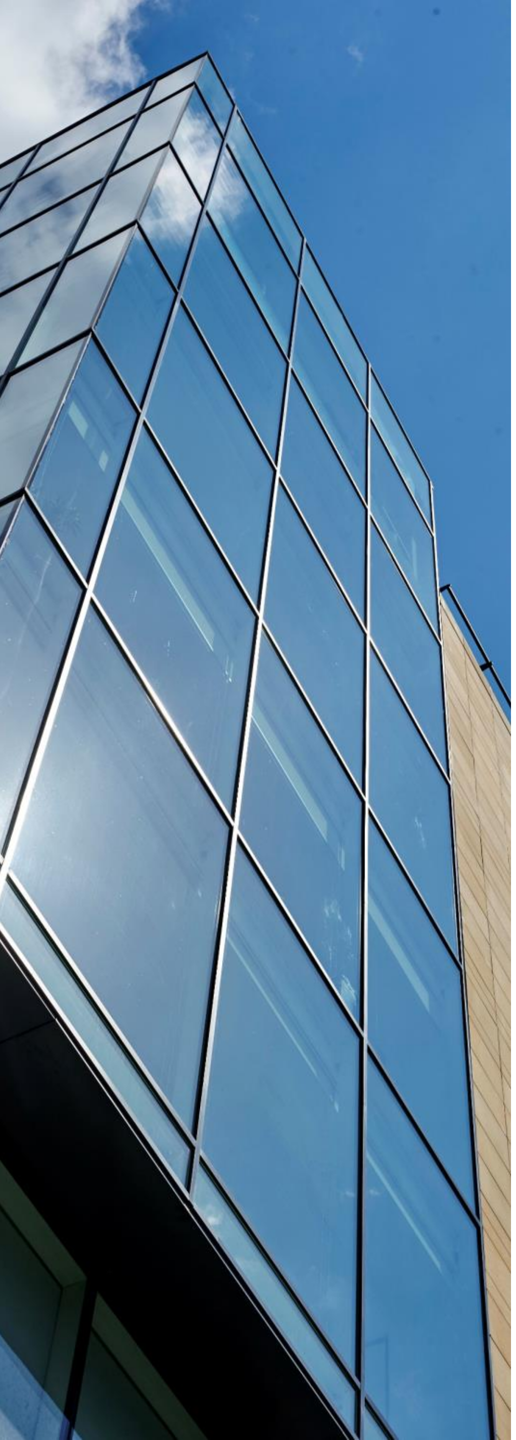
Results Presentation

Six Months ended 31 December 2022

"Resilient performance given macro-economic conditions"

Edward Ziff – Chairman & CEO
Stewart MacNeill – Group FD

Town Centre Securities
tcs-plc.co.uk



Business Review – resetting and reinvigorating

Town Centre Securities
tcs-plc.co.uk

Following our June 2020 year end we confirmed that a resetting and reinvigorating of the business was underway:

- Strategy and business model remained appropriate but needed acceleration given events
- Key elements of acceleration included:
  - <u>Disposals of Retail and Leisure assets</u>, either where they have matured following investment, or where they are under-performing
  - <u>Continue to reduce proportion of Retail and Leisure</u> in the portfolio
  - <u>Reduce Gearing and LTV</u>
  - <u>Create headroom for future growth</u> to enable us to bring forward development sites

… delivered in the period

- **Disposals of Retail and Leisure assets:**

£20.3m receipt following sale of three properties

- **Proportion of Retail and Leisure in the portfolio now stable and at historically low levels:**

Retail and leisure now stable at 29% (FY22 31%), with pure retail only 18%

- **Reduce Borrowings and LTV (including finance lease assets and liabilities):**

Net borrowings down 23% (£38m) to £97.4m, LTV down to 43.5% (FY22: 46.4%)

- **Create headroom for future growth:**

Headroom of £32.7m at the period end, increasing to over £37m following expected sale of part of Whitehall Riverside in March 2023. Significant development pipeline with a GDV of £550m in place.

HY23 Financial Summary

Gross Revenue
£15.7m
Up 9.3% on HY22

Interim Dividend
2.5p
FY22: 2.5p

EPRA earnings
£1.7m
£2.6m in HY22

Statutory loss
£19.1m
£10.5m profit in HY22

LTV
43.5%
Down 290bps vs FY22

EPRA NTA
306p
FY22: 333p

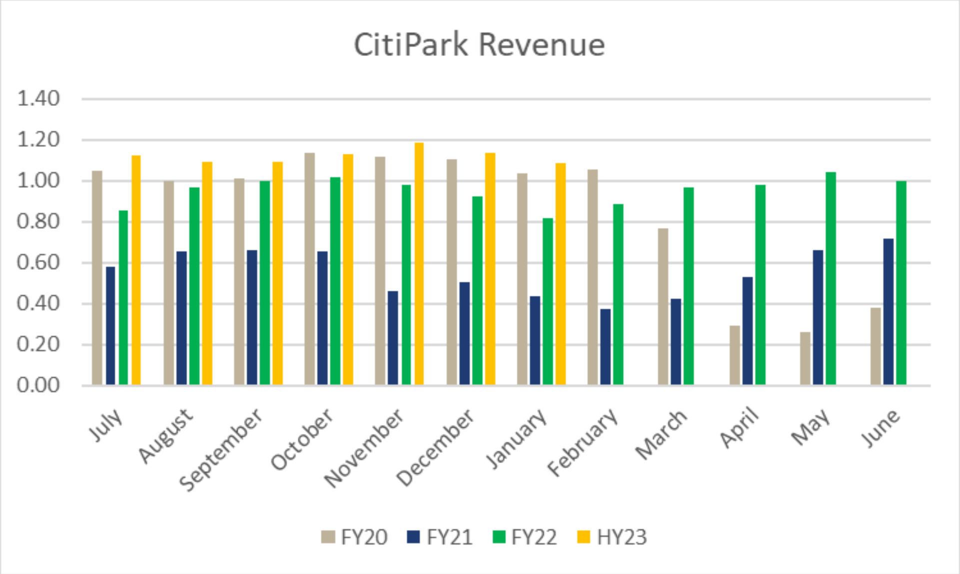
Macro-economic uncertainty affecting valuations but underlying trade resilient

