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Life Science REIT PLC
22 September 2022

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Life Science REIT plc
("Life Science REIT", the "Company" or, together with its subsidiaries, the "Group")

Results for the six months ended 30 June 2022

Life Science REIT (AIM: LABS), the real estate investment trust focused on UK life science properties, today announces its interim results for the period ended 30 June 2022.

FINANCIAL HIGHLIGHTS

	Six months to 30 June 2022
Revenue	**£6.3m**
Profit before tax	**£6.9m**
IFRS earnings per share	**2.0p**
EPRA earnings per share	**0.2p**
Adjusted earnings per share	**0.2p**
Dividend per share	**n/a**

	As at 30 June 2022	As at 31 December 2021
Portfolio valuation	**£413.4m**	£192.2m
IFRS net asset value ("NAV")	**£357.5m**	£350.6m
IFRS NAV per share	**102.1p**	100.2p
EPRA NTA	**£357.0m**	£350.6m
EPRA net tangible assets per share	**102.0p**	100.2p
Loan to value ("LTV")	**9.5%**	n/a

· IPO proceeds fully invested, in line with the plan to deploy net proceeds within six months of IPO

· Portfolio valued at £413.4 million, including revaluation gain of £5.8 million and reflecting like-for-like valuation growth of 7.4% for assets held throughout the period

· IFRS net asset value of £357.5 million or 102.1 pence per share at the period end, up 2.0% from the start of the year and primarily reflecting the gain on revaluation in the period of £5.8 million

· Agreed £150.0 million debt facility with HSBC, comprising £75.0 million three-year term loan and £75.0 million revolving credit facility at 225 basis points over SONIA

· Total gross debt of £98.1 million at the period end, including £33.8 million of debt acquired with Oxford Technology Park ("OTP"), resulting in a LTV of 9.5%

· Cancelled the share premium account of £339.3 million, to create substantial distributable reserves

OPERATIONAL HIGHLIGHTS

	As at 30 June 2022[1,2]	As at 31 December 2021
Contracted rent roll	**£13.7m**	£9.3m
Estimated rental value	**£17.2m**	£10.1m
Occupancy	**81.1%**	80.9%
Weighted average unexpired lease term ("WAULT") to expiry	**6.7 years**	6.6 years
WAULT to first break	**5.0 years**	4.1 years
Net reversionary yield ("NRY")	**4.8%**	5.0%

· Acquired Oxford Technology Park ("OTP"), comprising two complete multi-let office/lab buildings, an onsite hotel and a development site, which is being forward funded, for £120.3 million

· Acquired 7-11 Herbrand Street, London ("Herbrand") for £85.0 million, which is currently fully let as offices and has excellent potential for lab conversion

· Well balanced portfolio at the period end between the Golden Triangle locations and income-producing assets, major conversion opportunities and new-build developments

· Contracted rent roll increased from £9.3 million at 31 December 2021 to £13.7 million at 30 June 2022, primarily as a result of the acquisitions

· Significant potential in the investment portfolio, with the estimated rental value ("ERV") of £17.2 million reflecting a reversionary percentage of 8.2% on let space, partly driven by like-for-like ERV growth of 7.0% since 31 December 2021

· WAULT to expiry increased by 0.1 years principally as a result of the OTP acquisition offsetting the natural reduction in WAULT over time

· Occupancy of 81.1% at the period end is in line with 31 December 2021

· Continued to progress asset management strategy, identifying a range of different opportunities to grow income, increase capital values and enhance ESG performance across the portfolio

ESG

· Further developed the Group's ESG strategy, including appointing an experienced partner to help draft the Group's sustainability policy and a roadmap to establish metrics and targets

· Appointed Richard Howell as a Non-Executive Director and subsequently as Senior Independent Director and Chair of the Audit and Risk Committee

· Appointed Sally Ann Forsyth as the Board's Sustainability Lead and Michael Taylor as Chair of the Management Engagement Committee

Post balance sheet events

· In August 2022, a further £37.2 million was drawn down from the HSBC facility. The £75.0 million term loan is now fully drawn, with a further £26.3 million drawn from the £75.0 million revolving credit facility

· Secured additional protection against potential future interest rate rises through capping the SONIA rate at 2.0% until 31 March 2025 on the full amount of the HSBC term loan from August 2022 at a premium of £2.3 million. Group debt is now 77.1% hedged following the issuance of this cap and August 2022 debt draw downs

· The Company continues to target a dividend yield of 4.0% based on the IPO issue price for the period from 19 November 2021 (the date of the Company's admission to trading on AIM) to 31 December 2022. The Board has declared an interim dividend of 1.0 pence per share in respect of the period ended 30 June 2022. This will be payable on 31 October 2022, the ex-dividend date will be 29 September 2022 and this will be paid entirely as an ordinary dividend.

Claire Boyle, Chair of Life Science REIT, commented:

"This was the Company's first full six months of operation and I am pleased to report that we have made further excellent progress with our strategy. During the period, we acquired Oxford Technology Park ("OTP"), which was the final asset to be acquired from our initial pipeline, and 7-11 Herbrand Street, London, which has excellent potential for creating new laboratories and hybrid space for life science occupiers to grow.

"As a result of these purchases, the portfolio is well balanced between all three points of the Golden Triangle and is well diversified by asset size and development stage. We have immediate income-producing assets let to life science occupiers, major conversion opportunities and new build developments at OTP. This gives us significant potential to drive value from the portfolio, through both income growth and increased capital values. We also intend to add further attractive assets in our chosen locations.

"The Group is expected to deliver further revenue and earnings growth in the remainder of the year, as we benefit from a full period of the assets acquired in the first half. We therefore look forward to the second half of 2022 with confidence."

Simon Farnsworth, Managing Director of the Investment Adviser, Ironstone Asset Management Limited, added:

"The Group's six acquisitions since IPO last year represent an excellent platform for growth in the key life science centres of Oxford, Cambridge and London, where the imbalance between high demand and constrained supply is driving rental growth and increased capital values. This imbalance is particularly acute for laboratory space, for example there was no vacant laboratory space available in Cambridge at the end of June this year.

"The Group's portfolio was independently valued by CBRE as at 30 June 2022 at £413.4 million, representing a £5.8 million uplift in the period, and a 7.4% like-for-like valuation increase of assets held throughout the period. The net initial yield of the portfolio at 30 June 2022 was 3.8%. As a result of the valuation, the IFRS NAV was 102.1 pence per share, up from 100.2 pence per share at 31 December 2021."

Analyst meeting

An online meeting for analysts will be held at 9.30am this morning, 22 September 2022. The meeting will be hosted by Simon Farnsworth, Managing Director, and David Lewis, Director of Operations and Finance, at Ironstone Asset Management, the Company's Investment Adviser. For further details, please contact LifeSciencereit@buchanan.uk.com.

1. Investment properties only. Development properties and land have been excluded from the above metrics.

2. The Group presents EPRA Best Practices Recommendations as Alternative Performance Measures ("APMs") to assist stakeholders in assessing performance alongside the Group's statutory results reported under IFRS. APMs are among the key performance indicators used by the Board to assess the Group's performance and are used by research analysts covering the Group. EPRA Best Practice Recommendations have been disclosed to facilitate comparison with the Group's peers through consistent reporting of key real estate specific performance measures, however these are not intended as a substitute for IFRS measures. Please see unaudited supplementary notes below for further details on APMs.

Enquiries:

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Notes to editors

Life Science REIT plc is a property business focused solely on the UK's growing life science sector, specifically targeting opportunities in the "Golden Triangle" research and development hubs of Oxford, Cambridge and London St Pancras. The Company's intention is to become the property provider of choice for life science companies in the UK, whilst enabling shareholders to gain exposure to a specific growth sector.

The objective of the Company's investment policy is focused on capital growth, whilst also providing a growing level of income, by investing primarily in a diversified portfolio of properties that are leased, or intended to be leased, to tenants operating in the life science sector in the UK.

Life Science REIT joined the AIM market of the London Stock Exchange on 19 November 2021, having raised £350 million in its IPO. Its shares trade under the ticker LABS.

Further information is available at https://lifesciencereit.co.uk

CHAIR'S STATEMENT

"We have made excellent strategic progress and deployed the remaining IPO proceeds. We have further opportunities to invest in new assets and in unlocking the value inherent in the portfolio."

Claire Boyle
Chair

This was the Company's first full six months of operation and I am pleased to report that we have made further excellent progress with our strategy. In particular, we have now acquired five assets from our initial pipeline, plus a further property in London's Knowledge Quarter (encompassing Bloomsbury, King's Cross and St Pancras). As a result, we met our target of fully deploying the IPO proceeds within six months.

A highly attractive market
Underpinning our proposition for shareholders is a highly attractive market, with long-term structural growth drivers. Life science organisations are investing heavily in research and development, to bring forward new technologies and meet challenges such as ageing populations, the associated growth in healthcare costs and the demand for digital health solutions. The Covid-19 pandemic has also been a catalyst for new research. The UK's strong position in life science continues to attract global companies to invest here, while the Government is also increasing investment in the sector.

All of this activity is creating significant demand for suitable real estate, ranging from labs and offices to production facilities. The Golden Triangle ("Golden Triangle") of Oxford, Cambridge and London's Knowledge Quarter is particularly in demand, reflecting the benefits of being part of a cluster of like-minded organisations, which creates opportunities for knowledge sharing and collaboration, and helps to attract the best talent.

This demand has led to very low vacancy rates, particularly for lab space, contributing to rising rents and asset valuations.

