Primary Health Properties

Big Five Investor Conference
Cape Town
16th/17th September 2024

PHP Interim Results Presentation

Secure Long-Term Income Delivering a Growing Dividend

Agenda

Key Highlights

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Secure and Long Income Continues to Drive a Growing Dividend

Financial Highlights

- Another year of rental growth with like for like income up £1.8.m in six months (HY23: +£2.2m). This equates to annual like for like of +2.4% (HY23: 3.0%) which is down marginally due to lower inflation encouraging improved tone on open market value rental growth +2.1% (HY23: +1.8%)
- Fully covered dividend increased by 3% to 3.45p per share (HY23: 3.35p)
- PHP is set to deliver a 28th year of dividend growth

Other Highlights

- Political charge: New government set to increase investment in primary and community health care
- More patients then ever are waiting for treatment and Wes Streeting is committed to widening the role of primary care to meet the population's healthcare needs

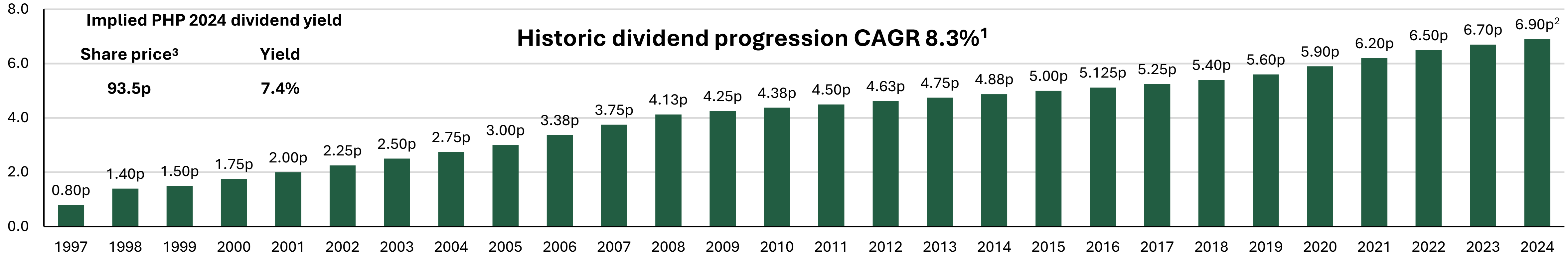
Strong Metrics

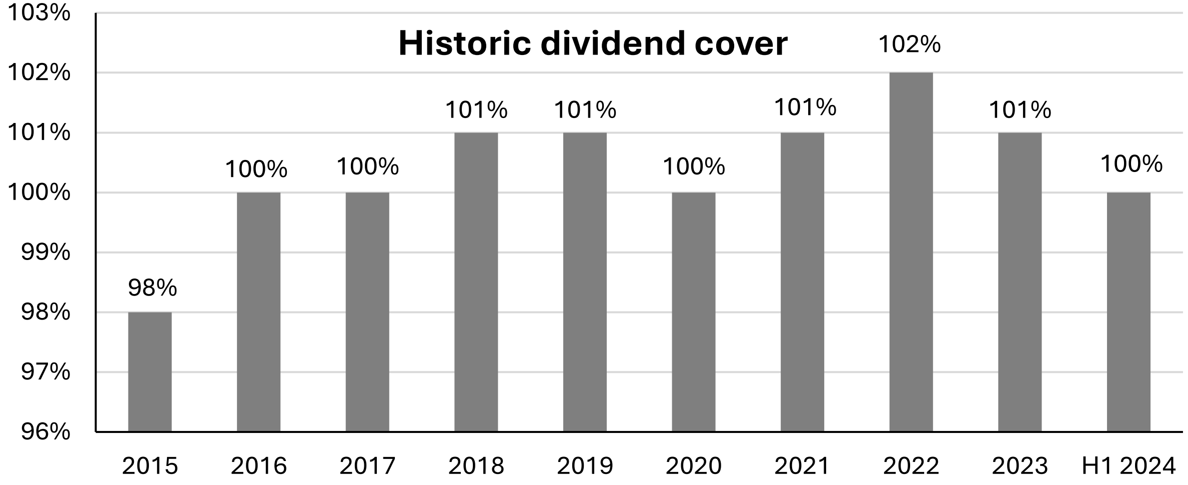
- 99.2% Occupancy
- 89% of our income paid for by the UK and Irish governments
- 3.3% cost of debt and £308m of firepower from existing facilities
- Low cost ratio with further cost savings following actions taken in the period and fully annualised £1m benefit in FY25

28th Year of Consecutive Dividend Growth

Portfolio	£2.8 billion	(2023: £2.8 billion)
Rent Roll	£153 million	(2023: £151 million)
Government Backed Income	89%	(2023: 89%)
Index Linked Income	27%	(2023: 27%)
Occupancy	99.2%	(2023: 99.3%)
WAULT	9.8 years	(2023: 10.2 years)
Net Debt: Fixed or Hedged	96%	(2023: 97%)

28th Year of Consecutive Growth and Sector Outperformance





Strong relative returns and disciplined approach to investment[4]

	Total Property Returns %			Revaluation Movement (£m)	
Year	PHP	Assura	MSCI UK	PHP	Assura
H1 2024	1.4%	n/a	2.2%	(£40.0m)	n/a
2023	3.5%	0.4%	(0.5%)	(£53.0m)	(£130.5)m
2022	2.8%	(2.6%)	(10.4%)	(£61.5m)	(£215.2)m
2021	9.5%	7.1%	20.0%	£110.5m	£69.7m
2020	7.4%	6.4%	(0.8%)	£51.4m	£42.5m
2019	7.7%	5.3%	2.2%	£49.8m	£11.4m
2018	8.0%	5.9%	7.3%	£36.1m	£20.2m
2017	10.8%	9.7%	11.0%	£64.5m	£79.1m
				£157.8m	(£122.8m)

1. CAGR: 1997 to 2024
2. Based on Q1 to Q3 2024 dividend of 1.725p paid and declared per share annualised and is illustrative only
3. Share price is the closing mid-market price on 23 July 2024
4. Total property returns for PHP and MSCI UK relate to the years ended 31 December; Assura relate to the years ended 31 March

CEO: First Impressions of New Role

CEO: First Impressions of new role

My Background

- Worked in the listed property sector for a long time
- What attracted me to PHP

First 50 Days

- Good transition period and seamless handover
- Strong team with experience in the right areas
- Portfolio quality - site visits to key assets across the country in UK and Ireland

Growth Drivers

- Political landscape is favourable - significant increase in investment into primary health
- Social and demographic - population growth will drive high demand
- Housebuilding - 1.5m new homes will create value creating opportunities for new modern primary care centres

The Future

- Identifying strategies to drive further income growth
- Finding ways to deliver shareholder value in a winning sector
- Capital Markets Day – 16th October 2024

Mark Davies
CEO
Primary Health Properties PLC
Appointed April 2024

Political Change: A Boost for PHP

Significant Policy Changes

- New Labour government will be good for PHP
- Wes Streeting committed to diverting £billions from hospitals to GP's and community health
- Labour have a good understanding of what it will take to fix NHS and are boosting the proportion of budget spend on primary care
- National Health Service to be managed as the Neighbourhood Health Service
- More people can get care closer to home in their community
- Continuing the shift of services out of hospitals and into the community
- Focus is on prevention to reduce pressures on the NHS

What will Labour's Reform to Primary Care look like

- Improve GP access and bringing back the family doctor
- Joined-up community health and social care services
- Further expand the role of community pharmacy
- Free-up GP appointments by boosting mental health support
- Create a **N**eighbourhood **W**orkforce

PHP is well placed to facilitate and benefit from these objectives, creating new and modernised facilities to deliver services in the community, with huge social impact