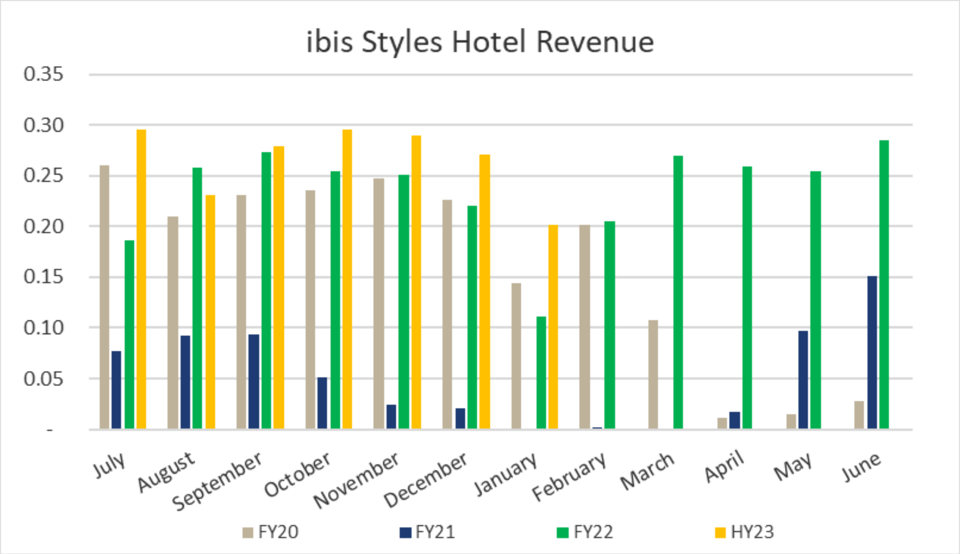
Town Centre Securities
tcs-plc.co.uk

- Rent receipts remain strong averaging 98.9% collection in the period, with a further 0.7% agreed to be deferred
- 7.0% LFL decrease in property values in the period resulting in a statutory loss of £19.1m – however outperforming the MSCI/IPD All Properties Capital Index – which has shown a comparable 17.5% LFL decrease
- Interim dividend 2.5p. Fully covered by EPRA earnings of 3.5p in the period
- LTV reduced to 43.5% following further asset sales
- Tender Offer and market buy backs resulted in the Company acquiring for cancellation 4.075m shares – average all-in cost of 194p per share

Resilience and continued recoveries in both our Car Park and Hotel Businesses

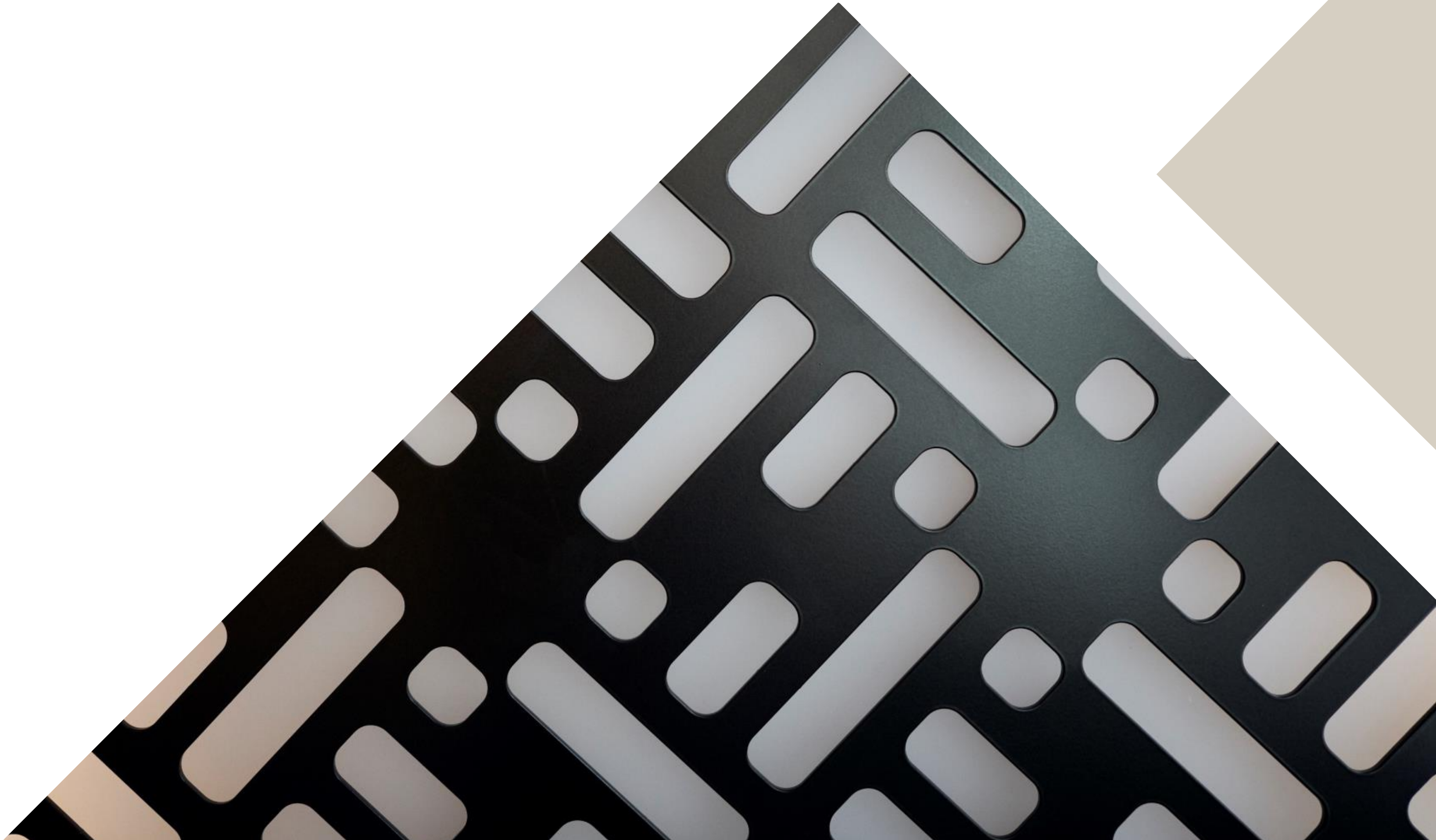
- Both our CitiPark business and our ibis Styles Hotel continue to trade well
- CitiPark was growing strongly prior to the crisis and has rebounded. HY23 revenues up 11.5% on HY22
- ibis Styles Leeds City Centre Arena Hotel – HY23 revenues up 15.1% on HY22





Town Centre Securities
tcs-plc.co.uk

Financial Performance



HY23 Income Statement

£m	**HY23**	HY22	*POP*
Gross Revenue	**15.7**	14.4	*9.3%*
Debtor Impairment Movement	**0.1**	0.4	*(79.6%)*
Property Expenses	**(7.8)**	(7.1)	*10.6%*
Net Revenue	**7.9**	7.7	*3.5%*
Other Income / JV Profit	**0.9**	1.8	*(47.6%)*
Other Expenses	**0.0**	0.0	-
Administrative Expenses	**(3.6)**	(3.0)	*22.7%*
Operating Profit	**5.2**	6.5	*(19.3%)*
Finance Costs	**(3.5)**	(3.9)	*(9.4%)*
EPRA Earnings	**1.7**	**2.6**	***(34.0%)***
EPRA EPS (p)	***3.5***	*5.0*	

Segmental £m	HY23	HY22	*POP*
Property			
Net Revenue	5.0	5.0	*(0.2%)*
Operating Profit	2.9	4.3	*(33.3%)*
CitiPark			
Net Revenue	2.7	2.4	*11.5%*
Operating Profit	2.1	1.9	*9.9%*
ibis Styles Hotel			
Gross Revenue	1.7	1.4	*15.1%*
Operating Profit	0.3	0.3	*0.7%*

