



PALACE CAPITAL plc

EXPERTS IN REGIONAL PROPERTY

PALACE CAPITAL PLC FINAL RESULTS

YEAR ENDED 31 MARCH 2021

Palace Capital are experts in regional property investment.

Focused on unlocking value to deliver attractive total returns.

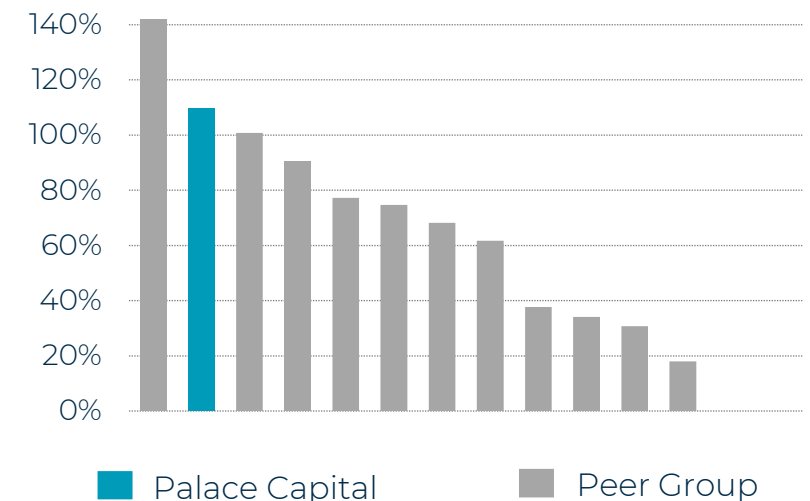
INTRODUCTION | FINANCIAL REVIEW | PROPERTY REVIEW | CONCLUSION | APPENDICES

Highlights

Strong rent collection and Hudson Quarter completed

- Rent collection has been strong – average of 95% collected during the year
- £30m disposal programme underway with £9.4m worth of assets either exchanged or completed since year-end
- Total Property Return of 1.0% in line with the MSCI UK Quarterly Benchmark of 1.2%, but with 4% outperformance over a three-year period
- Flagship development at Hudson Quarter completed in April 2021, over 39% of 127 apartments sold or under offer to date representing an aggregate of £14.9m
- 20% increase to proposed final dividend of 3.0p which is expected to be the minimum quarterly level going forward – bringing total dividends paid for the year to 10.5p
- 31 lease events completed in the year providing additional income of £0.9m pa at an average of 14% premium to ERV
- Increased prioritisation of ESG initiatives and incorporated energy efficiency measures into our capital expenditure projects

7.5 Year Total Accounting Return vs peers (EPRA NTA growth + dividends) now at 110%



Source: Arden Partners plc
Peer Group UK small/medium sized diversified REITs

Hudson Quarter:

Flagship development completed

- Completed on budget on 20 April 2021 with first occupiers already moved in
- 43 units sold or exchanged with a sales value of £11.6m, with a further 7 under offer with a sales value of £3.3m and 77 units remaining to be sold
- Forecast geared IRR of 15%
- Pace of sales has accelerated as lockdown restrictions have eased
- £8.9m of the development loan repaid post year end, loan reduced to £11.6m - expected to be fully repaid by end of 2021
- Residential sales programme to generate significant cashflow for future acquisitions
- Pre-let 4,781 sq ft offices at the Victoria block at a record rent in York of £25.00 psf
- Remaining 34,000 sq ft of Grade A office space awarded BREEAM excellent and expected to be let within this financial year



Regional Property Investment

Office and Industrial sector focus

- Regional commercial property retains attractive fundamentals despite recent impact of Covid
- Signs of recovery in both regional investment and occupational markets
- PCA investment concentrated in university towns and cities outside of London characterised by thriving local economies and strengthening fundamentals
- Defensive characteristics of portfolio include offices in central locations with good access to public transport and industrial properties with good road connections
- Government levelling-up agenda including taking considerable space in Manchester, Leeds, Liverpool, Wolverhampton, Birmingham & Darlington supporting regional growth outlook
- Supply of office space constrained – Savills report the regions have lost a massive 45% of Grade B & C office space since 2015 and there has been limited speculative development
- The supply-demand dynamic continues to support our centrally-located office portfolio



Future of the office and industrial sectors

Anticipating structural changes

Future of the regional office market

- Expectation of return to the office post lockdown
- “Working from Home” is an option not a replacement for an office environment
- Collaboration is key in any industry and offices will remain vital to increasing productivity
- Quality of office space and location will determine outperformance as ESG agenda increases

Future of the regional industrial market

- Accelerated trend towards e-commerce and distribution
- Customers want their products delivered quickly and this is leading many suppliers to seek distribution close to city centers
- We see income and capital growth continuing in regional industrial sectors as a result of major infrastructure investment and population growth



Rent Collection

Strong performance throughout the year despite the Covid backdrop

Sector	FY21 Rent Demanded	FY21 Rent Concessions	FY21 Cash Collected	FY21 Collection rate	Mar-21 Qtr collection rate*
Office	£8.6m	£0.1m	£8.0m	95%	96%
Industrial	£2.4m	-	£2.4m	98%	97%
Leisure	£3.3m	£0.9m	£2.2m	91%	91%
Retail Warehouse	£0.8m	-	£0.8m	100%	100%
Retail	£2.0m	£0.1m	£1.8m	94%	89%
TOTAL	£17.1m	£1.1m	£15.2m	95%	95%

* Rent collection is defined as cash collected in full and rent being collected monthly as per the payment plan agreed with the tenant

