Appendices

as at 31 March 2021

Landsec

Contents

Sustainability leadership

Demonstrated by our performance across all key ESG benchmarks

Benchmark	Latest performance
GRESB ★★★★★ 2020	**GRESB 2020** Real Estate Sector leader – 5-star rated entity Regional Listed Sector Leader for Europe within Diversified – Office/Retail (score 85%) Global Listed Development Sector Leader for Office (score 94%)
CDP DISCLOSURE INSIGHT ACTION A LIST 2020 CLIMATE	**CDP 2020** A-list (top 2.8%) for the fourth consecutive year Inclusion on the 2020 Supplier Engagement Leaderboard (top 7%)
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA Sustainability Award Silver Class 2021 S&P Global	**DJSI 2020** Score 85/top 99th percentile European Real Estate leader, ranking 4th globally Silver Class distinction in the S&P Global Sustainability Awards

Benchmark	Latest performance
ecoact	**Ecoact 2020** Ranked 3rd amongst FTSE 100 companies for our sustainability reporting and climate-related strategy (ranked 5th in 2019)
EPRA sBPR GOLD	**EPRA 2020** Received our 7th Gold Award for best practice sustainability reporting
FTSE4Good	**FTSE4Good 2020** 94th percentile. We continue to retain our established position in the FTSE4Good Index
Corporate ESG Performance Prime RATED BY ISS ESG	**ISS ESG 2020** Prime status. Rating C+. Decile rank 1/transparency level: very high
MSCI	**MSCI ESG Rating 2020** A rating
SUSTAINALYTICS a Morningstar company	**Sustainalytics ESG Risk Rating 2020** 10.9 (low risk)/ranking 32 out of 951 companies in the real estate industry
WDi Workforce Disclosure Initiative 2020 AWARD WINNER	**Workforce Disclosure Initiative 2020** WDI Award for most complete disclosure

Our sustainability programme

Ambitious commitments split into three core areas

Achieved
On track
Not achieved

Creating jobs and opportunities

Social value

Create £25m of social value through our community programmes by 2025

This year we've created over £6.5m of social value. Over £11m of social value created since commitment set in 2019/20

Fairness

By 2020, ensure everyone working on our behalf, in an environment we control, is given equal opportunities, protected from discrimination and paid at least the Real Living Wage

We continue to pay the Real Living Wage to all our direct employees and partners across our offices portfolio but, as a result of Covid-19 impact to retail sector, we have not met our commitment across our retail portfolio

Diversity

Make measurable improvements to the profile – in terms of gender, ethnicity and disability – of our employee mix

52% of our employees are female and ethnic minority representation is 17%, exceeding our targets of 50% and 14% respectively. Our female representation is 31% at leader level and 38% at senior leader level. Our ethnic minority representation is 8% at leader and 6% at senior leader level

Health , safety & security

Maintain an exceptional standard of health, safety and security in all the working environments we control

To establish and maintain Covid-secure destinations and workplaces we launched a taskforce to assess the impact of the virus on our operations, to interpret government guidance, and co-ordinate the rollout of new ways of working. We continue to enhance fire safety across the business and ensure we meet new government initiatives and legislation

Efficient use of natural resources

Carbon

Reduce carbon emissions by 70% by 2030 compared with a 2013/14 baseline, for property under our management for at least two years

Reduced carbon emissions by 55%(1) since 2013/14

Renewables

Ensure 100% of our electricity supplies through our corporate contract are from REGO-backed renewable sources and achieve 3MW of renewable electricity capacity by 2030

We continue to procure 100% renewable across our portfolio

Our on-site renewable electricity capacity is 1.4 MW

Energy

Reduce energy intensity by 40% by 2030 compared with a 2013/14 baseline, for property under our management for at least two years

We have reduced energy intensity by 43%(1) compared with 2013/14

Waste

Send zero waste to landfill and at least 75% waste recycled across all our operational activities by 2020

We continue to divert 100% from landfill across our operational activities

Recycled 65%(1) of operational waste

Sustainable design and innovation

Resilience

Assess and mitigate physical and financial climate change adaptation risks that are material across our portfolio

Continue to assess climate risks to inform our approach to managing these risks across our portfolio, including new developments

Materials

Source core construction products and materials from ethical and sustainable sources

All our developments are targeting 100% of our core construction materials with responsible sourcing certification and from the UK and Europe

Biodiversity

Maximise the biodiversity potential of all our development sites and achieve a 25% biodiversity net gain across our five sites with the greatest potential by 2030

Continue to enhance biodiversity net gain at our five operational sites and on track to deliver significant net gain on our developments

Wellbeing

Ensure our buildings are designed and managed to maximise wellbeing and productivity

Pursuing the WELL Portfolio Programme across our offices portfolio and all developments are pre-assessed against WELL Core rating

(1) Energy, carbon and waste management performance have been significantly impacted by Covid-19

Our portfolio

Sustainability performance of our assets

— 55% reduction in carbon emissions (tCO_2e) compared with 2013/14 baseline

— 43% reduction in energy intensity (kWh/m^2) compared with 2013/14 baseline

— Zero waste sent to landfill with 65% of waste recycled

— 44% BREEAM certified by portfolio floor area

Outstanding	Excellent	Very good	Good/pass
0.5%	41.3%	52.6%	5.6%

— In 2020/21, created over £6.5m social value by creating opportunities and engaging with local communities across our assets, supporting over 120 people into work.

— New developments to be net zero: The Forge, SE1, Timber Square, SE1 and Portland House, SW1

The Forge, SE1

Progressing our net zero strategy

	2020/21 update
Reduce operational energy use Reduce operational energy use in support of our science-based carbon reduction target, aligned with a 1.5°C scenario	In 2020/21, we reduced carbon emissions by 55% and energy intensity by 43% since 2013/14 baseline. Investment in a comprehensive energy and carbon reduction programme has been approved across our portfolio, including customer engagement on energy efficiency, BMS optimisation and low carbon heating feasibility studies (e.g. ASHP).
Invest in renewable energy Invest in renewable energy through REGO-backed contracts and Power Purchase Agreements and implement on-site renewable across our assets	We continue to procure 100% renewable electricity. Exploring opportunities to move our procurement towards direct purchasing from renewable projects through Power Purchase Agreements (PPAs). Our current on-site renewable electricity capacity is 1.4 MW. PV feasibility studies to be further explored with portfolio teams.
Use an internal price of carbon Use an internal shadow price of carbon to clearly communicate climate-related risks and opportunities in investment decisions	We've set an internal shadow price of carbon at £80 per tCO_2e to help us consider the cost of carbon emissions in our investment decisions. We continue working to ensure that the internal carbon price is widely adopted across teams as part of investment decisions.
Reduce construction impacts Reduce construction impacts through asset retention, efficient design and responsible sourcing	Through our sustainability brief for developments, we set out our requirements on reducing carbon emissions when designing our buildings. Across our current development pipeline, we're reducing embodied carbon by 15.6% compared with concept design stage. For instance, at Timber Square, SE1, low carbon design based on a hybrid engineered timber structure is leading to a further 15% reduction of embodied carbon on a design already c.50% lower than a typical new build.
Offset remaining carbon Offset remaining emissions through carefully selected projects which actively take carbon out of the atmosphere	We are purchasing our first carbon offsets for the remaining unavoidable emissions from The Forge, SE1, our first net zero carbon building. The selected offsets are certified to Verified Carbon Standard (VCS) and Climate, Community and Biodiversity (CCB) Standards.

Top 10 assets by value

As at 31 March 2021

Name	Ownership interest	Floor area	Rental income(1)	Let by income	Weighted average unexpired lease term
	%	Sq ft (000)	£m	%	Years
New Street Square, EC4	100	Office: 932 Retail: 23	54	100	7.8
Cardinal Place, SW1	100	Office: 459 Retail: 53	28	98	4.3
21 Moorfields, EC2	100	Office: 564(2)	Development in progress	100(3)	25.0
One New Change, EC4	100	Office: 348 Retail: 204	24	89	5.2
Nova, SW1	50	Office: 480 Retail: 75	19	100	9.2
Queen Anne's Mansions, SW1	100	Office: 354	35	100	5.8
Gunwharf Quays, Portsmouth	100	Retail: 555	20	96	3.8
62 Buckingham Gate, SW1	100	Office: 261 Retail: 16	19	100	4.0
Piccadilly Lights, W1	100	n/a	11	n/a	n/a
The Zig Zag Building, SW1	100	Office: 192 Retail: 44	17	100	9.7

Aggregate value of top 10 assets: £5.2bn (48% of Combined Portfolio)

(1) Landsec share. Annualised net rent is annual cash rent, after the deduction of rent payable, as at the balance sheet date

(2) Development area

(3) Pre-let to Deutsche Bank

Valuation movements

As at 31 March 2021

	Market value 31 March 2021	Valuation change	Rental value change[1]	Net initial yield	Equivalent yield	Movement in equivalent yield
	£m	%	%	%	%	bps
Offices	5,194	-4.3	-1.9	4.4	4.6	3
London retail	623	-26.7	-25.2	4.4	4.5	26
Other central London	420	-1.2	n/a	2.6	4.4	6
Regional shopping centres and shops	1,041	-38.2	-21.5	7.9	7.6	140
Outlets	722	-18.5	-3.8	5.3	6.8	91
Urban opportunities	360	-23.4	-11.0	5.6	5.9	73
Leisure	483	-22.9	-7.1	6.9	7.6	118
Hotels	406	-13.4	-17.2	3.3	5.5	34
Retail parks	397	-10.1	-8.1	7.4	7.6	15
Total like-for-like portfolio	**9,646**	**-14.8**	**-9.1**	**5.0**	**5.5**	**29**
Proposed developments	286	-12.4	n/a	-	n/a	n/a
Development programme	713	-0.2	n/a	-	4.3	n/a
Acquisitions	146	-5.4	n/a	3.3	5.4	n/a
Total Combined Portfolio	**10,791**	**-13.7**	**-9.1**	**4.5**	**5.4**	**29**
Offices	6,268	-4.1		3.7		
London retail	659	-26.0		4.3		
Other central London	420	-1.0		2.6		
Regional shopping centres and shops	1,041	-38.2		7.9		
Outlets	722	-18.5		5.3		
Urban opportunities	372	-23.3		5.6		
Leisure	506	-23.0		6.9		
Hotels	406	-13.4		3.3		
Retail parks	397	-10.1		7.4		
Total Combined Portfolio	**10,791**	**-13.7**		**4.5**		

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

Yields

Like-for-like portfolio

	31 March 2021			31 March 2020	
	Net initial yield	Equivalent yield	Topped-up net initial yield(1)	Net initial yield	Equivalent yield
	%	%	%	%	%
Offices	4.4	4.6	4.6	4.4	4.6
London retail	4.4	4.5	4.8	4.5	4.3
Other central London	2.6	4.4	2.6	3.4	4.3
Regional shopping centres and shops	7.9	7.6	8.5	6.4	6.2
Outlets	5.3	6.8	6.4	5.6	5.9
Urban opportunities	5.6	5.9	5.9	4.9	5.2
Leisure	6.9	7.6	7.0	5.8	6.4
Hotels	3.3	5.5	3.3	2.3	5.2
Retail parks	7.4	7.6	7.8	7.6	7.4
TOTAL LIKE-FOR-LIKE PORTFOLIO	**5.0**	**5.5**	**5.3**	**4.9**	**5.2**

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

Rental and capital value trends

Like-for-like portfolio

Like-for-like portfolio value at 31 March 2021: £9,646m

Rental value change / Valuation change

	Six months ended 30.09.20		Six months ended 31.03.21		Year ended 31.03.21	
	Rental value change %	Valuation change %	Rental value change %	Valuation change %	Rental value change %	Valuation change %
Central London	-2.7	-3.8	-1.9	-3.3	-4.6	-7.1
Regional retail	-10.1	-16.4	-5.6	-15.0	-15.7	-31.4
Urban opportunities	-5.8	-9.8	-5.2	-13.6	-11.0	-23.4
Subscale sectors	-7.1	-12.2	-3.1	-4.0	-10.2	-16.2
TOTAL LFL PORTFOLIO	**-5.8**	**-8.2**	**-3.3**	**-6.6**	**-9.1**	**-14.8**
Central London – offices	-1.0	-2.0	-0.9	-2.3	-1.9	-4.3
Retail(1)	-10.0	-14.8	-5.6	-12.8	-15.6	-27.6

(1) Retail is London retail, regional shopping centres and shops, outlets, Urban opportunities (excluding Great North Leisure Park) and retail parks

Rental and capital value trends

Central London like-for-like portfolio

Central London like-for-like portfolio value at 31 March 2021: £6,237m

■ Rental value change ■ Valuation change

		Six months ended 30.09.20	Six months ended 31.03.21	Year ended 31.03.21
		%	%	%
Offices	Rental value change	-1.0	-0.9	-1.9
	Valuation change	-2.0	-2.3	-4.3
London retail	Rental value change	-16.5	-8.7	-25.2
	Valuation change	-16.5	-10.2	-26.7
Other central London	Rental value change	-	-	-
	Valuation change	-0.1	-1.1	-1.2
Central London	Rental value change	**-2.7**	**-1.9**	**-4.6**
	Valuation change	**-3.8**	**-3.3**	**-7.1**

Rental and capital value trends

Regional retail and Urban opportunities like-for-like portfolios

Regional retail and Urban opportunities like-for-like portfolio value at 31 March 2021: £2,123m