Rent Collections

- Throughout the pandemic the strength of our tenant relationships, the diversified nature of our portfolio, and our lack of exposure to traditional high street retail has led to a strong level of rent receipts
- From 1 July 2020 to date, covering the entire COVID period and the latest rent quarters, we have collected or agreed to defer 97.3% of all rent and service charge billed
- Of the £1.7m remaining, £1.5m has been conceded (mostly in return for lease changes), and £0.2m remains with no agreement
- 99.6% rent collection since 1 July 2022:

	July 2022 to February 2023* £m	%
Total billed	14.6	
Total collected	14.4	98.9%
Agreed to be deferred **	0.1	0.7%
Agreed total	14.5	99.6%

** English & Scottish quarters and monthly billings (collections from 1 July 2022 to date)*

*** Agreed to be deferred and still outstanding*

HY23 Balance Sheet

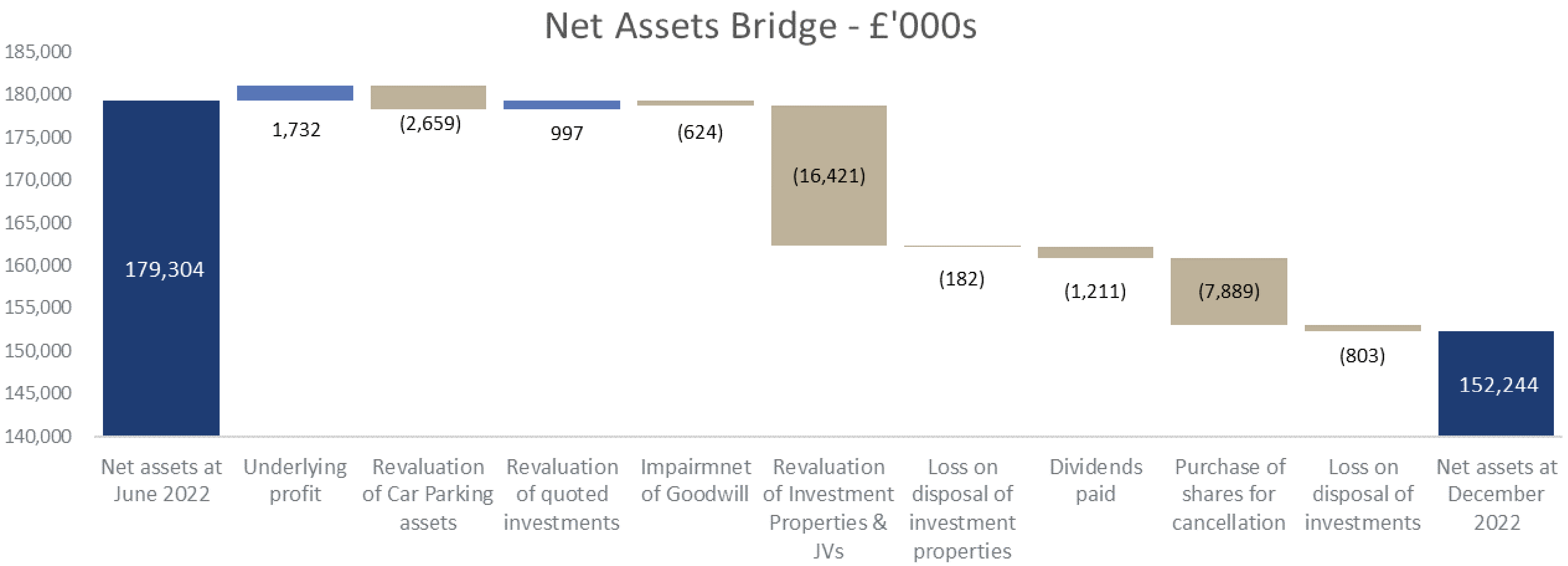
Town Centre Securities
tcs-plc.co.uk

£m	HY23	FY22	vs FY22
Freehold and Right to Use Investment Properties	**142.9**	158.5	*(9.8%)*
Development Properties	**31.4**	42.6	*(26.3%)*
Car Park related Assets, Goodwill and Investments*	**81.3**	97.9	*(17.0%)*
Hotel Operations	**9.1**	9.1	*n/a*
	264.7	308.1	*(14.1%)*
Joint Ventures	**16.2**	18.0	*(10.0%)*
Listed Investments	**5.1**	4.1	*24.4%*
Other Non-Current Assets	**1.0**	1.0	*0.0%*
Total Non-Current Assets incl.Available for Sale	**287.0**	**331.2**	*(13.3%)*
Net Borrowings	**(125.8)**	**(163.8)**	*(23.2%)*
Other Assets/(Liabilities)	**(9.0)**	**11.9**	*(175.6%)*
Statutory NAV	**152.2**	**179.3**	***(15.1%)***
Statutory NAV per Share	**314p**	**341p**	***(7.9%)***
EPRA Net Tangible Assets (NTA)	**148.4**	**174.9**	***(15.2%)***
EPRA NTA per Share	**306p**	**333p**	***(8.0%)***

** includes Assets held for sale in FY22 of £20.4m*

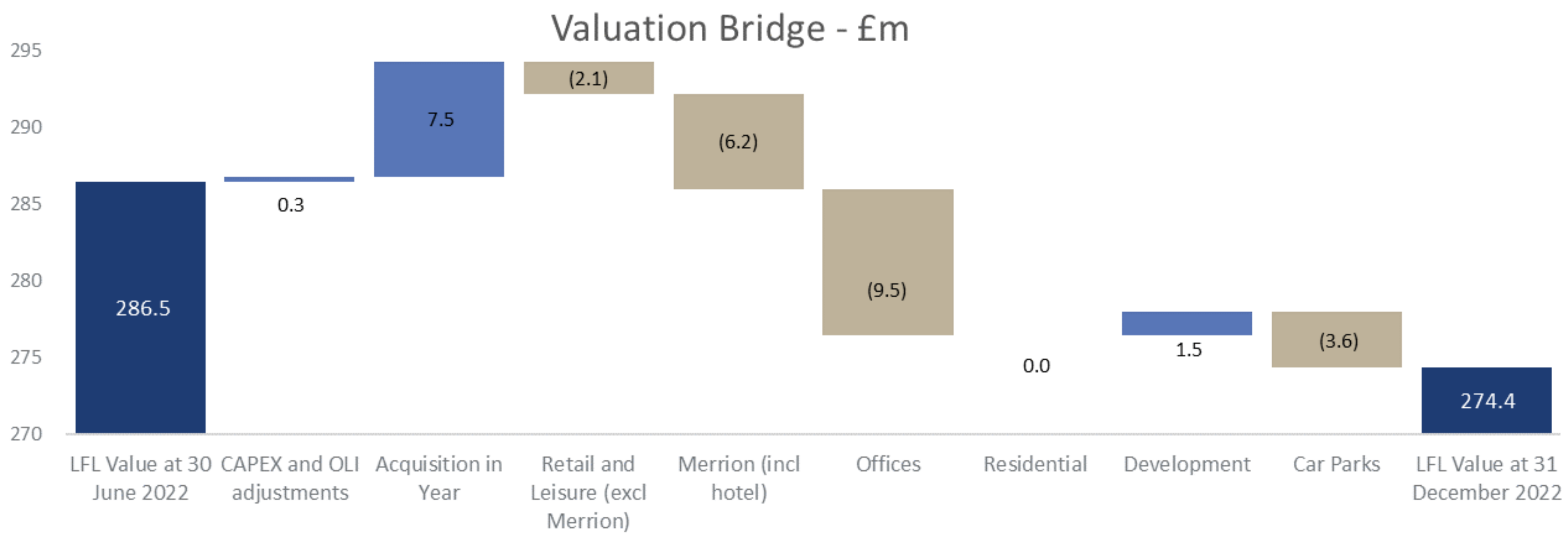
- Statutory NAV down 15.1% from FY22 primarily due to revaluation reductions and car park impairments reflecting real estate investor and market sentiment around the macro-economic outlook and the impact of the successful tender offer and share buybacks
- Statutory NAV per share down 7.9% - mitigated by the accretive nature per share of the tender offer and share buybacks
- Property portfolio down 7.0% LFL - outperforming the MSCI/IPD All Properties Capital Index which showed a 17.5% decline over the same period
- Net borrowings down 23.2% from FY22
- EPRA Net Tangible Assets of £148.4m