As many companies look to shorten their supply chains in the wake of Covid-19 and Brexit, they are increasingly looking for flexible space where they can have all their operations in one building, ranging from office space, research and development, to production. In response, we are looking at how we can create flexible space that occupiers can adapt to their needs.

Continued strategic progress
During the period, we acquired Oxford Technology Park ("OTP"), which was the final asset acquired from our initial pipeline, and 7-11 Herbrand Street, London ("Herbrand"), which has excellent potential for creating new laboratories and hybrid space for life science occupiers to grow.

As a result of these purchases, the portfolio is well balanced between all three points of the Golden Triangle and is well diversified by asset size and development stage. We have immediate income-producing assets let to life science occupiers, major conversion opportunities and new build developments at OTP. This gives us significant potential to drive value from the portfolio, through both income growth and increased capital values. We intend to add further attractive assets in our chosen locations.

Financial performance and dividends
The total portfolio was independently valued at the period end at £413.4 million, resulting in a valuation uplift of £5.8 million or 7.4% on a like-for-like basis. The valuation uplift was driven by like-for-like ERV growth of 7.0% and some yield compression.

The increased valuation contributed to a 1.8% growth in EPRA NTA per share of 102.0 pence (31 December 2021: 100.2 pence), IFRS earnings per share ("EPS") was 2.0 pence, while EPRA EPS was 0.2 pence.

A robust balance sheet
During the period, we put in place the Company's first debt financing by agreeing a £150.0 million facility with HSBC. At the period end, total debt stood at £98.1 million, including £33.8 million of debt acquired with OTP, resulting in a LTV ratio of 9.5%. We expect to maintain a LTV of 30% -40% in the longer term.

Environmental, social and governance ("ESG") matters
Our approach to value creation includes rigorously managing ESG issues. We are incorporating environmental improvements into our asset management plans, to ensure our assets remain fit for purpose and attractive to occupiers. The new buildings being developed at OTP are also being constructed to high environmental standards (e.g. BREEAM outstanding).

We contribute to social value by providing real estate that supports advances in life sciences and the wellbeing of the people who work there. Through our asset management, we are looking to add amenities that encourage a sense of community within our assets, helping to create connections between our occupiers that support their scientific achievements.

In May 2022, we appointed Richard Howell as a Non-Executive Director of the Company. Richard brings a great deal of relevant expertise to the Board, with his background in senior financial roles and extensive experience in the commercial property sector.

Following completion of his induction, we confirmed Richard's appointment in June 2022 as Senior Independent Director and Chair of the Audit and Risk Committee. Sally Ann Forsyth had chaired the Committee on an interim basis and Richard's appointment allows her to focus on her role as the Board's Sustainability Lead. Michael Taylor has also taken over as Chair of the Management Engagement Committee.

While still early days in the life of the Board, the Directors are working well together and we have strong and complementary experience. We also have an excellent working relationship with the Investment Adviser and we have been pleased to see a significant strengthening of the Investment Adviser's team during the period, giving it the capacity and capabilities it needs to support the next phase of the Group's development.

Post balance sheet events
· In August 2022, a further £37.2 million was drawn down from the HSBC facility. The £75.0 million term loan is now fully drawn, with a further £26.3 million drawn from the £75.0 million revolving credit facility
· Secured additional protection against potential future interest rate rises through capping the SONIA rate at 2.0% until 31 March 2025 on the full amount of the HSBC term loan from August 2022 at a premium of £2.3 million. Group debt is now 77.1% hedged following the issuance of this cap and August 2022 debt draw downs
· The Company continues to target a dividend yield of 4.0% based on the IPO issue price for the period from 19 November 2021 (the date of the Company's admission to trading on AIM) to 31 December 2022.The Board has declared an interim dividend of 1.0 pence per share in respect of the period ended 30 June 2022. This will be payable on 31 October 2022, the ex-dividend date will be 29 September 2022 and this will be paid entirely as an ordinary dividend.

Looking forward
At the period end, we had identified a pipeline of potential acquisitions. We will remain highly selective when deploying capital, seeking assets in the right locations that will meet the needs of life science occupiers and have the potential to add value through asset management.

In addition, we have significant opportunities to invest in the portfolio and unlock its reversionary potential, with the ERV currently standing at £17.2 million for the investment portfolio, reflecting a reversionary percentage of 8.2% on the let portfolio. The Group is expected to deliver further revenue and earnings growth in the remainder of the year, as we benefit from a full period of the assets acquired in the first half. We therefore look forward to the second half of 2022 with confidence.

Claire Boyle
Chair

21 September 2022

INVESTMENT ADVISER'S REPORT

"There are powerful long-term drivers of demand for life science real estate and the Investment Adviser believes the Group is well placed to capitalise on these over the coming years, creating further value for shareholders and other stakeholders."

Ironstone Asset Management Limited
Investment Adviser

Market update
As discussed in the Chair's statement above, there are powerful long-term drivers of demand for life science real estate in the UK. The Company continues to focus on the Golden Triangle, where the imbalance between high demand and constrained supply is driving rental growth and increased capital values.

The demand-supply imbalance is particularly acute for laboratory space. At 30 June 2022, there was no laboratory space available to occupy in Cambridge and less than 20,000 sq ft available in Oxford[1]. At the same time, occupier requirements for laboratories totalled nearly 900,000 sq ft in Cambridge and around 2.0 million sq ft in Oxford[2]. While availability of office space in Oxford and Cambridge was around 10.0% at the period end, office stock is gradually being depleted through suitable buildings being converted to laboratories, which will create more tension in the office market.

Availability of life science properties in London is also low, with many of the assets being marketed to life science occupiers being unsuitable for conversion to labs. When considering potential acquisitions for the Company, we comprehensively assess the feasibility of adapting assets as part of our due diligence process.

At the same time, new occupiers are constantly emerging, which is adding to demand. For example, around 75.0%[1] of office and lab requirements in Oxford come from spin-outs. This is being driven by companies such as Oxford Science Enterprises, an investment company that develops life science companies in partnership with Oxford University.

While new life science buildings are in the process of being developed within the Golden Triangle, they will take time to be created and the shortage of space will continue to be an issue for occupiers. For example, just 215,000 sq ft of new laboratory space is due to be delivered in Cambridge in 2023, around one-sixth of current demand. Not surprisingly, rental growth is forecast to remain robust. Rental growth in 2022 for fitted lab space is currently forecast at 21.6% in Cambridge and 8.3% in Oxford, with annualised growth over the period to 2027 of 4.8% and 2.7%[1] respectively. The forecast rental growth in London for lab space is 4.1% per annum over the next five years[2].

Conditions in the occupational market continue to make the sector highly attractive to investors. Total investment in laboratory assets in the Oxford-Cambridge Arc ("Arc") reached £1.1 billion[1] in 2021, including office space to be repurposed as labs. Prime lab yields in the Arc stood at around 3.8%[1] at the end of 2021.

1. Source: Bidwells Report, July 2022.

2. Source: Savills Research, July 2022.

Implementing the investment strategy
The Group continued to successfully implement the Company's investment strategy during the period, acquiring two further assets for the portfolio.

7-11 Herbrand Street
On 6 May 2022, the Company acquired Herbrand Properties Limited, which owns the freehold to 7-11 Herbrand Street, for £85.0 million at a net initial yield of 4.4%. The entire building is let until October 2026 to Thought Machine, one of the UK's leading financial technology companies, at a contracted rent of £4.0 million per annum.

The asset is in London's Knowledge Quarter, which alongside many innovative companies includes major academic institutions and healthcare organisations such as University College London, University College Hospital, the Francis Crick Institute and the Oriel project, a future world-leading eye hospital, research and education centre due to open in 2026.

The iconic Art Deco building currently comprises Grade A office space, with a net internal area of around 67,100 sq. ft. on four floors with a partial basement. It represents an ideal opportunity for development as a major life science asset, with our feasibility study confirming it has great potential for lab conversion, given its substantial floor to ceiling heights, structural slab and large, column-free floor plates.

Oxford Technology Park
On 13 May 2022, the Company acquired OTP through the purchase of Oxford Technology Park Holdings Limited and its subsidiaries, for a consideration of £120.3 million. The 20-acre science and technology park consists of two completed multi-let office/lab buildings, a hotel and a development site which is being forward-funded. Once fully developed, the asset will comprise over 490,000 sq. ft. of hybrid life science space and amenity assets.

The acquisition included OTP's debt of £33.8 million and the Company will provide up to £67.3 million of forward funding to complete the park's build-out, which will continue to be managed by the developer until practical completion.

OTP is less than two miles from Oxford University's Begbroke Science Park campus, seven miles north of Oxford city centre and adjacent to Oxford Airport. It offers a unique combination of space for life science occupiers, with unit sizes ranging from 6,000 to 50,000 sq ft and the flexibility for laboratory, production and office uses, along with amenity facilities. Headline rents are £16.0-£20.0 per sq ft for hybrid space and £28.0 per sq ft for offices, which reflects a net initial yield on purchase of 4.8%.

The first three of OTP's 11 units are already complete, with one fully let to LGC's The Native Antigen Company, one of the world's leading suppliers of high-quality infectious disease reagents, at a headline rent of £15.0 per sq ft. The hotel is let to leading provider Premier Inn, until 2045. There is strong interest in all of the buildings currently under construction, with four due to be completed during 2022 and the remaining four during 2023.

