares previously used to calculate the basic and diluted per share data has been restated in the below earnings and net asset value per share calculations. In accordance with IAS 33 – Earnings per share, an adjustment factor of 1.20 has been applied to the comparative number of shares based on the ratio of the Company's closing share price of 414.6 pence per share on 22 May 2024, being the day prior to the announcement of the rights issue (adjusted for the recommended final dividend for the year ended 31 March 2024) and the theoretical ex-rights price at that date of 345.4 pence per share.

Earnings per share:

Weighted average number of ordinary shares

Year to 31 March 2024 Restated No. of shares		**Six months to 30 September 2024 No. of shares**	Six months to 30 September 2023 Restated No. of shares
253,867,911	Issued ordinary share capital at 1 April	**253,867,911**	253,867,911
50,883,840	Rights issue	**111,856,844**	50,883,840
(1,064,976)	Investment in own shares	**(1,262,475)**	(1,064,976)
303,686,775	Weighted average number of ordinary shares - basic	**364,462,280**	303,686,775

Basic and diluted earnings per share

Year to 31 March 2024 Restated loss per share pence		**Six months to 30 September 2024 Profit after tax £m**	**Six months to 30 September 2024 No. of shares million**	**Six months to 30 September 2024 Profit per share pence**	Six months to 30 September 2023 Loss after tax £m	Six months to 30 September 2023 Restated No. of shares million	Six months to 30 September 2023 Restated loss per share pence
(101.4)	Basic	**29.7**	**364.5**	**8.1**	(253.4)	303.7	(83.4)
–	Dilutive effect of LTIP shares	**–**	**0.8**	**–**	–	0.1	–
(101.4)	Diluted	**29.7**	**365.3**	**8.1**	(253.4)	303.8	(83.4)

8 Earnings per share, alternative performance measures and EPRA metrics (continued)

EPRA Earnings per share

Year to 31 March 2024 Restated (loss)/ earnings per share pence		**Six months to 30 September 2024 Earnings after tax £m**	**Six months to 30 September 2024 No. of shares million**	**Six months to 30 September 2024 Earnings per share pence**	Six months to 30 September 2023 (Loss)/ earnings after tax £m	Six months to 30 September 2023 Restated No. of shares million	Six months to 30 September 2023 Restated (loss)/ earnings per share pence
(101.4)	Basic	**29.7**	**364.5**	**8.1**	(253.4)	303.7	(83.4)
88.0	(Surplus)/deficit from investment property (note 9)	**(19.0)**	**–**	**(5.2)**	219.7	–	72.3
18.6	(Surplus)/deficit from joint venture investment property (note 10)	**(3.0)**	**–**	**(0.8)**	45.5	–	15.0
0.6	Deficit on revaluation of derivatives	**0.4**	**–**	**0.1**	–	–	–
0.1	Deficit on revaluation of other investments	**0.1**	**–**	**–**	–	–	–
–	Deferred tax	**0.2**	**–**	**0.1**	–	–	–
–	Debt cancellation costs	**0.1**	**–**	**–**	–	–	–
5.9	Basic EPRA earnings	**8.5**	**364.5**	**2.3**	11.8	303.7	3.9
–	Dilutive effect of LTIP shares	**–**	**0.8**	**–**	–	0.1	–
5.9	Diluted EPRA earnings	**8.5**	**365.3**	**2.3**	11.8	303.8	3.9

Cash earnings per share

Year to 31 March 2024 Restated earnings per share pence		**Six months to 30 September 2024 Profit after tax £m**	**Six months to 30 September 2024 No. of shares million**	**Six months to 30 September 2024 Earnings per share pence**	Six months to 30 September 2023 Profit after tax £m	Six months to 30 September 2023 Restated No. of shares million	Six months to 30 September 2023 Restated earnings per share pence
5.9	Diluted EPRA earnings	**8.5**	**365.3**	**2.3**	11.8	303.8	3.9
(3.7)	Capitalised interest	**(11.1)**	**–**	**(3.0)**	(4.3)	–	(1.4)
(1.9)	Spreading of tenant lease incentives	**1.0**	**–**	**0.3**	(3.4)	–	(1.1)
(0.4)	Spreading of tenant lease incentives in joint ventures	**1.2**	**–**	**0.3**	(2.3)	–	(0.8)
1.3	Employee share-based incentive charge and other items	**2.0**	**–**	**0.5**	1.9	–	0.6
1.2	Cash earnings per share	**1.6**	**365.3**	**0.4**	3.7	303.8	1.2

Net assets per share:

In accordance with EPRA, we report three NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant measure for the Group and the primary measure of net asset value alongside IFRS net asset value. Whilst there is no specific accounting guidance on how NTA metrics should be restated following a Rights Issue, we have restated the comparatives using the IAS 33 method (as set out above).

In addition, we have presented a pro forma net assets per share, which restates the 31 March 2024 balance sheet, to include the net proceeds and new shares issued as a result from the rights issue. We consider the pro forma net assets per share to be a more appropriate metric to benchmark performance over the six month period, given it is based on balance sheet values rather than share price derived metrics.

8 Earnings per share, alternative performance measures and EPRA metrics (continued)

Number of ordinary shares

31 March 2024 Restated No. of shares		**30 September 2024 No. of shares**	30 September 2023 Restated No. of shares
253,867,911	Issued ordinary share capital	**253,867,911**	253,867,911
50,883,840	Rights issue	**152,320,747**	50,883,840
(1,064,976)	Investment in own shares	**(1,393,542)**	(1,064,976)
303,686,775	Number of shares - basic	**404,795,116**	303,686,775
676,992	Dilutive effect of LTIP shares	**1,261,602**	576,049
304,363,767	Number of shares - diluted	**406,056,718**	304,262,824

EPRA net assets per share

31 March 2024 Restated EPRA NTA £m		**30 September 2024 IFRS £m**	**30 September 2024 EPRA NTA £m**	**30 September 2024 EPRA NDV £m**	**30 September 2024 EPRA NRV £m**	30 September 2023 Restated EPRA NTA £m
1,583.0	IFRS basic and diluted net assets	**1,928.6**	**1,928.6**	**1,928.6**	**1,928.6**	1,647.1
–	Fair value of financial liabilities	**–**	**–**	**51.4**	**–**	–
(0.4)	Fair value of derivative financial instruments	**–**	**–**	**–**	**–**	–
–	Real estate transfer tax	**–**	**–**	**–**	**182.1**	–
1,582.6	Net assets used in per share calculations	**1,928.6**	**1,928.6**	**1,980.0**	**2,110.7**	1,647.1

31 March 2024 Restated EPRA NTA pence		**30 September 2024 IFRS pence**	**30 September 2024 EPRA NTA pence**	**30 September 2024 EPRA NDV pence**	**30 September 2024 EPRA NRV pence**	30 September 2023 Restated EPRA NTA pence
521	Net assets per share	**477**	**477**	**489**	**522**	542
520	Diluted net assets per share	**475**	**475**	**488**	**520**	541

Pro forma net assets per share

The prior year's NTA, adjusted for the impact of the new equity raised as a result of the rights issue is as follows:

	31 March 2024 Restated as above	Share adjustment per IAS 33	**31 March 2024 as disclosed**	Net proceeds from rights issue	**31 March 2024 Pro forma 2024**
Net assets (£m)	1,582.6	–	**1,582.6**	335.6	**1,918.2**
Number of shares (million) – diluted	304.4	(50.9)	**253.5**	152.3	**405.8**
Diluted net assets per share (pence)	520		**624**		**473**