95% rent collected in FY21

98% rents secured from top 20 tenants

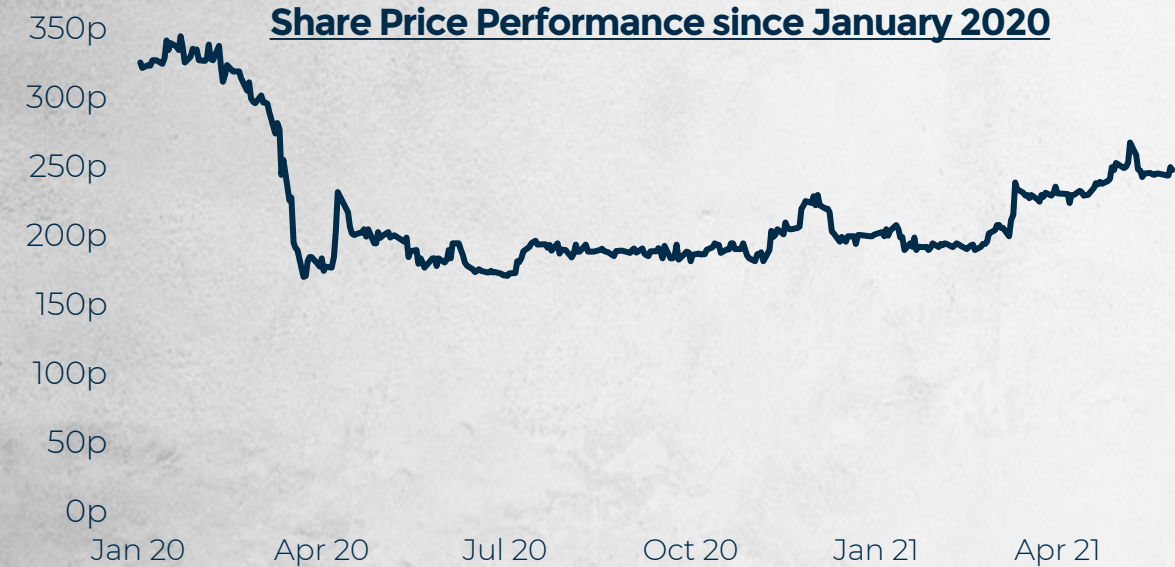
Strong rent collection continued into the new year with 95% collected for March 2021 quarter

Cash-covered dividends paid in the year as a result

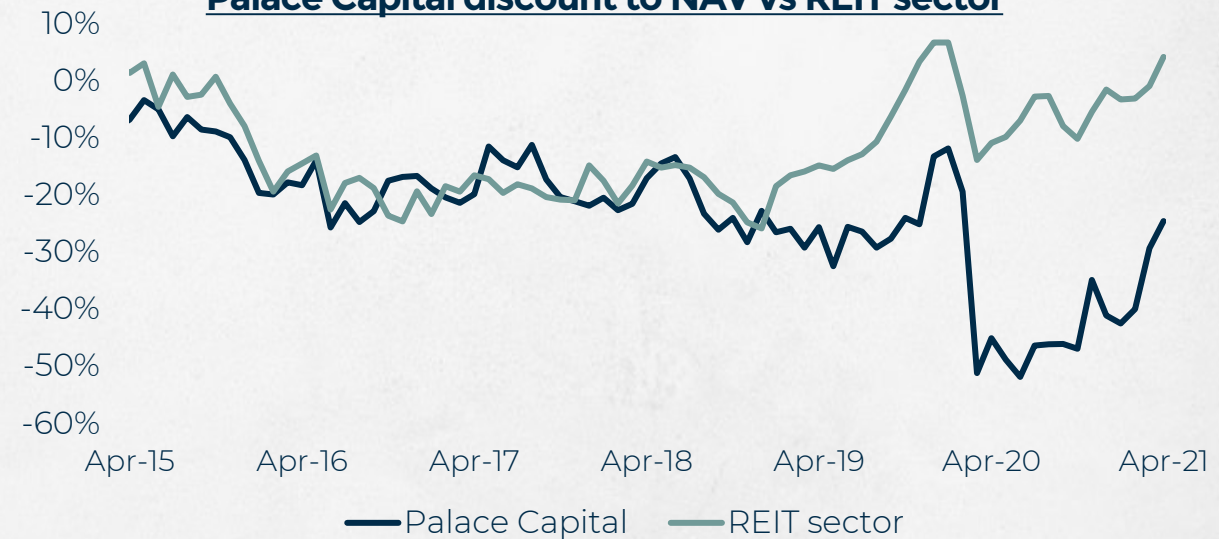
Covid-19 share price impact

Share price recovering, supported by strategy to continue to close the discount

Share Price Performance since January 2020



Palace Capital discount to NAV vs REIT sector



£38m of further apartment sales at Hudson Quarter

Letting of **34,000 sq ft** of office space at HQ

£30m disposal programme

Reinvestment to generate additional net rental income of **£3.0m pa**

Financial Performance

Year ended 31 March 2021

	FY21	FY20	Change
INCOME STATEMENT			
Underlying rental income	£17.2m	£17.9m	-3.9%
Surrender premium & other income	£0.1m	£3.4m	
Total income	£17.3m	£21.3m	
Bad debt provision	(£0.9m)	(£0.3m)	
IFRS loss for the year	(£5.5m)	(£5.4m)	
EPRA earnings	£7.2m	£10.8m	
Adjusted profit before tax	£7.5m	£8.0m	-6.3%
Basic EPS	(12.0p)	(11.8p)	
EPRA EPS	15.7p	23.4p	
Adjusted EPS	16.4p	17.5p	-6.3%
Dividend per share	10.5p	12.0p	
Dividend cover	1.6x	1.5x	

Resilient performance despite Covid-19 disruption

	FY21	FY20
BALANCE SHEET		
Portfolio value	£282.8m	£277.8m
Cash	£9.4m	£14.9m
Drawn debt	£128.3m	£120.8m
Net debt	£118.9m	£105.8m
IFRS net assets	£157.8m	£166.3m
Basic NAV per share	343p	361p
EPRA NTA per share	350p	364p
Loan to value	42%	38%
NAV gearing	74%	63%