Other Government Policies Driving Growth Opportunities

Housing Policy:

- "Beds and Meds" - new homes create demand for GP's and new medical centres
- Population growth including 1.5m new homes could create demand for up to 300 new primary health centres
- At the time planning is being considered for new homes, an assessment is made on impact and demand for healthcare facilities
- Housebuilders and local authorities may be required to make a financial contribution to the new medical centres e.g. South Kilburn
- Already seeing the trend:

2023 schemes	No. of Homes	Housebuilders	New Medical Centre Developer
South Kilburn	+600	Countryside	PHP
Spilsby	+200	Gleeson	PHP

Pharmacy Policy:

- Community pharmacy critical to Labour's mission of reforming the NHS
- Growing demand for pharmaceutical products and services including chronic disease and long-term medications
- Regulatory changes have allowed pharmacies to take on expanded roles including vaccines and minor ailments service
- Interaction into primary care offers opportunity for local collaboration and expansion

Financial Results

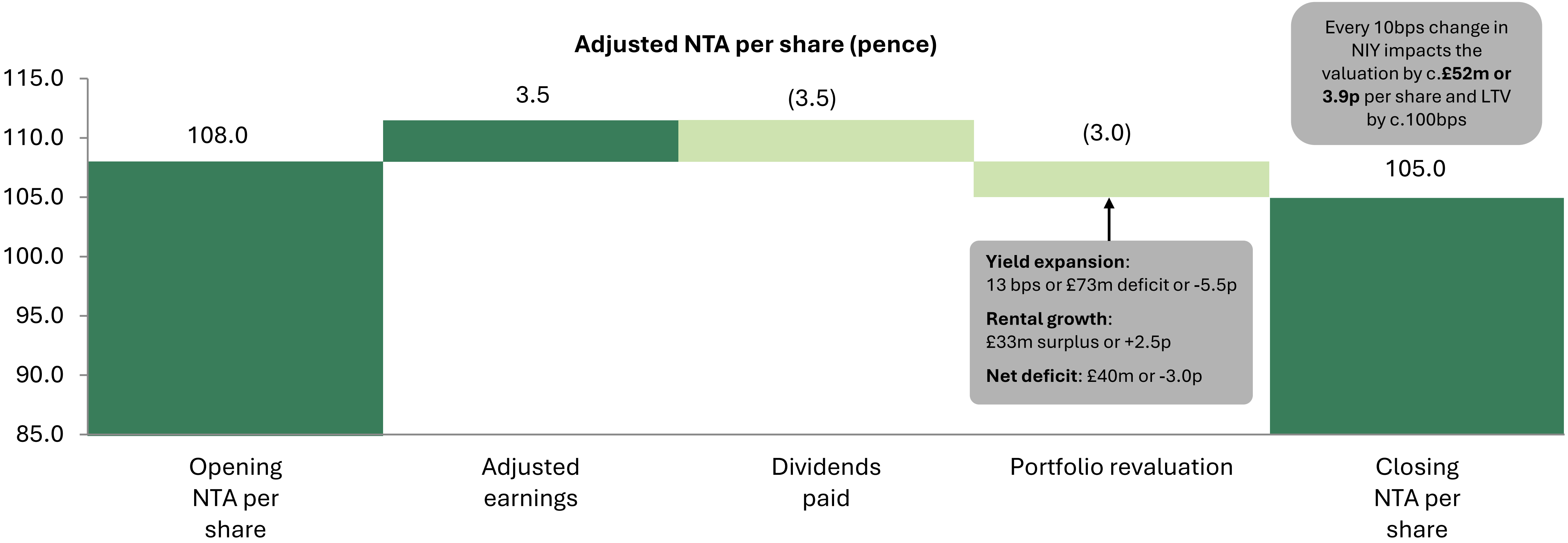
H1 2024 Key Financial Highlights

Key Financial Highlights

Performance	30 June 2024	30 June 2023	Change
Net rental income (£m)	**£76.2m**	£75.5m	+0.9%
Adjusted earnings (£m)	**£46.3m**	£45.9m	+0.9%
Adjusted earnings per share (pence)	**3.5p**	3.4p	+2.9%
Dividends paid (£m)	**£46.1m**	£44.8m	+2.9%
Dividend cover	**100%**	102%	-
Dividend per share (pence)	**3.45p**	3.35p	+3.0%
LFL rental growth (£m)[1]	**£1.8m / +2.4%**	£2.2m / +3.0%	-18.2%
Revaluation deficit (£m)	**(£40.0m)**	(£11.9m)	-
Performance	**30 June 2024**	**31 December 2023**	**Change**
Investment property (£bn)	**£2.750bn**	£2.779bn	-1.4%
Adjusted NTA per share (pence)	**105.0p**	108.0p	-2.8%
Loan to value	**48.0%**	47.0%	+100 bps
Performance	**30 June 2024**	**31 December 2023**	**Change**
WAULT	**9.8 years**	10.2 years	-0.4 years
Occupancy	**99.2%**	99.3%	-10 bps
EPRA cost ratio	**10.0%**	10.1%	-10 bps
Average cost of debt	**3.3%**	3.3%	No change

1. LFL & Annualised

Valuation: Yield Expansion Offset by Rental Growth

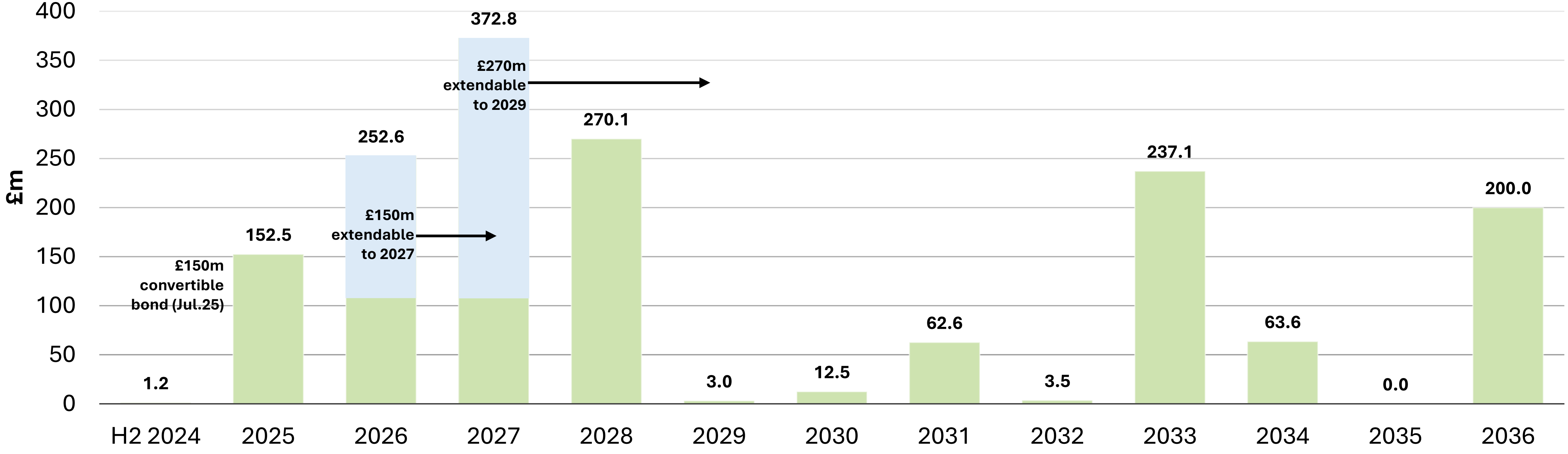


Performance	30 June 2024	31 December 2023	Change
Adjusted net tangible assets	**£1,403m**	£1,443m	-2.8%
Adjusted net tangible asset value per share	**105.0p**	108.0p	-2.8%
Net initial yield	**5.18%**	5.05%	+13bps
LFL ERV growth	**1.7%**	1.4% (H1 2023)	+30bps
Annualised LFL ERV Growth	**3.4%**	2.8%	+60 bps