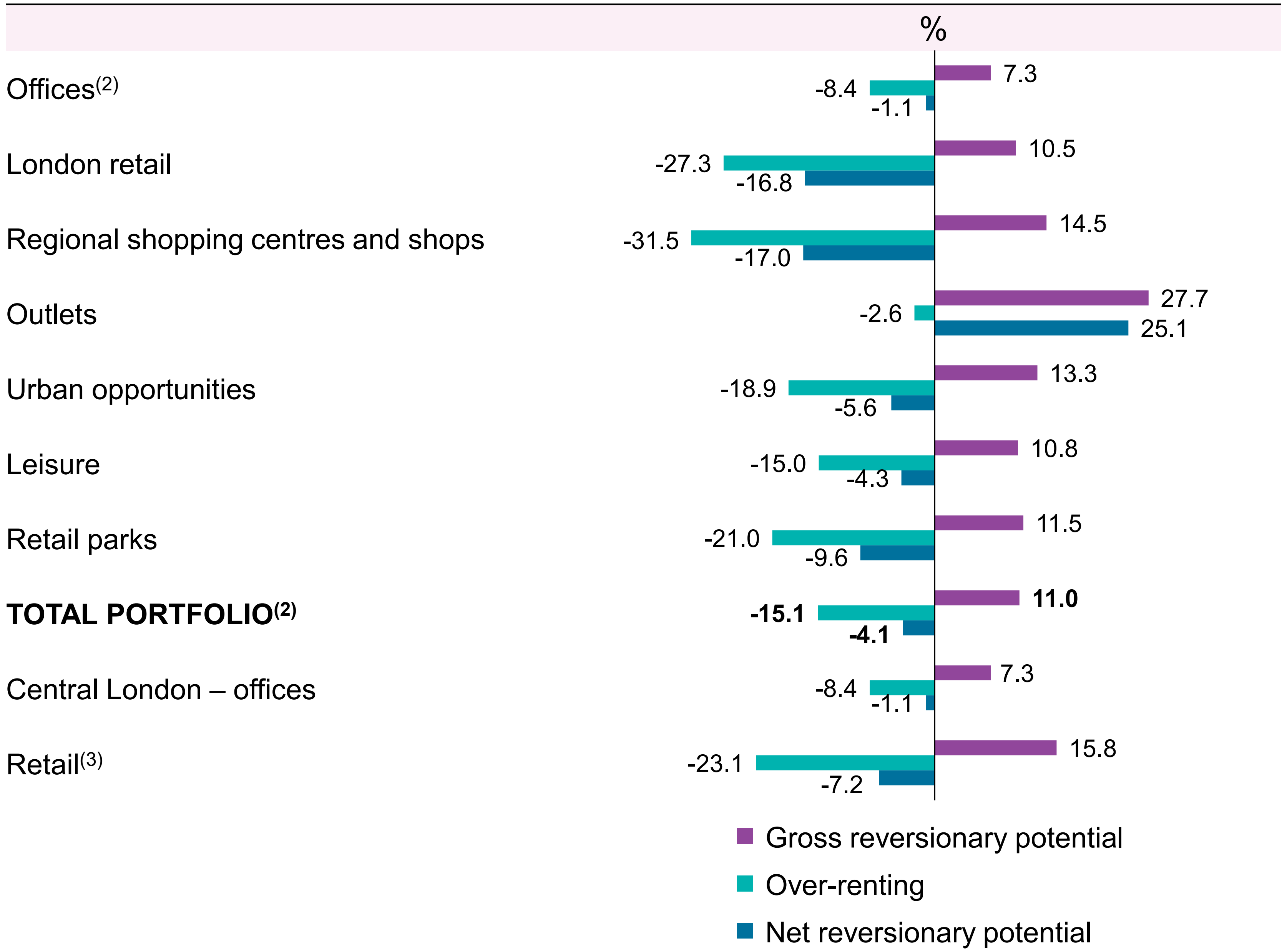
Rental value change | Valuation change

	Six months ended 30.09.20		Six months ended 31.03.21		Year ended 31.03.21	
	Rental value change %	Valuation change %	Rental value change %	Valuation change %	Rental value change %	Valuation change %
Regional shopping centres and shops	-14.4	-20.4	-7.1	-17.8	-21.5	-38.2
Outlets	-1.3	-8.8	-2.5	-9.7	-3.8	-18.5
Regional retail	**-10.1**	**-16.4**	**-5.6**	**-15.0**	**-15.7**	**-31.4**
Urban opportunities	**-5.8**	**-9.8**	**-5.2**	**-13.6**	**-11.0**	**-23.4**

Reversionary potential
Like-for-like portfolio

Net reversionary potential(1)

Reversionary potential(1) at 31 March 2021



(1) Excludes voids and rent free periods

(2) As at 31 March 2021, Queen Anne's Mansions (QAM), SW1 accounted for 90% of the offices like-for-like over-renting. Excluding QAM, the offices segment and Combined Portfolio would be 7.4% and -0.7% net reversionary, respectively

(3) Retail is London retail, regional shopping centres and shops, outlets, Urban opportunities (excluding Great North Leisure Park) and retail parks

Net rental income(1)

	Central London			Regional retail			Urban opportunities			Subscale sectors			Combined Portfolio		
	31 March 2021	31 March 2020	Change	**31 March 2021**	31 March 2020	Change	**31 March 2021**	31 March 2020	Change	**31 March 2021**	31 March 2020	Change	**31 March 2021**	31 March 2020	Change
	£m	£m	£m	**£m**	£m	£m	**£m**	£m	£m	**£m**	£m	£m	**£m**	£m	£m
Like-for-like investment properties	**274**	281	(7)	**137**	166	(29)	**21**	24	(3)	**71**	103	(32)	**503**	574	(71)
Proposed developments	**-**	9	(9)	**-**	-	-	**-**	-	-	**-**	-	-	**-**	9	(9)
Development programme	**-**	(1)	1	**-**	-	-	**-**	-	-	**-**	-	-	**-**	(1)	1
Completed developments	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Acquisitions since 1 April 2019	**1**	-	1	**-**	-	-	**1**	1	-	**1**	-	1	**3**	1	2
Sales since 1 April 2019	**16**	23	(7)	**-**	-	-	**-**	-	-	**-**	2	(2)	**16**	25	(9)
Non-property related income	**6**	3	3	**4**	5	(1)	**-**	-	-	**-**	-	-	**10**	8	2
Bad and doubtful debts expense	**(17)**	(5)	(12)	**(69)**	(18)	(51)	**(10)**	(3)	(7)	**(31)**	(7)	(24)	**(127)**	(33)	(94)
Net rental income	**280**	310	(30)	**72**	153	(81)	**12**	22	(10)	**41**	98	(57)	**405**	583	(178)

(1) On a proportionate basis

Rent reviews and lease expiries and breaks[1]

Central London excluding developments

	Outstanding	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review	57	42	34	23	4	5	**165**
Adjusted ERV[2]	53	42	33	23	4	5	**160**
Over-renting[3]	(4)	(2)	(2)	-	-	-	**(8)**
Gross reversion under lease provisions	**-**	**2**	**1**	**-**	**-**	**-**	**3**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks[4]	10	31	25	16	40	**122**
ERV	11	33	25	16	41	**126**
Potential rent change	**1**	**2**	**-**	**-**	**1**	**4**
Total reversion from rent reviews and expiries or breaks						**7**
Voids and tenants in administration[5]						12
Total						**19**

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2026
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Excludes tenants in administration where the administrator continues to pay rent

Rent reviews and lease expiries and breaks[1]

Regional retail excluding developments

	Outstanding	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review[2]	41	25	11	4	1	0	**82**
Adjusted ERV[3]	39	23	9	4	1	1	**77**
Over-renting[4]	(8)	(5)	(3)	(1)	-	-	**(17)**
Gross reversion under lease provisions	**6**	**3**	**1**	**1**	**-**	**1**	**12**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks[5]	19	21	17	11	9	**77**
ERV	20	15	13	8	7	**63**
Potential rent change	**1**	**(6)**	**(4)**	**(3)**	**(2)**	**(14)**
Total reversion from rent reviews and expiries or breaks						**(2)**
Voids and tenants in administration[6]						18
Total						**16**

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Annualised rents have been reduced to reflect the impact of Covid-19 on turnover related rent, which has driven an increase in reversionary potential across Regional retail
(3) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2026
(4) Not crystallised at rent review because of upward only rent review provisions
(5) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(6) Excludes tenants in administration where the administrator continues to pay rent

Rent reviews and lease expiries and breaks(1)
Urban opportunities excluding developments

	Outstanding	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review	6	1	2	3	-	-	**12**
Adjusted ERV(2)	5	1	1	3	-	-	**10**
Over-renting(3)	(2)	-	(1)	-	-	-	**(3)**
Gross reversion under lease provisions	**1**	**-**	**-**	**-**	**-**	**-**	**1**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks(4)	4	2	4	1	1	**12**
ERV	3	2	4	1	1	**11**
Potential rent change	**(1)**	**-**	**-**	**-**	**-**	**(1)**
Total reversion from rent reviews and expiries or breaks						**-**
Voids and tenants in administration(5)						1
Total						**1**

(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2026
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Excludes tenants in administration where the administrator continues to pay rent

Rent reviews and lease expiries and breaks[1]

Subscale sectors excluding developments

	Outstanding	2021/22	2022/23	2024/25	2025/26	2023/24	Total to 2026
	£m	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to review	29	5	5	7	5	2	**53**
Adjusted ERV[2]	26	4	4	6	5	2	**47**
Over-renting[3]	(4)	(1)	(1)	(1)	(1)	-	**(8)**
Gross reversion under lease provisions	**1**	**-**	**-**	**-**	**1**	**-**	**2**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total to 2026
	£m	£m	£m	£m	£m	£m
Rents passing from leases subject to expiries or breaks[4]	3	4	7	12	7	**33**
ERV	3	3	5	10	6	**27**
Potential rent change	**-**	**(1)**	**(2)**	**(2)**	**(1)**	**(6)**
Total reversion from rent reviews and expiries or breaks						**(4)**
Voids and tenants in administration[5]						4
Total						**0**

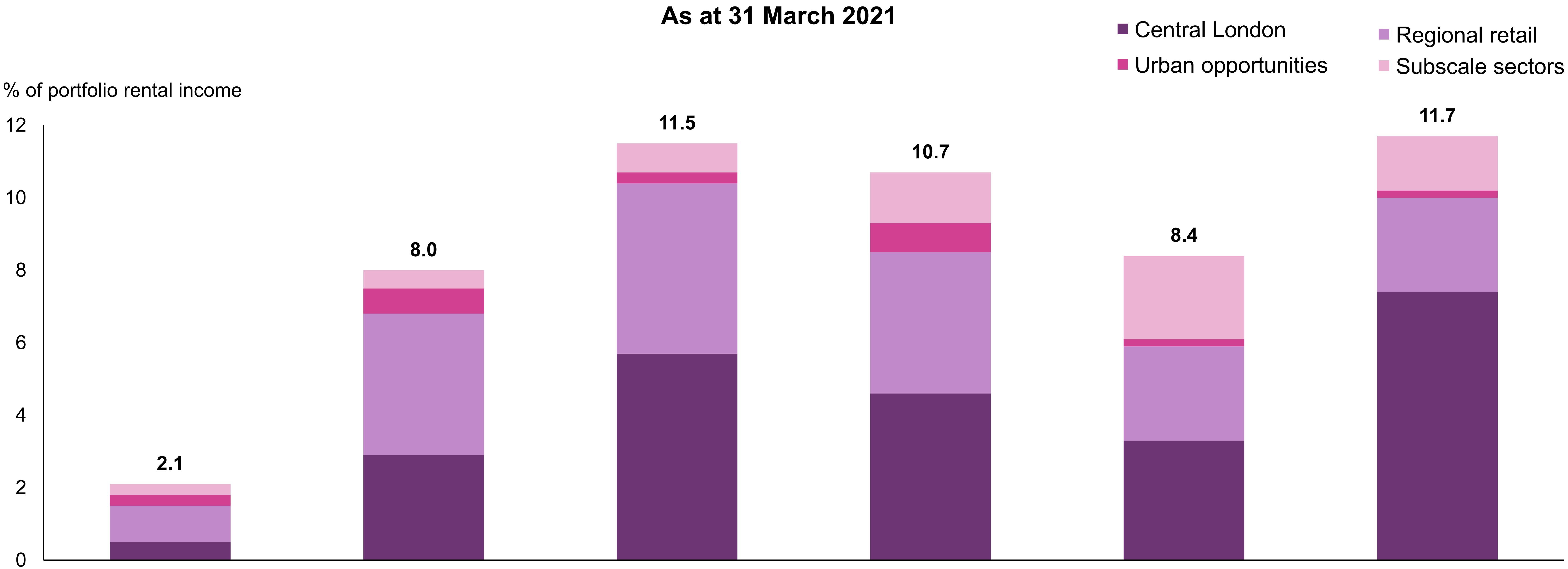
(1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates
(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2026
(3) Not crystallised at rent review because of upward only rent review provisions
(4) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date
(5) Excludes tenants in administration where the administrator continues to pay rent

Reconciliation of cash rents and P&L rents to ERV

	Central London	Regional retail	Urban opportunities	Subscale sectors	Total
	£m	£m	£m	£m	£m
Annualised rental income (accounting basis)	**286**	**137**	**25**	**78**	**526**
Ground rent and lease incentive adjustments	15	(2)	-	-	13
Annualised net rent (cash basis)	**301**	**135**	**25**	**78**	**539**
Additional cash rent from unexpired rent free periods	9	2	1	2	14
Gross reversion from rent reviews in next five years	3	12	1	2	18
Net reversion on breaks and expiries in the next five years	4	(14)	(1)	(6)	(17)
Net reversion from rent reviews, breaks and expiries outside of the next five years	(18)	(11)	(2)	(4)	(35)
Development programme	74	-	-	-	74
Proposed developments[1]	-	-	-	-	-
Voids and tenants in administration[2]	12	18	1	4	35
Short-term income	9	14	2	23	48
Other	3	-	-	-	3
Net ERV	**397**	**156**	**27**	**99**	**679**
Ground rents payable	6	7	-	1	14
Gross ERV	**403**	**163**	**27**	**100**	**693**