Profit reconciliation & sustainable dividend

Year ended 31 March 2021

	FY21 (£'m)	FY20 (£'m)
INCOME STATEMENT		
Adjusted profit after tax	7.5	8.0
Surrender premium & fair value of options	(0.3)	2.8
EPRA earnings	7.2	10.8
Revaluation losses	(14.0)	(17.9)
Equity investment revaluation	0.7	(0.4)
Profit/(loss) on disposals	0.9	(0.2)
Hedging and derivative losses	(0.2)	(0.9)
Debt termination costs	(0.1)	(0.5)
Deferred tax REIT adjustment	-	3.7
IFRS loss for the year	(5.5)	(5.4)

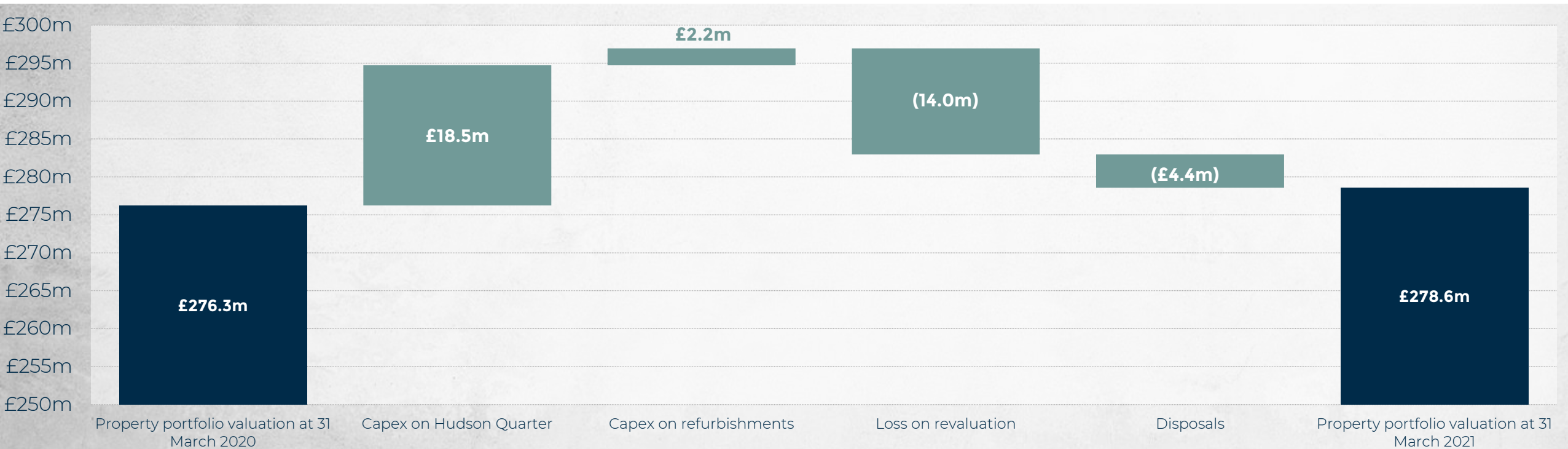
	Q1	Q2	Q3	Q4	TOTAL
FY21 DIVIDENDS					
Adjusted EPS	3.7p	3.6p	4.7p	4.4p	16.4p
DPS	2.5p	2.5p	2.5p	3.0p	10.5p
Dividend cover	1.5x	1.4x	1.9x	1.5x	1.6x
Dividends paid	£1.2m	£1.2m	£1.2m	£1.4m	£5.0m

Cash covered dividends at a sustainable level, 1.6x covered

20% increase in Q4 dividend to 3.0p per share supported by continued strong rent collection

Valuation bridge

Investment in Hudson Quarter offsets portfolio fair value reduction



Valuations

H2 valuation recovery following Covid impact in H1

	Market value 31 March 2020 (£)	H1 Gain/(loss) %	Market value 30 Sept 2020 (£)	H2 Gain/(loss) %	Market value 31 March 2021 (£)	EPRA topped-up NIY %
Offices*	124,410,000	(4.2%)	119,235,000	(2.5%)	116,280,000	5.4%
Development	37,830,000	39.4%	52,725,000	13.1%	59,625,000	N/A
Industrial	38,805,000	2.1%	39,625,000	2.8%	40,740,000	5.2%
Leisure	37,850,000	(7.4%)	35,035,000	1.2%	35,455,000	7.8%
Retail*	23,645,000	(6.5%)	22,115,000	(2.7%)	21,520,000	7.3%
Retail Warehouses	10,545,000	(10.5%)	9,435,000	(2.5%)	9,200,000	7.7%
Total market value	273,085,000	1.9%	278,170,000	1.7%	282,820,000	
Capital expenditure**	-		(14,514,267)		(20,655,421)	
Total like for like	273,085,000	(3.5%)	263,655,733	(0.5%)	262,164,579	