Delivering Financial Management

- £308m undrawn headroom after capital commitments available to deal with future refinancings
- £170m term and RCF facility with Barclays, credit committee approved, to refinance £70m variable bond maturing in Dec.25 with c.90 bps saving in margin
- Advanced discussions to refinance £100m Lloyds RCF for a further three years with options to extend at the first and second anniversary of new facility

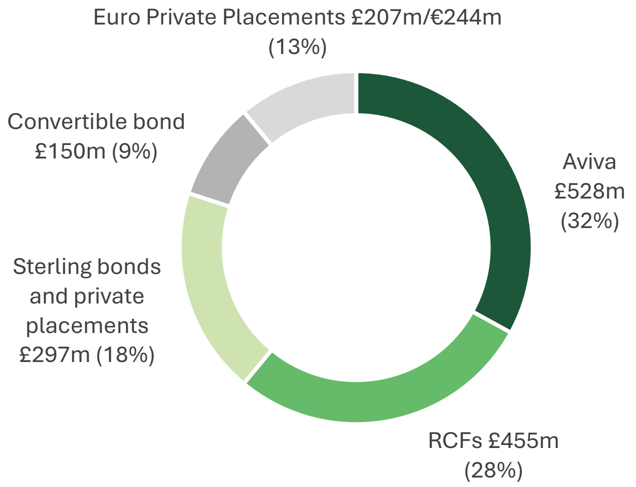
Debt Maturity Profile (post refinancings)

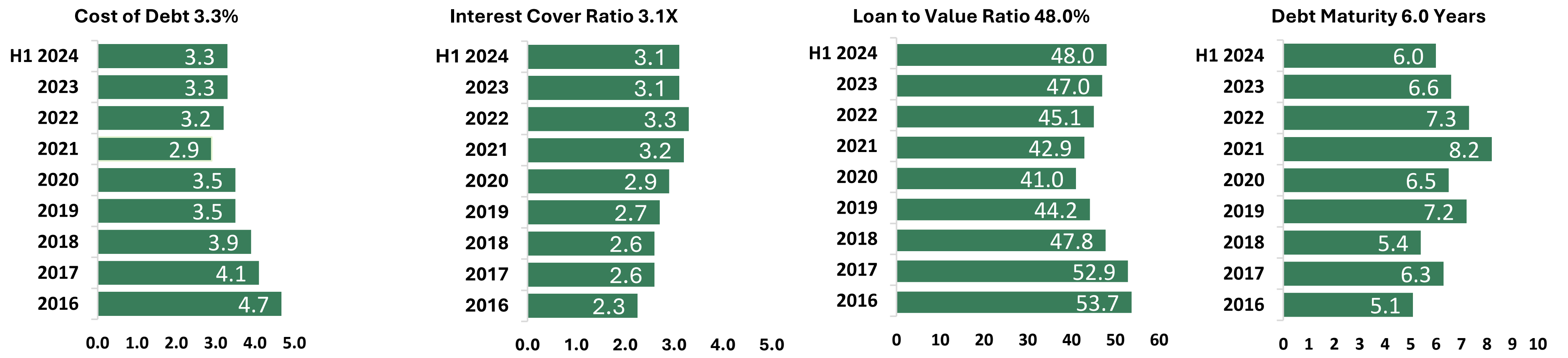


Key: Green = existing maturities I Blue = extendable facilities

Debt Summary

- Total debt facilities of **£1.64bn** (91% secured / 9% unsecured)
- Net debt drawn **£1.32bn**
- **£308m** undrawn headroom after capital commitments and post period end transactions
- **96%** of net debt fixed or capped with broad and diverse range of lending partners
- Group LTV **48.0%** (2023: 47.0%)
- Long weighted average debt maturity of **6.0** years
- Average cost of debt **3.3%** (2023: 3.3%)
- Average cost of debt forecast to rise to **3.5%** following completion of various refinancing initiatives in 2025
- Loan to value covenant headroom of **£1.0bn or 38%** decline in values across Group and 8.0% implied NIY
- Net debt / EBITDA **9.3x** (2023: 9.4x)

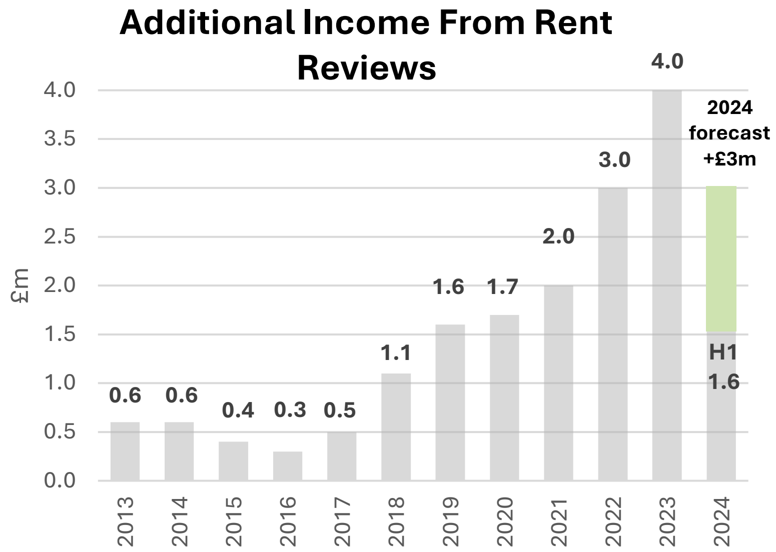


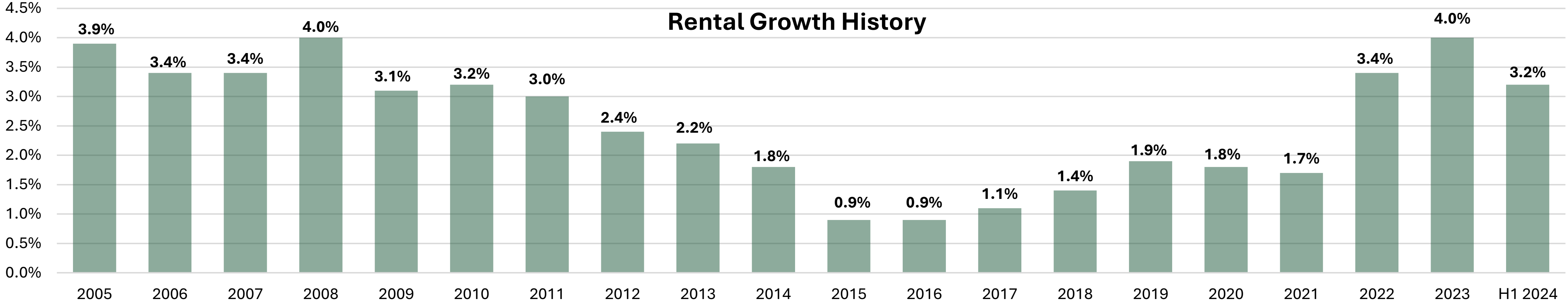


Continued Improvement in Open Market Rental Growth

Rent Reviews – Improving Open Market Rental Growth Outlook

- Effectively upward only rent roll in UK
- Rents in Ireland linked to Irish CPI
- **£1.6m** additional rent in H1 from rent reviews **7.8%** increase over previous passing rent
- Total weighted average rental growth: **3.2%** p.a.
- 68% reviewed to open market (ave. **2.1%** p.a.)
- 27% index linked (ave. **4.8%** p.a.)
- 5% on fixed uplift (ave. **2.8%** p.a.)
- Ireland – 100% index linked (ave. **4.6%**. p.a.)
- Most reviews settled relate to 2021 – 2022
- 25% of UK indexed reviews include caps and collars, typically between 12% and 6% over a three-year review cycle