8 Earnings per share, alternative performance measures and EPRA metrics (continued)

EPRA loan-to-property value and net debt

31 March 2024 £m		30 September 2024 £m	30 September 2023 £m
21.9	£21.9 million 5.625% debenture stock 2029	**21.9**	21.9
47.0	£450.0 million revolving credit facility	**–**	222.0
250.0	£250.0 million term loan	**250.0**	–
–	£250.0 million 5.375% sustainable sterling bond	**250.0**	–
425.0	Private placement notes	**250.0**	425.0
(22.9)	Less: cash balances	**(241.8)**	(23.4)
721.0	Group net debt	**530.1**	645.5
54.6	Net payables (including customer rent deposits)	**63.8**	36.8
775.6	Group net debt including net payables	**593.9**	682.3
10.5	Joint venture net payables (at share)	**10.7**	8.5
(25.7)	Less: joint venture cash balances (at share)	**(22.7)**	(25.3)
760.4	Net debt including joint ventures (A)	**581.9**	665.5
1,855.1	Group properties at market value	**2,013.2**	1,819.1
476.1	Joint venture properties at market value (at share)	**483.3**	483.6
2,331.2	Property portfolio at market value including joint ventures (B)	**2,496.5**	2,302.7
32.6%	EPRA Loan-to-property value (A/B)	**23.3%**	28.9%

Group cash and cash equivalents includes customer rent deposits held in separate designated bank accounts of £17.6 million (2023: £17.8 million), the use of the deposits is subject to restrictions as set out in the customer's lease agreement and therefore not available for general use by the Group.

Net gearing

31 March 2024 £m		30 September 2024 £m	30 September 2023 £m
743.9	Nominal value of interest-bearing loans and borrowings	**771.9**	668.9
1.0	Obligations under occupational leases	**0.5**	1.5
(5.9)	Less: cash balances (unrestricted)	**(224.2)**	(5.6)
739.0	Adjusted net debt (A)	**548.2**	664.8
1,583.0	Net assets	**1,928.6**	1,647.1
(4.9)	Pension scheme asset	**(4.5)**	(4.4)
1,578.1	Adjusted net equity (B)	**1,924.1**	1,642.7
46.8%	Net gearing (A/B)	**28.5%**	40.5%

9 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2024	**885.1**	**792.3**	**1,677.4**
Costs capitalised	**18.8**	**38.8**	**57.6**
Movement in lease incentives	**(0.1)**	**(0.8)**	**(0.9)**
Interest capitalised	**1.0**	**1.9**	**2.9**
Net valuation surplus	**15.4**	**9.0**	**24.4**
Book value at 30 September 2024 (A)	**920.2**	**841.2**	**1,761.4**

Investment property under development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2024	**50.1**	**183.5**	**233.6**
Costs capitalised	**8.1**	**63.4**	**71.5**
Interest capitalised	**2.0**	**6.2**	**8.2**
Net valuation deficit	**(2.9)**	**(2.7)**	**(5.6)**
Book value at 30 September 2024 (B)	**57.3**	**250.4**	**307.7**
Book value of investment property & investment property under development (A+B)	**977.5**	**1,091.6**	**2,069.1**

Investment property held for sale – current asset

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2024	**–**	**18.2**	**18.2**
Costs capitalised	**–**	**0.1**	**0.1**
Net valuation deficit	**–**	**(0.1)**	**(0.1)**
Book value of investment property held for sale at 30 September 2024 (C)	**–**	**18.2**	**18.2**

	Freehold £m	Leasehold £m	Total £m
Book value of total investment property at 30 September 2024 (A+B+C)	**977.5**	**1,109.8**	**2,087.3**
Book value of total investment property at 31 March 2024	935.2	994.0	1,929.2

The book value of investment property includes £74.1 million (31 March 2024: £74.1 million) in respect of the present value of future ground rents. The market value of the portfolio (excluding these amounts) is £2,013.2 million (31 March 2024: £1,855.1 million). The total portfolio market value including joint venture properties of £483.3 million (31 March 2024: £476.1 million) (see note 10) was £2,496.5 million (31 March 2024: £2,331.2 million). At 30 September 2024, property with a carrying value of £112.5 million (31 March 2024: £107.0 million) was secured under the first mortgage debenture stock (see note 15). At 30 September 2024, one property had exchanged for sale and accordingly was classified as held for sale. The sale is anticipated to complete in January 2025.

In October 2024, the Group acquired 19/23 Wells Street, W1, for £19.0 million and November 2024 we acquired Whittington House, WC1 for £58.5 million.

Surplus/(deficit) from investment property

Year to 31 March 2024 £m		Six months to 30 September 2024 £m	Six months to 30 September 2023 £m
(265.7)	Net valuation surplus/(deficit) on investment property	**18.8**	(219.2)
(1.6)	Profit/(loss) on sale of investment properties	**0.2**	(0.5)
(267.3)	**Surplus/(deficit) from investment property**	**19.0**	(219.7)

The Group's investment properties, including those held in joint ventures (note 10), were valued on the basis of fair value by CBRE Limited (CBRE), external valuers, as at 30 September 2024. The valuations have been prepared in accordance with the current versions of the RICS Valuation – Global Standards (incorporating the International Valuation Standards (IVS)) and the UK national supplement (the Red Book) and have been primarily derived using comparable recent market transactions on arm's length terms.

9 Investment property (continued)

The total fees, including the fixed fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from the Group are less than 5.0% of its total UK revenues. CBRE has carried out valuation instructions, agency and professional services on behalf of the Group for in excess of 20 years.

Real estate valuations are complex and derived using comparable market transactions which are not publicly available and involve an element of judgement. Therefore, we have classified the valuation of the property portfolio as Level 3 as defined by IFRS 13; this is in line with EPRA guidance. There were no transfers between levels during the year. Inputs to the valuation, including capitalisation yields (typically the true equivalent yield) and rental values, are defined as 'unobservable' as defined by IFRS 13.

For investment property, this approach involves applying market-derived capitalisation yields to current and market derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. In the case of investment property under development, the approach applied is the 'residual method' of valuation, which is the investment method of valuation as described above with a deduction for the costs necessary to complete the development, together with an allowance for the remaining risk.

Everything else being equal, there is a positive relationship between rental values and the property valuation, such that an increase in rental values will increase the valuation of a property and a decrease in rental values will reduce the valuation of the property. Any percentage movement in rental values will translate into approximately the same percentage movement in the property valuation. However, due to the long-term nature of leases, where the passing rent is fixed and often subject to upwards only rent reviews, the impact will not be immediate and will be recognised over a number of years. The relationship between capitalisation yields and the property valuation is negative and more immediate; therefore, an increase in capitalisation yields will reduce the valuation of a property and a reduction will increase its valuation. There is a negative relationship between development costs and the property valuation, such that an increase in estimated development costs will decrease the valuation of a property under development and a decrease in estimated development costs will increase the valuation of a property under development.

An increase of 10% on the capital expenditure on the Group's three HQ development schemes and four Flex conversion schemes, which the Directors believe is a reasonable variance to budgeted cost based on industry experience, would reduce the valuation by £39.4 million (31 March 2024: £49.8 million), with a decrease of 10% increasing the valuation by £39.4 million (31 March 2024: £49.8 million).

