

HELICAL PLC
("Helical" or the "Company")
Trading Update for the Period Since 1 April 2024

14 October 2024

Helical today provides an update covering its trading activity for the period 1 April 2024 to 11 October 2024 ("the Period") in advance of its Half Year results which will be announced on Tuesday 26 November 2024.

Commenting on the Company's activities, Matthew Bonning-Snook, Helical's new Chief Executive, said:

"It has been a busy six months during which we have made good progress delivering on the targets we set ourselves earlier this year.

"Construction is now underway on three new office schemes, with plans progressing at the remaining future development sites. A new Revolving Credit Facility is in place which pushes out our debt maturity, and proactive management of our investment portfolio is reducing vacancy. We will continue to recycle our portfolio, as market conditions allow, providing funds for our future pipeline as well as containing our gearing levels.

"The market appears to be moving in our direction, with our best-in-class office developments due to deliver into a supply constrained 2026."

Operational Performance

Development Pipeline - Under Construction

100 New Bridge Street, EC4 - Works have started on site for our "carbon friendly" new office development at 100 New Bridge Street, EC4, located adjacent to City Thameslink station and a short walk from Farringdon and Blackfriars stations. In the Period, we signed a JV Agreement with Orion Capital Managers, a £155m development facility agreement with NatWest and an institutional lender, as well as the main building contract with Mace. Works are progressing well with a planned completion date of April 2026.

Brettenham House, WC2 - The repositioning of this asset is now underway with the building fully scaffolded to facilitate the commencement of the cleaning and repair of the external stonework and new window installation. The technical design stage is due to be concluded by the end of October with completion of the works due by April 2026.

10 King William Street, EC4 - The first of three initial sites to be developed in joint venture with Transport for London's property company, Places for London, this eight storey office development located above the recently opened Bank station entrance on Cannon Street will deliver 140,000 sq ft of "best-in-class" office space with an additional 2,000 sq ft of ground floor retail space. We secured consent in the Summer for the cycle, wellness and public realm enhancements via a s96a amendment. On 1 October we acquired the site and the basement construction works are now well underway. We are finalising the placement of the main building contract and are aiming to achieve practical completion of the scheme by December 2026.

Terms have been agreed for a four year, £125m development facility to fund the construction works on 10 King William Street and are now in the process of being legally documented in time for the start of the main contract works in January 2025.

Development Pipeline - Future Schemes

Southwark OSD, SE1 - We submitted a planning application on 20 September 2024 to Southwark Borough Council, following extensive consultations through the Spring and Summer. As the second site in our joint venture with Places for London, the proposals comprise a purpose-built student accommodation scheme of 429 studio units together with a separate building providing on-site affordable housing. Designed by AHMM, the new scheme sees a reduction in height and massing compared to the previously consented office scheme, as well as retaining and enhancing Joan Street as part of the significant improvements to local biodiversity and urban greening. We are targeting an implementable consent in time for the site purchase in July of next year.

Paddington OSD, W2 - Situated close to the Elizabeth Line station at Paddington, this 19-storey building, the third development in our joint venture with Places for London, will provide 235,000 sq ft of office space. In the Period, a non-material amendment was approved introducing terrace amenity to each of the office floors as well as rationalising the south transfer structure to reduce embodied carbon and cost. We continue to look at enhancements to the scheme with a particular focus on the end of trip facilities and arrival experience. We are due to acquire the site, in the joint venture, in January 2026.

Investment Portfolio

The JJ Mack Building, EC1

At The JJ Mack Building, EC1 we have let 44,103 sq ft of offices during the Period along with 1,521 sq ft of retail, at 31 March 2024 ERVs, with 13,409 sq ft of the let office space subject to fixed annual increases of 2.5%. These lettings take the overall occupancy of the building to 90%, with the only remaining space being the 21,734 sq ft fifth floor which benefits from a 1,298 sq ft private terrace.

The Bower, EC1

At The Tower, we have been working to let the space on the first to the sixth floors, previously occupied by WeWork.

The Tower's flex offering, Beyond The Bower, has achieved a series of new memberships which has brought the overall occupancy on the first floor to 28% and the second floor to 92%. We are conducting a light refurbishment of the third floor, released to us by WeWork in June this year, and have undertaken a refit of the fourth, fifth and sixth floors. We have signed an agreement for lease on the completed fourth floor, at rents slightly above 31 March 2024 ERV, to a US cyber security company. The works on the fifth and sixth floors are due to complete later this month and good interest is being shown by prospective occupiers.

The Loom, E1

We continue to make good progress in reducing the vacancy at The Loom, which has reduced from 34.9% at 31 March 2024 to 27.4%. This represents a combination of new tenants and upsizing of existing building occupiers.

Sales

On 25 April 2024, we completed on the sale of 25 Charterhouse Square, EC1, for £43.5m, with contracts having exchanged on the 31 March 2024.

On 17 May 2024, we signed a joint venture agreement with Orion Capital Managers, selling a 50% investment in 100 New Bridge Street, EC4 for £55m.

On 15 August 2024, we exchanged contracts for the sale of The Power House, W4, for £7.0m.

Financing

£210m Revolving Credit facility ("RCF")

On 30 September 2024, we renewed the Group's RCF for a further three year term with two one-year extensions and a revised facility amount of £210m, down from £300m. Around the same time, we used the mark to market value of the Group's existing interest rate swaps to enter into £175m of new four-year interest rate swaps at an average rate of 1.58%. The amount drawn remains at £188m with an all-in interest rate, including margin and utilisation fee, of 4.0% and an average maturity of 3.0 years, extendable to five years on exercise of the two extension options.

100 New Bridge Street, EC4

As at 30 September 2024, in our joint venture, we had drawn £5.8m of the £77.5m facility (our share) which has an effective interest rate, excluding commitment fees, of 8.5%. The facility is repayable in 3.6 years, with a one year extension option.

Sustainability

We continue to perform well against our sustainability goals and targets, maintaining our Gold status from the EPRA Sustainability Best Practice Recommendations and, more recently, we were pleased to receive a GRESB 5 star rating across both our standing investments and development portfolio with a score of 88/100 and 96/100 respectively. Most notably in the Period, we received our design stage Outstanding BREEAM certification for 100 New Bridge Street, EC4, achieving a score of 95.3%. Alongside this we also received our WELL pre-certification and NABERS Design for Performance for the scheme. This impressive result supports our continued commitment to drive sustainability forward at all our developments and demonstrates what is possible when sustainability is embedded as a key priority from the outset.

The refinanced RCF continues to be a Sustainability Linked Loan incorporating ESG targets. These targets reflect the ambitions and trajectory of the business including BREEAM certification and upfront embodied carbon.

For further information, please contact:

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