Robust Rent Review Results

Drivers of rental growth

- Typically 3-yearly review cycle
- Building cost inflation
- Completion of historic rent reviews
- Increased development activity
- Replacement cost
- Building regulations and specification creep
- Reducing the NHS carbon footprint
- **£2.1m or 4.8%** uplift expected on 302 open market value reviews triggered to date with ERV of £45.8m
- Further 287 reviews still to be actioned

Six months to 30 June 2024	Open market rent reviews completed		Number of outstanding reviews (current rent)	
Reviews relating to calendar years:	No	%	No	£m
<=2019	7	2.5	51	7.3
2020	6	3.3	42	6.6
2021	16	2.0	90	12.9
2022	16	3.3	154	22.1
2023	5	2.6	158	24.4
2024	-	-	94	13.4
Open market increases	**50**	**2.7**	**589**	**86.7**
Nil increases	24	0.0		
Total open market reviews	**74**	**2.1**		

Outstanding Reviews Focused by Region

London and South East	North	Midlands	Wales	Scotland	Eastern	South West	Ireland
30%	23%	21%	9%	6%	6%	5%	0%

Disciplined Approach to Asset Management, Development and Investment

Asset Management and Development Pipeline

Total funding requirement of c. £79m over the next three years to fund a mix of future asset management projects, direct and forward funded developments

1 Asset Management Projects

Active management of existing assets to create additional value

In Legals		Advanced Pipeline		Total Cost
Number	**Est. cost**	**Number**	**Est. cost**	
23	£15.3m	19	£16.9m	**£32.2m**

Funding Requirement

Estimated capex on projects over the next 1-3 years of £32.2m

c.6% YOC = £1.9m of new income

2 Pipeline

Pipeline of active opportunities include

Region					Total Cost
	Number	**Est. cost**	**Number**	**Est. cost**	
Ireland	-	-	2	£42.4m (€50.0m)	£42.4m (€50.0m)
UK - direct developments	-	-	1	£4.1m	£4.1m

Estimated capex over the next 1-3 years of £46.5m

Further medium-term pipeline opportunities being monitored

PHP's First NZC-Led Asset Management Project

Swan Lane Medical Centre, Norfolk

NZC future proofed medical centre with 21-year lease regear and £57k of additional rent

- 20+ year old building in Long Stratton, Norfolk refurbished and extended
- 8 GP's and 13 healthcare professionals serving 12,000 patients
- Services provided include minor operations, mental health, pharmacists and physio
- Adjoining site acquired to build extension for 7 new clinical rooms plus refurbish existing building
- Capacity increased by 20% to future proof the building to cope with 1,800 new homes being built locally
- Air source heat pumps replace oil fed system along with solar PV and EV charging
- BREEAM Very good and EPC improved to A
- NZC for all future operational use

Development and Investment Activity

- **Short-cycle and de-risked development activity:** Adding high quality assets, capturing attractive development margins and supporting ESG commitments
- **Direct developments:** Advanced pipeline of one further project being progressed and rents being renegotiated
- **Irish forward funded developments:** Two projects in pipeline with a total cost of £42m/c.€50m

Direct Development (on site)

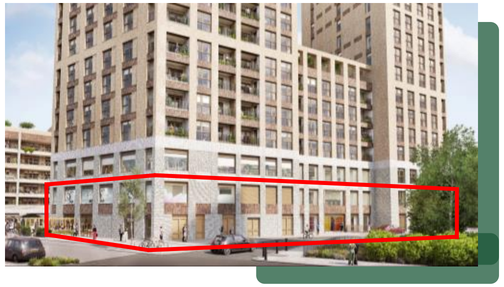
Croft Primary Care Centre, West Sussex

Tenants:
- GP Practice
- Pharmacy

Start on site:	Q3 2023
PC date:	Q4 2024
GDV:	£6.0m
Size:	1,456 sqm
No. of GP's:	8
Patients:	12,000 rising to 22,000
WAULT:	25 years
Rent Review:	OMV
BREEAM rating:	Excellent
Net Zero Carbon:	Yes

Direct Development (on site)

Peel Precinct Health Centre, South Kilburn



Tenants:
- GP Practice

Start on site:	Q3 2024
PC date:	Q2 2025
GDV:	£4.3m
Size:	809 sqm
No. of GP's:	3
Patients:	9,000 rising to 14,000
WAULT:	25 years
Rent Review:	OMV
BREEAM rating:	Excellent
Net Zero Carbon:	Yes (fit-out)

Future Direct Development

Spilsby Primary Care Centre, Lincolnshire

Tenants:
- NHS trust
- GP Practice

Start on site:	Q4 2024
PC date:	Q4 2025
GDV:	£4.1m
Size:	905 sqm
No. of GP's:	4
Patients:	7,500 rising to 10,000
WAULT:	25 years
Rent Review:	OMV
BREEAM rating:	Excellent
Net Zero Carbon:	Yes

Opportunistic Investment

Gillies Health Centre, Basingstoke

Tenants:
- GP Practice
- Pharmacy
- Dentist

Cost:	£4.5m
Size:	1,489 sqm
No. of GP's:	12
Patients:	24,000
WAULT:	17 years
Rent Review:	OMV
EPC rating:	B

Investment Case And Outlook

Compelling Investment Case for PHP

- Stable and growing income
- Strong tenant profile with c90% government backed with long term leases and high occupancy
- PHP has a market leading position in an attractive real estate sector where demand for space is set to grow
- There are clear demand drivers in the UK and Ireland with a growing and ageing population
- Political landscape has changed to our advantage with £billions to be invested in a reformed **N**eighbourhood **H**ealth **S**ervice
- Primary care is an essential service and there are high barriers to entry
- Urgent need to rebuild healthcare infrastructure with primary and community health playing a lead role with far too much existing real estate becoming obsolete and unfit for purpose
- Proven track record and earnings and dividend growth

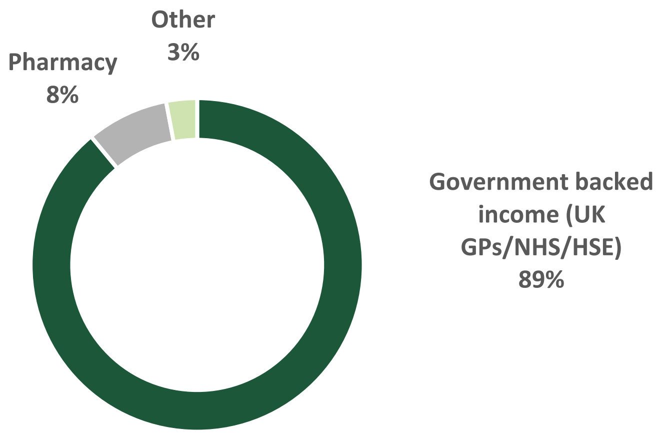
Closing Remarks

- Continued focus on earnings and dividend growth
- Strong sustainable rental growth driven by improving open market value outlook
- Strong control on costs with industry leading EPRA cost ratios
- Strong market fundamentals driven by long-term demographic and macro trends
- Supply side impetus from new Labour government’s commitment to NHS and strategy to expand primary care
- Great platform and experienced team focused on delivering shareholder value