The portfolio

The Company's portfolio at 30 June 2022 was as follows:

	Valuation						**Contracted rent[1]**			
Asset	£m	£ per sq ft	Area sq ft	Occupancy %	WAULT to break Years	WAULT to expiry Years	£m p.a.	£ per sq ft	NIY %	NRY %
Rolling Stock Yard	88.3	1,638	53,900[2]	66.7	4.0	7.0	3.5	65.5	3.7	4.3
The Merrifield Centre	6.7	531	12,600	100.0	4.5	9.5	0.3	23.1	4.1	5.3
The Lumen House	8.5	483	17,600	100.0	-	0.9	0.3	18.7	3.6	6.2
Cambourne Business Park	99.8	429	232,600	80.2	2.6	6.0	4.1	22.0	3.9	5.4
7-11 Herbrand Street	83.6	1,245	67,100	100.0	-	4.3	4.0	59.8	4.5	4.6
OTP - Investment	46.2	438	105,500	66.8	14.6	15.8	1.4	17.9	2.8	4.6
Investment assets	**333.1**	**681**	**489,300**	**81.1**	**5.0**	**6.7**	**13.7**	**32.9**	**3.8**	**4.8**
OTP - Development	80.3	207	388,100[3]	-	-	-	-	-	-	4.9
Development assets	**80.3**	**207**	**388,100**	**-**	**-**	**-**	**-**	**-**	**-**	**4.9**
Total	**413.4**	**471**	**877,400**	**81.1**	**5.0**	**6.7**	**13.7**	**32.9**	**3.8**	**4.8**

1. Restated to exclude rental guarantees not held in escrow.
2. Restated to exclude the reception area.
3. Full build out area.

Investment assets contracted rent roll at the period end was £13.7 million (31 December 2021: £9.3 million). The estimated rental value of investment assets was £17.2 million (31 December 2021: £10.1 million), showing the strong reversionary potential in the investment portfolio (reversionary percentage of 8.2% on the let portfolio), which we aim to unlock through our asset management programme. Occupancy at the period end remained relatively static at 81.1% (31 December 2021: 80.9%).

Development assets consist of OTP onsite buildings and the remaining development land. As the buildings practically complete they will be transferred into investment properties above. The 388,100 sq. ft. area reflects the expected area once the development is complete.

All of the assets are located within the Golden Triangle. The portfolio primarily comprises office and hybrid (office and laboratory) space. The charts below show the split of assets by location and type, based on their valuation at 30 June 2022.

Split by location
London | 41%
Oxford | 33%
Cambridge | 26%

Split by use[1]
Hybrid & Laboratories | 78%
Office | 22%

1. Includes OTP - Developments as hybrid & laboratory space.

Implementing the asset management strategy
We have continued to progress the Group's asset management plans during the period, with the portfolio presenting a range of different opportunities to grow income and capital values, while positioning the assets to meet occupier needs and enhancing their ESG credentials.

Cambourne Business Park
The Group's goal at Cambourne Business Park is to reposition the asset as the premier science park to the west of Cambridge. We have begun work with specialist consultants to rebrand the park, ensuring we understand what space occupiers are looking for and how we could provide it, as well

as considering market perceptions of the park and the competing offers from nearby sites. We are in discussions with existing non-life science occupiers at the park about the potential for taking lease surrenders. We are also working with an existing life science occupier on a proposal to install a laboratory in one of the multi-let buildings, as well as considering the potential for increasing further development opportunities on the park.

The EPC rating at Cambourne was reassessed during the period, resulting in an improvement from a D to a C rating. This is in line with our current target, which is for the Group's assets to have an EPC rating of C or above. Our asset management programme will enhance the site's environmental credentials, which will result in further improvements in the EPC rating in future. For example, the Group is upgrading the external lighting to LEDs and the current cost of energy means the payback on this investment is just two years.

Rolling Stock Yard
Rolling Stock Yard had two vacant floors on acquisition. There is virtually no fully fitted lab space available in the surrounding area and our plan is to refit the vacant floors as 'plug and play' laboratories. We expect this work to complete by early 2023 and believe it has the potential to improve the rental level from around £65.0 per sq. ft. to c.£110.0 per sq. ft., after capital investment of approximately £130.0 per sq ft. The Group's proposals incorporate sustainable features, such as green walls and recycled furniture, as well as installing a coffee bar in the atrium, to make the building an even more attractive place to work for our occupiers' employees.

Oxford Technology Park
At OTP, the Group is pressing ahead with building out the remaining eight units on the development site. As noted above, the Group has strong occupier interest in a number of these units, including some where construction has not yet started, giving us scope to let buildings before they reach practical completion.

Tenants include The Native Antigen Company ("Native Antigen"), who have signed a ten-year lease. Native Antigen is part of the LGC Group, a global leader in the life sciences sector, and specialises in the supply of infectious disease reagents. The Group has a fixed-price contract for each building with the developer, ensuring it is well protected against build-cost inflation.

The new units will be constructed to high ESG standards, including an EPC rating of A or B, and we are targeting a BREEAM certification of Very Good or Excellent.

The Lumen House
The current lease at the Lumen House expires in the second quarter of 2023. We are working on plans to put forward a comprehensive redevelopment of the asset, including a potential extension to the building, to make it a highly attractive proposition for life science occupiers.

7-11 Herbrand Street
The lease at Herbrand Street has four years remaining and our base case is that the occupier will stay until expiry. We are working up our plans for repositioning the building for life science use, once the Group can secure vacant possession.

The Merrifield Centre
The occupier at the Merrifield Centre is in the process of completing a comprehensive refurbishment which is designed to result in an improvement to the EPC rating from the current D. The Group has contributed to the installation of electric vehicle charging points and the occupier is in the process of undertaking LED lighting upgrades to the building.

Developing our ESG strategy
During the period, we engaged a specialist consultant to help us further develop the Group's approach to ESG matters. This work will include materiality review and sustainability risk assessments and establishing the Group's carbon performance baseline. As part of the project, we will create a sustainability policy for the Group and a roadmap that sets out the metrics we will use to measure progress, along with realistic but challenging targets.

The Group will continue to enhance EPC ratings where necessary, through its asset management programme, and work with existing occupiers to improve energy efficiency. This includes a programme to monitor energy usage and increase occupier engagement, as well as our aim of moving towards landlord-controlled green tariffs.

When developing assets, the Group looks to increase the options for sustainable travel and incorporate sustainable materials, including sustainable furniture. The Group's focus for existing assets is to refurbish rather than rebuild, which offers significant carbon savings over new construction.

As noted in the Chair's statement, the Group's intention is to create social value by developing life science hubs that aid collaboration between occupiers and support scientific discovery. We are also looking at incorporating Fitwell considerations into the Group's proposals. Fitwell is a leading certification system for buildings that promotes health and wellbeing.

The Group continues to implement a robust corporate governance structure. This includes integrating climate change into our investment, asset management and risk management processes.

Financial review
Financial performance
Total revenue in the period was £6.3 million. Property operating expenses of £2.2 million incurred in the period result in a year to date gross profit of £4.0 million. Property operating expenses primarily include void costs on vacant units and a provision for historic arrears that were inherited on acquisition.

Operating costs comprise the Investment Adviser's fee, other professional fees, including audit and valuation, the Directors' fees, and a range of other costs such as insurance. After these costs, the Company recorded an operating profit before gains and losses of £1.4 million.

The unrealised gain on investment properties was £5.8 million, driven primarily by 7.0% like-for-like ERV growth and some small yield compression offset by £16.5 million of acquisition costs in the period.

The net finance charge for the period was £0.3 million, which was the net of finance costs of £1.0 million following the drawdown of the HSBC facility and OTP debt acquired, and finance income of £0.7 million.

As a REIT, the Company is not subject to corporation tax on its property rental business. The profit for the period was therefore £6.9 million. This resulted in IFRS earnings per share of 2.0 pence and EPRA earnings per share of 0.2 pence.

Valuation and net asset value
The portfolio was independently valued by CBRE as at 30 June 2022, in accordance with the internationally accepted RICS Valuation - Professional Standards (the "Red Book").

The portfolio valuation was £413.4 million, representing a £5.8 million uplift in the period, including acquisitions and a 7.4% like-for-like valuation increase of assets held throughout the period.

As a result of the valuation, the IFRS NAV was 102.1 pence per share, up from 100.2 pence per share at 31 December 2021. The EPRA NTA at the period end was 102.0 pence per share (31 December 2021: 100.2 pence per share).

Debt financing
In March 2022, the Group agreed a £150.0 million debt facility with HSBC, comprising a £75.0 million three-year term loan and a £75.0 million revolving credit facility ("RCF"). The interest rate on the facility is 225 basis points over SONIA. The facility has market normal covenants on LTV and interest cover. It gives the Group additional financial resources to deliver its strategy and the flexibility to add new properties to the security pool, to reach the Group's optimal gearing target as it acquires new assets.

At 30 June 2022, the Group has drawn £64.1 million against the HSBC term loan. In addition, the Group acquired a debt facility as part of the OTP transaction, which had £33.8 million drawn against it at 30 June 2022 and is shown in current liabilities as it is due to mature in June 2023.

At the period end, the Group had cash and cash equivalents of £58.7 million (31 December 2021: £166.0 million), with the reduction reflecting the acquisitions made during the period.

The LTV ratio as at 30 June 2022 was 9.5%. We continue to believe that a range of 30-40% will be optimal in the longer term.

Cancellation of the share premium account
On 12 April 2022, the share premium account of £339.3 million was cancelled in accordance with the provisions of the Companies Act 2006 and transferred to a capital reduction reserve, in order to create distributable reserves.

Resourcing for growth
We have continued to expand our team to ensure we have the skills and capacity to secure the opportunities we see for the Group. In the 2021 Annual Report, we noted that we had recruited a Director of Asset Management, a Senior Asset Manager and a General Counsel since the start of 2022. We have since strengthened our financial planning and reporting team and employed a research analyst with a background in life sciences, which will further enhance our knowledge of the market and help us to identify growth opportunities.