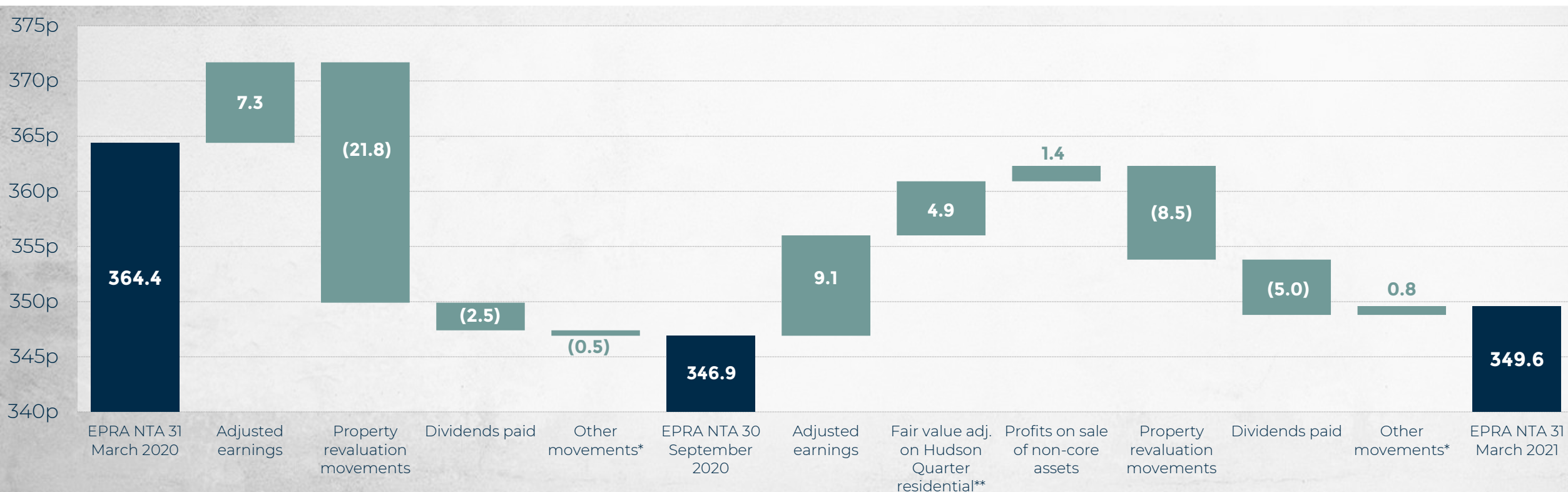
- Office values impacted by vacancy but positive outlook on lettings
- Assets under development increased in value as a result of continued expenditure
- Industrial valuations increased at 31 March 2021
- Leisure, retail and retail warehouse sectors in recovery

*Excludes properties disposed in FY21

**Includes all capital expenditure on developments, refurbishments, and capitalised legal and letting fees incurred in FY21

Net Tangible Asset bridging chart

EPRA NTA per share movements in the year



*Other movements includes movement in treasury shares, cost of derivatives, debt termination costs, fair value movement of listed equity investments and the effect of increased number of shares in the year

**Hudson Quarter York residential development is carried in the books at lower of cost and net realisable value (NRV) and as the NRV was higher than the cost at year end, EPRA NTA adjusts for the variance

£141.7m debt facilities

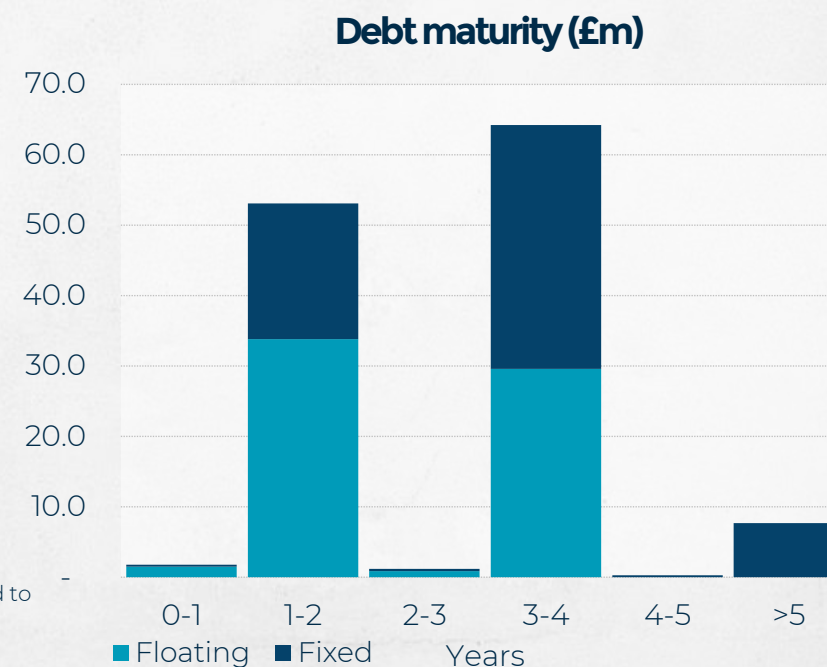
Diversified loan book supporting a stable capital structure

LTV:	42%* (FY20: 38%)
Average Cost of Debt:	3.0% (FY20: 3.1%)
Interest Cover:	2.7x (FY20: 3.5x)
Hedging:	49% (FY20: 56%)

Lender	Debt Facility (£m)	Debt Drawn (£m)	Debt Maturity	Hedging
Barclays	38.0	38.0	Jun-2024	£34.3m fixed
NatWest (RCF)	40.0	28.6	Aug-2024	100% floating
Santander	25.3	25.3	Aug-2022	£19.0m fixed
Lloyds	6.8	6.8	Mar-2023	100% floating
Scottish Widows	9.3	9.3	Jul-2026	100% fixed
Barclays (development facility)	22.3	20.3	Jul-2022*	100% floating

141.7 128.3 2.6 years 49% fixed

*Barclays Development facility extended post year end to July 2022 and as a result of completed sales the loan balance has been reduced to £11.6m as at 7 June 2021, and consequently Group LTV reduced to 40%



Management of Financial Covenants

Dealing with the Covid impact on rent collection

- All covenant tests passed or waivers obtained in the year
- Covenant waivers obtained in April 2021 on leisure properties where concessions and rent deferrals focused – not expected to be necessary in July 2021
- Loan on Halifax leisure scheme reduced by £4.1m during the year and following lettings in the year credit rating improved and bank covenants satisfied
- Barclays HQ development loan maturity extended to July 2022 and sales milestones updated to provide headroom, but expected to be repaid by end of 2021