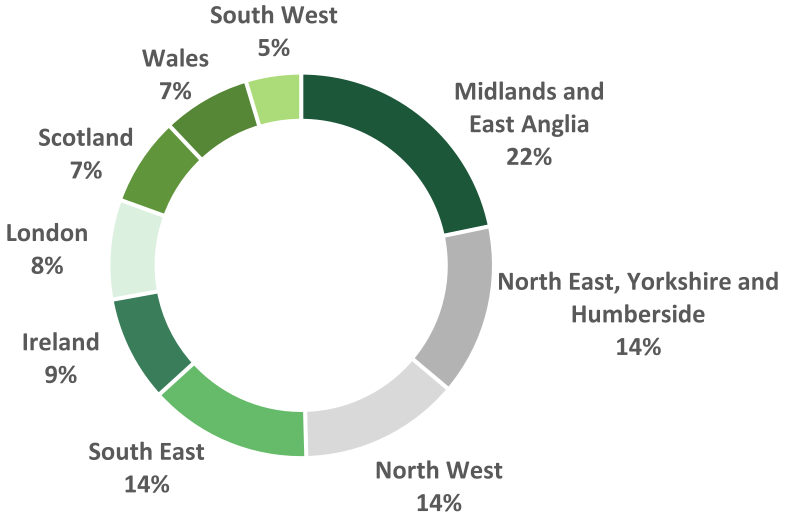
Appendices

PHP's Property Portfolio Overview

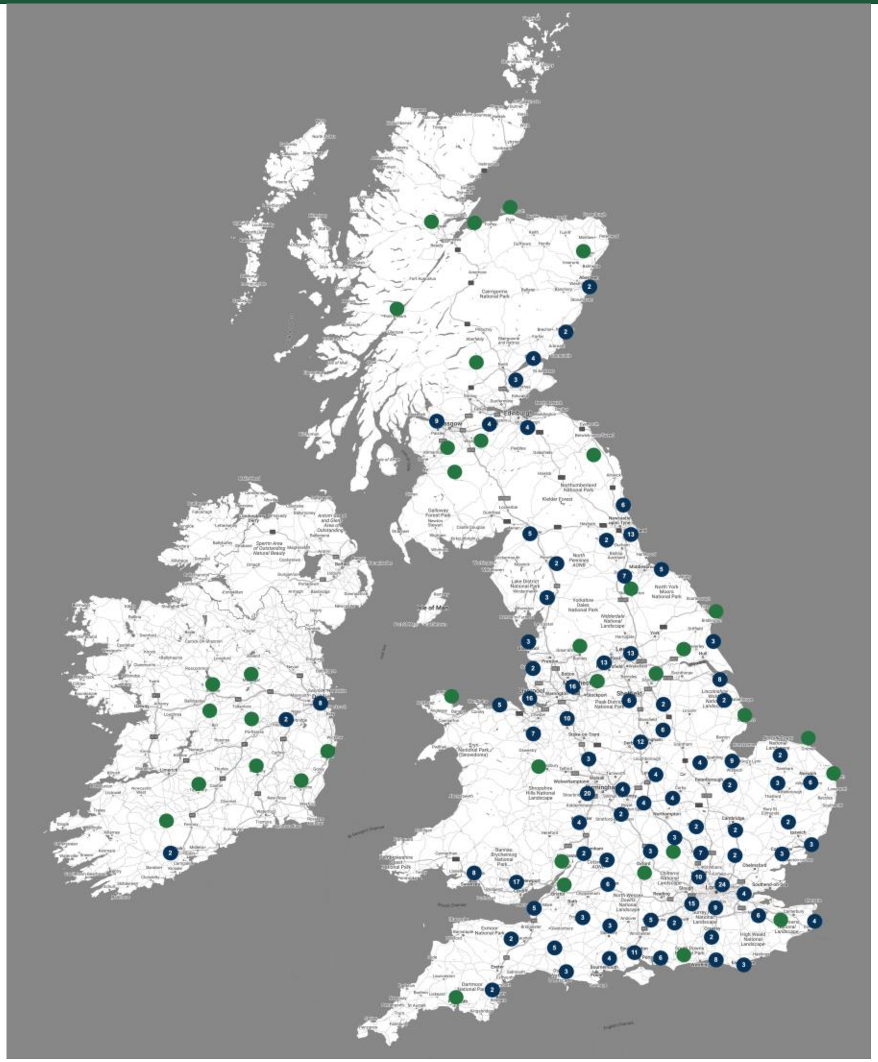
Covenant Exposure by Rent Roll (£153 million)



Geographical Spread by Valuation (£2.8 billion)



516 Assets, Inc. 21 in Ireland, with 99.2% Occupancy



PHP's Property Portfolio Overview

Key Figures	30 June 2024
Total number of properties	**516**
Including properties in Ireland	**21**
Investment portfolio value (£bn)	**2.75**
Floor area (000's sqm / 000's sq. ft.)	**712 / 7,664**
Capital value (£ per sqm / £ per sq. ft.)	**3,857 / 358**
Contracted rent roll (£m)	**152.6**
Average rent (£ per sqm / £ per sq. ft.)	**214 / 20**
Net initial yield (NIY) – UK / Ireland	**5.2% / 5.3%**
Average lot size (£m)	**5.3**
Average WAULT (years)	**9.8**
Occupancy	**99.2%**
Government backed rent	**89%**

Income Expiry Profile	£m	%
Holding over[1]	6.6	4%
< 3 years[1]	13.2	9%
4 - 5 years	18.7	12%
5 - 10 years	51.4	34%
10 - 15 years	29.5	19%
15 - 20 years	21.5	14%
> 20 years	11.7	8%
Total	**152.6**	**100%**

Capital Value	Number	Value (£m)	%
> £10m	58	883	32%
£5m - £10m	127	857	31%
£3m - £5m	165	652	24%
£1m - £3m	161	350	13%
< £1m (incl. land £1.3m)	5	5	0%
Total	**516**	**2,747**	**100%**

1. 70%+ agreed terms or advanced discussions to renew

The Future of Primary Care in the UK

Case Study: Eastbourne

- Failing GP practices unable to cope with increasing patient demand which has affected service provision, patient care, outcomes and staff retention
- Merged into one super-practice operating as a single primary care network
- Existing premises deemed inadequate for the current population which is expected to grow with major local population growth
- Nationally and locally the NHS is implementing a strategic move of transferring services away from hospital settings to modern purpose-built spaces

New Primary Care Centre

- Flexible building to meet future demand and changing requirements
- The building achieved a BREEAM Excellent rating
- Helps with staff recruitment and retention

The Future

Let for 25 years to allow patients and the wider primary care network to access a wide range of health and care services including:

- General practice (physical, telephone and video)
- Minor operations and procedures
- Mental health assessments and practitioners
- Training for GP’s, nurses and paramedics
- Walk-in centre
- Clinics for various issues i.e. asthma, diabetes, cryotherapy
- Non-NHS services (medicals, insurance, vaccinations)
- Physiotherapy
- Occupational therapy
- Social prescribing
- Care co-ordination
- Clinical pharmacy
- Family planning

3 separate GP practices merged into one super-practice, under new management, in purpose-built accommodation