Risk management

The principal risks facing the Group are documented on pages 34 to 41 of the Annual Report for the year ended 31 December 2021. The Board has conducted a review of the principal risks and considers whilst the evaluation of some of these risks has changed, the changes are not material, and there are no new principal risks nor any deletions.

Going concern
In preparing the financial statements, we and the Board are required to assess whether the Group remains a going concern. During the period to 30 June 2022 the Group recognised revenue of £6.3 million and operating profits before gains on investment properties of £1.4 million. Revenues would need to fall by approximately 22.2% before the Group became loss-making. This is considered unlikely given that the let portfolio currently reflects a reversionary percentage of 8.2% and there is strong occupier demand for existing and new space being built.

The Group currently has a strong balance sheet with significant LTV headroom and cash at the period end of £58.7 million. Taking the above into consideration, we and the Board have a reasonable expectation that the Group has adequate resources to continue in business for a period of at least 12 months from the date of this interim report and therefore remains a going concern.

Post period end events
· In August 2022, a further £37.2 million was drawn down from the HSBC facility. The £75.0 million term loan is now fully drawn, with a further £26.3 million drawn from the £75.0 million revolving credit facility
· Secured additional protection against potential future interest rate rises through capping the SONIA rate at 2.0% until 31 March 2025 on the full amount of the HSBC term loan from August 2022 at a premium of £2.3 million. Group debt is now 77.1% hedged following the issuance of this cap and August 2022 debt draw downs
· The Company continues to target a dividend yield of 4.0% based on the IPO issue price for the period from 19 November 2021 (the date of the Company's admission to trading on AIM) to 31 December 2022. The Board has declared an interim dividend of 1.0 pence per share in respect of the period ended 30 June 2022. This will be payable on 31 October 2022, the ex-dividend date will be 29 September 2022 and this will be paid entirely as an ordinary dividend.

Compliance with the investment policy
The Group's investment policy is set out in full on pages 107 and 108 of the 2021 Annual Report. The key elements of the policy are summarised below. We complied with the policy throughout the period:

Policy element	Compliance in the period
Invest in a diversified portfolio of properties across the UK which are typically leased or intended to be	Yes. All the properties are either leased or intended to be leased to life science

leased to tenants operating in, or providing a benefit to, the life science sector.	organisations.
Examples of the assets the Group can acquire: wet and dry laboratories, offices, incubators and co-working space, manufacturing and testing facilities, and data centres.	Yes. The assets acquired were a mix of laboratory and office space.
The Group can acquire individual buildings, a group of buildings across a single science park or the entirety of a science park.	Yes. The Group acquired both individual assets and groups of buildings.
The Group will typically invest in income producing assets, consistent with providing capital growth and growing income.	Yes. All the assets we acquired are income producing (other than OTP) and offer potential for capital growth and rising income through asset management.
Any asset management or development opportunities will minimise any development risk, typically through forward funding or similar arrangements.	Yes. The Group is forward funding the development programme at OTP and has a fixed-price contract for each building with the developer.
The maximum exposure to developments or land without a forward funding arrangement is 15% of gross asset value ("GAV").	There are no developments or land without a forward funding arrangement.
No individual building will represent more than 35% of GAV, reducing to 25% of GAV by 31 December 2023.	Not applicable[1]
The Group will target a portfolio with no one tenant accounting for more than 20% of gross contracted rents at the time of purchase.	Not applicable[1]
The aggregate maximum exposure to assets under development, including forward fundings, will not exceed 50% of GAV, reducing to 30% of GAV by 31 December 2023.	Not applicable[1]
No more than 10% of GAV will be invested in properties that are not life science properties.	Not applicable[1]
The Group will not invest more than 10% of GAV in other alternative investment funds or closed ended investment companies.	Yes. The Group has no investments of this type.

1. These investment restrictions apply once the IPO proceeds are fully invested and debt is drawn down at an initial LTV of 40%. Debt has not been fully drawn against all assets and therefore these investment restrictions are not applicable for the period to 30 June 2022.

Alternative Investment Fund Manager ("AIFM")
G10 Capital Limited ("G10") is the Company's AIFM for the purposes of the UK AIFM Regime, with Ironstone Asset Management Limited providing investment advisory services to both G10 and the Company.

Ironstone Asset Management Limited

Investment Adviser

21 September 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Continuing operations	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Revenue	3	**6,262**	532
Property operating expenses	4	**(2,218)**	-
Gross profit		**4,044**	532
Administration expenses			

Administration expenses	4	**(2,602)**	(834)
Operating profit/(loss) before gains on investment properties		**1,442**	(302)
Fair value gains on investment properties	10	**5,763**	8,036
Operating profit		**7,205**	7,734
Finance income	5	**714**	7
Finance expense	6	**(1,022)**	-
Profit before tax		**6,897**	7,741
Taxation	7	**-**	-
Profit after tax for the period and total comprehensive income attributable to equity holders		**6,897**	7,741
Profit per share (basic and diluted) (pence)	9	**2.0**	2.2

All items in the above statement derive from continuing operations. No operations were discontinued during the period.

There is no other comprehensive income and as such a separate statement is not present. The profit after tax is therefore also the total comprehensive profit.

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2022

	Notes	**30 June 2022 £'000**	31 December 2021 £'000
Assets			
Non-current assets			
Investment property	10	**413,390**	192,170
		413,390	192,170
Current assets			
Interest rate derivative	18	**474**	-
Trade and other receivables	11	**10,510**	3,268
Cash and cash equivalents	12	**58,730**	165,962
		69,714	169,230
Total assets		**483,104**	361,400
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	13	**(63,070)**	-
		(63,070)	-
Current liabilities			
Other payables and accrued expenses	14	**(28,781)**	(10,820)
Interest-bearing loans and borrowings	13	**(33,792)**	-
		(62,573)	(10,820)
Total liabilities		**(125,643)**	(10,820)
Net assets		**357,461**	350,580
Equity			
Share capital	15	**3,500**	3,500
Share premium	16	**-**	339,339
Capital reduction reserve	16	**339,323**	-
Retained earnings		**14,638**	7,741
Total equity		**357,461**	350,580
Number of shares in issue (thousands)		**350,000**	350,000
Net asset value per share (basic and diluted) (pence)	17	**102.1**	100.2

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED TO 30 JUNE 2022

	Notes	Share capital £'000	Share premium £'000	Capital reduction reserve and retained earnings £'000	Total £'000
Balance at 1 January 2022		**3,500**	**339,339**	**7,741**	**350,580**
Total comprehensive profit		**-**	**-**	**6,897**	**6,897**
Ordinary shares issued	15, 16	**-**	**-**	**-**	**-**
Share issue costs	16	**-**	**(16)**	**-**	**(16)**
Cancellation of share premium	16	**-**	**(339,323)**	**339,323**	**-**
Balance at 30 June 2022		**3,500**	**-**	**353,961**	**357,461**

	Notes	Share capital £'000	Share premium £'000	Capital reduction reserve and retained earnings £'000	Total £'000
Balance at 1 August 2021		-	-	-	-
Total comprehensive profit		-	-	7,741	7,741
Ordinary shares issued	15, 16	3,500	346,500	-	350,000
Share issue costs	16	-	(7,161)	-	(7,161)
Balance at 31 December 2021		3,500	339,339	7,741	350,580

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Cash flows from operating activities			
Operating profit		**7,205**	7,734
Adjustments to reconcile profit for the period to net cash flows:			
Gains from change in fair value of investment properties	10	**(5,763)**	(8,036)
Adjustment for non-cash items		**(675)**	(82)
Operating cash flows before movements in working capital		**767**	(384)
Increase in other receivables and prepayments		**(7,317)**	(3,169)
Increase in other payables and accrued expenses		**2,637**	7,091
Net cash flow (used in)/generated from operating activities		**(3,913)**	3,538
Cash flows from investing activities			
Acquisition of investment properties		**(165,101)**	(181,524)
Capital expenditure		**(20)**	-
Interest received		**226**	7
Net cash used in investing activities		**(164,895)**	(181,517)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	15, 16	**-**	350,000
Share issuance costs paid		**(1,124)**	(6,059)
Bank loans drawn down	13	**64,080**	-
Loan interest and other finance expenses paid		**(1,380)**	-
Net cash flow generated from financing activities		**61,576**	343,941
Net increase/(decrease) in cash and cash equivalents		**(107,232)**	165,962
Cash and cash equivalents at start of the period		**165,962**	-
Cash and cash equivalents at end of the period	12	**58,730**	165,962

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. General information

Life Science REIT plc (the "Company") is a closed-ended Real Estate Investment Trust ("REIT") incorporated in England and Wales on 27 July 2021. The Company began trading on 19 November 2021 when the Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange. The registered office of the Company is located at Beaufort House, 51 New North Road, Exeter EX4 4EP.

The Group's condensed consolidated financial statements for the six months ended 30 June 2022 comprise the results of the Company and its subsidiaries (together constituting the "Group").

2. Basis of preparation

These interim condensed consolidated unaudited financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and United Kingdom adopted international accounting standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim condensed consolidated unaudited financial statements should be read in conjunction with the Company's last financial statements for the year ended 31 December 2021. These interim condensed consolidated unaudited financial statements do not include all of the information required for a complete set of annual financial statements prepared in accordance with IFRS; however, they have been prepared using the accounting policies adopted in the audited financial statements for the period ended 31 December 2021 and selected explanatory notes have been included to explain events and transactions that are significant in understanding changes in the Company's financial position and performance since the last financial statements.