Property Portfolio – Overview

Post pandemic recovery underway in H2

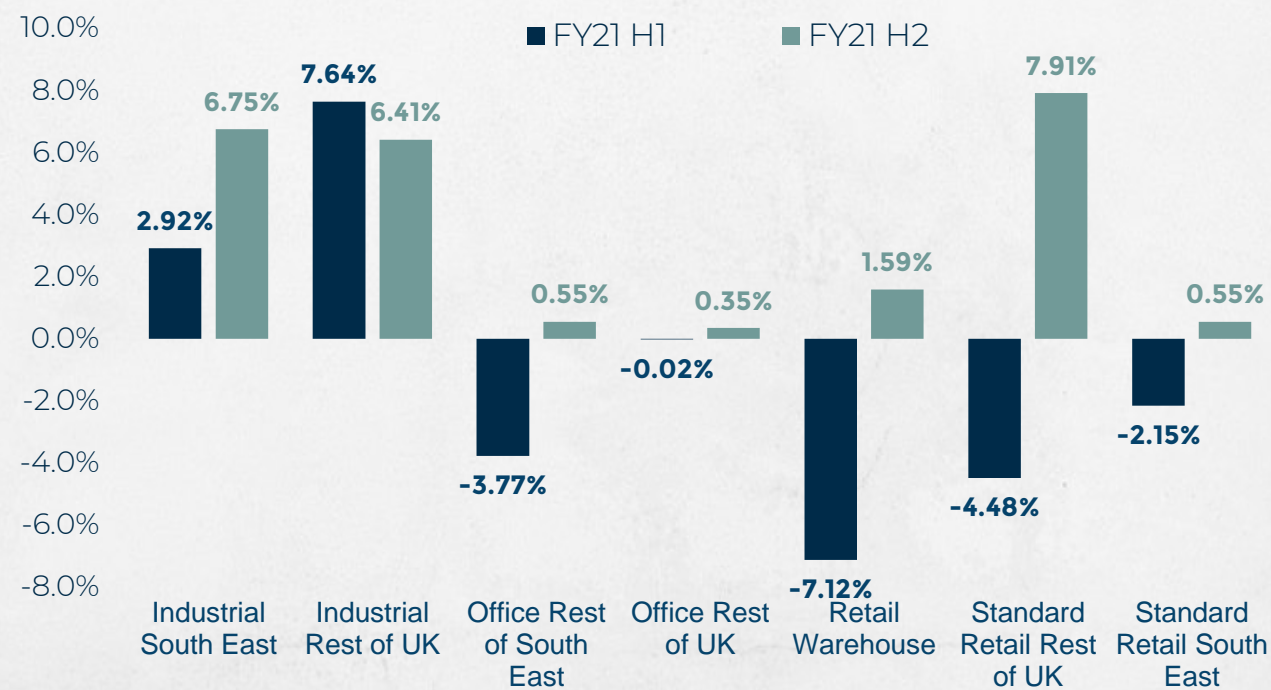
	March 2020	March 2021
Portfolio value (£m)	£277.8m	£282.8m
Net initial yield (%)	6.0%	5.6%
Reversionary yield (%)	6.6%	7.3%
Contractual rental income (£m)	£17.6m	£16.4m
Estimated rental value (£m)	£20.6m	£20.6m*
WAULT to break (years)	4.8 years	4.8 years
Void rate (%)	12.7%	13.6%

	March 2021	Post Hudson Quarter**
Office weighting	41.1%	53.8%
Industrial weighting	14.4%	17.6%
Core sector focus	55.5%	71.4%

*Includes HQ ERV of £0.9m – completed in April 2021

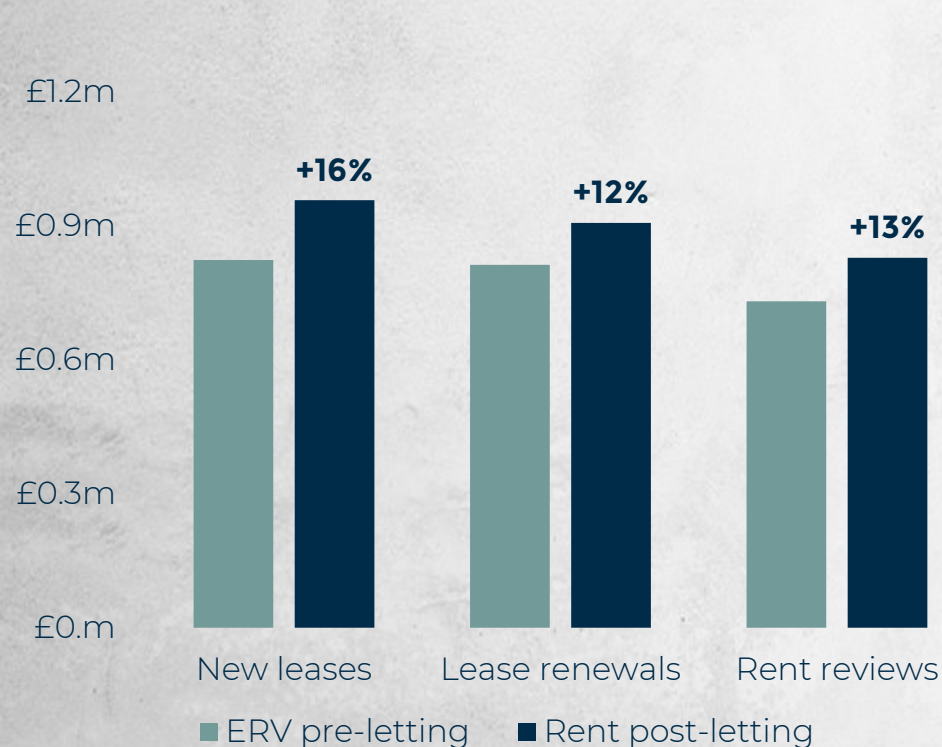
**Assumed weighting once all of the Hudson Quarter residential units are sold, and the HQ office space is fully let