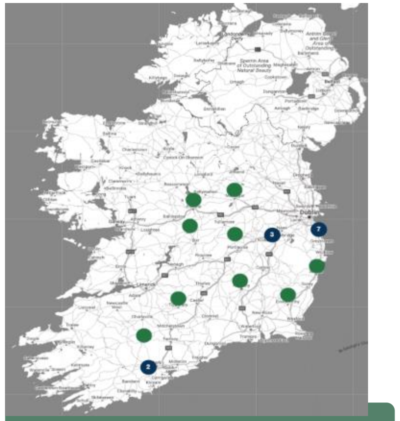


Ireland Opportunity

- **Growing and ageing population:** 5 million people growing to 6 million by 2050
- **Government support:** programme to modernise healthcare in Ireland and establish a network of 200 purpose-built primary care centres with healthcare budgets and demand for services under pressure
- **PHP one of the largest investors in Ireland:** portfolio comprises 21 assets, valued at £244m (€288m) with a large average lot size of £12m (€14m)
- **Strategic acquisition of PHP Axis** gives permanent presence in Ireland to source new opportunities
- **Target:** grow portfolio to around **€500m or c.15%** of total group portfolio
- **Pipeline £42m (c.€50m)** across two projects
- **Irish rent roll** €17.0m with 79% let directly to Health Service Executive or government agencies with long leases (WAULT: 20 years). All rents linked to Irish CPI (+2.2% June 2024) capped at 25% over 5 years

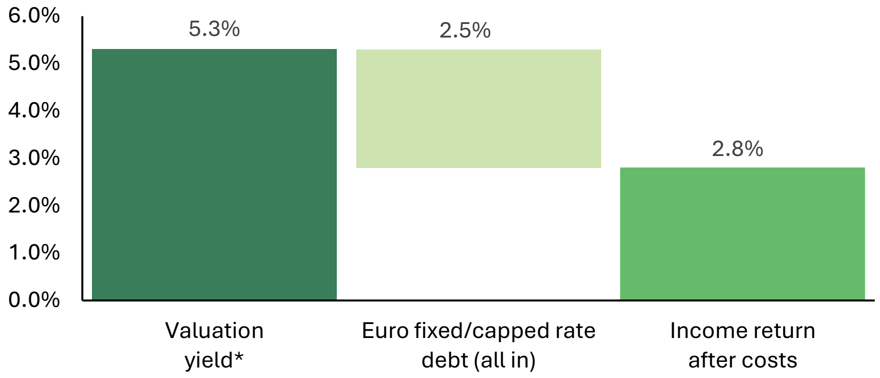




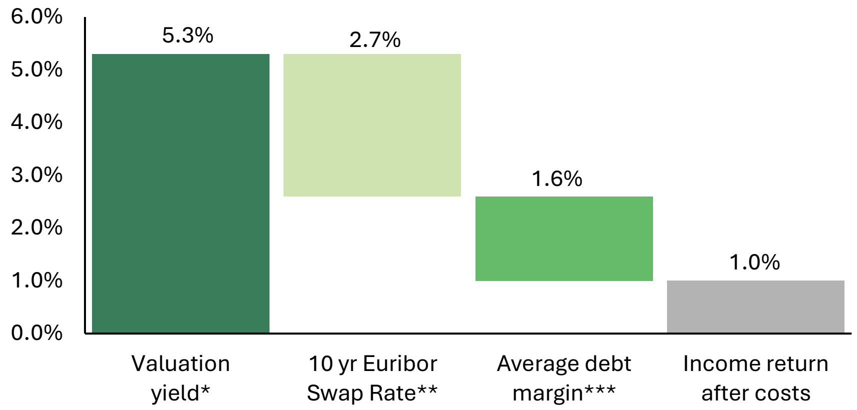


Attractive Income Accretion

Existing Portfolio



Current Interest Rate Environment



* PHP portfolio valuation yield 30 June 2024 (used as proxy for market purchases)
** Sourced from Chatham Financial – 17 July 2024
*** Company incremental margin on debt facilities

The Future of Primary Care in Ireland

Case Study: Enhanced Community Care Facility, Ballincollig

Property Price

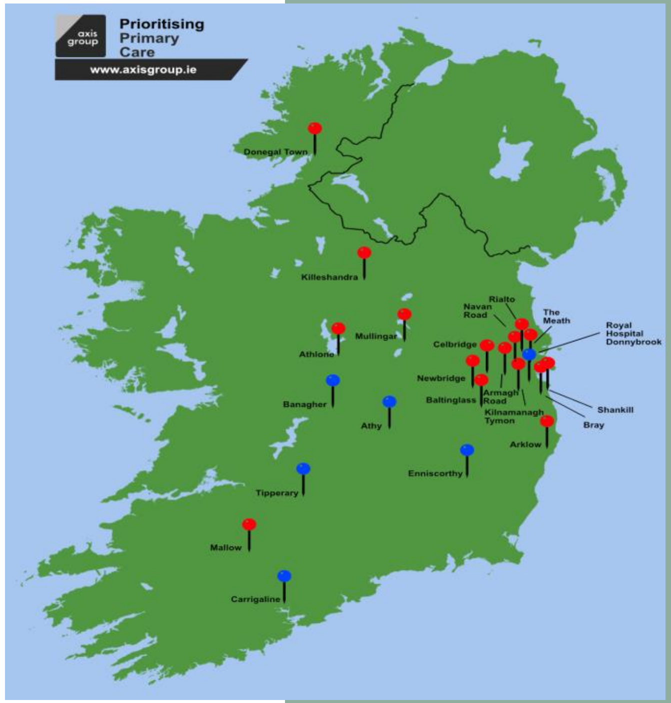
Property Price	€29.64m
Tenant	Health Service Executive (100%)
WAULT	25 years
Rent Reviews	5-yearly Irish CPI (compounded)
Size	6,000 sqm or 64,500 sq.ft.
Completion	December 2023

- Ireland's first Enhanced Community Care Facility and part of a €240m initiative which aims to increase community healthcare services and reduce pressure on hospitals
- The asset will provide a variety of services primarily to support elderly care and those suffering from a variety of chronic diseases including cardio, respiratory and endocrine issues
- Single let to the HSE on a 25-year lease benefitting from five yearly, annually compounded, Irish CPI indexed rent reviews
- Strong ESG credentials with a Building Energy Rating of A3 equivalent to Near Zero Emission Building status and a pending BREEAM rating of "Very Good"

Strategic Acquisition of PHP AXIS Technical Services and Long-Term Development Agreement

PHP Axis Technical Services Limited

- Provides a permanent presence on the ground in Ireland, further strengthening our position as we seek out new investment, development and asset management opportunities
- Property manager looking after 30 commercial properties located across Ireland focused on healthcare, pharmaceuticals and distribution; providing facilities management and fit-out services
- Strong, long-term partner with all their clients, including the Health Service Executive (“HSE”)
- Extensive healthcare relationships through understanding of issues, compliance and reporting requirements
- 27 people providing national coverage, mobile technicians, helpdesk, digitalised maintenance management systems and extensive reliable subcontractor network



Long-Term Development Pipeline Agreement

- Leading developer of modern primary care centres in Ireland with a strong track-record of developing primary care centres in Ireland
- Option to acquire development pipeline over the next 5 years with an estimated value of £42m (€50m)
- Important source of further medium-term opportunities using extensive knowledge and market relationships in Ireland