The financial statements have been prepared under the historical cost convention, except for the revaluation of investment properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

IAS 34 requires that comparative figures are presented for the comparable interim period in the preceding year. The Company was incorporated on 27 July 2021 and a set of accounts to 31 July 2021 were filed, therefore the five month period from 1 August 2021 to 31 December 2021 has been presented. The Company did not commence trading until 19 November 2021, thus the comparative information may not present a representative comparative.

The financial information contained within these interim results does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006.

The financial statements for the six months ended 30 June 2022 have not been either audited or reviewed by the Company's Auditor. The information for the period ended 31 December 2021 has been extracted from the latest published Annual Report and Financial Statements, which has been filed with the Registrar of Companies. The Auditor reported on those accounts; its report was unqualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

The Directors have made an assessment of the Group's ability to continue as a going concern. The Directors are satisfied that the Group has the resources to continue in business for the foreseeable future, for a period of not less than 12 months from the date of this report. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.1 New standards and interpretations effective in the current period

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3 Business Combinations gives clarification on the recognition of contingent liabilities at acquisition and clarifies that contingent assets should not be recognised at the acquisition date. The amendments have not had a significant impact on the preparation of the financial statements.

2.2 New and revised accounting standards not yet effective

There are a number of new standards and amendments to existing standards which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2023 or later. The Group is not adopting these standards early. The following are the most relevant to the Group:

- amendments to IAS 1 Presentation of Financial Statements; and
- amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.3 Significant accounting judgements and estimates

The preparation of these financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

Judgements

In the course of preparing the financial statements, the Directors have made the following judgements in the process of applying the Group's accounting policies which have had a significant effect on the amounts recognised in the financial statements.

<u>Business combinations</u>

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

All corporate acquisitions made during the period have been treated as asset purchases rather than business combinations because no integrated set of activities was acquired.

Estimates

In the process of applying the Group's accounting policies, the Investment Adviser has made the following estimates which have the most significant risk of material change to the carrying value of assets recognised in the condensed consolidated financial statements:

Valuation of property

The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation - Professional Standards January 2020 (incorporating the International Valuation Standards) and in accordance with IFRS 13.

The key estimates made by the valuer are the ERV and equivalent yields of each investment property.

Onsite developments are valued by applying the 'residual method' of valuation, which is the investment method described above with a deduction for all costs necessary to complete the development, with a further allowance for remaining risk and developers' profit. Properties and land held for future development are valued using the highest and best use method, by adopting the residual method allowing for all associated risks, the investment method, or a value per acre methodology.

See notes 10 and 18 for further details.

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are stated in the notes to the financial statements.

a) Basis of consolidation

The Company does not meet the definition of an investment entity and therefore does not qualify for the consolidation exemption under IFRS 10. The condensed consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2022. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In preparing these financial statements, intra-group balances, transactions and unrealised gains or losses have been eliminated in full. All subsidiaries have the same year end as the Company. Uniform accounting policies are adopted in the financial statements for like transactions and events in similar circumstances.

b) Functional and presentation currency

The overall objective of the Group is to generate returns in Pound Sterling and the Group's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency.

All values are rounded to the nearest thousand pounds (£'000), except when otherwise stated.

c) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment and management of premises relating to the life science sector.

3. Revenue

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Rental income	**5,468**	532
Service charge income	**710**	-
Insurance recharge income		

Insurance recharge income	84	
Total	**6,282**	532

4. Property operating and administration expenses

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Recoverable service charges	**710**	-
Rates	**599**	-
Premises expenses	**443**	-
Service charge void costs	**370**	-
Insurance expense	**96**	-
Property operating expenses	**2,218**	-
Investment Adviser fees	**1,908**	455
Other administration expenses	**530**	217
Audit fees	**80**	130
Directors' remuneration	**84**	32
Administration expenses	**2,602**	834
Total	**4,820**	834

5. Finance income

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Income from cash and short-term deposits	**248**	7
Change in fair value of interest rate derivatives	**466**	-
Total	**714**	7

6. Finance expense

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Loan interest	**1,073**	-
Loan arrangement fees amortised	**122**	-
Loan expenses	**60**	-
Gross interest costs	**1,255**	-
Less: capitalised finance costs	**(233)**	-
Total	**1,022**	-

Accounting policy

Any finance costs that are separately identifiable and directly attributable to an asset which takes a period of time to complete are amortised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Finance costs have been capitalised in the period in accordance with the accounting policy detailed in note 13.

7. Taxation

Corporation tax has arisen as follows:

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Corporation tax on residual income	**-**	-
Total	**-**	-

Reconciliation of tax charge to profit before tax:

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Profit before tax	**6,897**	7,741
Corporation tax at 19.0% (2021: 19.0%)	**1,310**	1,471
Change in value of investment properties	**(1,095)**	(1,527)
Tax-exempt property rental business	**(215)**	56
Total	**-**	-

8. Operating leases

Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have a remaining term of up to 23 years (31 December 2021: 11 years).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2022 are as follows:

	30 June 2022 £'000	31 December 2021 £'000
Within one year	**12,654**	6,397
Between one and five years	**38,472**	27,194
More than five years	**41,318**	21,080
Total	**92,444**	54,671

9. Earnings per share

Basic EPS is calculated by dividing profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. As there are no dilutive instruments in issue, basic and diluted EPS are identical.

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
IFRS earnings	**6,897**	7,741
EPRA earnings adjustments:		
Fair value gain on investment properties	**(5,763)**	(8,036)

Changes in fair value of derivatives	**(466)**	-
EPRA earnings	**668**	(295)

	Six months ended 30 June 2022 £'000	Period from 1 August 2021 to 31 December 2021 £'000
Basic IFRS EPS	**2.0**	2.2
Diluted IFRS EPS	**2.0**	2.2
EPRA EPS	**0.2**	(0.1)
Adjusted EPS	**0.2**	(0.1)

	Six months ended 30 June 2022 Number of shares	Period from 1 August 2021 to 31 December 2021 Number of shares
Weighted average number of shares in issue (thousands)	**350,000**	350,000

10. UK investment property

	Completed investment property £'000	**Development property and land £'000**	**Total investment property £'000**
Investment property valuation brought forward as at 1 January 2022	**192,170**	**-**	**192,170**
Acquisitions	**135,008**	**78,566**	**213,574**
Capital expenditure	**20**	**956**	**976**
Movement in rent incentives	**674**	**-**	**674**
Finance costs capitalised	**-**	**233**	**233**
Fair value gains on investment property	**5,262**	**501**	**5,763**
Fair value at 30 June 2022	**333,134**	**80,256**	**413,390**

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 August 2021	-	-	-
Acquisitions	184,052	-	184,052
Movement in rent incentives	82	-	82
Fair value gain on investment property	8,036	-	8,036
Fair value at 31 December 2021	192,170	-	192,170

Accounting policy

Investment property comprises property held to earn rental income or for capital appreciation, or both. Investment property is recognised upon legal completion of the contract, where costs are reliably measured and future economic benefits that are associated with the property flow to the entity. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria are met.

All corporate acquisitions made during the period have been treated as asset purchases rather than business combinations because no integrated set of activities was acquired.

Development property and land is where the whole or a material part of an estate is identified as having potential for development. Assets are classified as such until development is completed and they have the potential to be fully income generating. Development property and land is measured at fair value if the fair value is considered to be reliably determinable. Where the fair value cannot be determined reliably but where it is expected that the fair value of the property will be reliably determined when construction is completed, the property is measured at cost less any impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier. It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in the periods to 30 June 2022 or to 31 December 2021, however £233,000 (2021: nil) of finance costs have been capitalised in the in the period to 30 June 2022. Refer to note 13 for more details.

Subsequent to initial recognition, investment property is stated at fair value.

Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise under IAS 40 Investment Property.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

11. Trade and other receivables

	30 June 2022 £'000	31 December 2021 £'000
Rent and insurance receivables	**2,938**	630
Tenant deposits	**2,199**	-
Other receivables and prepayments	**3,441**	362
VAT receivable	**1,206**	897
Escrow account	**726**	1,279
Payments in advance of property acquisition	**-**	100
Total	**10,510**	3,268

12. Cash and cash equivalents

	30 June 2022 £'000	31 December 2021 £'000
Cash	**8,730**	21,962
Cash equivalents	**50,000**	144,000
Total	**58,730**	165,962

Cash equivalents includes £50.0 million of cash held by various banks on short-term deposits.

13. Interest-bearing loans and borrowings

Non-current	**30 June 2022 £'000**	31 December 2021 £'000
At the beginning of the period	**-**	-
Drawn in the period	**64,080**	-
Interest-bearing loans and borrowings	**64,080**	-
Unamortised fees at the beginning of the period	**-**	-
Loan arrangement fees paid in the period	**(1,105)**	-

Amortisation charge for the period	**95**	-
Unamortised loan arrangement fees	**(1,010)**	-
Loan balance less unamortised loan arrangement fees	**63,070**	-

Current	**30 June 2022 £'000**	31 December 2021 £'000
At the beginning of the period	**-**	-
Acquired in the period	**33,564**	-
Interest and commitment fees incurred in the period	**416**	-
Interest-bearing loans and borrowings	**33,980**	-
Unamortised fees at the beginning of the period	**-**	-
Loan arrangement fees paid in the period	**(215)**	-
Amortisation charge for the period	**27**	-
Unamortised loan arrangement fees	**(188)**	-
Loan balance less unamortised loan arrangement fees	**33,792**	-

On 29 March 2022, a direct subsidiary of the Company, Ironstone Life Science Holdings Limited, entered into a £150.0 million single currency term and revolving facility agreement ("Debt Facility") with HSBC UK Bank plc, comprising a £75.0 million three year term loan facility and an equally sized revolving credit facility. The HSBC Debt Facility has an interest rate in respect of drawn amounts of 225 basis points over SONIA. As at 30 June 2022, there was £86.0 million available to draw.