(1) Proposed development ERVs represent the existing value in use rather than the proposed scheme ERV
(2) Excludes tenants in administration where the administrator continues to pay rent

Combined Portfolio – lease maturities (expiries and break clauses)
Excluding development programme



	Holding over/2021	2022	2023	2024	2025	2026
Central London – offices	0.1	2.4	5.1	3.9	2.2	6.2
Retail(1)	1.8	5.5	5.9	6.6	5.1	4.7

(1) Retail is London retail, regional shopping centres and shops, outlets, Urban opportunities (excluding Great North Leisure Park) and retail parks

Retail sales and footfall

(Outlets, Regional shopping centres and Urban opportunities)

Footfall and sales growth/decline (52 weeks to 4 April 2021 vs 52 weeks to 5 April 2020)

Landsec	52 weeks to 4 April 2021	July – October (post re-opening)	Benchmarks	52 weeks to 4 April 2021	July – October (post re-opening)	
Footfall	-61.9%	-39.7%	UK footfall[1]	-58.2%	-39.4%	
Same centre sales[2]	-57.8%	-27.7%	BRC non-food in-store total[3]	-29.2%	-11.9%	Sales benchmarks include retail parks, which have benefitted above other asset types during the pandemic.
Same centre sales excluding automotive	-57.5%	-26.3%				
Same store sales[5]	-24.7%	-21.4%	BRC non-food in-store LFL[3]	-11.1%	-9.3%	Sales benchmarks include pandemic successful categories that are marginal in Landsec's tenant mix, e.g. furniture.
Same store sales excluding automotive	-25.8%	-20.0%				
			BRC non-food all retail[4]	-2.3%	3.6%	

Source: Landsec, unless specified below, data is exclusive of VAT and for the 52-week figures above, based on over 1,700 tenancies where the occupiers provide Landsec with turnover data
(1a) ShopperTrak UK national benchmark, (1b) ShopperTrak Malls and Outlets index based on more than 300 UK Malls
(2) Landsec same centre total sales. Based on all store sales and takes into account new stores, new space and lost sales through lockdown
(3) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of quarterly non-food retail sales growth for physical i.e. bricks and mortar stores only (does not include online sales)
(4) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of quarterly non-food retail sales growth including online sales
(5) Landsec same store/same tenant like-for-like sales only includes sales for tenants that were open and trading throughout the period

Top retail and leisure occupiers by percentage of Group rent

Brand	Status	Number of units	Group rent
Cineworld		13	2.1%
Boots		21	1.9%
Sainsbury's		13	1.6%
M&S[1]		14	1.2%
H&M		16	1.1%
Vue		6	1.1%
Next		13	1.1%
Primark		7	0.9%
Tesco		8	0.9%
Gap		13	0.7%
Nando's		21	0.6%
Superdrug/Perfume Shop		20	0.6%
Curry's/PC World		8	0.6%
John Lewis Partnership[2]		7	0.6%
Barclays		6	0.5%
River Island		7	0.5%
J C Decaux		20	0.5%
The Restaurant Group[3]	CVA	26	0.5%
VF Corporation		18	0.4%
Superdry		7	0.4%
Odeon		4	0.4%
Signet Group		16	0.4%
Gartler SL		8	0.4%
Snozone		3	0.4%
Costa Coffee		24	0.4%
Morrison's		3	0.4%
Hollywood Bowl		7	0.4%
JD Sports		9	0.4%
TK Maxx/Homesense		7	0.4%
Lloyds Banking Group		7	0.3%

(1) Includes M&S Simply Food store
(2) Includes Waitrose & Partners Stores
(3) Includes Wagamama who are not party to the current CVA. Chiquitos no longer trading.

Company voluntary arrangements (CVA)

Voting rights

— Creditors are entitled to vote for the full amount of their outstanding debt as at the date of the creditors meeting

— A landlord's claim will comprise of amounts due for:

  — Arrears of rent, service charges and insurance – admitted at 100% of the outstanding value

  — Future rent, service charge and insurance up to the earlier of the first lease break or contractual end of the lease; and

  — An amount in respect of dilapidations

  — As the future occupational costs and dilapidations are an unliquidated claim and cannot be substantiated by the chairman of the creditors meeting, to enable them to be admitted for a "meaningful" vote, these are generally subject to a 75% discount

Landlord lease categories

— The company proposing the CVA will employ a property agent to assist it in grouping the leases into different categories which form the basis of the varying degrees of rental compromises across its leasehold portfolio

— A typical CVA will have four categories, these being the following:

  — Category 1 – The most profitable stores (and their core portfolio) which require no rental reduction

  — Category 2 – Marginal stores that only require a small rental reduction (normally 25% of current passing rent) for them to return to profit

  — Category 3 – Stores that with a larger reduction in rent (normally 50% of current passing rent) will return to profitability

  — Category 4 – Stores that even with a large rent reduction will not return to profitability and therefore will close

— Following the end of the compromise period those leases that have been subject to a rental reduction under the terms of the CVA will have their annual rent reset to the higher of the compromise rent or the market rent at that time

CVA/administration exposure by occupier

As at 31 March 2021

Brand	Status	Number of units trading	Group rent
Clarks	CVA	13	0.2%
Travelodge	CVA	3	0.2%
Azzurri	Administration	14	0.2%
The Restaurant Group	CVA[1]	21	0.2%
Victoria's Secret	Administration	6	0.1%
Carpetright	CVA	3	0.1%
Casual Dining Group	Administration	19	0.1%
Homebase Ltd	CVA	1	0.1%
Pizza Express	CVA	14	0.1%
BMB Clothing	CVA	7	0.1%
Leon	CVA	3	0.1%
Eden	Administration	1	0.1%

Brand	Status	Number of units trading	Group rent
Gala Bingo	CVA	2	0.1%
Moss Bros	CVA	10	0.1%
Côte	Administration	1	0.1%
Pizza Hut	CVA	21	0.1%
Wasabi	CVA	8	0.1%
Carluccio's	Administration	5	<0.1%
Quiz	Administration	1	<0.1%
Yo! Sushi	CVA	4	<0.1%
Hotter	CVA	2	<0.1%
All Saints	CVA	5	<0.1%
Others	CVA/administration	56	0.3%
Units trading in CVA/administration		**220**	**2.4%**

(1) Excludes Wagamama who are not party to the current CVA. Chiquitos, no longer trading.

Summary of retail and leisure units in CVA/administration

Analysis by annualised rental income (ARI)

Year ended 31 March 2021

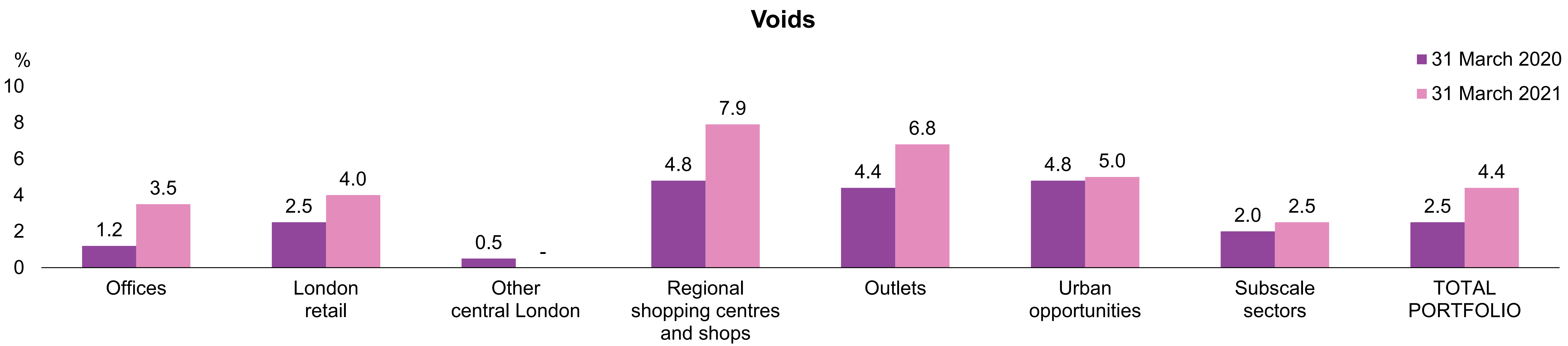
New events in period		ARI entering CVA/administration in the year	% of Group ARI as at 31.03.21	Reduction in ARI from CVA/administrations in the year	ARI after impact of CVA/administrations in the year	Number of units impacted	Number of units trading as at 31.03.21	ARI of units trading under CVA/administrations as at 31.03.21
H1	Administration	15.6	2.4%	(11.8)	3.8	138	50	3.1
	CVA	15.5	2.4%	(10.9)	4.6	143	95	4.6
H2	Administration	4.7	0.7%	(3.6)	1.1	26	5	0.3
	CVA	5.3	0.8%	(2.9)	2.4	53	41	2.4
		41.1	**6.3%**	**(29.2)**	**11.9**	**360**	**191**	**10.4**

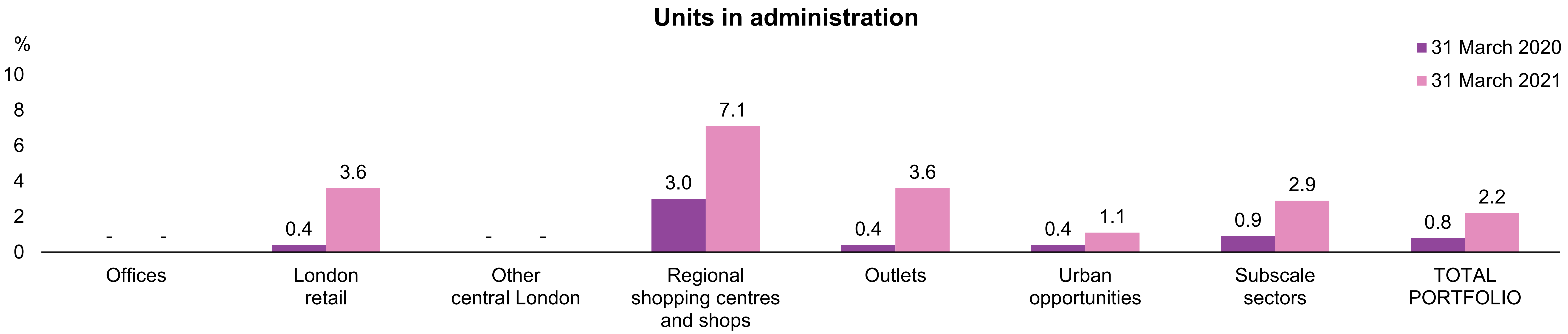
As at 31 March 2021

Total CVAs/administrations		Total ARI in CVA/administration as at 31.03.21	Units	% of Group rent	Number of lettings agreed on units previously in CVA/administration
Year ended 31.03.21	Administration	3.4	55	0.7%	19
	CVA	7.0	136	1.3%	5
Pre 31.03.20	Administration	0.6	17	0.1%	11
	CVA	1.8	12	0.3%	0
		12.8	**220**	**2.4%**	**35**