UK: Positive Long-Term Demographic, Macro and Political Trends

- **National Health Service (NHS)** is a public body **established for over 75 years** and paid for by the UK Government
  - NHS was set up in 1948 to provide everyone in the UK with healthcare, based on their needs and is free of charge. Today it delivers around 87% of all care in the UK with the balance provided by private operators for a population of around 67m and forecast to grow to 78m by 2050
  - NHS annual **budget for 2024/25 is £157 billion** with around **1.4 million employees** and is the 6th largest employer in the world
  - NHS Long Term Plan, published January 2019, focuses on a strategic move to transfer services away from hospital settings to modern primary care premises requiring a continued shift and growth of the primary care workforce requiring access to and need for improved premises
- Primary care delivered via General Practices (“GP”) which acts as the gatekeeper to the NHS
  - GP’s and other medical professionals deliver **c.1m appointments per day** (70% F2F) in primary care, which has nearly doubled since 2019
  - COVID-19 added to the huge strain on services with a growing backlog of procedures and appointments with **c.7.6 million patients waiting for treatment at start of 2024**
  - **27% increase in GP workforce since 2019** to meet the rising demand and needs especially from an ageing and growing population with those aged over 70 having on average 5x more appointments than young people
  - **One-third of GP premises** currently considered not fit for purpose and 80% of premises not expected to be fit to meet future expected growth
- UK Government has acknowledged the need for funding of new primary care premises and that private capital must play a role, including specialised primary care property providers such as PHP
- A considerable investment into the sector is required to provide efficient, hygienic and modern facilities that are able to support increasing healthcare demand, expectations, workforce requirements, modern diagnostics and treatment technology
- Increasingly unable to make the necessary investment into infrastructure, the NHS and GP’s now rent high-quality medical facilities. Renting also facilitates changing GP career and practice profiles – retirement and recruitment
- Positive and supportive political backdrop with cross-party support
- **UK Government pays its bills on time** with a strong and stable credit rating: Moody’s Aa3 (stable), S&P AA (stable), Fitch AA- (negative outlook)
- Rent and property cost reimbursement mechanism established for over 75 years since the NHS was founded

UK: General Medical Services (GMS) Contract and Premises Costs Reimbursement

General Medical Services (GMS) Contract

- The system of General Practitioners (GP's) and primary care is the cornerstone of the NHS. They are the first point of contact for anyone with a physical or mental health need and they either treat patients directly or refer them on to the appropriate pathway for diagnosis and treatment within the NHS
- Since the NHS was formed in 1948, the vast majority of GP's have remained as independent contractors, typically operating as a partnership of two or more GP's, that work solely under a GMS contract for the NHS and agree to provide primary medical and other related services
- The contract also deals with the remuneration of the GP's for the services provided including mandatory and out of hours services together with income from other NHS sources such as the Quality and Outcomes Framework and payments for providing other enhanced services
- Their income is derived primarily from a formula based on the patient list (size) the practice serves taking into account the age and gender profile
- Personal and Alternative Provider Medical Services contracts, deal with the provision of health services by individual GP's and private companies operating as a GP practice

Premises Costs Reimbursement

- GMS contract also agrees to reimburse the GP surgery for their premises costs such as rent, business rates, utilities and maintenance. Reimbursement mechanism now established for over 75 years
- Where premises are leased, **rent is reimbursed on the basis of the current market rental (CMR) value** determined by an independent valuation conducted by the **District Valuer**, the specialist property arm of the UK Government who provide independent, impartial, valuation and professional property advice across the entire public sector in the UK
- The CMR is reviewed at each rent review provided for in the respective lease which is typically every three years in primary care

Ireland: Long-Term Demographic, Macro and Political Trends Supportive

- The population in Ireland, currently 5m, is expected to grow by 20% to c.6m by 2050 with the proportion aged over 65 and 80 expected to grow by 170% and 270% respectively over the same period
- Like most western economies the Irish population has a prevalence of unhealthy behaviours: 63% are overweight, 22% smoke, 76% consume alcohol and only 32% undertake sufficient levels of physical activity with health inequalities more common in lower socio-economic groups and those in more deprived areas
- Over the last decade, the Government in Ireland has developed various initiatives to modernise and co-locate the provision of a range of primary care services such as GP's, pharmacies, physiotherapists, dentists, mental health, etc.
  - Their vision is to establish 200 modern Primary Care Centres ("PCCs") throughout Ireland
  - The aim of these facilities is to provide a range of health care services to patients at a single location, ease pressure on the regional hospital system and significantly improve care outcomes for patients
- PCCs are funded in three different ways: government funded developments, public / private partnerships and traditional operational / rental lease agreements with developers and investors such as PHP
- Health Service Executive ("HSE") typically pays in excess of 75% of the rent paid at each PCC with the balance paid by the GP's and a pharmacy operator
- **Irish government pays its bills on time** with a strong and stable credit rating: Moody's Aa3 (stable), S&P AA (stable), Fitch AA- (positive outlook)
- Irish residents, except holders of a Medical Card (children, elderly over 70, and income below €22k p.a.), pay for GP consultations typically €50 to €70 per visit
- Rents (upwards and downwards) linked to Irish CPI which is currently forecast to fall from 5.2% in 2023 to c.2% p.a. in 2026
- 'Soft' lease breaks around minimum number of GP's and property maintenance obligations – carefully managed by PHP's permanent Irish property and facilities management team PHP Axis

PHP's Approach to ESG

- **Environmental** - committed to transitioning to net zero carbon (NZC) by 2030 for all operational, development and asset management activities for all of PHP's operational, development and asset management activities
- **Social** - activities result in better patient experiences and have a positive impact on health and wellbeing in our communities
- **Governance** - strong commitment to acting responsibly with integrity and transparency

Our NZC Targets:

All operational, development and asset management activities to be NZC by 2030 and to help our occupiers achieve NZC by 2040

2023	Operations to be NZC with offsetting: Achieved in 2022 and 2023
2025	All new developments to be NZC: Achieved in 2023
2030	All asset management activities to be NZC and properties to have an EPC of B or better: First two NZC projects underway in 2023
2035	All buildings to achieve an 80% reduction in carbon footprint
2040	All buildings are NZC across the portfolio

PHP's Approach to ESG

Development	Investment	Asset Management	Tenant and Operations	Projects
Net zero project at Croft on site, due to complete in 2024	Acquired Ballincollig, Ireland, an all electric enhances community care facility built to nZeb and BER A3	First all-electric heat pump project on site and embodied carbon NZC projects are underway	Achieved Toitu Carbon Reduce certification and purchased 100% renewable energy	Solar PV roll-out underway. Targeted EPC reassessments generate significant improvements

Strategy supports a low carbon approach

- Operations and developments (ALREADY NZC), and asset management activities to be NZC by 2030
- Operationally light portfolio, assets with low carbon intensity
- Asset management activity supporting carbon reduction of existing portfolio
- Supporting occupiers to be NZC by 2040, 5 years ahead of NHS's 2045 target

Strong stewards of underinvested, key social infrastructure assets

- Experience and capital to improve and extend buildings
- Six million patients or 9% of UK population registered at PHP's buildings
- Strong social focus around good health and wellbeing

Cost effective improvements through lease regears

- Upgrades to building fabric and systems improving energy consuming features and technologies
- LED lights, heat pumps, insulation, solar, electric vehicle charging
- Estimated cost to bring portfolio to EPC rating of B is £15m to £20m, where economically viable, increasing to £35m to £40m for the whole portfolio and will be incurred as part of planned asset management program

Operations and developments all net zero carbon in 2022, 2023 and H1 2024

Second NZC development at South Kilburn, London

Asset management: First NZC project completed at Long Stratton, Norfolk

Continued improvement in portfolio EPC ratings A-C: 86% (2023: 85%)

Portfolio EPC ratings:	H1 2024	2023
A	12%	12%
B	34%	30%
C	40%	43%
D	12%	13%
E - F	2%	2%

Income Statement

£m	30 June 2024	30 June 2023	Change
Net rental income	**76.2**	75.5	+0.9%
PHP Axis contribution	**0.7**	0.5	+40.0%
Administrative expenses	**(5.9)**	(6.1)	+3.3%
Operating profit before financing costs	**71.0**	69.9	+1.6%
Net financing costs	**(24.7)**	(24.0)	
Adjusted earnings	**46.3**	45.9	+0.9%
Revaluation deficit	**(40.0)**	(11.9)	
Adjusted profit excluding exceptional adjustments	**6.3**	34.0	-81.5%
Fair value profit on derivatives and convertible bond	**(2.8)**	3.9	-
Amortisation of MedicX debt MtM at acquisition	**1.5**	1.5	-
Amortisation of intangible asset arising on acquisition of PHP Axis	**(0.5)**	(0.4)	-
PHP Axis acquisition costs	**-**	(0.2)	-
IFRS profit before tax	**4.5**	38.8	-88.4%
Adjusted earnings per share	**3.5p**	3.4p	+2.9%
IFRS earnings per share	**0.3p**	3.0p	-90.0%