Statutory Net Assets Bridge



- Total Revaluation decrease/impairments of £19.7m Investment Properties, Hotel and Car Parks (details on following slide)
- Sold assets were disposed at or around 30 June 2022 valuations – small loss crystallised as result of selling costs
- Tender offer and share buybacks: 4,075,000 shares at an all-in price per share of 195p, significantly below NAV per share

Year End Valuation



- 7.0% LFL decrease in property portfolio at the half year
- Driven by significant reductions in retail and office valuations and car park impairments
- Development land increased in value by 4.7%, driven by a £1.5m increase in the value of Whitehall Road, Leeds

ESG – a long term commitment to Corporate Responsibility

We have a 5-part approach to ESG incorporating:

Alignment with the UN Sustainable Development Goals (SDGs)

TCS recognises the importance of the UN SDGs and as we further develop our ESG programme we are using these to inform our decision-making and target setting.

The key SDGs that TCS has an impact on and our activities in these areas are set out adjacent:

SDG Goals	
Goal 3 - Good health and wellbeing	Our charitable work with children (e.g. our work with the Ahead Partnership)
Goal 7 - Affordable and clean energy	Producing our own solar energy through the development of three solar farms in Leeds and Manchester
Goals 11 & 12 - Sustainable cities and communities and Responsible consumption and production	EV charging network, and newly formed CitiCharge business. Also our five-year Merrion Centre sustainability plan
Goals 10 & 17 - Reduced inequalities and Partnerships for the goals	Local charitable partnerships including Tempus Nova

- Much of this has formed a long-standing part of our way of doing business, and is embedded within our culture
- The Marjorie & Arnold Ziff Charitable Foundation controls approximately 6.5m shares (12%) using the income for charitable endeavours
- We recognise the need to further formalise our ESG strategy, including identifying measures of success. We have started that work

Sustainability –
EPC Performance of the Portfolio

Core part of strategy to improve sustainability credentials of all refurbished buildings (starting with offices):

- Town Centre House – EPC B
- Merrion House – EPC B
- 123 Albion Street – EPC B (previously EPC D)
- Ducie House – EPC C for newly refurbished units (previously EPC D)
- Carvers Warehouse – EPC D
- Merrion Centre (Retail and Leisure) –EPC C
- Urban Exchange (Retail Warehouse) – EPC D
- ibis Styles Leeds City Centre Arena Hotel – EPC B

Whitehall Riverside Case Study –
the next step in the Company's sustainability strategy

Town Centre Securities
tcs-plc.co.uk

Delivering for future generations.

The strategy for the development of Whitehall Riverside not only provides provisions to be sympathetic to its existing surroundings, but also to safeguard for future generations.

- Target EPC A Rating
- BREEAM target 'Outstanding'
- Target net zero carbon in operation
- Targeting 38.5% less energy consumption than buildings regulations target
- 100% of energy from renewable sources
- All electric building
- Heating & Cooling via zoned VRF system with heat recovery
- Fabric first approach to minimise every demand
- NABERS accredited
- WELL accreditation – base build designed to WELL Ready

SMART Building

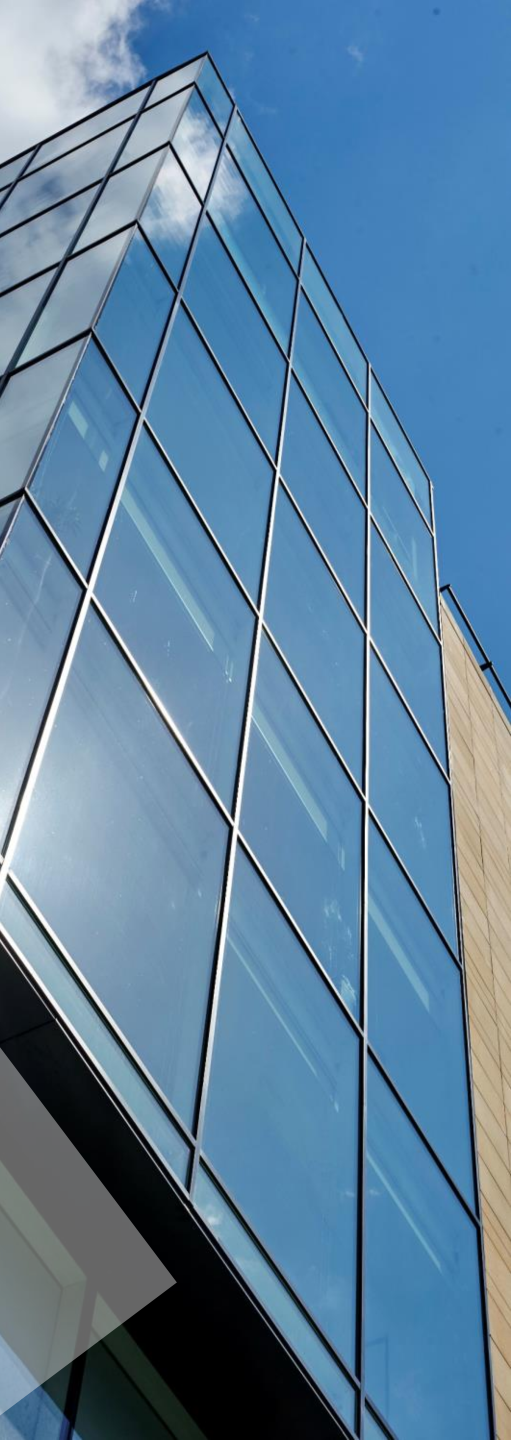
- Air Quality Monitoring
- Smart Enabled BMS
- Energy Monitoring & Management
- Demand Controlled Fresh Air
- Wired Score Platinum
- Visitor Management System
- Contactless Access Control
- Building App