Voids and units in administration

Like-for-like portfolio

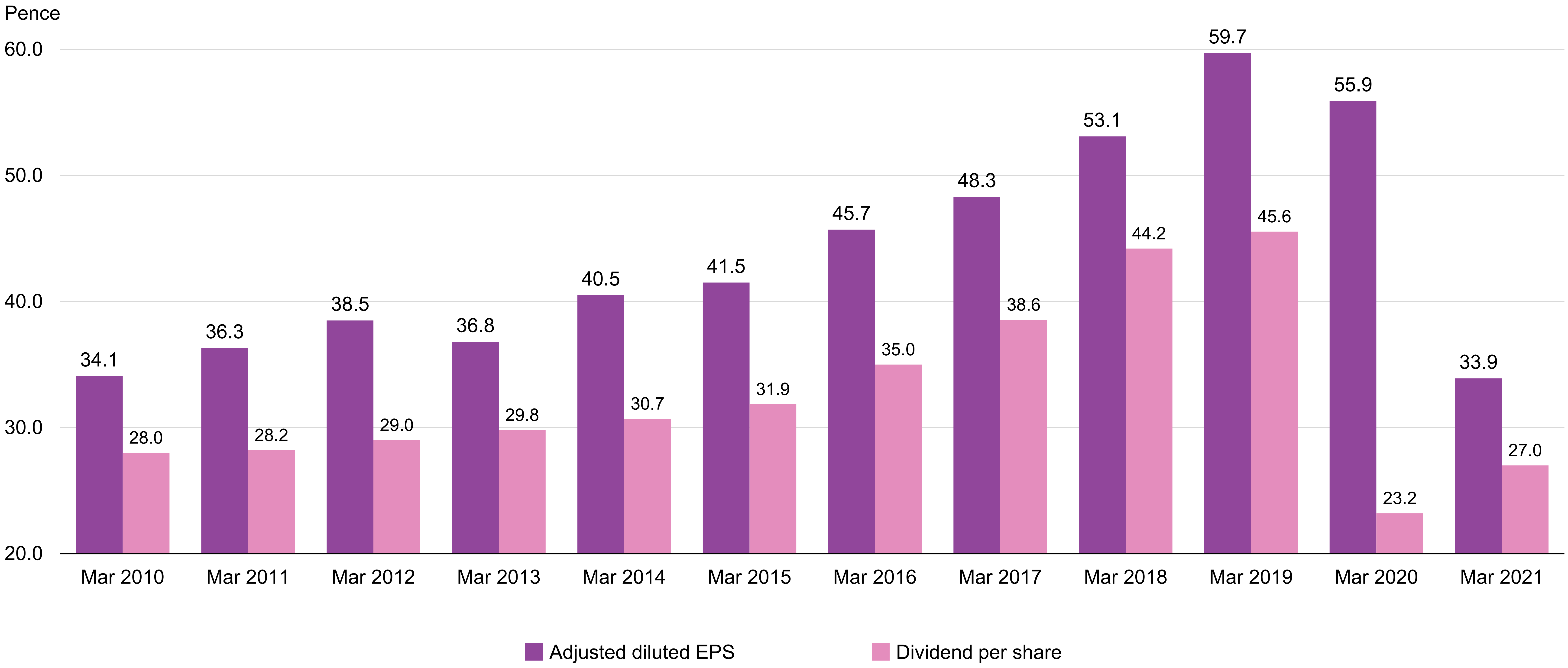




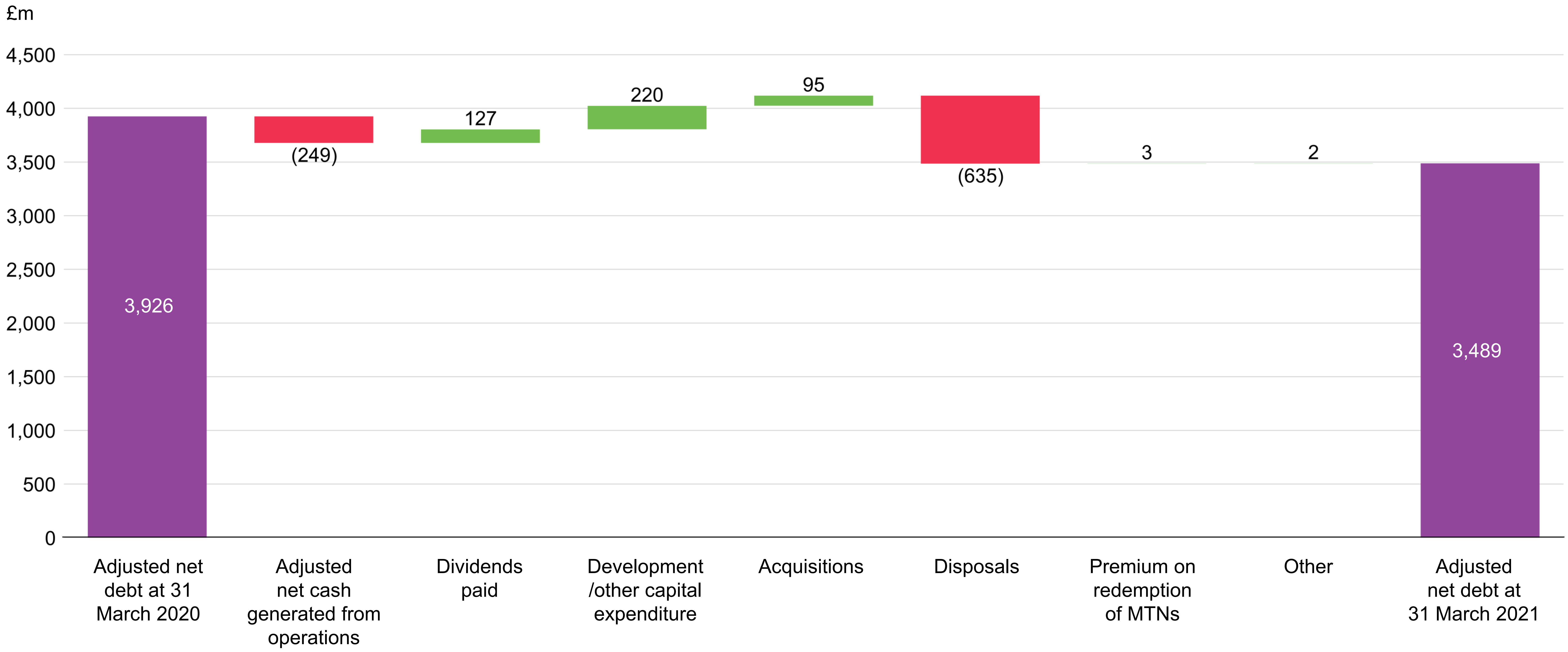
Like-for-like occupancy in the portfolio was 95.1% at 31 March 2021, 97.5% at 31 March 2020

Financial history

Adjusted diluted earnings per share and dividend per share



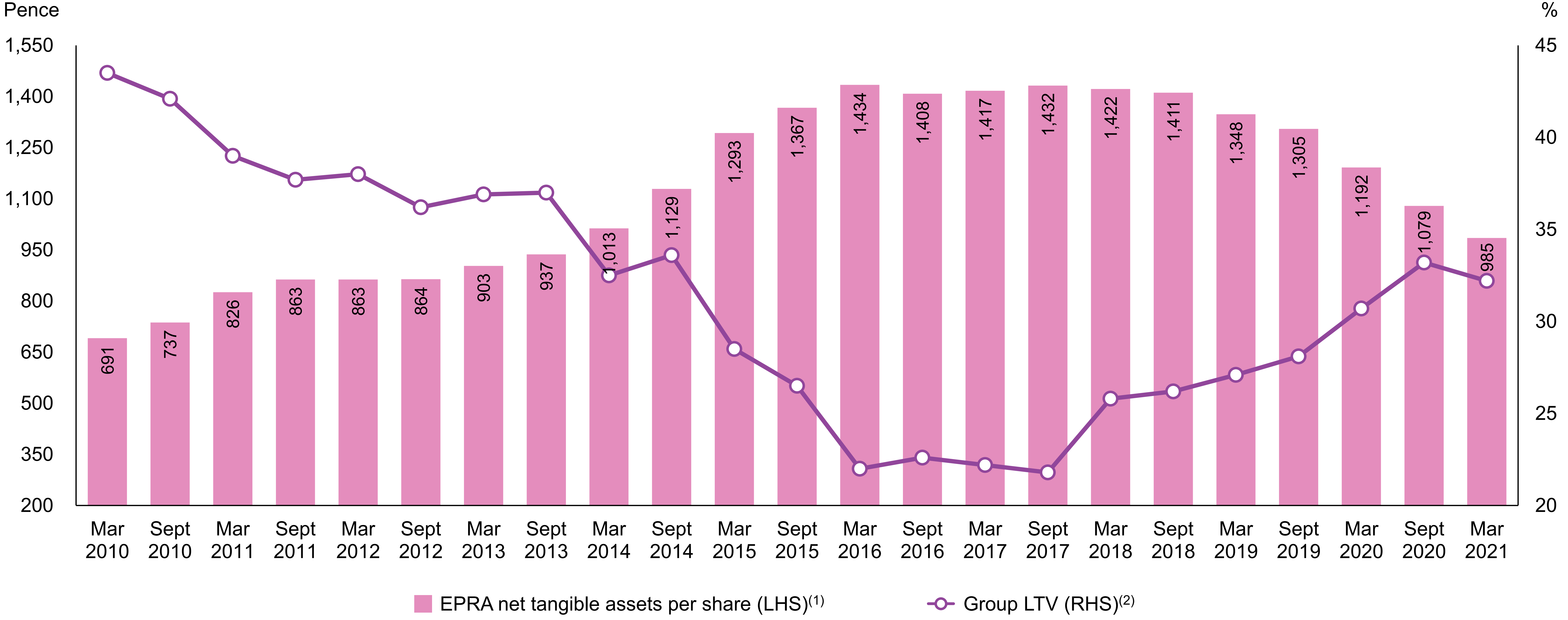
Cash flow and adjusted net debt(1)



(1) On a proportionate basis

Financial history

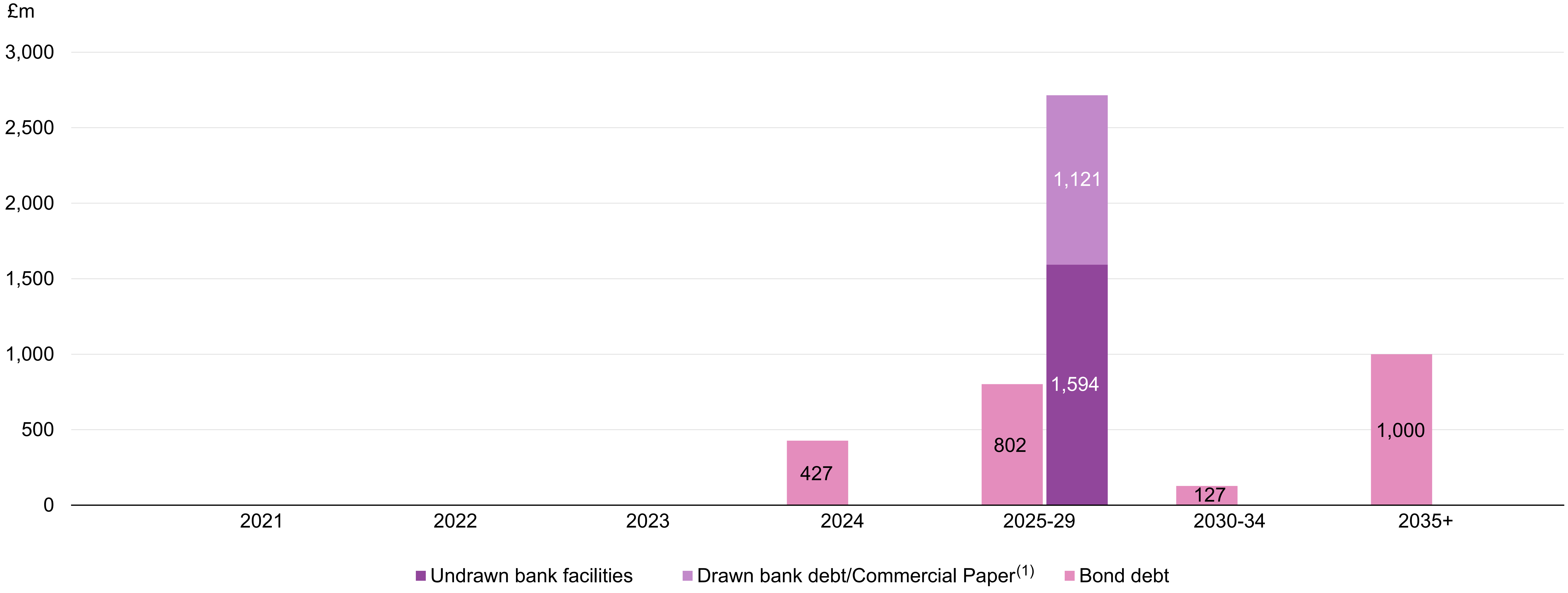
EPRA net tangible assets per share and Group LTV



(1) Prior to March 2018 represents adjusted net assets per share
(2) On a proportionate basis

Expected debt maturities (nominal)

Year(s) ending 31 March



(1) Commercial Paper maturity date refers to the maturity date of bank facility which is reserved against it

Financing

Significant headroom and a favourable debt structure

- Security Group has a tiered covenant structure. We can borrow with limited operating restrictions up to 65% LTV and whilst ICR is greater than 1.45x
- To allow for a shock to either metric, we can continue to borrow up to 80% LTV (if ICR remains above 1.45x) and we can continue to borrow whilst ICR is greater than 1.2x (if LTV remains below 65%)
- Using March 2021 valuation numbers, we can withstand a valuation fall of 59% or a Security Group EDITDA reduction of £282m before our LTV or ICR covenants enter Final Tier 3 and prevent further bank drawings

Tiered covenant

	LTV %	ICR X	Operating environment – key points
Tier 1	≤55	≥1.85	Few operational restrictions
Tier 2	56-65	≥1.45	Liquidity facility required for senior interest payments
Initial Tier 3	66-80	≥1.2	Debt to be amortised Property manager appointed to make property recommendations below ICR 1.25x
Final Tier 3	>80	≥1.0	Property manager recommendations to be followed in all material respects Administrative receiver could be appointed purely to sell assets (>85% LTV)
Default	>100	<1.0	Default which allows the secured creditors to instruct the Trustee to enforce security and if appropriate accelerate

The Security Group

Summary

Our Security Group funding arrangements provide flexibility to buy and sell assets, develop a significant pipeline and raise debt via a wide range of sources. This is subject to covenant tiering which progressively increases operational restrictions in response to higher gearing levels or lower interest cover.