Balance Sheet

£m	30 June 2024	31 December 2023
Investment properties	**2,749.5**	2,779.3
Cash	**4.1**	3.2
Debt	**(1,322.6)**	(1,309.9)
Net debt	**(1,318.5)**	(1,306.7)
Other net current liabilities	**(28.1)**	(29.6)
Adjusted net tangible assets (NTA)	**1,402.9**	1,443.0
Convertible bond fair value adjustment	**2.8**	2.3
PHP Axis intangible asset (amortised value)	**5.8**	6.2
Fixed rate debt and interest rate derivatives MtM	**(24.3)**	(23.8)
Deferred tax	**(4.1)**	(3.8)
IFRS net assets	**1,383.1**	1,423.9
Fixed rate debt and swap MtM adjustment	**149.3**	132.3
EPRA NDV (NNNAV)	**1,532.4**	1,556.2
Loan to value	***48.0%***	*47.0%*
Adjusted NTA per share (pence)	***105.0p***	*108.0p*
IFRS NTA per share (pence)	***103.5p***	*106.5p*
EPRA NDV per share (pence)	***114.7p***	*116.4p*
Number of shares (millions)	***1,336.5***	*1,336.5*

Spread of Funding Sources

	Unsecured Facilities[1]	Secured Facilities[3]							
Provider	**Convertible bond**	**Santander**	**Barclays**	**RBS[1]**	**HSBC**	**Lloyds**	**Secured bond**	**Secured bond**	**Standard Life**
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet
Expiry	Jul-2025	Jan-2026	Sept-2026	Oct-2026	Dec-2026	Dec-2025	Dec-2025	Mar-2027	Sept-2028
Facility	£150m	£50m	£100m	£100m	£100m	£100m	£70m	£100m	£77m
Drawn	£150m	£24m	£nil	£44m	£59m	£14m	£70m	£100m	£77m
Collateral[2]	-	£96m	£205m	£200m	£181m	£180m	£118m	£169m	£122m
Contracted rent	-	£6m	£11m	£11m	£10m	£10m	£7m	£9m	£6m
LTV Max	-	60%	60%	55%	67%	65%	74%	70%	74%
LTV actual	-	25%	n/a	23%	33%	8%	60%	60%	64%
ICR Min	-	1.75x	1.5x	1.5x	1.75x	1.75x	1.15x	1.15x	1.15x
ICR actual	-	3.2x	n/a	3.5x	2.4x	10.4x	1.2x	3.2x	2.3x
Valuation fall to breach	-	£56m	£200m	£115m	£93m	£158m	£22m	£23m	£17m
Income fall to breach	-	£2m	£11m	£6m	£2m	£8m	£1m	£6m	£3m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data as at 30 June 2024

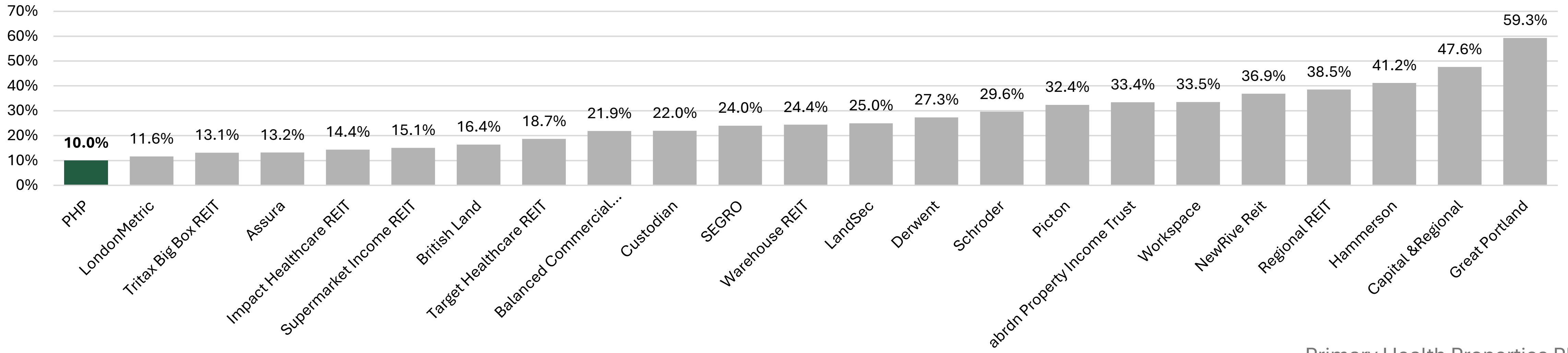
Spread of Funding Sources (Continued)

	Secured Facilities[3]								Cash / Unfettered Assets	Total
Provider	**Aviva**	**Ignis**	**Euro PP**	**Euro PP**	**Euro PP**	**Aviva**	**MetLife Euro PP**	**Aviva**		
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Bullet	Bullet		
Expiry	Nov-2028	Dec-2028	Dec-2028 Dec-2030	Sept-2031	Dec-2033	Sept- 2033	Feb-2034	Oct-2036		
Facility	£75m	£50m	£43m (€51m)	£59m (€70m)	£40m (€48m)	£253m	£65m (€75m)	£200m	-	£1,632m
Drawn	£75m	£50m	£43m (€51m)	£59m (€70m)	£40m (€48m)	£253m	£65m (€75m)	£200m	(£4m)	£1,319m
Collateral[2]	£152m	£87m	£74m	£101m	£69m	£466m	£121m	£395m	£40m	£2,750m
Contracted rent	£8m	£5m	£4m (€5m)	£6m (€7m)	£3m (€5m)	£26m	£6m	£21m	£4m	£153m
LTV Max	65%	74%	70%	70%	70%	70%	70%	65%	-	
LTV actual	50%	59%	60%	59%	56%	55%	53%	52%	-	
ICR Min	1.6x	1.15x	1.15x	1.15x	1.15x	1.4x	1.15x	2.25x	-	
ICR actual	3.4x	2.5x	4.0x	6.7x	1.7x	2.3x	6.0x	4.2x	-	
Valuation fall to breach	£33m	£18m	£11m	£15m	£14m	£97m	£31m	£80m	£54m	£1,037m
Income fall to breach	£4m	£3m	£3m	£5m	£1m	£10m	£5m	£10m	£3m	£83m

1. Excludes unsecured £5m overdraft facility
2. Includes only assets mortgaged to the applicable facility
3. All data as at 30 June 2024

EPRA Cost Ratio – A Strong Control on Costs

	30 June 2024 (£m)	30 June 2023 (£m)	31 December 2023 (£m)
Gross rent less ground rent, service charge and other income	80.0	78.2	155.8
Direct property expense	8.7	7.9	18.2
Less: service charge and recovered costs	(5.9)	(5.7)	(13.3)
Non-recoverable property costs	2.8	2.2	4.9
Administrative expenses including PHP Axis	6.3	6.1	12.4
Less: ground rent	(0.1)	(0.1)	(0.2)
Less: other operating income	(0.3)	(0.3)	(0.5)
EPRA costs (including direct vacancy costs)	8.7	7.9	16.6
EPRA cost ratio	10.9%	10.1%	10.7%
EPRA cost ratio excluding PHP Axis overheads and direct vacancy costs	10.0%	9.7%	10.1%
Administrative expenses as a percentage of gross asset value	0.3%	0.4%	0.4%



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July 2024