CitiPark and Technology

- The Car Park business is recovering well, back to over 90% of pre pandemic levels and we expect recovery to continue to improve
- CitiPark operates 12, freehold & leasehold car parks – with access to 10,000 spaces
- CitiPark provides additional car park related services to over 800 car park operators nationwide – predominantly tech related solutions
- YPS – YourParkingSpace.co.uk – sale of our investment in July 2022 for cash consideration of up to £20.7m
- CitiPark and CitiCharge Apps continue to evolve
- CitiCharge expansion now gathering momentum – currently operating 64 EV charging bays, but looking to expand with a further 20 installs in the coming months
- Roll out of technology – primarily ANPR and integrated pay-stations continuing throughout the parking management and enforcement business

Town Centre Securities
tcs-plc.co.uk

Business Review



Four Key Areas of Strategy:

Town Centre Securities
tcs-plc.co.uk

1. Disposals of Retail and Leisure assets

2. Maintain reduced proportion of Retail and Leisure

3. Reduce Gearing and LTV

4.Create headroom for future growth

1. Disposals of retail and leisure assets

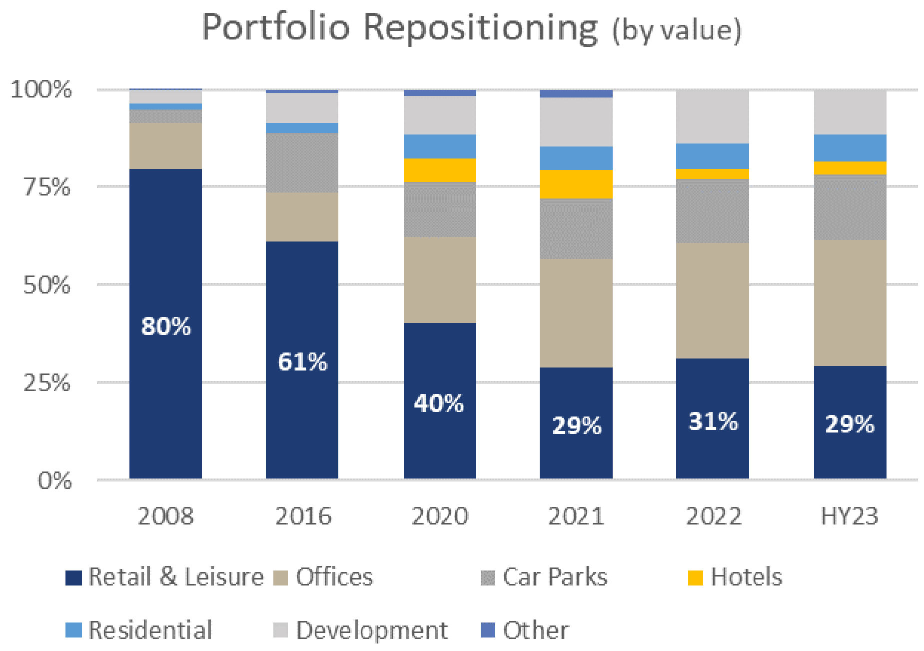
In the six months to 31 December 2022 asset sales totalling £20.3m were completed at book value.

The disposals were:

- Port Street surface car park, Manchester for £12.95m
- Buchanan Street/Gordon Street, Glasgow for £7.0m
- Grove House, Uddingston for £0.45m

- After accounting for selling costs, a small loss on disposal of £0.2m was crystallised

2. Proportion of retail and leisure



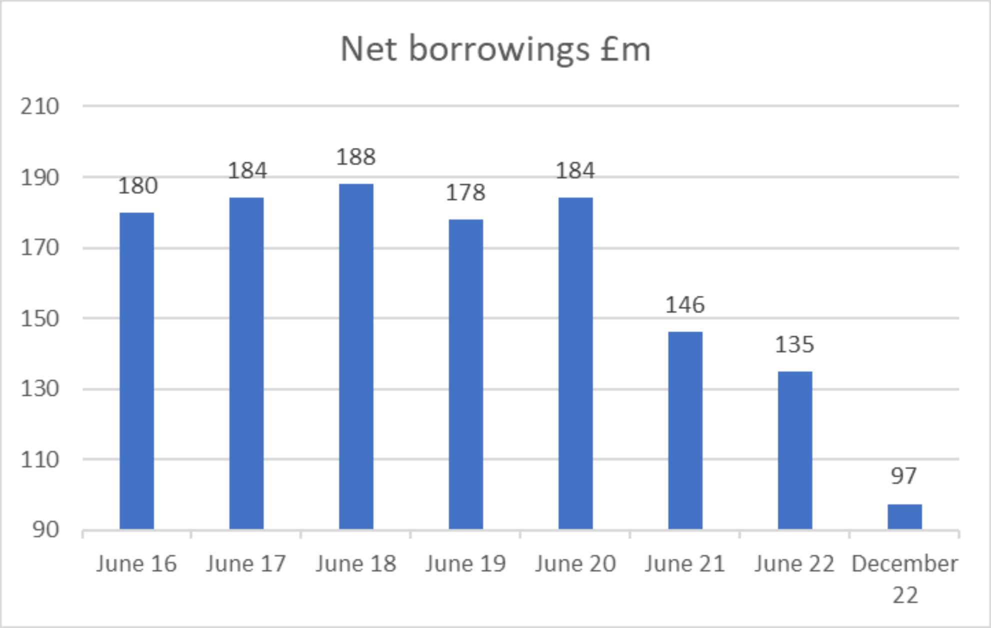
<u>At 31 December 2022:</u>

- Retail & Leisure represents 29% of the portfolio, down from 60% in 2016, and 80% in 2008
- This percentage has stabilised following significant disposal programme
- Pure Retail represents only 18% of the Portfolio, 70% of which resides in the Merrion Estate
- Office and residential continue to increase as we reduce the size of the retail & leisure segment

3. Reduce gearing and LTV

	HY23	FY22
Net Debt	£97.4m	£135.1m
Loan to value	43.5%	46.4%
Interest cover (underlying)	4.5	3.9
Weighted average cost of debt	5.4%	4.9%
Bank facilities	£85m	£85m
Debenture	£96.1m	£96.1m
Weighted average maturity	8.4	6.8

- Loan to Value reduced to 43.5% following three disposals and initial consideration from YPS Sale
- £13.681m debenture stock (5.375% maturing in 2031) acquired for cancellation in January 2023 leaving £82.4m outstanding
- £85m RCFs with RBS, Lloyds and Handelsbanken, plus £5m overdraft facility. Facility renewals in progress on both Lloyds and Handelbanken (June 2023 expiries)
- Total drawn under the RCFs at 31 December 2022 - £6m. Currently £17m following the buyback for cancellation of the debenture stock detailed above



- LTV Headroom over existing facilities stood at £32.7m at period end
- Further sales and restructuring of the security pool will give the opportunity for further increases in headroom