Covenant tiering

Operating Tier	Key restrictions	Valuation tolerance from current position	Incremental debt from current position £bn
Tier 1	Minimal restrictions	**Current**	**Current**
Tier 2	Additional liquidity facilities	-41%	+2.4
Initial Tier 3	Payment restrictions Debt amortisation	-50%	+3.4
Final Tier 3	Disposals to pay down debt Potential appointment of property manager	-59%	+5.0

Control framework

- There are covenants to protect security effectiveness, limit portfolio concentration risk and control churn of the portfolio
- The structure, which is overseen by a Trustee, is designed to flex with the business and broadly the covenants can be altered in three ways(1)
  - Trustee discretion – if the change is not materially prejudicial to the interests of the most senior class of debt holders
  - Rating affirmation – that the change will not lead to a credit rating downgrade
  - Lender consent
- An example of how sector and regional concentration limits have changed to reflect the shape of the business is shown on the next slide

(1) Please refer to our most recent Base Prospectus (which is on our website) for full details of the Security Group's terms and conditions

The Security Group

Portfolio concentration limits

30 September 2012

Sector concentration (% of collateral value)	£bn	%	Maximum permitted %
Office	3.9	44	60
Shopping centres and shops	3.0	33	60
Retail warehouses	1.1	13	55
Industrial	-	1	35
Residential	0.1	1	35
Leisure and hotels	-	-	-
Other	0.8	8	15
Regional concentration (% of collateral value)	£bn	%	Maximum permitted %
London	5.5	62	75
Rest of South East and Eastern	1.0	11	40
Midlands	0.2	3	40
North	1.2	13	40
Wales and South West	0.5	5	40
Scotland and Northern Ireland	0.5	6	40
Non-UK	-	-	5

31 March 2021

Sector concentration (% of collateral value)	£bn	%	Maximum permitted %	Acquisition headroom £bn
Office	6.3	59	85	19
Shopping centres and shops	3.0	28	100	n/a
Retail warehouses	0.4	4	55	12
Industrial	-	-	20	3
Residential	-	-	20	3
Leisure and hotels	1.0	9	25	2
Other	-	-	15	2
Regional concentration (% of collateral value)	£bn	%	Maximum permitted %	Acquisition headroom £bn
London	7.9	74	100	n/a
Rest of South East and Eastern	1.5	14	70	20
Midlands	0.1	1	40	7
North	0.7	6	40	6
Wales and South West	0.3	3	40	7
Scotland and Northern Ireland	0.2	2	40	7
Non-UK	-	-	5	1

Portfolio concentration limits have been amended over time to reflect the changing shape of the business.

Office-led development programme returns

		The Forge, SE1	21 Moorfields, EC2	Lucent, W1	n2, SW1
Status		Fully committed; speculative	Fully committed; pre-let	Fully committed; speculative	Fully committed; speculative
Estimated completion date		June 2022	July 2022	December 2022	June 2023
Description of use		Office – 99% Retail – 1%	Office – 100%	Office – 77% Retail – 21% Residential – 2%	Office – 100%
Landsec ownership	**%**	100	100	100	100
Size	**Sq ft (000)**	140	564	144	167
Letting status	**%**	-	100	-	-
Market value	**£m**	67	523	95	40
Net income/ERV	**£m**	10	38	13	13
Total development cost (TDC) to date	**£m**	63	363	131	54
Forecast TDC	**£m**	139	577	240	205
Gross yield on cost(1)	**%**	6.8	6.6	5.4	6.3
Valuation surplus/(deficit) to date	**£m**	4	155	(36)	(14)
Market value + outstanding TDC	**£m**	143	737	204	191
Gross yield on market value + outstanding TDC	**%**	6.6	5.1	6.4	6.8

(1) Based on ERV to the nearest £0.1m

Pipeline of office-led development opportunities

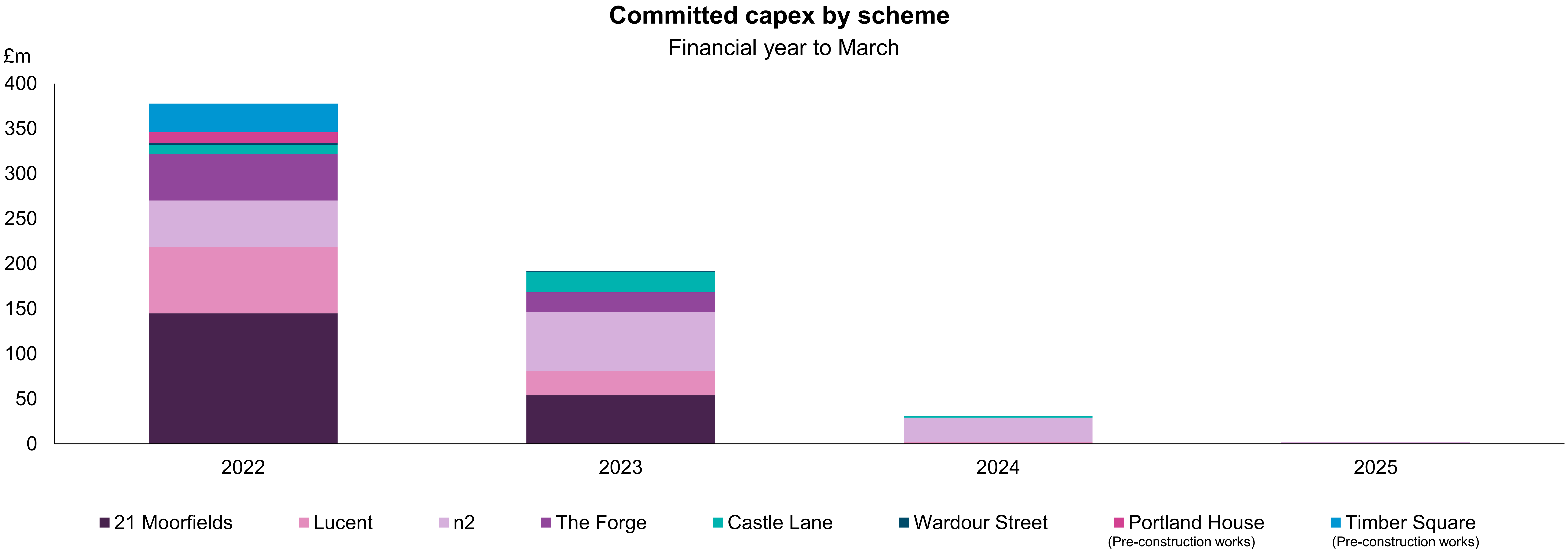
		Timber Square, SE1	Portland House, SW1	Red Lion Court, SE1
Status		Planning consent granted	Planning consent granted	Progressing design
Earliest start date		May 2021	January 2022	October 2022
Earliest completion date		February 2024	September 2024	April 2026
Description of use		Office – 96% Retail – 4%	Office – 90% Retail – 10%	Office – 95% Retail – 5%
Landsec ownership	**%**	100	100	100
Current annualised rental income	**£m**	-	-	5
Current size	**Sq ft (000)**	141	310	128
Proposed size	**Sq ft (000)**	380	400	230

Pipeline of Urban opportunities

			Current use	Indicative use				Earliest completion	
	Status	Landsec ownership %	Retail and leisure Sq ft (000)	Number of homes	Office Sq ft (000)	Retail, leisure and other Sq ft (000)	Earliest start on site	Phase 1	Masterplan
Shepherd's Bush, W12	Masterplanning	100	300	950	125	200	2024	2027	2033
Finchley Road, NW3	Masterplanning	100	310	1,900	-	150	2023	2026	2039
The Lewisham Centre, SE13	Site assembly and masterplanning	100	330	2,000	55	285	2024	2027	2037
Southside, SW18	Masterplanning	50	610	2,000	10	80	2025	2028	2038
Great North Leisure Park, N12	Feasibility study	100	90	830	-	50	2024	2026	2029

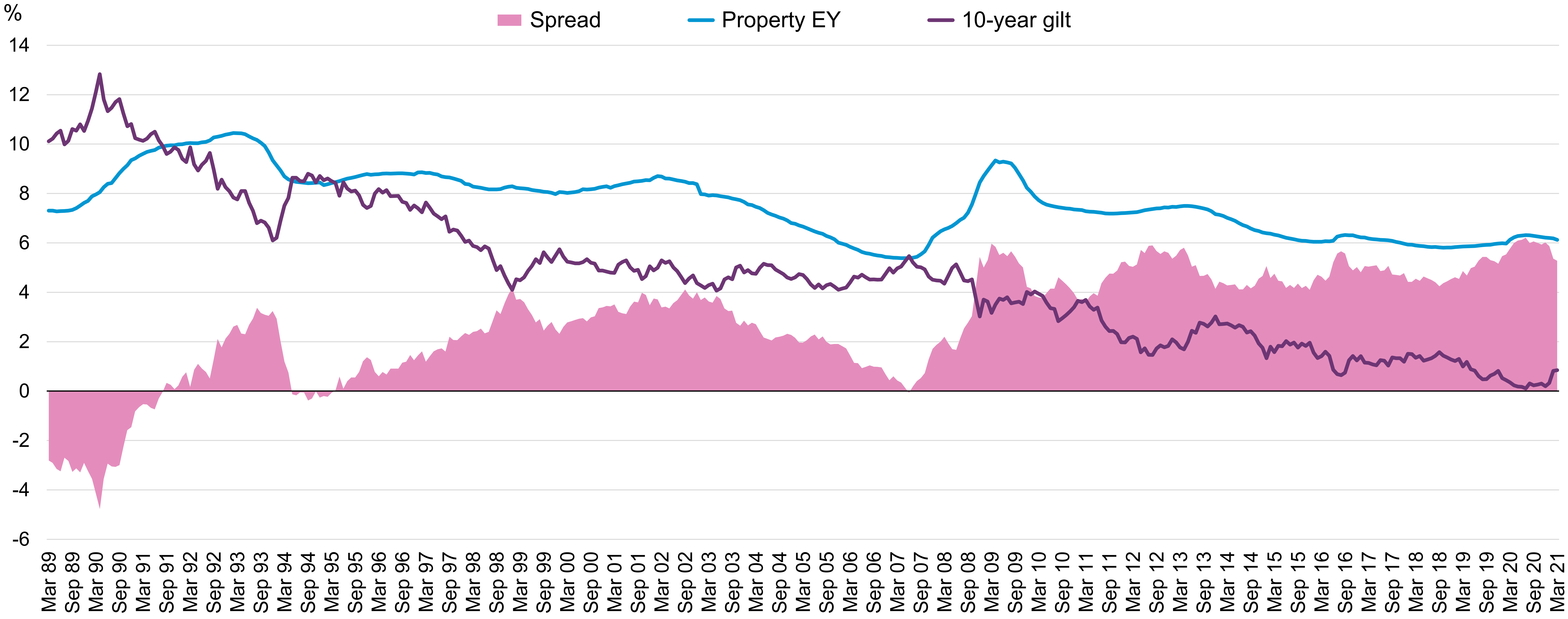
Committed capital expenditure

- £558m committed capex across the six schemes in development programme
- £44m pre-construction works for Portland House and Timber Square
- Disposals to fund capex