FY21 Total Property Return performance by Sector
H2 outperforms H1



Asset Management

Letting activity in the year and strong recovery continuing post year end



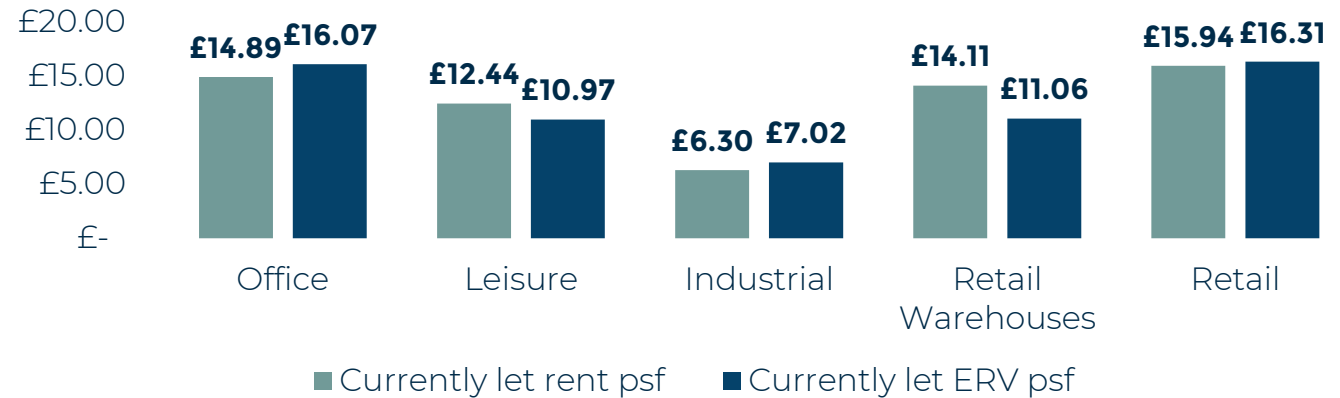
- **31** lease events in the year providing additional income of **£0.9m** pa
- **14** new leases: **16%** ahead of ERV, providing additional income of **£0.7m** pa
- **11** lease renewals: **12%** ahead of ERV, providing additional income of **£0.1m** pa
- **6** rent reviews: **13%** ahead of ERV, providing additional income of **£0.1m** pa
- Post year end, **5** new lettings and **2** lease renewals completed in line with ERV and providing additional income of **£0.3m** pa

Adding value to our portfolio through active asset management

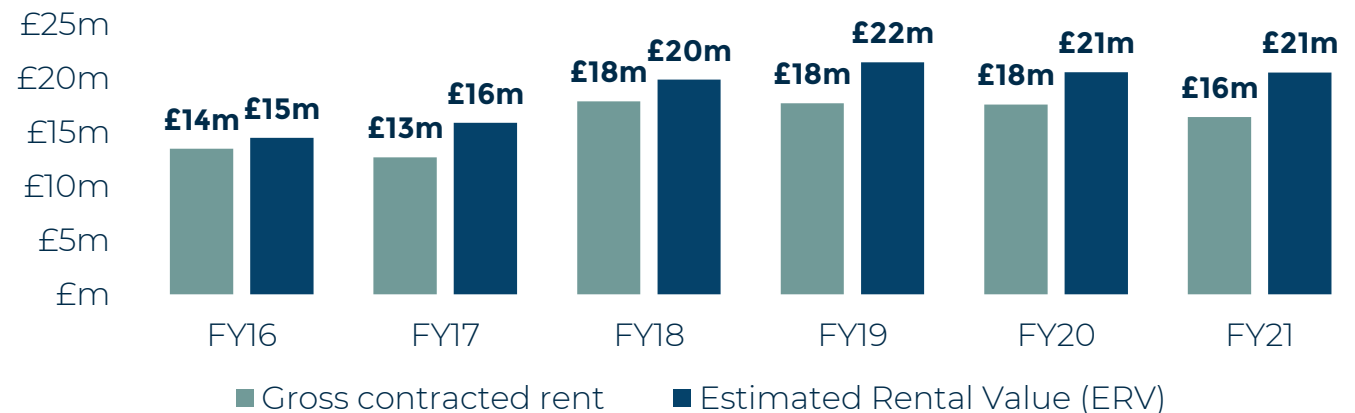
Sustainable rents across portfolio

- Majority of reversion can be captured through letting vacant office space
- Supply-demand dynamics supports current regional rental levels for quality space
- Expect to benefit from decentralisation away from London and South East

Rent vs ERV (psf)