4. Create headroom for future growth – Development pipeline of £550m GDV

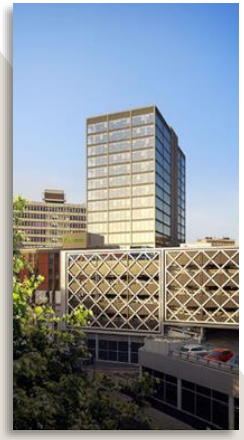
Town Centre Securities
tcs-plc.co.uk

	Development Type	Status	Estimated GDV	Estimated Income	Yield on Cost
Manchester - Eider House	Residential	Pre-app planning	£52,000,000	£ 2,200,000	4.1%
Leeds - MSCP	Car Park	Pre-app planning	£22,380,000	£ 1,365,000	6.0%
Leeds - Whitehall Road No.2	Offices	Pre-app planning	£64,000,000	£ 4,135,000	8.2%
Leeds - Whitehall Road No.4	Offices	Pre-app planning	£19,400,000	£ 1,300,000	8.6%
Leeds - Whitehall Road No.6 + No.7	Residential	Pre-app planning	£135,000,000	£ 5,600,000	4.4%
Leeds - Whitehall Road No.9	Offices	Pre-app planning	£51,600,000	£ 3,300,000	8.2%
Leeds - Wade House	PBSA	Pre-app planning	£28,000,000	£ 1,400,000	5.7%
Leeds - 100MC Merrion Office	Offices	Detailed planning	£62,000,000	£ 4,000,000	7.1%
Manchester - Residential D	Residential	Strategic Framework	£24,600,000	£ 1,040,000	4.3%
Manchester - Ducie House	Offices	Unscoped	£21,000,000	£ 1,300,000	7.8%
Manchester - Commercial	Mixed Use	Strategic Framework	£76,000,000	£ 5,000,000	7.9%
Manchester - MSCP	Car Park	Strategic Framework	£20,000,000	£ 1,500,000	8.0%
Leeds - Merrion/Woodhouse Corner	Residential / Mixed Use	Unscoped	£98,000,000	£ 4,110,000	4.1%
			£ 673,980,000	**£ 36,250,000**	
Excluding					
Manchester - Ducie House	Offices	Unscoped	£21,000,000	£ 1,300,000	7.8%
Leeds - Merrion/Woodhouse Corner	Residential / Mixed Use	Unscoped	£98,000,000	£ 4,110,000	4.1%
			£ 554,980,000	**£ 30,840,000**	

- GDV pipeline value of £550m
- Land currently in TCS ownership with detailed planning or strategic frameworks in place for the majority
- Opportunity to reconfigure Whitehall Road plans
- Exploring options to unlock Piccadilly Basin, Manchester developments

Whitehall Road developments, Leeds CGI

Eider House PRS, Manchester CGI



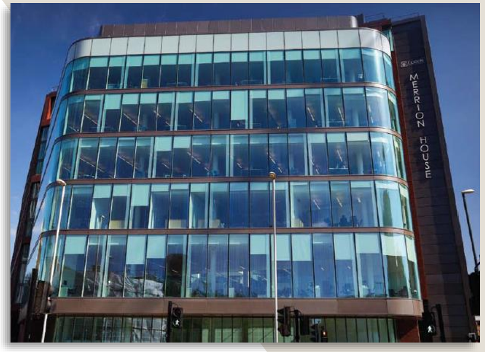
100MC, Merrion, Leeds CGI

Leeds - A city of opportunity

Town Centre Securities
tcs-plc.co.uk

- Part of the 4th largest conurbation in the UK
- City alone has a workforce of over 2m
- Significant growth in employment and city living forecast
- >3,500 student rooms under construction or have been recently completed around Merrion alone
- 68% of our portfolio with the Merrion Estate being our largest single asset
- £133m asset, over £40m invested since 2012
- Significant student developments around the centre will continue to drive footfall
- Opportunity for significant development, with permission for tower already granted

The Merrion Centre Estate



Merrion House

ibis Styles hotel, Merrion

Vicar Lane

Town Centre Securities
tcs-plc.co.uk

Manchester - Significant potential growth

- Part of the 2nd largest conurbation in the UK
- 7m people within 1hr drive
- Significant growth in employment and city living forecast
- 22% of our portfolio based in the city with Piccadilly Basin providing a significant development opportunity – over £170m GDV
- 12.5-acre mixed use development site in the heart of Manchester
- Mixed-use scheme with Offices, Residential, Retail, Leisure and Car Parking
- Opened first bespoke PRS building in Sept’19, with second building having detailed planning consent
- Redeveloped Ducie House has further development opportunity with its car park
- Development value rising in the area and in our portfolio

