

2022 ANNUAL GENERAL MEETING

QUESTIONS AND ANSWERS

We held our 2022 Annual General Meeting on 28 November 2022. The Board regards the AGM as an important opportunity to engage with shareholders and therefore encouraged them to submit questions before the AGM if they were unable to attend in-person. The questions received and our responses can be found below.

Question:

As an investor I was interested by the comment on page 6 of the ARA, saying the run rate EPRA EPS almost covered the dividend by year end. Can I take it that that will mean a dividend of 4p will be fully covered in this financial year?

Answer:

EPS for FY23 are expected to almost cover the dividend but are expected to cover the dividend on a run-rate basis before the end of FY23.

Question:

I was not clear how rent reviews take place – is it annual or are rents only amended on new / re-lets?

Answer:

Rent reviews are undertaken annually. For incumbent tenants a new fixed term is agreed (usually 12 months) along with a rent review, which is conservative in order to achieve growth for shareholders whilst not creating undue financial distress to tenants. When a property is re-let, that is when a former tenant moves out and the property is remarketed, a full market rent review is undertaken which at the September trading update was c. 10%. The portfolio average growth to the same point on stabilised assets was 5.1%.

Question:

I did note the equity raise in September 2021. I do not think I was invited to take part (although as I own my shares via a nominee, that may have been a problem). Can the board please allow all shareholders to participate in non-urgent fund raises via the mechanism of a placing & open offer? I appreciate rights issues are very time consuming and expensive, but the open offer mechanism is neither and allows all shareholders to participate.

Answer:

We're sorry you were unable to take part in this fundraise. Please note that in conjunction with the placing we launched a retail offer through the PrimaryBid platform to accommodate smaller and retail investors such as yourself, which we (along with many other listed companies) generally find to be the most efficient and effective way of allowing our smaller investors to take part. This was announced to the market at the same time as the placing. The fact that your shares are held via a nominee may explain why you were unaware of it. We take on board your feedback and going forward will look to incorporate open offers into issues where it is appropriate to do so, however in this particular case the PrimaryBid platform was considered the most effective means of including a retail offer within the short timeframe of the issue.

Question:

I was very interested in the "rental affordability ratio" information presented on pages 2 & 5. This appears to be very good news and is strongly desirable, but can you please clarify, is this calculated with reference to our tenants' income, or is it calculated with respect to average household income in the areas where we operate?

Answer:

We use data from the referencing process to calculate this ratio. The income data is taken from the application and reflects the income of all tenants named on the lease, against rents payable, as such can be regarded as household income.