Property/gilt yield spread

The yield spread continues to remain above 500bps in a low gilt environment

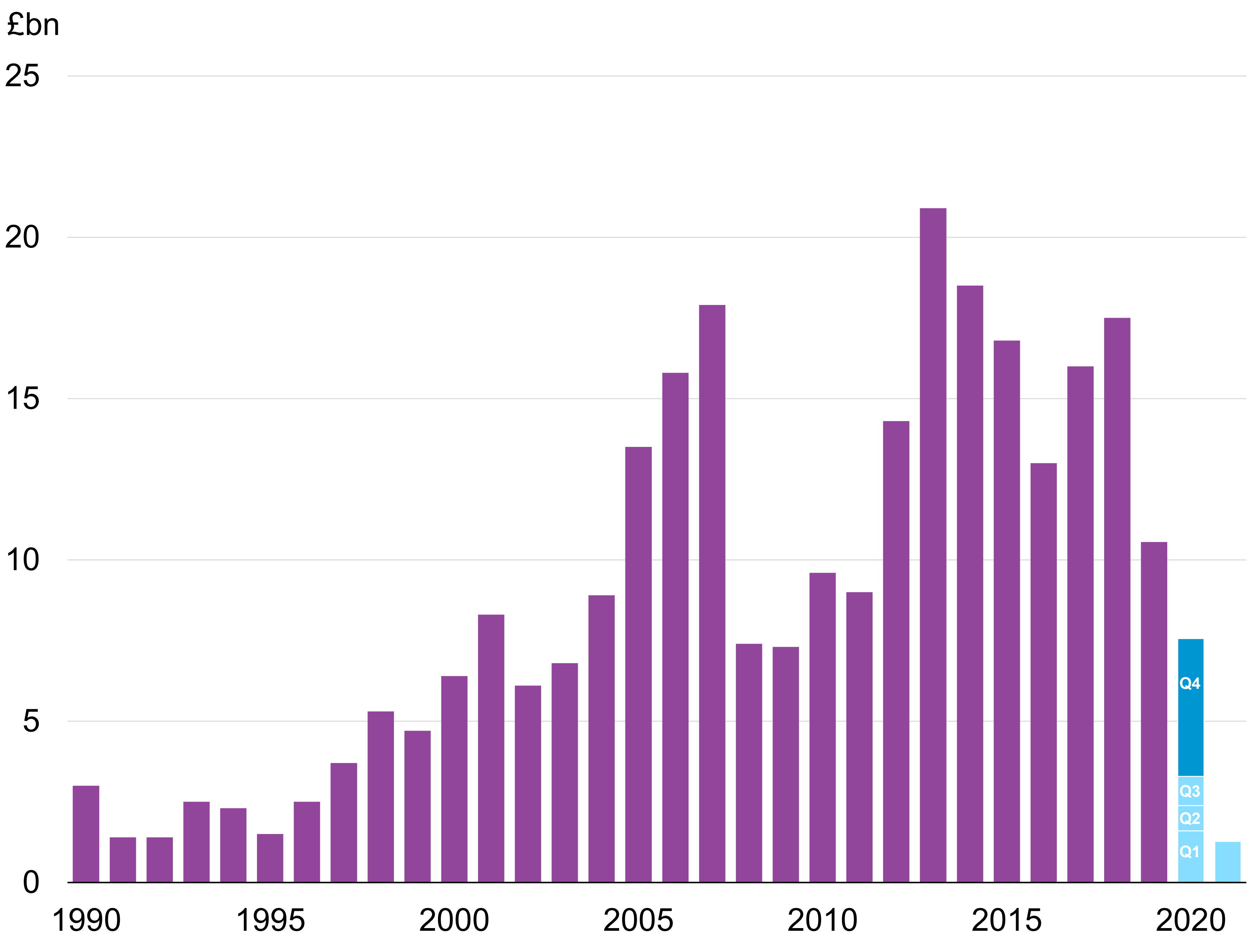


Source: Bloomberg, MSCI Monthly Index All Property

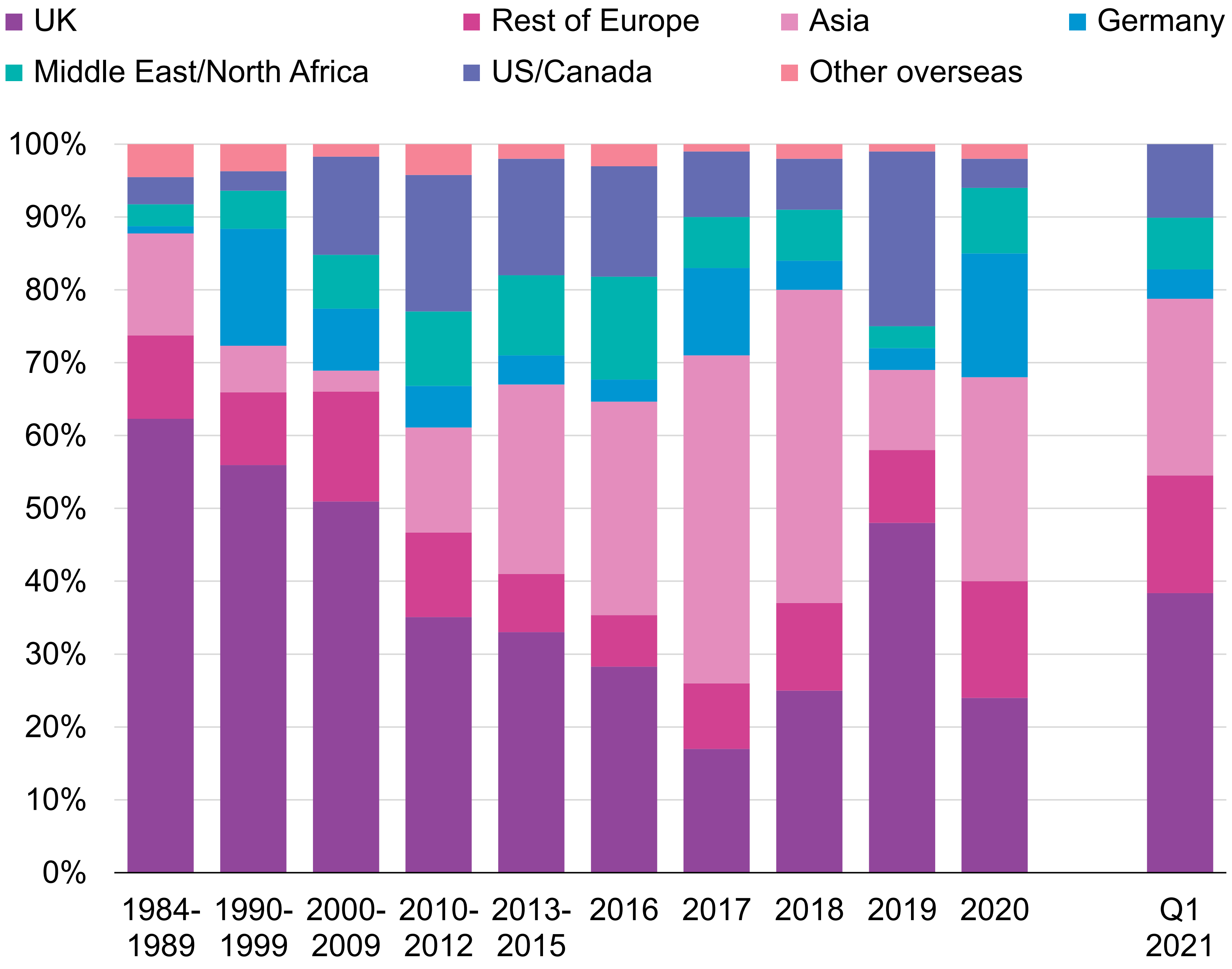
Central London investment market

31% decline in transaction levels to March 2021 compared with last year; overseas investors represented 76% of all investments

Investment volumes



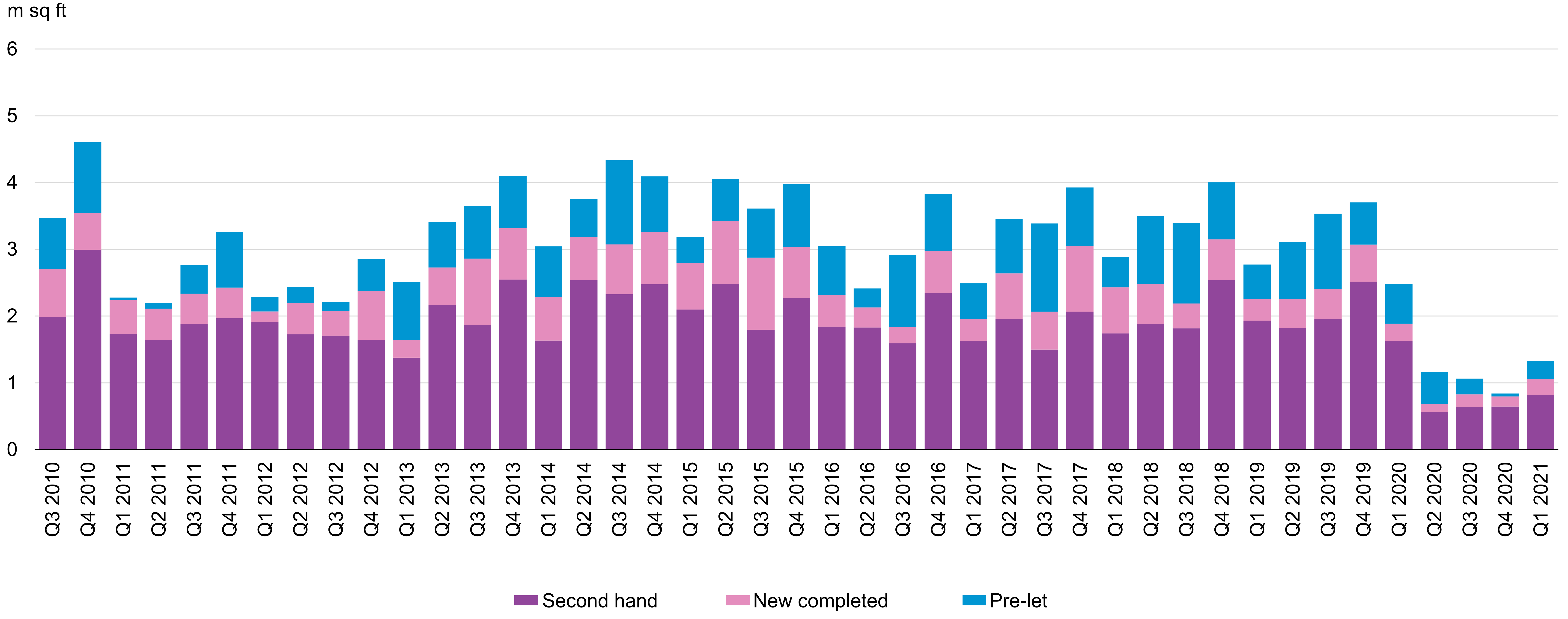
Office capital inflow by region



Source: CBRE; shows calendar years

Central London quarterly take-up

Take-up of new space since March 2020 represented 39% of total take-up; on par with the 10-year average

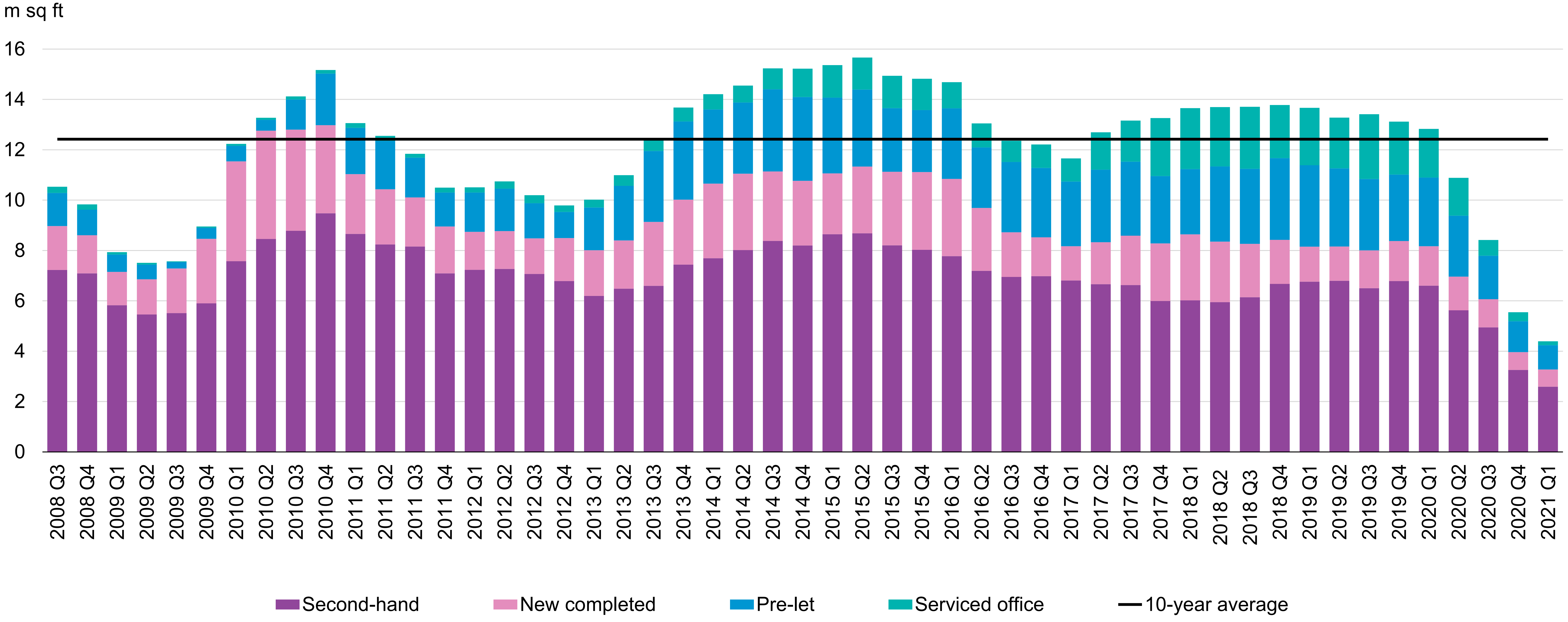


Source: CBRE

(1) New space here is defined as newly-completed and pre-let

Central London rolling 12-month take-up

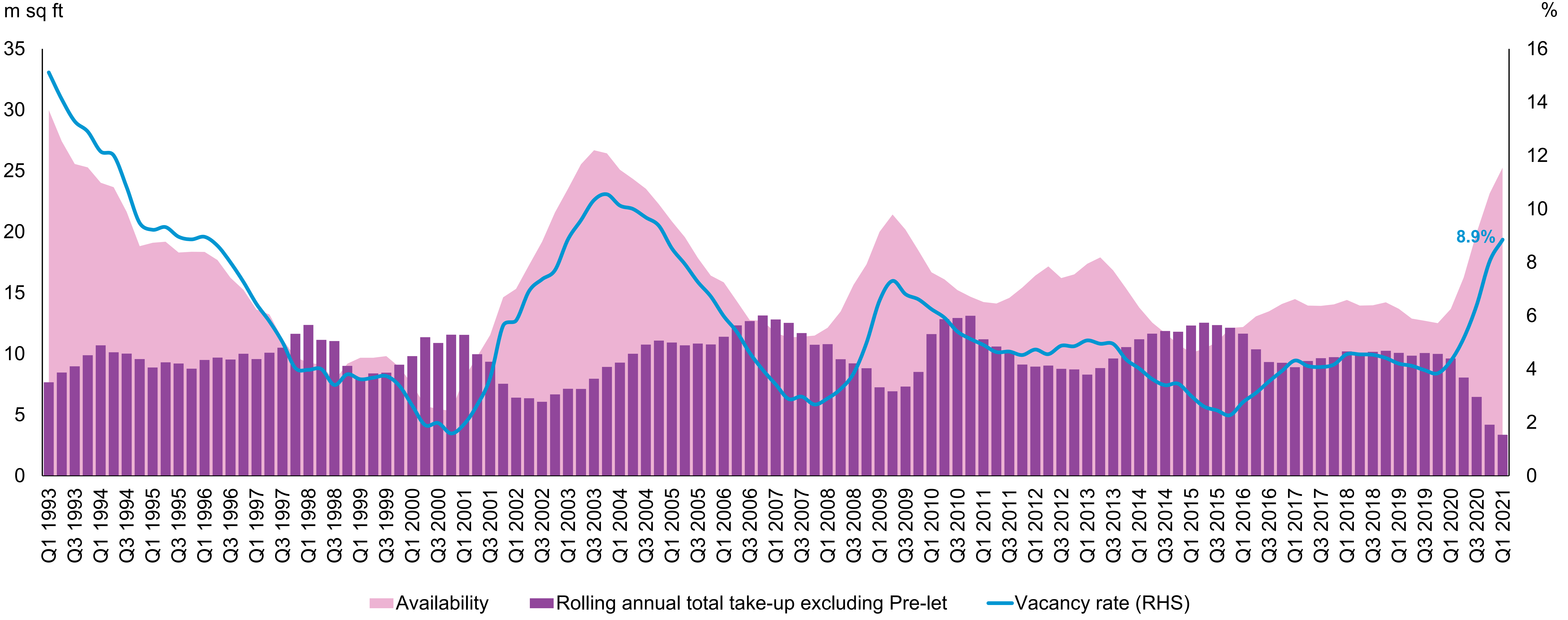
Rolling annual take-up to Q1 2021 was 4.4m sq ft; 65% below the long-term average