On 23 August 2022, an additional £37.2 million was drawn on the Debt Facility, leaving a remaining £48.7 million available in the revolving credit facility as at the date of this report.

In August 2022 additional protection was secured against potential future interest rate rises through capping the SONIA rate at 2.0% until 31 March 2025 on the full amount of the term loan at a premium of £2.3 million.

The HSBC facility is secured on Rolling Stock Yard, Cambourne Business Park, 7-11 Herbrand Street, the Lumen House and the Merrifield Centre within the portfolio.

On 13 May 2022, the Company acquired the issued share capital of Oxford Technology Park Holdings Limited ("OTPHL") including its two subsidiaries, Oxford Technology Park Limited ("OTPL") and Oxford Technology Park Investments Limited ("OTPIL"). OTPL has an existing loan facility with Fairfield REF ECS II GEN No.2 Designated Activity Company ("Fairfield") of £53.4 million, of which £33.8 million is currently drawn. The Fairfield Debt Facility has an interest rate in respect of drawn amounts of 712 basis points over SONIA. There is an existing SONIA interest rate cap in place at 0.75% until the loan expiry date for £29.3 million of the drawn facility. This debt is due to expire in June 2023 and is therefore shown in current liabilities.

The debt facilities include LTV and interest cover covenants that are measured at entity level where the debt facilities have been drawn. The Group is in full compliance with all loan covenants at 30 June 2022.

Accounting policy

Loans and borrowings are initially recognised at the proceeds received net of directly attributable transaction costs. Loans and borrowings are subsequently measured at amortised cost. Interest on the HSBC facility is charged to the consolidated statement of comprehensive income at the effective interest rate and shown within finance costs. Interest on the Fairfield facility is capitalised as part of the loan principal at the effective interest rate. Transaction costs are amortised over the term of the loan.

Where a property is being developed or undergoing major refurbishment, finance costs associated with direct expenditure on the property are capitalised. Capitalisation commences when the activities to develop the property start and continues until the property is substantially ready for its intended use, normally practical completion.

Capitalised finance costs are calculated with reference to the actual rate payable on borrowings for development purposes or, for that part of the development cost financed out of general funds, at the Group's weighted average interest rate.

14. Other liabilities - other payables and accrued expenses, provisions and deferred income

	30 June 2022 £'000	31 December 2021 £'000
Capital expenses payable	**17,389**	2,628
Deferred income	**3,960**	4,937
Property operating expenses payable	**2,604**	92
Tenant deposits	**2,199**	-
Administration and other expenses payable	**2,003**	1,429
Tenant deposits payable to property manager	**-**	633
Loan interest payable	**626**	-
Share issue costs payable	**-**	1,101
Total other payables and accrued expenses	**28,781**	10,820

15. Share capital

Share capital is the nominal amount of the Company's ordinary shares in issue.

Ordinary shares of £0.01 each	Number	30 June 2022 £'000	Number	31 December 2021 £'000
Authorised, issued and fully paid:				
Shares issued	**350,000,000**	**3,500**	350,000,000	3,500
Balance at the end of the period	**350,000,000**	**3,500**	350,000,000	3,500

The share capital comprises one class of ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and on a poll, to one vote for every share held. There are no restrictions on the size of a shareholding or the transfer of shares, except for the UK REIT restrictions.

16. Share premium

Share premium comprises the following amounts:

	30 June 2022 £'000	31 December 2021 £'000
Opening balance - 1 January 2022	**339,339**	-
Shares issued	**-**	346,500
Share issue costs	**(16)**	(7,161)
Transfer to capital reduction reserve	**(339,323)**	-
Share premium	**-**	339,339

On 12 April 2022, the share premium account was cancelled in accordance with the provisions of the Companies Act 2006 in order to create distributable reserves, the capital reduction reserve. This is capable of being applied in any manner in which the Company's profits available for distribution are able lawfully to be applied.

17. Net asset value per share

Basic NAV per share amounts are calculated by dividing net assets attributable to ordinary equity holders of the Company in the statement of financial position by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments in issue, basic and diluted NAV per share are identical.

EPRA net tangible assets ("EPRA NTA") is calculated using property values in line with IFRS, where values are net of real estate transfer tax ("RETT") and other purchasers' costs. EPRA NTA is considered to be the most relevant measure for the Group's operating activities.

	30 June 2022 £'000	31 December 2021 £'000
IFRS net assets attributable to ordinary shareholders	**357,461**	350,580
IFRS net assets for calculation of NAV	**357,461**	350,580
Adjustment to net assets:		
Fair value of interest rate derivatives	**(474)**	-
EPRA NTA	**356,987**	350,580

	30 June 2022 Pence	31 December 2021 Pence
IFRS basic and diluted NAV per share	**102.1**	100.2
EPRA NTA per share	**102.0**	100.2

	30 June 2022 Number of shares	31 December 2021 Number of shares
Number of shares in issue (thousands)	**350,000**	350,000

18. Fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying values of the loans and borrowings approximate their fair value due to the contractual terms and conditions of the loan. The HSBC debt facility has an interest rate of 225 basis points over SONIA in respect of drawn amounts. The Fairfield Debt Facility has an interest rate in respect of drawn amounts of 712 basis points over SONIA.

The fair value of the interest rate contracts is recorded in the statement of financial position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year end.

Six-monthly valuations of investment property are performed by CBRE, accredited external valuers with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued, on a fixed fee basis. The valuations are the ultimate responsibility of the Directors however, who appraise these every six months.

The valuation of the Group's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation - Professional Standards January 2020 (incorporating the International Valuation Standards).

Completed investment properties are valued by adopting the 'income capitalisation' method of valuation. This approach involves applying capitalisation yields to current and future rental streams, net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuer's professional judgement and market observations. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Onsite developments are valued by applying the 'residual method' of valuation, which is the investment method described above with a deduction for all costs necessary to complete the development, with a further allowance for remaining risk and developers' profit. Properties and land held for future development are valued using the highest and best use method, by adopting the residual method allowing for all associated risks, the investment method, or a value per acre methodology.

The following table shows an analysis of the fair values of investment properties recognised in the statement of financial position by level of the fair value hierarchy[1]:

	30 June 2022			
Assets and liabilities measured at fair value	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment properties	**-**	**-**	**413,390**	**413,390**
Interest rate derivatives	**-**	**474**	**-**	**474**
Total	**-**	**474**	**413,390**	**413,864**

	31 December 2021			
Assets and liabilities measured at fair value	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	-	-	192,170	192,170
Interest rate derivatives	-	-	-	-
Total	-	-	192,170	192,170

1. Explanation of the fair value hierarchy:

· Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

· Level 2 - use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and

· Level 3 - use of a model with inputs that are not based on observable market data.

There have been no transfers between Level 1 and Level 2 during either period, nor have there been any transfers in or out of Level 3.

Sensitivity analysis to significant changes in unobservable inputs within the valuation of investment properties

The following table analyses:

· the fair value measurements at the end of the reporting period;

· a description of the valuation techniques applied;

· the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and

· for Level 3 fair value measurements, quantitative information about significant unobservable inputs used in the fair value measurement.

30 June 2022	**Fair value £'000**	**Valuation technique**	**Key unobservable inputs**	**Range**
Completed investment property	**£333,134**	**Income capitalisation**	**ERV**	**£18 - £110 per sq ft**
			Equivalent yield	**3.85% - 6.65%**
Development property	**£48,106**	**Income capitalisation/ residual method**	**ERV**	**£18 - £22 per sq ft**
			Equivalent yield	**4.75% - 4.75%**
Development	**£32,150**	**Comparable**	**Sales rate**	**£123**

land		method/ residual method	per sq ft	
Total	**£413,390**			

31 December 2021	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property	£192,170	Income capitalisation	ERV	£23 - £68 per sq ft
			Equivalent yield	3.81% - 7.00%
Development property and land	-	Comparable method/ residual method	Not applicable	n/a
Total	£192,170			

Significant increases/decreases in the ERV (per sq ft per annum) and rental growth per annum in isolation would result in a significantly higher/lower fair value measurement. Significant increases/decreases in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly higher/lower fair value measurement.

Generally, a change in the assumption made for the ERV (per sq ft per annum) is accompanied by:

· a similar change in the rent growth per annum and discount rate (and exit yield); and

· an opposite change in the long-term vacancy rate.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to a gain of £5.8 million (31 December 2021: £8.0 million) and are presented in the consolidated statement of comprehensive income in line item 'fair value gains on investment properties'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

The carrying amount of the Group's other assets and liabilities is considered to be the same as their fair value.

19. Capital commitments

At 30 June 2022, the Group had contracted capital expenditure of £4.3 million (31 December 2021: £nil).

20. Related party transactions

Directors

The Directors (all Non-Executive Directors) of the Company and its subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the period totalled £84,299 (31 December 2021: £32,456) and at 30 June 2022, a balance of £14,966 (31 December 2021: £2,000) was outstanding relating to PAYE, employer and employee NI.

Investment Adviser

The Company is party to an Investment Advisory Agreement with the AIFM and the Investment Adviser, pursuant to which the Investment Adviser has been appointed to provide investment advisory services relating to the respective assets on a day-to-day basis in accordance with their respective investment objectives and policies, subject to the overall supervision and direction by the AIFM and the Board of Directors.