A decrease in the capitalisation yield by 25 basis points would result in an increase in the fair value of the Group's investment property by £96.0 million (£120.7 million including a share of joint ventures; 31 March 2024: £241.4 million based on a 50 basis point movement), whilst a 25 basis point increase would reduce the fair value by £87.6 million (£110.1 million including a share of joint ventures; 31 March 2024: £200.0 million based on a 50 basis point movement). A movement of 3 basis points was shown across the portfolio over the last 6 months and a 25 basis point movement is therefore considered to be a reasonably possible change. Given there is only a marginal difference in the overall yields for office and retail and the movement in year, we feel this sensitivity to be appropriate. There are interrelationships between these inputs as they are determined by market conditions, and the valuation movement in any one period depends on the balance between them. If these inputs move in opposite directions (i.e. rental values increase and yields decrease), valuation movements can be amplified, whereas if they move in the same direction, they may offset, reducing the overall net valuation movement.

The valuation of the property portfolio reflects its fair value taking into account the market view of all relevant factors including the climate related risks associated with the properties. This includes the impact of expected regulatory changes, and we estimate that the investment required to upgrade our existing buildings to the new minimum EPC B rating by 2030 is less than £10 million (including share of joint ventures) over and above specific refurbishment and development assumptions included in the valuation.

Key inputs to the valuation (by building and location) at 30 September 2024

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	**104**	**54 – 175**	**5.4**	**4.8 – 7.7**
	Retail	**68**	**34 – 112**	**5.4**	**4.5 – 10.6**
Rest of West End	Office	**150**	**70 – 255**	**5.6**	**4.8 – 7.6**
	Retail	**112**	**15 – 323**	**4.9**	**3.3 – 7.2**
City, Midtown and Southwark	Office	**85**	**47 – 173**	**5.6**	**5.0 – 7.3**
	Retail	**29**	**26 – 36**	**5.0**	**5.0 – 6.6**

9 Investment property (continued)

Key inputs to the valuation (by building and location) at 31 March 2024

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	102	54 – 174	5.3	4.8 – 7.3
	Retail	67	34 – 110	5.3	4.5 – 10.0
Rest of West End	Office	143	70 – 249	5.8	5.0 – 7.3
	Retail	115	15 – 295	5.0	3.2 – 6.8
City, Midtown and Southwark	Office	83	47 – 173	5.7	5.4 – 7.3
	Retail	36	25 – 36	5.9	5.5 – 6.7

During the period, the Group capitalised £0.9 million (2023: £0.7 million) of employee costs in respect of its development team into investment properties under development. At 30 September 2024, the Group had capital commitments of £397.2 million (31 March 2024: £502.3 million).

10 Investment in joint ventures

	Equity £m	Balances with partners £m	Total £m
At 1 April 2024	277.8	213.5	491.3
Movement on joint venture balances	**–**	**(2.7)**	**(2.7)**
Share of profit of joint ventures	**3.7**	**–**	**3.7**
Share of revaluation surplus of joint ventures	**3.0**	**–**	**3.0**
Share of results of joint ventures	**6.7**	**–**	**6.7**
At 30 September 2024	**284.5**	**210.8**	**495.3**

The investments in joint ventures comprise the following:

Ownership 31 March 2024		Country of Incorporation/registration	Ownership 30 September 2024	Ownership 30 September 2023
50%	The GHS Limited Partnership	Jersey	**50%**	50%
50%	The Great Ropemaker Partnership	United Kingdom	**50%**	50%
50%	The Great Victoria Partnerships	United Kingdom	**50%**	50%

Transactions during the period between the Group and its joint ventures, who are related parties, are set out below:

Year to 31 March 2024 £m		Six months to 30 September 2024 £m	Six months to 30 September 2023 £m
0.9	Movement on joint venture balances during the period	**2.7**	(1.1)
(213.5)	Balances receivable at the period end from joint ventures	**(210.8)**	(215.5)
5.8	Interest on balances with partners	**2.9**	2.9
–	Distributions	**–**	–
1.7	Joint venture fees paid	**1.0**	0.6

The joint venture balances are repayable on demand and bear interest as follows: the GHS Limited Partnership at 4.0% and the Great Ropemaker Partnership at 2.0%. In measuring expected credit losses of the balances receivable at the period end from joint ventures under IFRS 9, the ability of each joint venture to repay the loan at the reporting date if demanded by the Group is assumed to be through the sale of the investment properties held by the joint venture. Investment properties are held at fair value at each reporting date as described in note 9. Therefore, the net asset value of the joint venture is considered to be a reasonable approximation of the available assets that could be realised to recover the loan balance and the requirement to recognise expected credit losses.

10 Investment in joint ventures (continued)

Summarised balance sheets

Year to 31 March 2024 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	Six months to 30 September 2024 Total £m	Six months to 30 September 2024 At share £m	Six months to 30 September 2023 At share £m
481.2	Investment property	**645.1**	**256.9**	**74.9**	**976.9**	**488.4**	488.7
2.7	Current assets	**0.6**	**3.3**	**0.6**	**4.5**	**2.2**	2.8
25.7	Cash and cash equivalents	**13.1**	**15.1**	**17.2**	**45.4**	**22.7**	25.3
(213.5)	Balances from partners	**(215.4)**	**(133.2)**	**(73.1)**	**(421.7)**	**(210.8)**	(215.5)
(13.2)	Current liabilities	**(12.0)**	**(13.6)**	**(0.3)**	**(25.9)**	**(12.9)**	(11.3)
(5.1)	Obligations under head leases	**–**	**(10.2)**	**–**	**(10.2)**	**(5.1)**	(5.1)
277.8	Net assets	**431.4**	**118.3**	**19.3**	**569.0**	**284.5**	284.9

Summarised income statements

31 March 2024 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	30 September 2024 Total £m	30 September 2024 At share £m	30 September 2023 At share £m
26.5	Revenue	**11.7**	**8.6**	**2.4**	**22.7**	**11.4**	13.7
19.4	Net rental income	**9.2**	**5.2**	**1.0**	**15.4**	**7.7**	10.0
(3.6)	Property and administration costs	**(0.5)**	**(1.6)**	**(0.9)**	**(3.0)**	**(1.5)**	(1.1)
(6.0)	Net finance costs	**(4.2)**	**(1.2)**	**0.3**	**(5.1)**	**(2.5)**	(3.0)
9.8	Share of profit of joint ventures	**4.5**	**2.4**	**0.4**	**7.3**	**3.7**	5.9
(56.5)	Revaluation of investment property	**3.7**	**2.2**	**0.1**	**6.0**	**3.0**	(45.5)
(46.7)	Results of joint ventures	**8.2**	**4.6**	**0.5**	**13.3**	**6.7**	(39.6)

At 30 September 2024 and 31 March 2024, the joint ventures had no external debt facilities.

The investment properties include £5.1 million (2023: £5.1 million) in respect of the present value of future ground rents, net of these amounts the market value of our share of the total joint venture properties is £483.3 million. The Group earns fee income from its joint ventures for the provision of management services. All of the above transactions are made on terms equivalent to those that prevail in arm’s length transactions. At 30 September 2024, the Group’s share of joint venture capital commitments was £nil million (2023: £nil million).