Source: CBRE

Central London availability and vacancy rate

Availability increased by c.85% since March 2020 pushing the vacancy rate to 8.9% compared with the long-term average of 4.2%

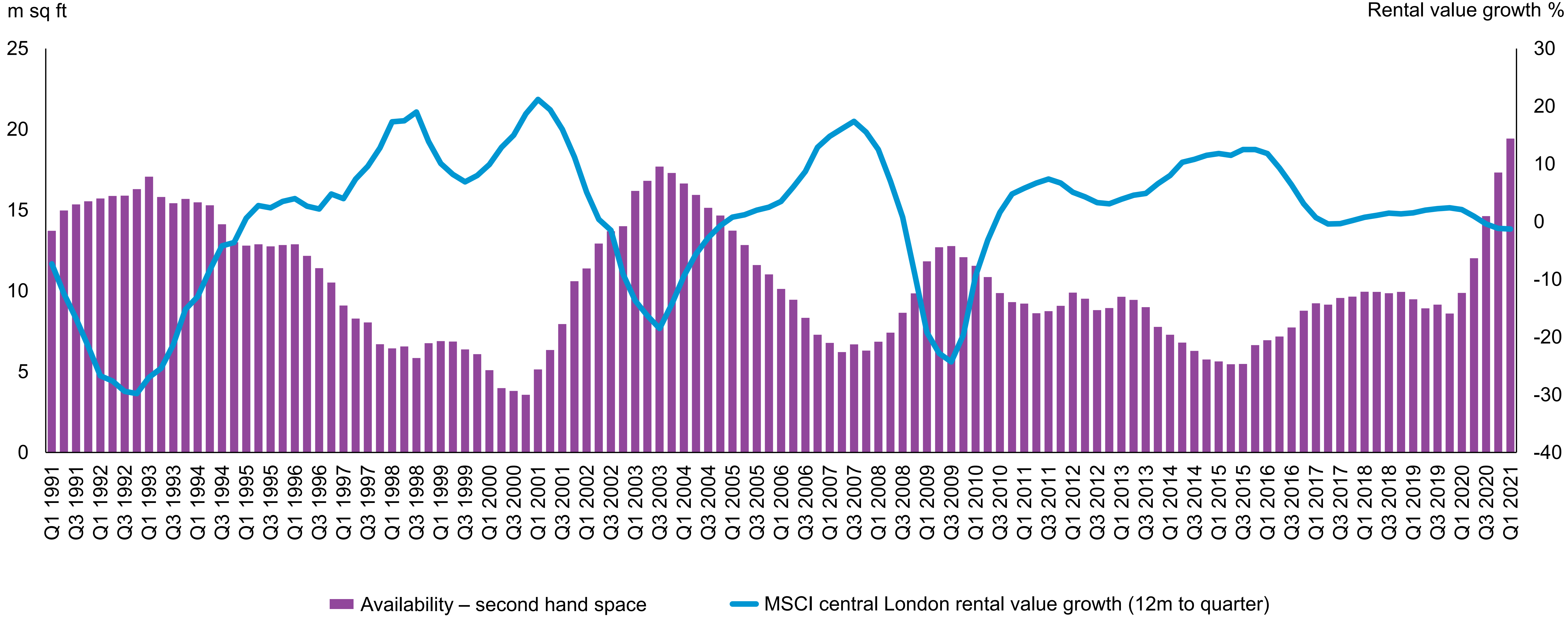


Source: CBRE, MSCI Monthly Index

(1) Availability represents the total net lettable floor space in existing properties, which is being actively marketed, either for lease, sublease, and assignment or for sale for owner occupation as at the end of the survey period. Availability includes space that is being marketed and is physically vacant or occupied. Space that is physically vacant, but not being marketed or is not available for occupation is excluded from availability. Space that is Under Construction and will become ready to occupy within 12 months is included within availability

Central London second hand supply vs rental value growth

The increase in overall availability was driven by an increase in second hand space; 97% rise since March 2020



Source: CBRE, MSCI Monthly Index

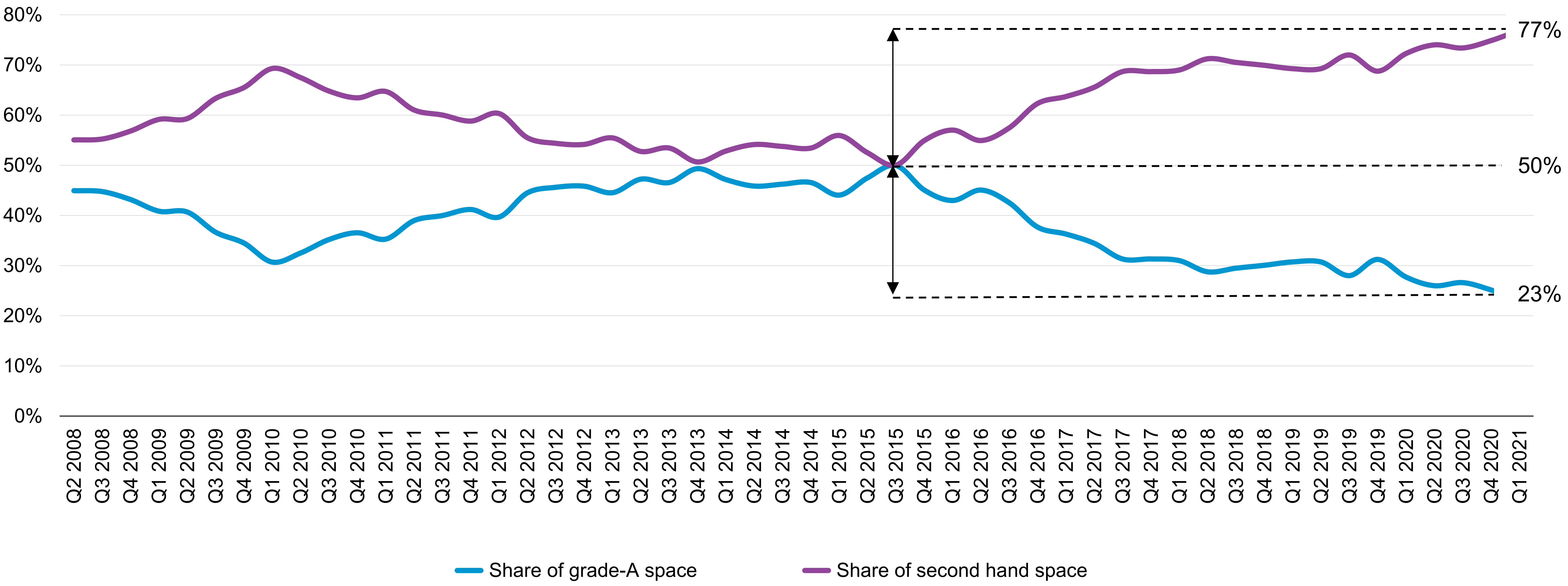
(1) Second hand space is space which is being marketed having been previously occupied in its current state. Current state can include a minor re-decoration, but not a comprehensive refurbishment

(2) Availability represents the total net lettable floor space in existing properties, which is being actively marketed, either for lease, sublease, and assignment or for sale for owner occupation as at the end of the survey period. Availability includes space that is being marketed and is physically vacant or occupied. Space that is physically vacant, but not being marketed or is not available for occupation is excluded from availability. Space that is Under Construction and will become ready to occupy within 12 months is included within availability

London Office market availability – grade-A vs second hand space

The majority of availability in London is second hand space with the gap between prime and secondary continuing to grow, indicating a bifurcation of the market

Proportion of total

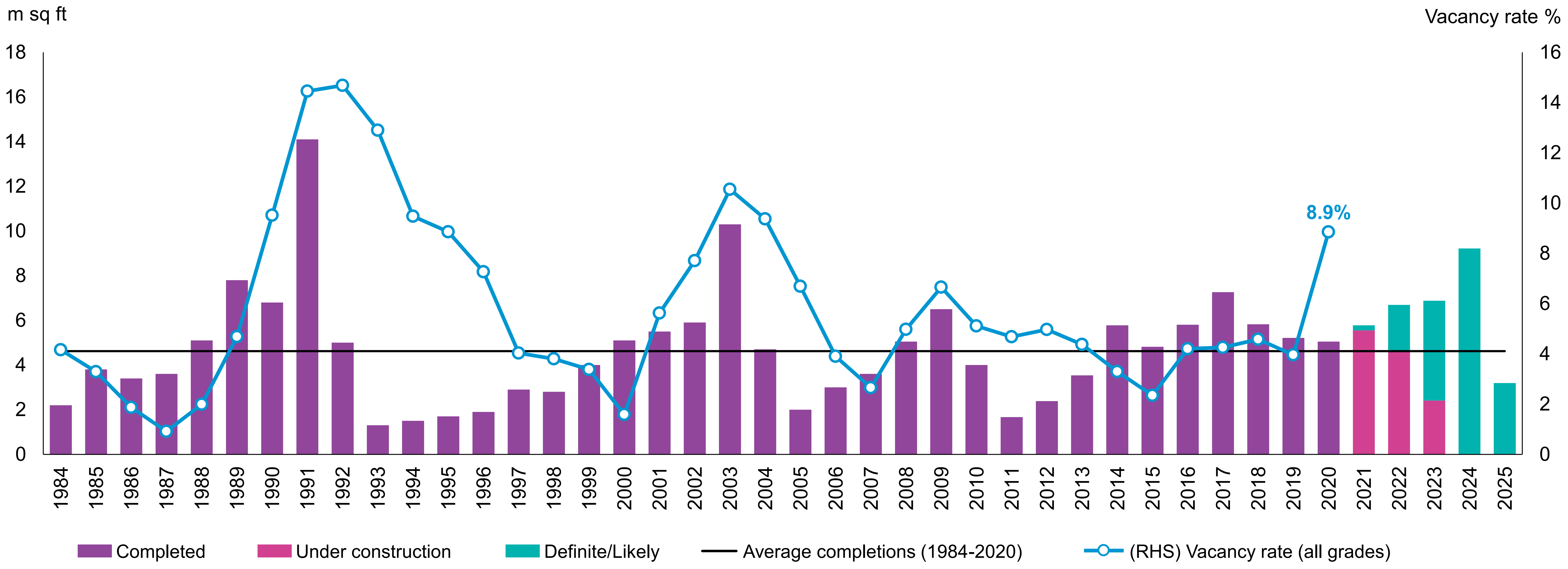


Source: CBRE

(1) Grade-A space here is defined as newly-completed space and space that is under construction and will become ready to occupy within 12 months

Central London supply as at 31 March 2021

12.6m sq ft currently under construction and a further 19m sq ft could complete by 2025



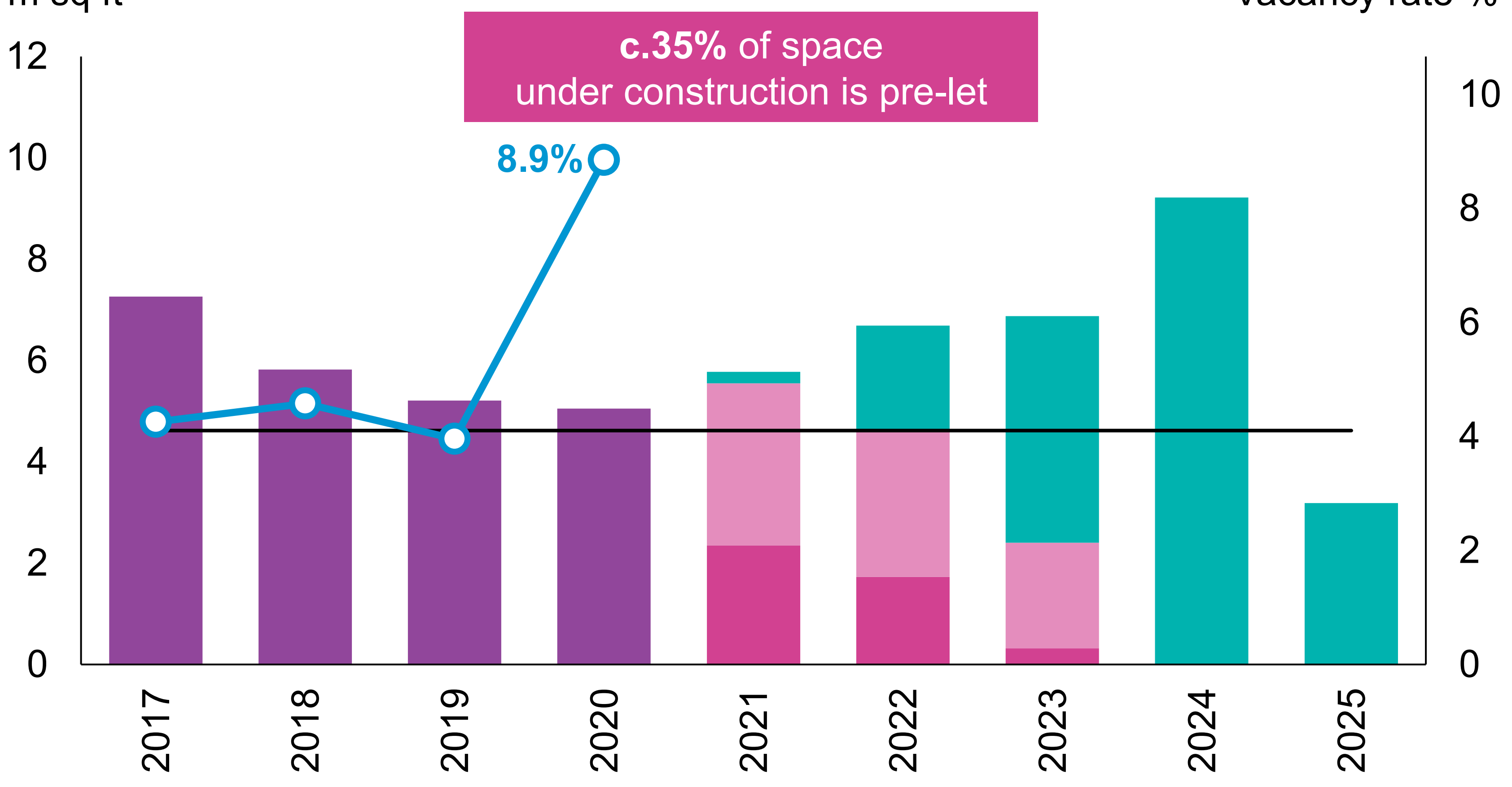
Source: CBRE, Knight Frank, Landsec; shows calendar years