Entrance to Piccadilly Basin

Ducie House

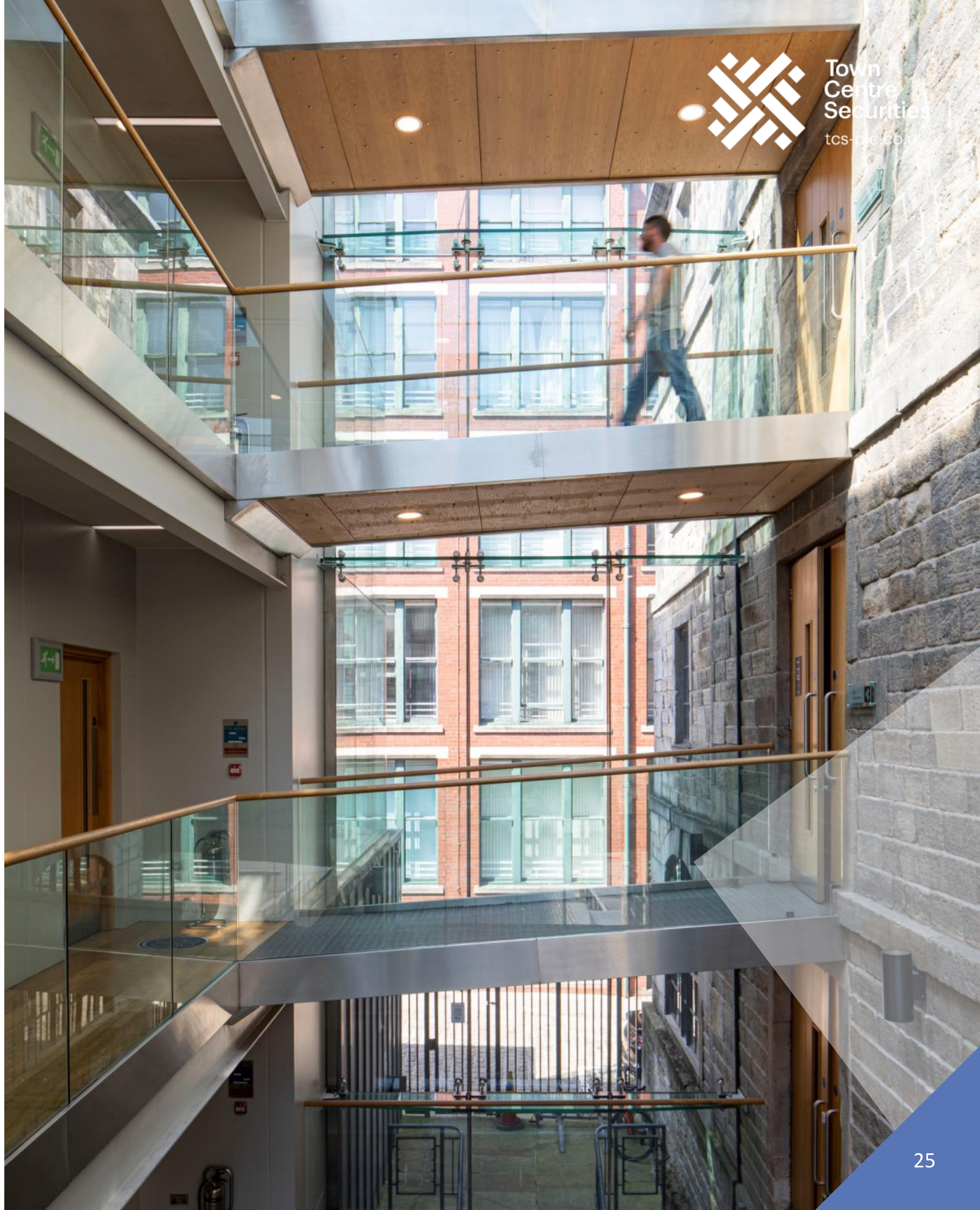
Town Centre Securities
tcs-plc.co.uk

Outlook

Outlook and next steps

Resetting and reinvigorating the business for the future

- The continued robust levels of rent receipts give confidence for the future
- Cost of living crisis, inflation, war in Ukraine are all of a concern, especially for leisure and retail operators
- Continuing to look at opportunistic disposals
- Selective approach to new acquisitions while we wait for stability in both the real estate sector and the wider economy
- Our unique strengths remain intact, namely our knowledge of the Leeds and Manchester markets, our long-term approach, and our large high-quality development pipeline



Town Centre Securities
tcs-plc.co.uk

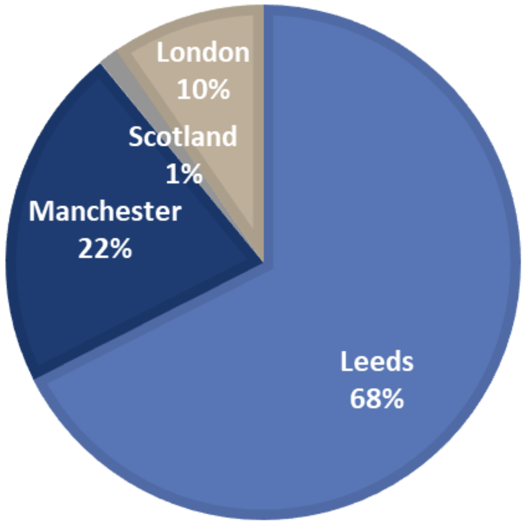
Appendices:

- Our portfolio
- Our Leeds assets
- Piccadilly Basin, Manchester
- ESG

Our diversified portfolio

	Passing rent £m	ERV £m	Value £m	% of portfolio	Valuation incr/(decr)	Initial yield	Reversionary yield
Retail & Leisure	0.9	1.3	14.5	5%	-3.9%	6.0%	8.4%
Merrion Centre (ex offices)	4.9	5.2	52.6	19%	-10.5%	8.8%	9.3%
Offices	4.6	6.7	88.7	33%	-11.1%	4.9%	7.1%
Hotels	0.7	0.7	9.1	3%	0.0%	7.4%	7.4%
Out of town retail	1.1	1.1	13.0	5%	-10.4%	7.9%	7.8%
Residential	0.9	1.0	19.2	7%	-0.5%	4.7%	4.7%
	13.1	**16.0**	**197.1**	**72%**	**-8.9%**	**6.3%**	**7.7%**
Development property			31.4	11%	4.7%		
Car parks			45.9	17%	-7.4%		
Portfolio			**274.4**	**100%**	**-7.0%**		

- LFL decrease of 7.0% in the period
- Reversionary yield of 7.7%
- Total Retail and Leisure overall 29%



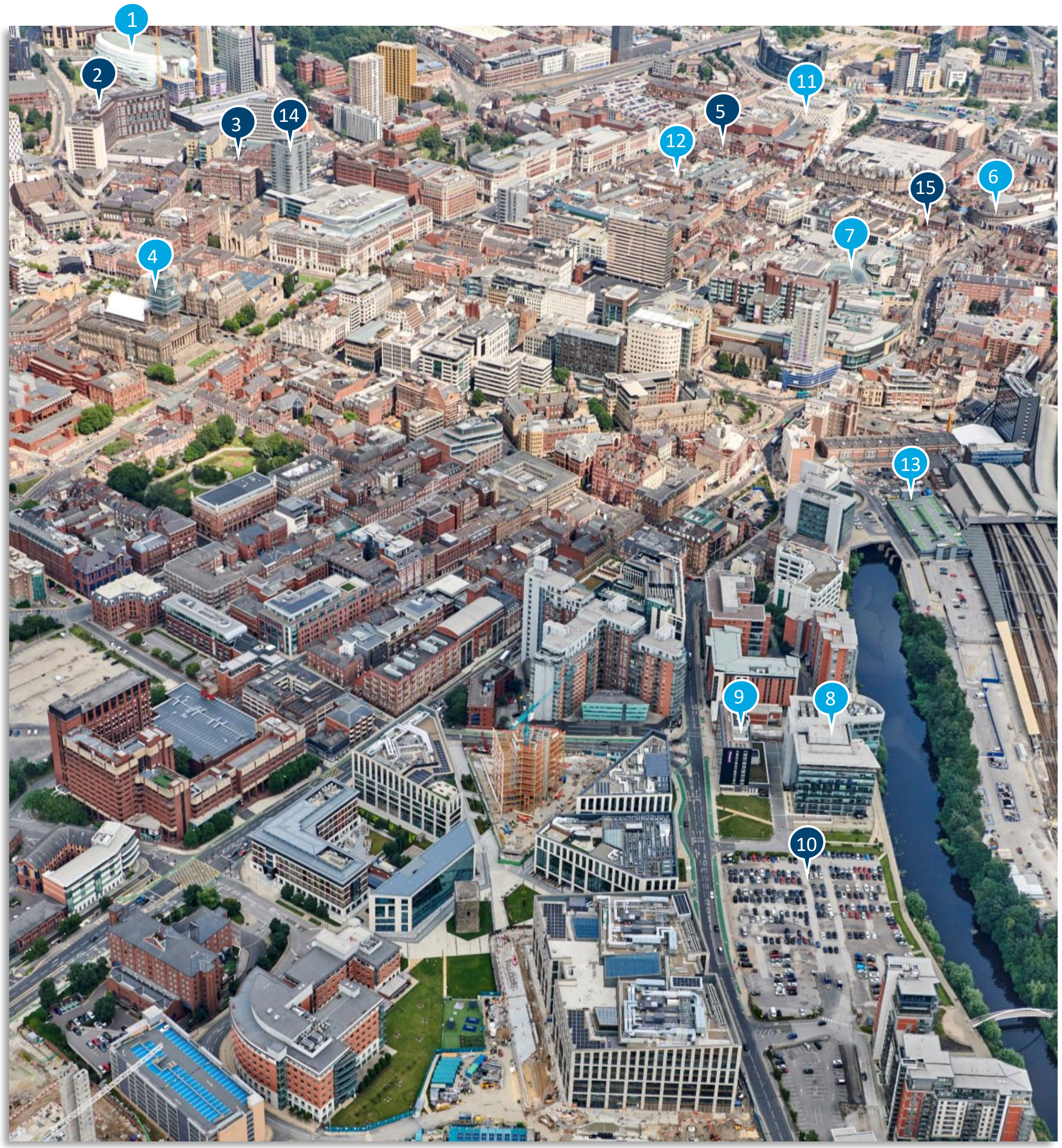
Note the above table includes Merrion House within Offices and Burlington House within Residential, and therefore differs from the notes in the accounts