11 Property, plant and equipment

	Right of use asset for occupational leases £m	Leasehold improvements £m	Fixtures and fittings/other £m	Total £m
Cost or valuation				
At 1 April 2024	4.9	5.6	2.2	12.7
Additions	–	–	**0.1**	**0.1**
At 30 September 2024	**4.9**	**5.6**	**2.3**	**12.8**
Accumulated depreciation				
At 1 April 2024	4.1	4.5	2.1	10.7
Charge for the period	**0.4**	**0.3**	**0.1**	**0.8**
At 30 September 2024	**4.5**	**4.8**	**2.2**	**11.5**
Carrying amount at 30 September 2024	**0.4**	**0.8**	**0.1**	**1.3**
Carrying amount at 31 March 2024	0.8	1.1	0.1	2.0

12 Other investments

31 March 2024 £m		**30 September 2024 £m**	30 September 2023 £m
1.8	At 1 April	**2.4**	1.8
0.8	Acquisitions	**0.4**	0.4
(0.2)	Deficit on revaluation	**(0.1)**	-
2.4		**2.7**	2.2

In January 2020, the Group entered into a commitment of up to £5.0 million to invest in Pi Labs European PropTech venture capital fund. At 30 September 2024, the Group had made net investments of £2.9 million. Launched in 2014, Pi Labs is Europe's longest standing PropTech VC and this third fund has a primary focus to invest in early stage PropTech start-ups across Europe and the UK that use technology solutions to enhance any stage of the real estate value chain. Key areas of focus for the fund include sustainability, the future of work, the future of retail, commercial real estate technologies, construction technology and smart cities. The valuation of the fund is based on the net assets of its investments therefore, given these are not readily traded, we have classified the valuation of the investments as Level 3 as defined by IFRS 13.

13 Trade and other receivables

31 March 2024 £m		**30 September 2024 £m**	30 September 2023 £m
6.7	Trade receivables	**8.5**	7.8
(0.3)	Expected credit loss allowance	**–**	(0.3)
6.4		**8.5**	7.5
0.2	Prepayments and accrued income	**5.8**	1.1
5.9	Other sales taxes	**8.7**	8.3
12.4	Other trade receivables	**14.9**	12.6
24.9		**37.9**	29.5

Trade receivables consist of rent and service charge monies, which are typically due on the quarter day with no credit period. Interest is charged on trade receivables in accordance with the terms of the occupier's lease. Trade receivables are provided for based on the expected credit loss, which uses a lifetime expected loss allowance for all trade receivables based on an assessment of each individual occupier's circumstance. This assessment reviews the outstanding balances of each individual occupier and makes an assessment of the likelihood of recovery, based on an evaluation of their financial situation. Where the expected credit loss relates to revenue already recognised this has been recognised immediately in the income statement.

13 Trade and other receivables (continued)

Year to 31 March 2024 £m		Six months to 30 September 2024 £m	Six months to 30 September 2023 £m
	Movements in expected credit loss allowance		
(1.7)	Balance at 1 April	**(0.3)**	(1.7)
(0.3)	Expected credit loss allowance during the period	**–**	(0.1)
1.7	Amounts written-off as uncollectible	**0.3**	1.5
(0.3)		**–**	(0.3)

14 Trade and other payables

31 March 2024 £m		30 September 2024 £m	30 September 2023 £m
16.4	Rents received in advance	**17.5**	16.5
18.1	Accrued capital expenditure	**31.1**	9.5
17.0	Payables in respect of customer rent deposits	**17.6**	17.8
23.3	Other accruals	**18.8**	14.2
1.4	Other payables	**13.4**	5.0
76.2		**98.4**	63.0

The Directors consider that the carrying amount of trade payables approximates their fair value.

15 Interest-bearing loans and borrowings

31 March 2024 £m		30 September 2024 £m	30 September 2023 £m
	Current liabilities at amortised cost		
	Unsecured		
175.0	£175.0 million 2.15% private placement notes 2024	**–**	174.9
	Non-current liabilities at amortised cost		
	Secured		
22.0	£21.9 million 5.625% debenture stock 2029	**22.0**	22.0
	Unsecured		
46.1	£450.0 million revolving credit facility	**–**	220.9
248.3	£250.0 million term loan	**248.6**	–
–	£250.0 million 5.375% sustainable sterling bond 2031	**246.2**	–
39.9	£40.0 million 2.70% private placement notes 2028	**40.0**	40.0
29.9	£30.0 million 2.79% private placement notes 2030	**29.9**	29.9
29.9	£30.0 million 2.93% private placement notes 2033	**29.9**	29.9
24.9	£25.0 million 2.75% private placement notes 2032	**24.9**	24.9
124.4	£125.0 million 2.77% private placement notes 2035	**124.4**	124.3
740.4		**765.9**	666.8

The Group's £450 million unsecured revolving credit facility (RCF) is unsecured, attracts a floating rate based on a headline margin which was reduced to 90.0 basis points over SONIA (plus or minus 2.5 basis points subject to a number of ESG linked targets) and matures in January 2027. At 30 September 2024, the Group had £450.0 million (2023: £228.0 million) of undrawn committed credit facilities.

The Group's £250 million unsecured term loan has a headline margin of 175 basis points over SONIA. The loan has an initial three-year term which may be extended to a maximum of five years at GPE's request, subject to bank consent. The Group also has a £200 million interest rate cap to protect against any further increases in rates whilst preserving the benefit of any reductions. The interest rate cap expires in October 2025.

15 Interest-bearing loans and borrowings (continued)

In September 2024, the Group issued a sterling denominated senior unsecured sustainable £250 million bond. The bond has a term of seven years, bears interest at a rate of 5.375% and is rated Baa2 by Moody's Investor Services Ltd.

The Group had a £200 million loan facility at a headline margin of 75 basis points over SONIA, with the margin stepping up by 0.25% after six months, a further 0.25% after 12 months and a final step-up of 0.50% at 18 months. The loan was undrawn and cancelled on 30 May 2024.

The Group's £175.0 million 2.15% private placement notes 2024 were repaid on 22 May 2024.

At 30 September 2024, the Group has committed cash and undrawn credit facilities of £695.7 million (31 March 2024: £633.4 million). At 30 September 2024, properties with a carrying value of £112.5 million (31 March 2024: £107.0 million) were secured under the Group's debenture stock.

In October 2024, the Group signed a new £150 million ESG-linked unsecured revolving credit facility (RCF) at a headline margin of 90 basis points over SONIA. The facility has an initial three-year term which may be extended to a maximum of five years at GPE's request, subject to bank consent.

In November 2024, £175 million of the Group's £250 million term loan was repaid.

Fair value of financial liabilities

31 March 2024 Book value £m	31 March 2024 Fair value £m		**30 September 2024 Book value £m**	**30 September 2024 Fair value £m**	30 September 2023 Book value £m	30 September 2023 Fair value £m
		Items carried at fair value				
(0.4)	(0.4)	Interest rate cap (asset)	**–**	**–**	–	–
		Items not carried at fair value				
22.0	22.0	£21.9 million 5.625% debenture stock 2029	**22.0**	**22.0**	22.0	21.5
424.0	373.3	Private placement notes	**249.1**	**195.5**	423.9	348.0
–	–	£250.0 million 5.375% sustainable sterling bond	**246.2**	**248.4**	–	–
248.3	248.3	£250.0 million term loan	**248.6**	**248.6**	–	–
46.1	46.1	£450.0 million revolving credit facility	**–**	**–**	220.9	220.9
740.0	689.3		**765.9**	**714.5**	666.8	590.4

The fair values of the Group's cash and cash equivalents and trade payables and receivables are not materially different from those at which they are carried in the financial statements. The fair values of the Group's private placement notes and debenture stock were determined by comparing the discounted future cash flows using the contracted yields with those of the reference gilts plus the implied margins.

16 Share capital

Year to 31 March 2024 Number	Year to 31 March 2024 £m		**Six months to 30 September 2024 Number**	**Six months to 30 September 2024 £m**	Six months to 30 September 2023 Number	Six months to 30 September 2023 £m
		Allotted, called up and fully paid				
253,867,911	38.7	At 1 April	253,867,911	38.7	253,867,911	38.7
–	–	Issue of ordinary shares - rights issue	152,320,747	23.3	–	–
253,867,911	38.7	At end of period	406,188,658	62.0	253,867,911	38.7

In June 2024, the Company raised gross proceeds of £350.3 million (£335.6 million net proceeds) by issuing 152,320,747 new ordinary shares through a 3 for 5 rights issue.