(1) Completions/under construction includes fringe (White City, Non-Core Docklands, Stratford, Nine Elms, Hammersmith). Vacancy rate as at March 2021. From 2017, supply pipeline monitors schemes above 20,000 sq ft
(2) Landsec estimated future supply based on data from CBRE and Knight Frank
(3) “Definite/likely” are proposed schemes where it is reasonable to expect delivery in that year based on, inter alia: planning, pre-let, funding, vacant possession, demolition, construction contract
(4) Grade-A space is brand new or comprehensively refurbished space, with high specification and prominent market image
(5) Vacancy rate is expressed as vacant space as a percentage of total stock
(6) Total stock represents the total completed space (occupied and vacant) in the private and public sector recorded as the net lettable area

Central London supply as at 31 March 2021

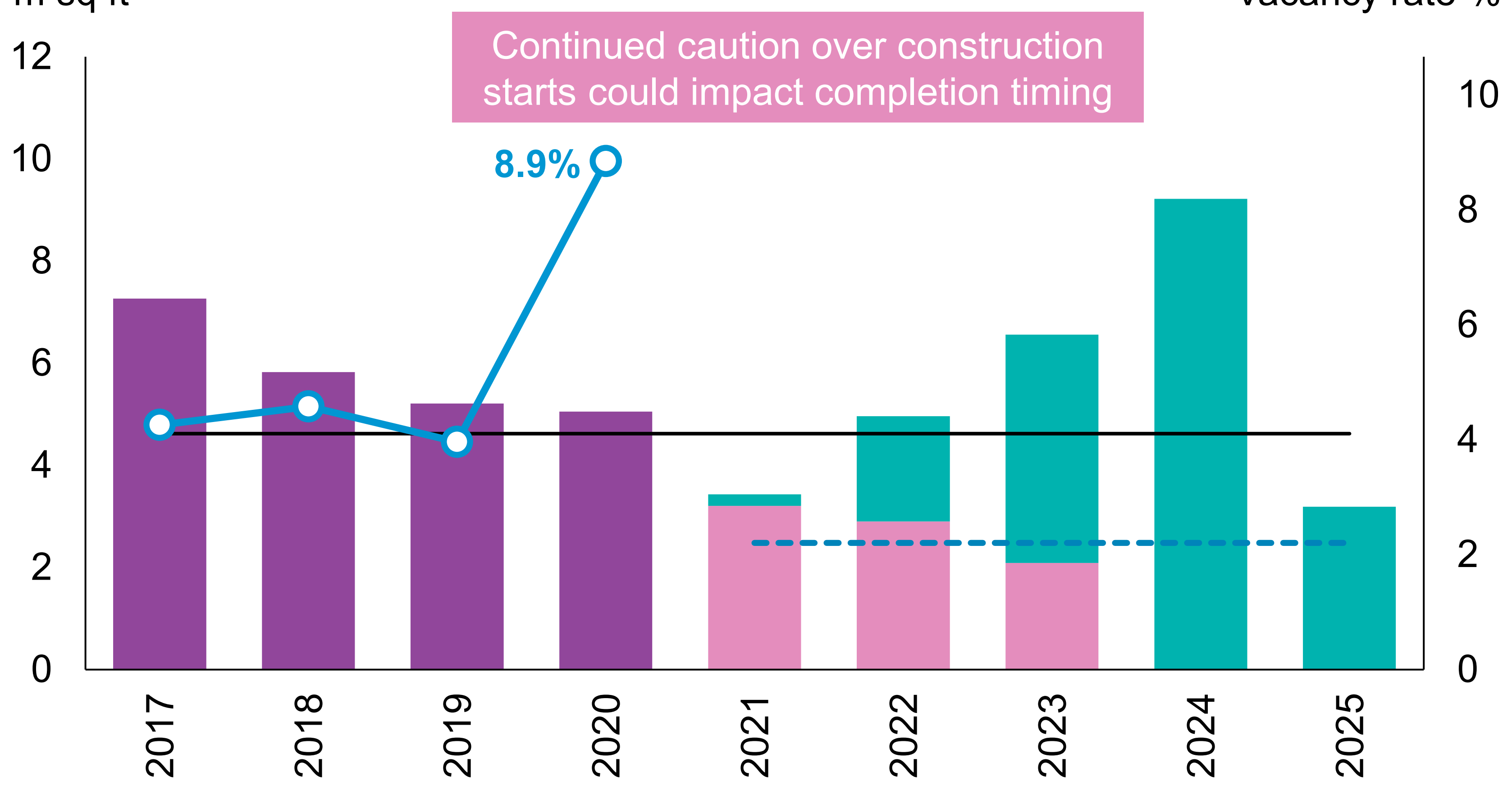
2020 was the seventh consecutive year of above long-term completions

Under construction pipeline split into pre-let and speculative



Future speculative completions forecast to be above the long-term speculative completions. However, there is potential for current market uncertainty to delay completions

Speculative pipeline only



Completed | U/C pre-let | U/C speculative | Definite/Likely | Average speculative completions (2011-2020) | Average completions (1984-2020) | Vacancy rate (RHS) (all grades)

Source: CBRE, Knight Frank, Landsec; shows calendar years

(1) Completions/under construction includes fringe (White City, Non-Core Docklands, Stratford, Nine Elms, Hammersmith). Vacancy rate as at March 2021. From 2017, supply pipeline monitors schemes above 20,000 sq ft
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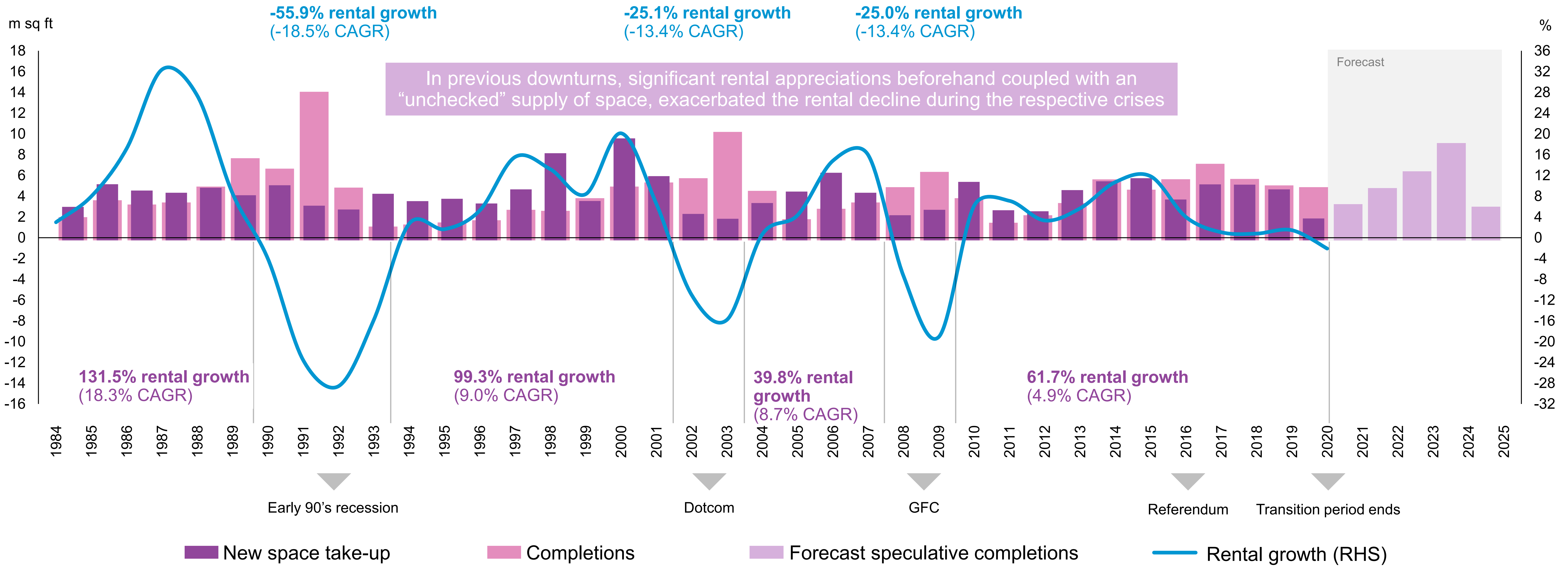
(6) Total stock represents the total completed space (occupied and vacant) in the private and public sector recorded as the net lettable area

Central London office market

Demand has broadly kept pace with supply over the last three years which has prevented a cumulative build-up of new space. This coupled with the 'flight to quality' may limit any rental decline

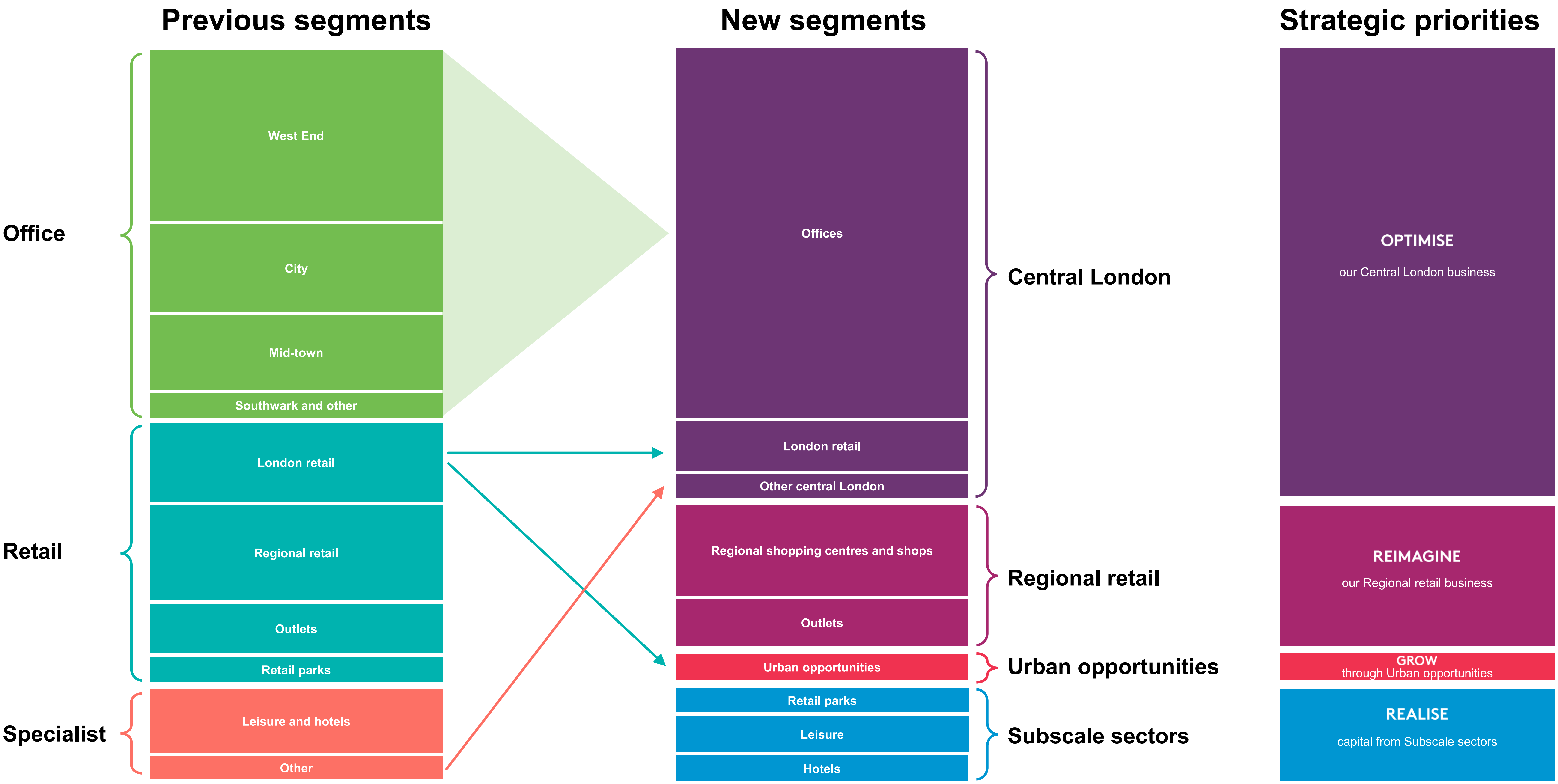


Source: CBRE, Knight Frank, MSCI Annual Index, Landsec; shows calendar years

(1) Landsec forecast based on data from CBRE and Knight Frank

(2) New space is defined as newly-completed and pre-let

Portfolio segmental split aligned to strategic priorities



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

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