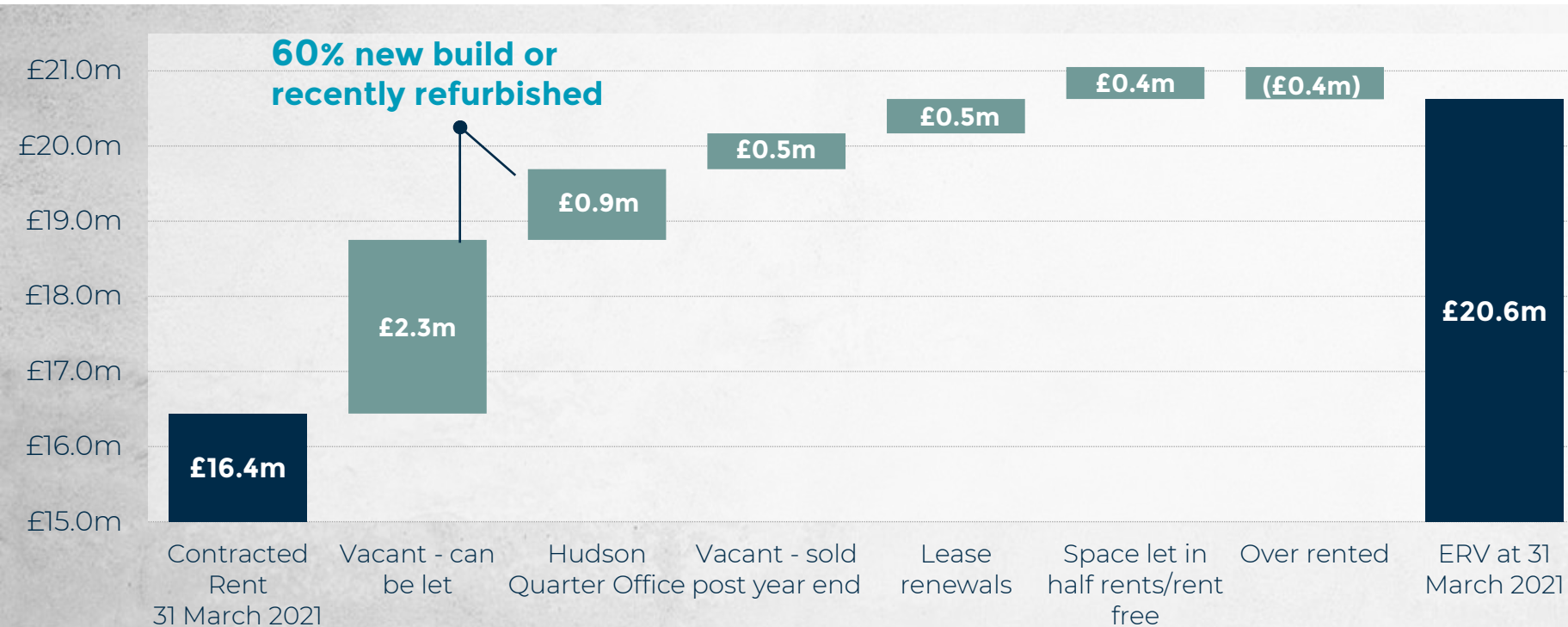


Rental reversion



Current Rent Roll to ERV Bridge

+25% potential uplift



- Majority of reversion is through letting vacant space
- Dedicated resource in the team focused on letting vacant units
- 15,000 sq ft of new lettings since the start of the current financial year
- Increase in new lettings in Q1 FY22 vs same quarter last year

Unlocking Value





Releasing cash through Hudson Quarter and disposals programme

- Healthy cash position at year end of £14.4m including RCF
- £30m of cash to be realised from sales at Hudson Quarter once fully sold, after debt repayment
- £30m disposal programme underway for assets identified as non-core or where asset management initiatives have been completed
- £9.4m of sales from disposal programme already exchanged or completed
- Strong cash position and recycling of capital will provide over £50m firepower for future acquisitions on a geared basis which invested at 6.0% would add over £3.0m net annual income at an overall Group LTV of 35%



Development/Refurbishment pipeline

Opportunity to generate capital growth

	Description and Status	Timing
 High Street, Uxbridge	7 Residential Units. Planning permission granted subject to S106	To be sold in 2021
 Milbarn Medical, Beaconsfield	Mixed use development of c10,000 sq ft B1 and 10 flats being considered	Tenant break March 2022
 Holly Walk, Leamington Spa	Potential 70,000 sq ft mixed use redevelopment	2024
 Bank House, Leeds	Short term lettings agreed – potential refurbishment 90,000 sq ft	2025

Cash on Cash returns





How our disposal programme has delivered total returns

- 31 commercial buildings sold since 2013 to date
- Total purchase prices: **£39.4m**
- Total income produced: **£15.9m**
- Net sales proceeds: **£41.9m**
- Total cash return: **£18.4m**
- Total return generated: **47%**
- Average Ungeared IRR: **25%**



Active Asset Management

How our regional portfolio is delivering total returns

	Strategy	Status	Performance	Total Return
	Hudson Quarter, York <ul style="list-style-type: none"> Development 	<ul style="list-style-type: none"> Acquired in 2013 for £3.8m 103,000 sq ft office building close to York station Largely vacant initially, short term lets during planning process. Demolished in 2018 and construction commenced 2019 with the development completed in April 2021 	<ul style="list-style-type: none"> New development of 127 apartments 39,000 sq ft of offices and car parking Value uplift through planning consents: £10m Forecast GDV £69m to generate a further £8.5m profit 	<ul style="list-style-type: none"> Forecast cash on cash return: 42%* Forecasted Geared IRR: 15%*
	Boulton House, Manchester <ul style="list-style-type: none"> Rolling refurbishment programme 	<ul style="list-style-type: none"> Acquired in 2016 for £10.6m with £0.6 million rent pa Centrally located office building of 75,000 sq ft Common area upgrade carried out and floor by floor refurbishment & reletting programme 	<ul style="list-style-type: none"> Average rents increased from £12 sq ft to £18.50 sq ft 74% occupied +41% uplift in value to date Latest value in 2021: £14.95m 	<ul style="list-style-type: none"> Total return to date: 31% Geared IRR to date: 12%
	Kiln Farm, Milton Keynes <ul style="list-style-type: none"> Refurbishment 	<ul style="list-style-type: none"> Acquired in October 2013 for £2.3m 38,300 sq ft let to Rockwell Automation which were refurbished for the tenant 14,500 sq ft fell vacant in 2016, refurbished & let in 2018 to Monier Redland (BMI Group) 	<ul style="list-style-type: none"> Capex of £3.3m on refurbishment Net income generated over the 8 years: £3.6m Latest value in 2021: £10.50m 	<ul style="list-style-type: none"> Total return to date: 144% Geared IRR to date: 21%
	Aldi, Gosport <ul style="list-style-type: none"> Lease regear 	<ul style="list-style-type: none"> Acquired in October 2017 for £4.7m Let to Aldi at a rent of £247,800 pa, expiring in August 2030 In 2018 regearred the lease for a term of 20 years without a break option at an increased rent of £291,000 pa (17.4% uplift) 	<ul style="list-style-type: none"> Five yearly rent review based on RPI which compounds annually (Collar: 1%, Cap: 2.75%) Latest value in 2021: £6.13m 	<ul style="list-style-type: none"> Total return to date: 46% Geared IRR to date: 21%

*Cash on cash return and IRR forecasted once residential units sold and commercial space let 24 months post completion

ESG FOCUS

Playing our part in being a responsible business

FUTURE PROOFING THE PORTFOLIO

Appointed ESG consultant to improve portfolio performance

Actively seeking to reduce energy - EPC B required by 2030

Disposal programme will include assets which do not generate sufficient return on investment required to meet future EPC requirements

Utilising the latest technology and environmentally efficient products in our refurbishments

CULTURE

Fostering a culture of inclusivity and consideration for stakeholders' interests

Employee engagement – Workforce Advisory Panel

Diverse workforce is key to maximising business effectiveness

BEING A RESPONSIBLE BUSINESS

Ensuring ethical business practices and sound risk management

Board ESG Committee ensures attention is given to understanding climate related issues

Engaging with local communities and participating in charitable activities



2021 and beyond...