At 30 September 2024, the Company had 406,188,658 ordinary shares with a nominal value of 15 5/19 pence each.

17 Head lease obligations

Head lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 30 September 2024 £m	**Interest 30 September 2024 £m**	**Principal payments 30 September 2024 £m**	Minimum lease payments 30 September 2023 £m	Interest 30 September 2023 £m	Principal payments 30 September 2023 £m
Less than one year	**2.9**	**(2.8)**	**0.1**	2.4	(2.4)	–
Between two and five years	**11.5**	**(11.3)**	**0.2**	9.7	(9.5)	0.2
More than five years	**355.1**	**(281.3)**	**73.8**	302.2	(235.7)	66.5
	369.5	**(295.4)**	**74.1**	314.3	(247.6)	66.7

18 Occupational lease obligations

Obligations in respect of the Group's occupational leases for its head office are payable as follows:

	Minimum lease payments 30 September 2024 £m	**Interest 30 September 2024 £m**	**Principal payments 30 September 2024 £m**	Minimum lease payments 30 September 2023 £m	Interest 30 September 2023 £m	Principal payments 30 September 2023 £m
Less than one year	**0.5**	**–**	**0.5**	1.0	–	1.0
Between two and five years	**–**	**–**	**–**	0.5	–	0.5
	0.5	**–**	**0.5**	1.5	–	1.5

19 Investment in own shares

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
(2.8)	At the beginning of the period	**(5.6)**	(2.8)
(4.0)	Employee share-based incentive charge	**(2.0)**	(1.9)
–	Purchase of shares	**1.2**	–
1.2	Transfer to retained earnings	**2.3**	2.0
(5.6)	At the end of the period	**(4.1)**	(2.7)

The investment in the Company's own shares is held at cost and comprises 1,393,542 shares (31 March 2024: 887,159 shares) held by the Great Portland Estates plc LTIP Employee Share Trust which will vest for certain senior employees of the Group if performance conditions are met.

During the period, no shares (2023: no shares) were awarded to directors and senior employees in respect of the 2020 LTIP award and 25912 shares were awarded for the 2019 director's bonus scheme. The fair value of shares awarded and outstanding at 30 September 2024 was £12.0 million (31 March 2024: £9.8 million).

20 Cash and cash equivalents

31 March 2024 £m		**30 September 2024 £m**	30 September 2023 £m
5.9	Cash held at bank or on deposit (unrestricted)	**224.2**	5.6
17.0	Amounts held in respect of customer rent deposits (restricted)	**17.6**	17.8
22.9		**241.8**	23.4

Amounts held in respect of customer rent deposits are subject to restrictions as set out in the customers' lease agreements and therefore not available for general use by the Group.

21 Notes to the Group statement of cash flows

Adjustments for non-cash items used in the reconciliation of cash generated from/(used in) operations in the Group statement of cash flows' is disclosed below:

Year to 31 March 2024 £m		**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
267.3	(Surplus)/deficit from investment property	**(19.0)**	219.7
0.2	Deficit on revaluation of other investments	**0.1**	–
4.0	Employee share-based incentive charge and other items	**2.0**	1.9
(5.7)	Spreading of tenant lease incentives	**0.9**	(3.4)
46.7	Share of results from joint ventures	**(6.7)**	39.6
1.6	Depreciation	**0.8**	0.9
(0.7)	Other	**(0.2)**	(0.3)
313.4	Adjustments for non-cash items	**(22.1)**	258.4

22 Lease receivables

Future aggregate minimum rents receivable under non-cancellable leases are:

31 March 2024 £m		**30 September 2024 £m**	30 September 2023 £m
	The Group as a lessor		
66.0	Less than one year	**68.7**	61.4
141.0	Between one and five years	**136.7**	137.7
62.9	More than five years	**61.4**	63.4
269.9		**266.8**	262.5

The Group leases its investment properties. The weighted average length of lease at 30 September 2024 was 3.3 years (2023: 3.3 years). All investment properties, except those under development or being prepared for development, generated rental income and no contingent rents were recognised in the period (2023: £nil).

23 Dividends

The declared interim dividend of £11.9 million or 2.9 pence per share (2023: 4.7 pence per share) was approved by the Board on 13 November 2024 and is payable on 3 January 2025 to shareholders on the register on 22 November 2024. The dividend is not recognised as a liability in the Half Year Results.

24 Reserves

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

Share capital

The nominal value of the Company's issued share capital, comprising 15$\frac{5}{19}$ pence ordinary shares.

Share premium

Amount subscribed for share capital in excess of nominal value less directly attributable issue costs.

Capital redemption reserve

Amount equivalent to the nominal value of the Company's own shares acquired as a result of share buy-back programmes.

Retained earnings

Cumulative net gains and losses recognised in the Group income statement together with other items such as dividends.

Investment in own shares

Amount paid to acquire the Company's own shares for its employee share based incentives less accounting charges.

Directors' responsibility statement

The Directors confirm that the condensed interim financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting", and that the Interim Results includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the period and their impact on the interim condensed financial statements, and a description of the principal risks and uncertainties for the remainder of the financial year; and
- material related party transactions in the period and any material changes in the related party transactions described in the last annual report.

By the order of the Board

Toby Courtauld
Chief Executive
13 November 2024

Nick Sanderson
Chief Financial & Operating Officer
13 November 2024

Independent review report to Great Portland Estates plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Great Portland Estates plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Results of Great Portland Estates plc for the 6 month period ended 30 September 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed group balance sheet as at 30 September 2024;
- the Condensed group income statement and Condensed group statement of comprehensive income for the period then ended;
- the Condensed group statement of cash flows for the period then ended;
- the Condensed group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Results of Great Portland Estates plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook 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 enquiries, 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.

We have read the other information contained in the Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions 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 group to cease to continue as a going concern.

Independent review report to Great Portland Estates plc (continued)

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Results, including the interim financial statements, 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 group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 November 2024

Directors and shareholders' information

Directors

Richard Mully
Chair, Non-Executive
Toby Courtauld
Chief Executive
Nick Sanderson
Chief Financial & Operating Officer
Dan Nicholson
Executive Director

Mark Anderson
Non-Executive Director
Nick Hampton
Non-Executive Director
Emma Woods
Non-Executive Director
Champa Magesh
Non-Executive Director
Karen Green
Non-Executive Director
Vicky Jarman
Non-Executive Director

Shareholders' information

Financial calendar	**2024**
Ex-dividend date for interim dividend	21 November
Registration qualifying date for interim dividend	22 November
	2025
Interim dividend payable	3 January
Announcement of full year results	21 May*
Annual General Meeting	3 July*
Final dividend payable	7 July*

*Provisional.

Shareholder enquiries
All enquiries relating to holdings of shares, bonds or debentures in GPE, including notification of change of address, queries regarding dividend/interest payments or the loss of a certificate, should be addressed to the Company's registrars:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: +44 (0) 371 384 2030 (Lines are open 8.30am-5.30pm Monday to Friday)

E-mail: customer@equiniti.com

See www.shareview.co.uk for further information

Website: www.gpe.co.uk
The Company's corporate website holds, amongst other information, a copy of our latest annual report and accounts, a list of properties held by the Group and press announcements.