Note excludes IFRS16 adjustments

Leeds – TCS Assets

1 first direct Arena
2 Merrion House
3 Merrion Centre
4 Town Hall
5 Vicar Lane
6 Corn Exchange
7 Trinity Shopping Centre
8 No.1 Whitehall Riverside
9 Premier Inn
10 CitiPark Whitehall Road Car Park
11 Victoria Gate
12 Victoria Quarter
13 Leeds Station
14 123 Albion Street
15 Central Road

TCS Assets



Town Centre Securities
tcs-plc.co.uk

Development Pipeline – Whitehall Road, Leeds

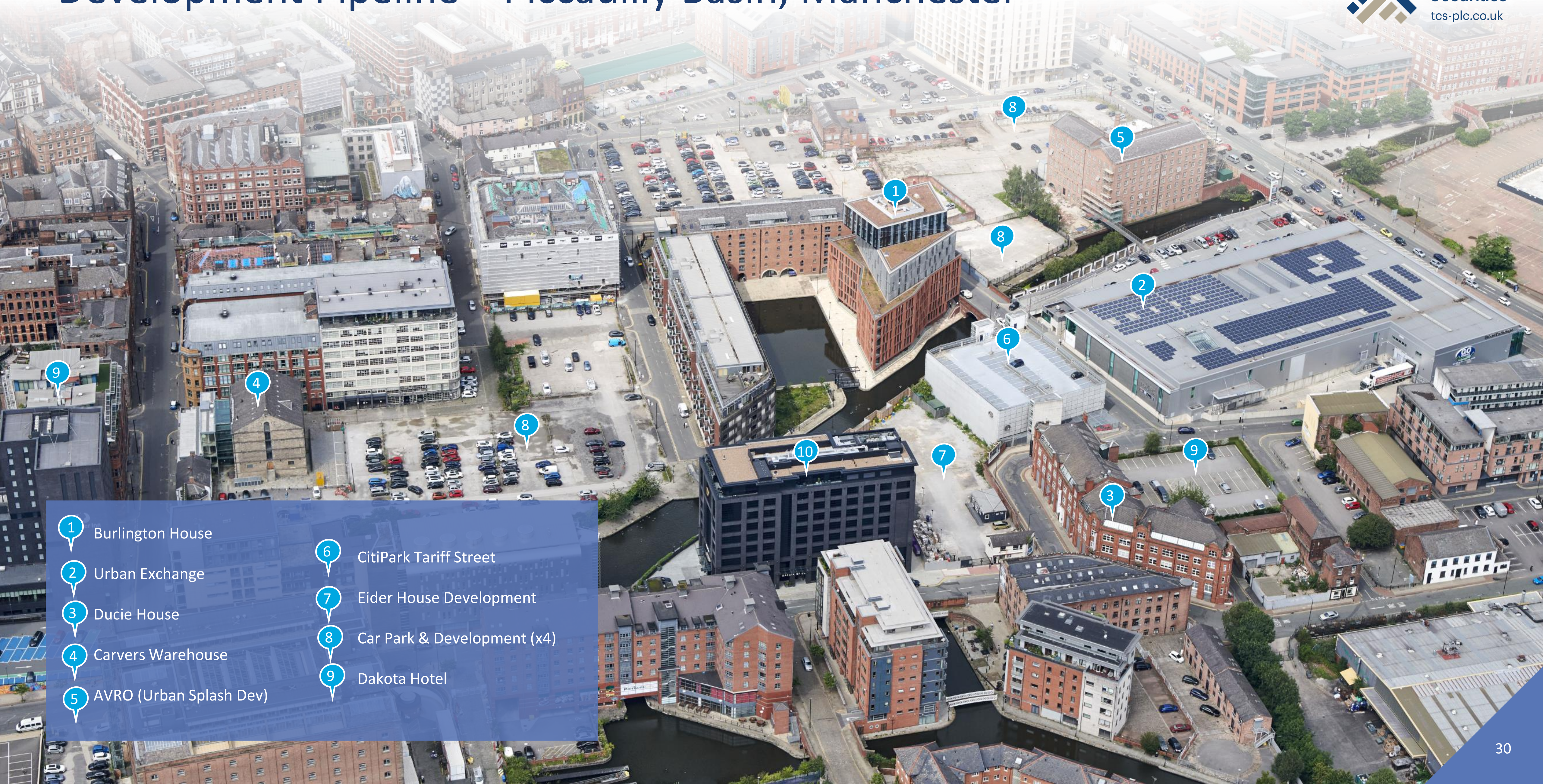
Town Centre Securities
tcs-plc.co.uk

Currently operated as CitiPark car park operation with £150m GDV development opportunity:

- 2WR office – 167k sq.ft.– in discussions with potential tenants – progressing revised planning application
- 524 space multi-story car park – progressing revised planning application
- 3WR & 7WR - 160k sq.ft in strategic framework

Development Pipeline – Piccadilly Basin, Manchester

Town Centre Securities
tcs-plc.co.uk



1. Burlington House
2. Urban Exchange
3. Ducie House
4. Carvers Warehouse
5. AVRO (Urban Splash Dev)
6. CitiPark Tariff Street
7. Eider House Development
8. Car Park & Development (x4)
9. Dakota Hotel

Future – Piccadilly Basin, Manchester

Town Centre Securities
tcs-plc.co.uk

1 Residential Tower A
Estimated 255 apartments

2 Residential Tower B
Estimated 173 apartments

3 Residential Tower D
Estimated 82 apartments

4 Eider House
Estimated 128 residential units

5 Commercial Block
177,000 sq.ft of mixed use space

Multi-Storey Car Park
524 space car park

Town Centre Securities

tcs-plc.co.uk

Town Centre Securities PLC

Town Centre House

The Merrion Centre

Leeds, LS2 8LY

+44 (0)113 222 1234

info@tcs-plc.co.uk

tcs-plc.co.uk