For its services to the Company, the AIFM receives an annual fee at the rate of 1.1% of the NAV of the Company up to £500.0 million, then 0.9% of the Company NAV once the Company NAV exceeds £500 million, then at a lower rate of 0.75% of the Company NAV once the Company NAV exceeds £3.0 billion.

During the period, the Group incurred £1,908,143 (31 December 2021: £454,903) in respect of investment advisory fees. As at 30 June 2022, £983,020 (31 December 2021: £454,903) was outstanding.

21. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

22. Post balance sheet events

In August 2022, a further £37.2 million was drawn down from the HSBC facility. The £75.0 million term loan is now fully drawn, with a further £26.3 million drawn from the £75.0 million revolving credit facility.

The Group secured additional protection against potential future interest rate rises through capping the SONIA rate at 2.0% until 31 March 2025 on the full amount of the HSBC term loan from August 2022 at a premium of £2.3 million.

A first interim dividend in respect of the period ended 30 June 2022 of 1.0 pence per share will be payable on 31 October 2022. The ex-dividend date will be 29 September 2022 and this will be paid entirely as an ordinary dividend.

UNAUDITED SUPPLEMENTARY NOTES NOT PART OF THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Group is a member of the European Public Real Estate Association ("EPRA") and was awarded an EPRA Gold award for compliance with EPRA Best Practice Recommendations ("BPR") for the 2021 Annual Report. EPRA has developed and defined the following performance measures to give transparency, comparability and relevance of financial reporting across entities which may use different accounting standards. The following measures are calculated in accordance with EPRA guidance.

These are not intended as a substitute for IFRS measures.

Table 1: EPRA performance measures summary

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
EPRA earnings (£'000)	Table 2	**668**	(295)
EPRA EPS (pence)	Table 2	**0.2**	(0.1)
EPRA cost ratio (including direct vacancy cost)	Table 6	**73.6%**	163.5%
EPRA cost ratio (excluding direct vacancy cost)	Table 6	**55.7%**	163.5%

	Notes	**30 June 2022**	31 December 2021
EPRA NDV per share (pence)	Table 3	**102.1**	100.2
EPRA NRV per share (pence)	Table 3	**110.0**	103.9
EPRA NTA per share (pence)	Table 3	**102.0**	100.2
EPRA NIY	Table 4	**2.5%**	4.4%
EPRA 'topped-up' NIY	Table 4	**3.1%**	4.5%
EPRA vacancy rate	Table 5	**18.9%**	19.1%

Table 2: EPRA income statement

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Revenue	3	**6,262**	532
Less: insurance recharged		**(84)**	-
Rental income		**6,178**	532
Property operating expenses	4	**(2,218)**	-
Insurance recharged		**84**	-
Gross profit		**4,044**	532
Administration expenses	4	**(2,602)**	(834)
Operating profit/(loss) before interest and tax		**1,442**	(302)
Finance income	5	**714**	7
Finance expenses	6	**(1,022)**	-
Less change in fair value of interest rate derivatives		**(466)**	-
Adjusted profit/(loss) before tax		**668**	(295)
Tax on adjusted profit/(loss)		**-**	-
Adjusted earnings		**668**	(295)
Weighted average number of shares in issue (thousands)	9	**350,000**	350,000
Adjusted EPS (pence)	9	**0.2**	(0.1)

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Adjusted earnings		**668**	(295)
EPRA earnings		**668**	(295)
Weighted average number of shares in issue (thousands)	9	**350,000**	350,000
EPRA EPS (pence)	9	**0.2**	(0.1)

EPRA earnings represents earnings from operational activities. It is a key measure of the Group's underlying operational results and an indication of the extent to which current payments are supported by earnings.

Table 3: EPRA balance sheet and net asset value performance measures

EPRA net disposal value ("NDV"), EPRA net reinstatement value ("NRV") and EPRA net tangible assets ("NTA"). A reconciliation of the three new EPRA NAV metrics from IFRS NAV is shown in the table below. Total accounting return will be calculated based on EPRA NTA.

As at 30 June 2022	Notes	**EPRA NDV £'000**	**EPRA NRV £'000**	**EPRA NTA £'000**
Total properties[1]	10	**413,390**	**413,390**	**413,390**
Net cash/(borrowings)[2]	12/13	**(39,330)**	**(39,330)**	**(39,330)**
Other net liabilities		**(16,599)**	**(16,599)**	**(16,599)**
IFRS NAV	17	**357,461**	**357,461**	**357,461**
Include: real estate transfer tax[3]		**-**	**28,111**	**-**
Exclude: fair value of interest rate derivatives				

Exclude: fair value of interest rate derivatives		**-**	**(474)**	**(474)**
NAV used in per share calculations		**357,461**	**385,098**	**356,987**
Number of shares in issue (thousands)	15	**350,000**	**350,000**	**350,000**
NAV per share (pence)		**102.1**	**110.0**	**102.0**

As at 31 December 2021	Notes	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	10	192,170	192,170	192,170
Net cash/(borrowings)[2]	12	165,962	165,962	165,962
Other net liabilities		(7,552)	(7,552)	(7,552)
IFRS NAV	17	350,580	350,580	350,580
Include: real estate transfer tax[3]		-	13,068	-
Exclude: fair value of interest rate derivatives		-	-	-
NAV used in per share calculations		350,580	363,648	350,580
Number of shares in issue (thousands)	15	350,000	350,000	350,000
NAV per share (pence)		100.2	103.9	100.2

1. Professional valuation of investment property.

2. Comprising interest-bearing loans and borrowings (excluding unamortised loan arrangement fees) of £98,060,000 (31 December 2021: £nil) net of cash of £58,730,000 (31 December 2021: £165,962,000).

3. EPRA NTA and EPRA NDV reflect IFRS values which are net of real estate transfer tax. Real estate transfer tax is added back when calculating EPRA NRV.

EPRA NDV details the full extent of liabilities and resulting shareholder value if Company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax.

EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA NRV highlights the value of net assets on a long-term basis and reflects what would be needed to recreate the Company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as real estate transfer taxes are included.

Table 4: EPRA net initial yield

	Notes	**30 June 2022 £'000**	31 December 2021 £'000
Total properties per external valuer's report	10	**413,390**	192,170
Less development property and land		**(80,256)**	-
Net valuation of completed properties		**333,134**	192,170
Add estimated purchasers' costs[1]		**22,653**	13,068
Gross valuation of completed properties including estimated purchasers' costs (A)		**355,787**	205,238
Gross passing rents[2] (annualised)		**11,044**	9,124
Less irrecoverable property costs[2]		**(1,984)**	(179)
Net annualised rents (B)		**9,060**	8,945
Add notional rent on expiry of rent-free periods or other lease incentives[3]		**1,817**	291
'Topped-up' net annualised rents (C)		**10,877**	9,236
EPRA NIY (B/A)		**2.5%**	4.4%
EPRA 'topped-up' net initial yield (C/A)		**3.1%**	4.5%

1. Estimated purchasers' costs estimated at 6.8% (31 December 2021: 6.8%).

2. Gross passing rents and irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.

3. Adjustment for unexpired lease incentives such as rent-free periods, discounted rent period and step rents. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive. Rent-frees expire over a weighted average period of six months (31 December 2021: nine months).

EPRA NIY represents annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. It is a comparable measure for portfolio valuations designed to make it easier for investors to judge themselves how the valuation of portfolio X compares with portfolio Y.

EPRA 'topped-up' NIY incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

NIY as stated in the Investment Adviser's report calculates net initial yield on topped-up annualised rents but does not deduct non-recoverable property costs.

Table 5: EPRA vacancy rate

	30 June 2022 £'000	31 December 2021 £'000
Annualised ERV of vacant premises (D)	**3,251**	1,937
Annualised ERV for the investment portfolio (E)	**17,172**	10,129
EPRA vacancy rate (D/E)	**18.9%**	19.1%

EPRA vacancy rate represents ERV of vacant space divided by ERV of the completed investment portfolio, excluding development property and land. It is a pure measure of investment property space that is vacant, based on ERV.

Table 6: Total cost ratio/EPRA cost ratio

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Property operating expenses (excluding service charge expenses)	4	**1,138**	-
Service charge expenses	4	**1,080**	-
Add back: service charge income	3	**(710)**	-
Add back: insurance recharged	3	**(84)**	-
Net property operating expenses		**1,424**	-
Administration expenses	4	**2,602**	834
Total cost including direct vacancy cost (F)		**4,026**	834
Direct vacancy cost		**(981)**	-
Total cost excluding direct vacancy cost (G)		**3,045**	834
Rental income[1]		**5,468**	510
Gross rental income (H)		**5,468**	510
Less direct vacancy cost		**(981)**	-
Net rental income		**4,487**	510
Total cost ratio including direct vacancy cost (F/H)		**73.6%**	163.5%
Total cost ratio excluding direct vacancy cost (G/H)		**55.7%**	163.5%

	Six months ended	Period from 1 August 2021 to 31

	30 June 2022 £'000	December 2021 £'000
Total cost including direct vacancy cost (F)	**4,026**	834
EPRA total cost (I)	**4,026**	834
Direct vacancy cost	**(981)**	-
EPRA total cost excluding direct vacancy cost (J)	**3,045**	834
EPRA cost ratio including direct vacancy cost (I/H)	**73.6%**	163.5%
EPRA cost ratio excluding direct vacancy cost (J/H)	**55.7%**	163.5%

1. Reflects rental income plus rental income straight-line adjustment.

EPRA cost ratios represent administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income. They are a key measure to enable meaningful measurement of the changes in the Group's operating costs.