Dividend payments
As a REIT, dividend payments must be split between PIDs and non-PIDs. Information in respect of the tax consequences for shareholders of receiving dividends can be found on the Company's website at www.gpe.co.uk/investors/shareholder-information/reits

Company Secretary
Darren Lennark
Registered office:
33 Cavendish Square
London W1G 0PW
Tel: 020 7647 3000
Registered Number: 596137

Glossary

Building Research Establishment Environmental Assessment Methodology (BREEAM)

Building Research Establishment method of assessing, rating and certifying the sustainability of buildings.

Cash EPS

EPRA EPS adjusted for non-cash items: tenant incentives, capitalised interest and charges for share-based payments.

Core West End

Areas of London with W1 and SW1 postcodes.

Development profit on cost

The value of the development at completion, less the value of the land at the point of development commencement and costs to construct (including finance charges, letting fees, void costs and marketing expenses).

Development profit on cost %

The development profit on cost divided by the land value at the point of development commencement together with the costs to construct.

Earnings per Share (EPS)

Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA metrics

Standard calculation methods for adjusted EPS and NAV as set out by the European Public Real Estate Association (EPRA) in their Best Practice and Policy Recommendations.

EPRA net disposal value (NDV)

Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax and fixed interest rate debt.

EPRA Net Reinstatement Value (NRV)

Represents the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives, real estate transfer taxes and deferred taxes on property valuation surpluses are therefore excluded.

EPRA net tangible assets (NTA)

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets.

Estimated Rental Value (ERV)

The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.

Fair value – investment property

The amount as estimated by the Company's valuers for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In line with market practice, values are stated net of purchasers' costs.

Glossary (continued)

Ready-to-fit

Offices for businesses typically taking larger spaces on longer leases who want to fit out the space themselves.

Fitted spaces

Where businesses can move into fully furnished, well designed workspaces, with their own front door, furniture, meeting rooms, kitchen and branding.

Fully Managed

Fitted space where GPE handles all day-to-day running of the workplace in one monthly bill.

Flex partnerships

Revenue share agreements with flexible space operators, these are typically structured via lease arrangements with the revenue share recognised within rental income.

IFRS

United Kingdom adopted international accounting standards.

Internal Rate of Return (IRR)

The rate of return that if used as a discount rate and applied to the projected cash flows that would result in a net present value of zero.

Like-for-like portfolio

The element of the portfolio that has been held for the whole of the period of account.

EPRA Loan-to-Value (LTV)

The nominal value of total bank loans, private placement notes, debenture stock and any net liabilities/assets, net of cash (including our share of joint ventures balances), expressed as a percentage of the market value of the property portfolio (including our share of joint ventures).

Net assets per share or Net Asset Value (NAV)

Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date presented on a diluted and undiluted basis.

Net debt

The book value of the Group's bank and loan facilities, private placement notes and debenture loans plus the nominal value of the convertible bond less cash and cash equivalents.

Net gearing

Total Group borrowings (including the convertible bonds at nominal value) less short-term deposits and cash as a percentage of equity shareholders' funds, calculated in accordance with our bank covenants.

Net initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs.

Net rental income

Gross rental income adjusted for the spreading of lease incentives less expected credit losses for rental income and ground rents.

Non-PIDs

Dividends from profits of the Group's taxable residual business.

PMI

Purchasing Managers Index.

Property costs

Service charge and Fully Managed services income less service charge expenses. Fully Managed services cost, other property expenses and expected credit losses for service charges.

Property Income Distributions (PIDs)

Dividends from profits of the Group's tax-exempt property rental business.

REIT

UK Real Estate Investment Trust.

Glossary (continued)

Rent roll

The annual contracted rental income.

Return on shareholders' equity

The growth in the EPRA diluted net assets per share plus dividends per share for the period expressed as a percentage of the EPRA net assets per share at the beginning of the period.

Reversionary potential

The percentage by which ERV exceeds rent roll on let space.

Topped up initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs and contracted uplifts from tenant incentives.

Total Accounting Return (TAR)

The growth in EPRA NTA per share plus ordinary dividends paid, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total potential future growth

Portfolio rent roll plus the ERV of void space, space under refurbishment and the committed development schemes, expressed as a percentage uplift on the rent roll at the end of the period.

Total Property Return (TPR)

Capital growth in the portfolio plus net rental income derived from holding these properties plus profit on sale of disposals expressed as a percentage return on the period's opening value as calculated by MSCI.

Total Shareholder Return (TSR)

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

Triple net asset value (NNNAV)

NAV adjusted to include the fair value of the Group's financial liabilities and deferred tax on a diluted basis.

True equivalent yield

The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value having taken into account notional purchaser's costs. Assumes rent is received quarterly in advance.

Ungeared IRR

The ungeared internal rate of return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero, without the benefit of financing. The internal rate of return is used to evaluate the attractiveness of a project or investment.

Vacancy rate

The element of a property which is unoccupied but available for letting, expressed as the ERV of the vacant space divided by the ERV of the total portfolio.

Weighted Average Unexpired Lease Term (WAULT)

The Weighted Average Unexpired Lease Term expressed in years.

Whole life surplus

The value of the development at completion, less the value of the land at the point of acquisition and costs to construct (including finance charges, letting fees, void costs and marketing expenses) plus any income earned over the period.

Appendix 1

Despite declines in both interest rates and the rate of inflation, sentiment for the sector remains volatile. Property yields have remained broadly stable, with property values rising for the first time since 2022 due to strong occupational demand. Looking forward, with the UK budget behind us, GDP is expected to deliver modest growth as interest rates are expected to reduce further, but many macro-economic risks remain.

Macro-economic backdrop

- IMF estimates global GDP growth to be stable at 3.2% in both 2024 and 2025.
- UK forecast to grow; 1.5% GDP growth in 2025, or 1.6% p.a. over the next three years, with London expected to outperform the UK as whole at 2.0% in 2025 (Oxford Economics).
- Consumer confidence softened since Summer 2024, back to levels last seen in early 2024.
- Deloitte CFO survey: sentiment among UK CFOs has edged lower but is running at above average levels.
- UK business activity PMI surveys remain greater than 50 and indicate expansion.
- Inflationary risks continue to abate, UK CPI is 1.7% in September 2024.

Occupational markets[1]

- Occupational market active; central London take-up 10.9 million sq ft in year, up 6.0% on the same period last year.
- Central London active demand 7.7 million sq ft, up 2.6% year on year (Knight Frank).
- Availability remains elevated at 24.2 million sq ft, down from 31 March 2024, but remains 31.1% ahead of the ten-year average.
- Space under offer remains high at 4.1 million sq ft, above the ten-year average of 3.5 million sq ft.
- Central London vacancy rate is 8.5% at 30 September 2024; down from 8.8% at 31 March 2024, newly completed vacancy rate at 2.0%.
- Supply remains tight; availability of space newly completed or under construction low, at 34.1% of total stock (8.2 million sq ft).
- Rents for prime spaces to significantly outperform Grade B rents at +18,5% v -3.5% respectively for the West End between 2024 and 2028 (Savills).

The West End

- Office take-up 1.8 million sq ft, marginally down 2.5% on previous six months.
- Availability 6.2 million sq ft, down 1.7%.
- Vacancy 4.7%, no change from 31 March 2024; vacancy of newly completed space only 1.3%.
- Prime office rental values remains stable at £155 per sq ft in period, up 10.7% in year.
- Central London prime retail zone A rents grew by 4.3% in the period.

The City

- Office take-up 2.7 million sq ft, down 12.9% on previous six months.
- Availability 9.6 million sq ft, down 9.2%.
- Vacancy 10.8%, down from 11.8% at 31 March 2024; vacancy of newly completed space only 2.1%.
- Prime office rental values £80 per sq ft, up 3.9% in period.

Investment markets[1]

- Investment market activity remains subdued given heightened interest rate environment.
- Office investment deals £2.0 billion in six months to 30 September 2024, up 3.0% on the previous period.
- We estimate that £4.9 billion of real estate is available in market to buy versus £20.5 billion of equity demand looking to invest.
- Given elevated global interest rates, prime yields remained stable; CBRE reports prime yields of 4.0% and 5.75% for the West End and City respectively.
- Prime retail yields 4.25% Regent Street, 4.5% Oxford Street both stable and Bond Street sharpened by 25 bps to 2.75%.

Near-term outlook[1]

Our markets are cyclical, as a result, we actively monitor numerous lead indicators to help identify key trends in our marketplace. Over the last six months, given reduced levels of inflation and the first of a number of anticipated reductions in interest rates, our property capital value indicators have improved marginally from those we reported in May. Investment market activity remains subdued, with the improved interest rate environment yet to feed into investor confidence. However, September saw a number of high profile properties brought to market suggesting that activity may pick up over the coming months.

In the occupational market, given the scarcity of high quality spaces in central London, particularly in the West End, we expect our leasing and rental performance of the portfolio in the first half of the year to continue, despite signs of weakening business confidence. Accordingly, we have maintained our rental value growth range for the financial year to 31 March 2025 at between 3.0% and 6.0%, prime offices 5.0% to 10.0%.

1. To 30 September 2024 and sourced from CBRE unless otherwise stated.

Appendix 1 continued

Selected lead indicators

Drivers of rents[1]	May 2024	**November 2024**
GDP/GVA growth	🟠	🟠
Business investment	🟠	🟠
Confidence	🟢	🟠
Employment growth	🟠	🟠
Active demand/take-up	🟢	🟢
Vacancy rates	🟢	🟢
Development completions	🟢	🟢
Drivers of yields		
Rental growth	🟢	🟢
Weight of money	🔴	🟠
Gilts	🟢	🟠
BBB Bonds	🟢	🟢
Exchange rates	🟠	🟠
Political risk	🟠	🟠

1. Offices.

Appendix 2

Portfolio performance

		Wholly-owned £m	Joint ventures[1] £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	709.2	–	709.2	28.4	1.7
	Retail	156.3	37.5	193.8	7.8	1.5
	Residential	3.9	–	3.9	0.2	(1.6)
Rest of West End	Office	296.8	239.6	536.4	21.5	2.3
	Retail	192.8	109.5	302.3	12.1	0.6
	Residential	0.7	–	0.7	–	(2.8)
Total West End		**1,359.7**	**386.6**	**1,746.3**	**70.0**	**1.7**
City, Midtown and Southwark	Office	370.1	96.7	466.8	18.7	(0.7)
	Retail	8.0	–	8.0	0.3	2.1
	Residential	–	–	–	–	–
Total City, Midtown and Southwark		378.1	96.7	474.8	19.0	(0.7)
Investment property portfolio		**1,737.8**	**483.3**	**2,221.1**	**89.0**	**1.1**
Development property		275.4	–	275.4	11.0	(2.0)
Total properties held throughout the period		**2,013.2**	**483.3**	**2,496.5**	**100.0**	**0.8**
Acquisitions		–	–	–	–	–
Portfolio valuation		**2,013.2**	**483.3**	**2,496.5**	**100.0**	**0.8**

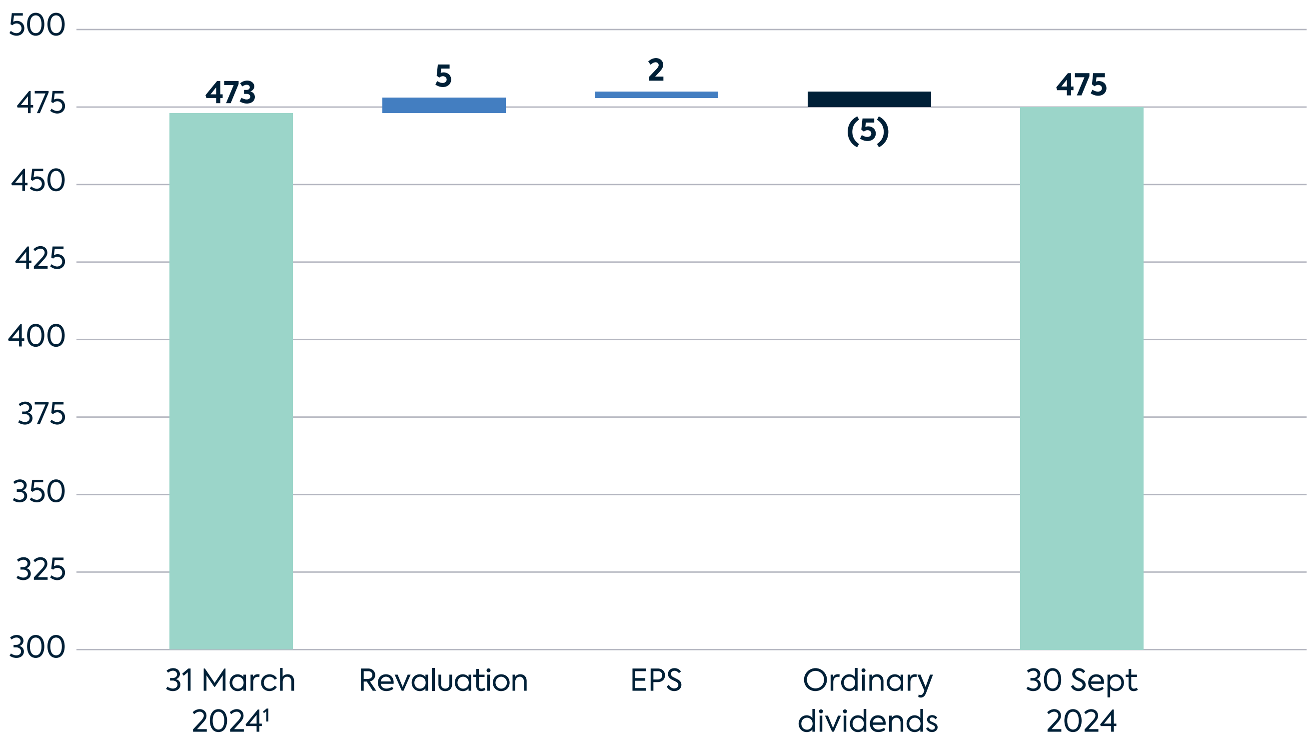
1. GPE share.