It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in the six months ended 30 June 2022 or in the period ended 31 December 2021.

Table 7: Lease data

As at 30 June 2022	**Year 1 £'000**	**Year 2 £'000**	**Years 3-5 £'000**	**Year 5+ £'000**	**Total £'000**
Passing rent of leases expiring in:	**329**	**94**	**5,535**	**5,086**	**11,044**
ERV of leases expiring in:	**561**	**107**	**6,311**	**6,942**	**13,921**
Passing rent subject to review in:	**415**	**1,050**	**9,579**	**-**	**11,044**
ERV subject to review in:	**668**	**1,190**	**12,063**	**-**	**13,921**

WAULT to expiry is 6.7 years and to break is 5.0 years.

As at 31 December 2021	Year 1 £'000	Year 2 £'000	Years 3-5 £'000	Year 5+ £'000	Total £'000
Passing rent of leases expiring in:	-	2,351	1,603	5,170	9,124
ERV of leases expiring in:	-	3,570	1,884	4,675	10,129
Passing rent subject to review in:	428	1,753	3,264	3,679	9,124
ERV subject to review in:	439	2,653	4,081	2,956	10,129

WAULT to expiry is 6.6 years and to break is 4.1 years.

Table 8: EPRA capital expenditure

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Acquisitions[1]	10	**213,574**	184,052
Development spend[2]	10	**956**	-
Completed investment properties:[3]			-
No incremental lettable space - like-for-like portfolio	10	**20**	-
No incremental lettable space - other		**-**	-
Tenant incentives	10	**674**	-
Total capital expenditure		**215,224**	184,052
Debt Acquired - OTP[4]		**(33,564)**	-
Conversion from accruals to cash basis		**(16,539)**	(2,528)
Total capital expenditure on a cash basis		**165,121**	181,524

1. Acquisitions include £135.0 million (31 December 2021: £184.1 million) completed investment property and £78.6 million (31 December 2021: £nil) development property and land.

2. Expenditure on development property and land.

3. Expenditure on completed investment properties.

4. On acquisition of OTP in May 2022, £33.6 million of debt was acquired. See note 13 for further details.

Table 9: EPRA Like-for-like net rental income

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Like-for-like rental income	-	**-**	
Other		**---**	-
Adjusted like-for-like rental income	---	**-**	
Development lettings		**-**	-
Properties acquired	3	**5,468**	532
Rental income		**5,468**	532
Service charge income	3	**710**	-
Insurance recharge	3	**84**	-
Revenue		**6,262**	532

Table 10: Loan to value ("LTV")

Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments.

	Notes	**30 June 2022 £'000**	31 December 2021 £'000
Interest-bearing loans and borrowings[1]	13	**98,060**	n/a
Cash	12	**(58,730)**	n/a
Net borrowings (A)		**39,330**	n/a
Investment property at fair value (B)	10	**413,390**	n/a
LTV (A/B)		**9.5%**	n/a

1. Excludes unamortised loan arrangement fees asset of £1.2 million (see note 13).

Comparative figures for 31 December 2021 have been excluded as the Group had no interest-bearing loans and borrowings as at this date.

Table 11: Total accounting return

The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period.

	Notes	**Six months ended 30 June 2022 Pence per share**	Period from 1 August 2021 to 31 December 2021 Pence per share
Opening EPRA NTA (A)	17	**100.2**	-
Movement (B)		**1.8**	100.2
Closing EPRA NTA	17	**102.0**	100.2
Dividend per share (C)		**-**	-

Total accounting return (B+C)/A	**1.8%**	n/a

Table 12: Interest cover

Adjusted operating profit before gains on investment properties, interest and tax divided by the underlying net interest expense.

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Adjusted operating profit/(loss) before gains on investment properties (A)		**1,442**	n/a
Interest expense	6	**1,022**	n/a
Add back: capitalised finance costs	6	**233**	n/a
Less: interest income	5	**(248)**	n/a
Loan interest (B)		**1,007**	n/a
Interest cover (A/B)		**143.2%**	n/a

Comparative figures for the period to 31 December 2021 have been excluded as the Group had no interest-bearing loans during

this period.

Table 13: Ongoing charges ratio

Ongoing charges ratio represents the costs of running the REIT as a percentage of NAV as prescribed by the Association of Investment Companies.

	Notes	**Six months ended 30 June 2022 £'000**	Period from 1 August 2021 to 31 December 2021 £'000
Administration expenses	4	**2,602**	834
Annualised ongoing charges (A)		**2,602**	834
Opening NAV as at start of period		**350,580**	-
Closing NAV as at end of period		**357,461**	350,580
Average undiluted NAV during the period (B)		**354,021**	350,580
Ongoing charges ratio (A/B)		**0.7%**	0.2%

GLOSSARY

Adjusted earnings per share ("Adjusted EPS")

EPRA EPS adjusted to exclude one-off costs, divided by the weighted average number of shares in issue during the period

Admission

The admission of Life Science REIT plc onto the AIM of the London Stock Exchange on 19 November 2021

AGM

Annual General Meeting

AIC

The Association of Investment Companies

AIFM

Alternative Investment Fund Manager

UK AIFM Regime

The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook

AIM

A market operated by the London Stock Exchange

Company

Life Science REIT plc

Contracted rent

Gross annual rental income currently receivable on a property plus rent contracted from expiry of rent-free periods and uplifts agreed at the balance sheet date less any ground rents payable under head leases

Development property and land

Whole or a material part of an estate identified as having potential for development. Such assets are classified as development property and land until development is completed and they have the potential to be fully income generating

EPRA

The European Public Real Estate Association, the industry body for European REITs

EPRA cost ratio

The sum of property expenses and administration expenses as a percentage of gross rental income calculated both including and excluding direct vacancy cost

EPRA earnings

IFRS profit after tax excluding movements relating to changes in fair value of investment properties, gains/losses on property disposals, changes in fair value of financial instruments and the related tax effects

EPRA earnings per share ("EPRA EPS")

A measure of EPS on EPRA earnings designed to present underlying earnings from core operating activities based on the weighted average number of shares in issue during the period

EPRA like-for-like rental income growth

The growth in rental income on properties owned throughout the current and previous year under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes development property and land in either year and properties acquired or disposed of in either year

EPRA NAV/EPRA NDV/EPRA NRV/EPRA NTA per share

The EPRA net asset value measures figures divided by the number of shares outstanding at the balance sheet date

EPRA net disposal value ("EPRA NDV")

The net asset value measure detailing the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax

EPRA net initial yield ("EPRA NIY")

The annualised passing rent generated by the portfolio, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

EPRA net reinstatement value ("EPRA NRV")

The net asset value measure to highlight the value of net assets on a long-term basis and reflect what would be needed to recreate the Company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as real estate transfer taxes are included

EPRA net tangible assets ("EPRA NTA")

The net asset value measure assuming entities buy and sell assets, thereby crystallising certain levels of deferred tax liability

EPRA 'topped-up' net initial yield

The annualised passing rent generated by the portfolio, topped up for contracted uplifts, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

EPRA vacancy rate

Total open market rental value of vacant units divided by total open market rental value of the portfolio excluding development property and land

EPS

Earnings per share

Equivalent yield

The weighted average rental income return expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

ERV

The estimated annual open market rental value of lettable space as assessed by the external valuer

FCA

GAV

Gross asset value

Group

Life Science REIT plc and its subsidiaries

IASB

International Accounting Standards Board

IFRS

International Financial Reporting Standards

IFRS earnings per share ("EPS")

IFRS earnings after tax for the year divided by the weighted average number of shares in issue during the year

IFRS NAV per share

IFRS net asset value divided by the number of shares outstanding at the balance sheet date

Interest cover

Adjusted operating profit before gains on investment properties, interest and tax divided by the underlying net interest expense

Investment portfolio

Completed buildings excluding development property and land

IPO

Initial public offering

Like-for-like rental income growth

The increase in contracted rent of properties owned throughout the period under review, expressed as a percentage of the contracted rent at the start of the period, excluding development property and land and units undergoing refurbishment

Like-for-like valuation increase

The increase in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, net of capital expenditure

Loan to value ratio ("LTV")

Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments

NAV

Net asset value

Net initial yield ("NIY")

Contracted rent at the balance sheet date, expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

Net rental income

Gross annual rental income receivable after deduction of ground rents and other net property outgoings including void costs and net service charge expenses

Net reversionary yield ("NRY")

The anticipated yield to which the net initial yield will rise (or fall) once the rent reaches the ERV

Occupancy

Total open market rental value of the units leased divided by total open market rental value excluding development property and land, equivalent to one minus the EPRA vacancy rate

Passing rent

Gross annual rental income currently receivable on a property as at the balance sheet date less any ground rents payable under head leases

Property income distribution ("PID")

Profits distributed to shareholders which are subject to tax in the hands of the shareholders as property income. PIDs are usually paid net of withholding tax (except for certain types of tax-exempt shareholders). REITs also pay out normal dividends called non-PIDs

Real Estate Investment Trust ("REIT")

A listed property company which qualifies for, and has elected into, a tax regime which is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties

SONIA

Sterling Overnight Index Average

Total accounting return

The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period

Total cost ratio

EPRA cost ratio excluding one-off costs calculated both including and excluding vacant property costs

Weighted average unexpired lease term ("WAULT")

Average unexpired lease term to first break or expiry weighted by contracted rent across the portfolio, excluding development property and land

ENDS

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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