Portfolio characteristics

		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		906.9	–	906.9	709.2	193.8	3.9	906.9	763
Rest of West End		839.4	56.1	895.5	588.5	306.3	0.7	895.5	662
Total West End		**1,746.3**	**56.1**	**1,802.4**	**1,297.7**	**500.1**	**4.6**	**1,802.4**	**1,425**
City, Midtown and Southwark		474.8	219.3	694.1	682.7	8.9	2.5	694.1	1,320
Total		**2,221.1**	**275.4**	**2,496.5**	**1,980.4**	**509.0**	**7.1**	**2,496.5**	**2,745**
By use:	Office	1,712.4	268.0	1,980.4					
	Retail	504.1	4.9	509.0					
	Residential	4.6	2.5	7.1					
Total		**2,221.1**	**275.4**	**2,496.5**					
Net internal area sq ft 000's		2,211	534	2,745					

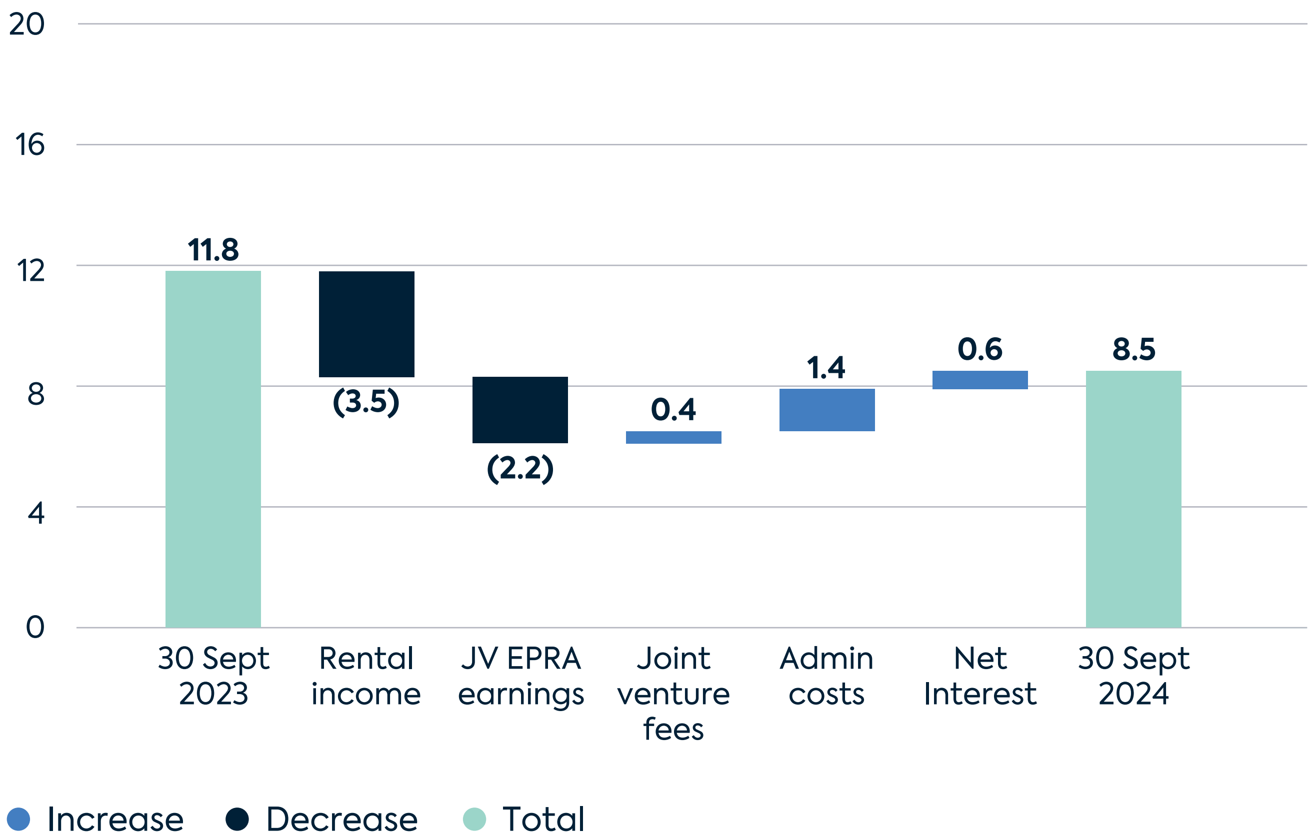
Appendix 3

EPRA NTA pence per share



1. Restated: pro forma for new shares and net proceeds from rights issue.

EPRA earnings £m



Appendix 3 continued

Debt analysis

	September 2024	March 2024
Net debt excluding JVs (£m)[1]	**547.7**	738.0
Net gearing	**28.5%**	46.8%
Total net debt including 50% JV cash balances (£m) [1]	**526.2**	713.5
EPRA LTV	**23.3%**	32.6%
Interest cover	**3.5x**	3.7x
Weighted average interest rate	**5.0%**	4.3%
Weighted average cost of debt	**5.3%**	4.1%
% of drawn debt fixed/hedged	**94%**	87%
Cash and undrawn facilities (£m)	**695.7**	633.4

1. Excludes customer deposits.

Appendix 4

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	32.9	3.1	36.0	–	–	–	36.0
		Retail	8.4	0.8	9.2	3.0	(0.1)	2.9	12.1
	Rest of West End	Office	15.8	2.1	17.9	9.7	1.9	11.6	29.5
		Retail	7.6	0.8	8.4	5.4	0.1	5.5	13.9
	Total West End		**64.7**	**6.8**	**71.5**	**18.1**	**1.9**	**20.0**	**91.5**
	City, Midtown and Southwark	Office	19.8	1.6	21.4	4.3	0.2	4.5	25.9
		Retail	2.9	(0.8)	2.1	–	–	–	2.1
	Total City, Midtown and Southwark		**22.7**	**0.8**	**23.5**	**4.3**	**0.2**	**4.5**	**28.0**
Total let portfolio			**87.4**	**7.6**	**95.0**	**22.4**	**2.1**	**24.5**	**119.5**
Voids (A)					8.8			0.1	8.9
Premises under refurbishment and development					85.8			6.0	91.8
Total portfolio (B)					**189.6**			**30.6**	**220.2**
Vacancy rate % (A/B)					**4.6**			**0.3**	**4.0**

EPRA vacancy

	Wholly-owned £m	Joint ventures £m	Total £m
Voids and premises under refurbishment excluding development (A)	45.7	6.2	51.9
Total portfolio	**189.6**	**30.6**	**220.2**
Less: premises under development	(48.8)	–	(48.8)
Total (B)	140.8	30.6	171.4
EPRA vacancy rate % (A/B)	**32.5**	**20.3**	**30.3**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Void %	Rent roll secure for five years %	Weighted average lease length Years	Void %
London	North of Oxford Street	Office	27.4	4.0	10.3	–	–	–
		Retail	40.6	5.1	1.1	24.9	5.0	–
	Rest of West End	Office	0.6	1.4	2.3	89.1	10.8	–
		Retail	29.5	5.1	0.7	21.5	4.6	–
	Total West End		**22.8**	**3.6**	**5.6**	**58.3**	**8.0**	–
	City, Midtown and Southwark	Office	16.6	2.4	3.1	–	1.5	1.3
		Retail	10.7	1.6	–	–	–	–
	Total City, Midtown and Southwark		**15.8**	**2.3**	**3.1**	**–**	**1.5**	1.3
Total portfolio			**21.0**	**3.3**	**4.6**	**47.1**	**6.7**	0.4

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	87	104	–	–	3.6	5.4	–	–
		Retail	66	68	81	81	4.1	5.4	0.7	5.7
	Rest of West End	Office	126	150	116	139	3.4	5.6	3.6	4.7
		Retail	97	112	111	113	2.9	5.0	4.2	4.3
	Total West End		**92**	**108**	**107**	**113**	**3.5**	**5.4**	**3.5**	**4.7**
	City, Midtown and Southwark	Office	69	85	46	58	4.1	5.6	3.4	6.1
		Retail	42	29	–	–	3.9	5.0	–	–
	Total City, Midtown and Southwark		**64**	**77**	**46**	**58**	**4.1**	**5.6**	**3.4**	**6.1**
Total portfolio			**82**	**93**	**85**	**87**	**3.7**	**5.5**	**3.5**	**5.1**