- On-going disposal strategy to recycle capital, £9.4m of £30m target already completed or exchanged
- £3.2m ERV per annum to be captured through letting of vacant space
- Residential sales at Hudson Quarter York will initially be used to repay development facility and then recycled into acquisitions
- Group LTV reduced from 42% to 40% post year end and expected to reduce further as we progress the residential sales at Hudson Quarter York
- +£50m firepower to be generated over the next 1-2 years for future acquisitions to grow earnings
- ESG agenda central to asset management strategy across the portfolio



Confident outlook for regional strategy

Income and capital growth

- Rent collection has been strong - **95%** collected for the year
- We hold the **right properties** in the **right locations** focused in the **right sectors** with **reliable tenants**
- Residential sales at Hudson Quarter York and other property disposals will generate **surplus cash**
- **+25%** income reversion within portfolio to be captured through letting vacant space providing capacity for further growth in dividends
- Capital growth upside:
 - **£8.5m** surplus forecast at Hudson Quarter, York, will increase NAV per share by 5% over the next 1-2 years
 - Value creation opportunities within the portfolio identified
 - Medium term development/refurbishment pipeline
- **Regional expertise & REIT status** provides investors with an efficient structure to access the regional growth opportunity
- **Well established platform** and portfolio positioned to capitalise on Government 'levelling up' and the wider investment in the regions

**Regional
expertise
continues to
deliver**





PALACE CAPITAL plc

EXPERTS IN REGIONAL PROPERTY

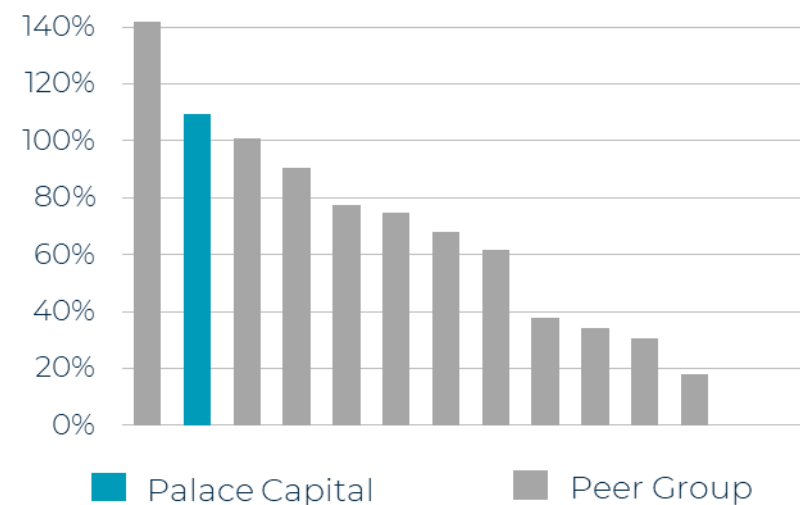
APPENDICES

Our story so far

- November 2010** Management taking Board control of the Company valued at £0.1m with a vision to invest in regional property
- October 2011** Hockenhull Estates portfolio acquired for £1.8m consisting of nine properties
- October 2013** Sequel portfolio consisting of 24 properties across office, industrial and retail sectors acquired for £39.25m
- August 2014** Property Investment Holdings portfolio acquired for £32m consisting of 17 commercial properties across office, industrial and retail sectors
- 2015-2017** Seven individual property acquisitions at values ranging between £4m and £24m focused in the office and leisure sectors.
- October 2017** Acquisition of the R.T. Warren Portfolio for £68m consisting of 21 commercial and 65 residential properties
- March 2018** Completed move from AIM to a Premium Listing on the Main Market of the London Stock Exchange
- May 2018** Joined FTSE Small Cap and All Share indices
- December 2018** One Derby Square, Liverpool acquired for £14.0m
- August 2019** Converted to a UK REIT on 1st August 2019
- April 2021** Major development in York now complete. 39% of apartments sold or under offer

	31-03-2013	31-03-2021
Net asset value	£0.6m	£157.8m
Property portfolio	£2.0m	£282.8m
Contractual rental income	£0.2m	£16.4m
Total Accounting Return over 7.5 years		110%

7.5 Year Total Accounting Return vs peers (EPRA NTA growth + dividends) now at 110%



Source: Arden Partners plc

Regional portfolio

Focused on office & industrial growth sectors

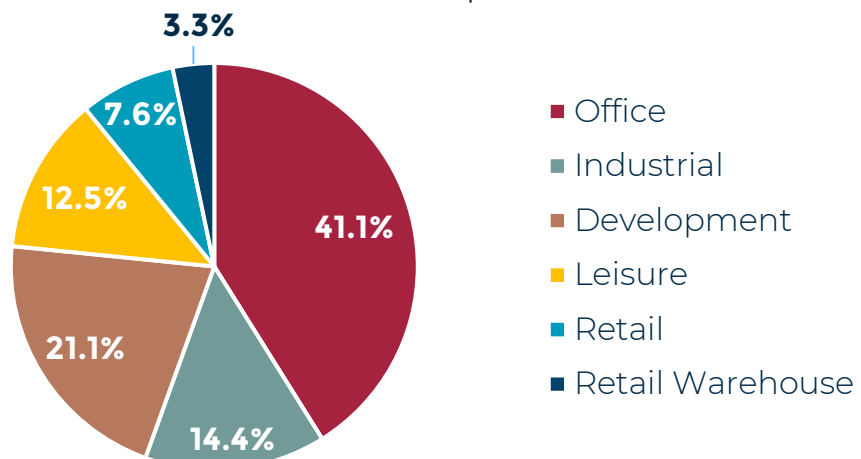
- Balanced portfolio of **48** properties
- Diversified granular income

182 tenants in the portfolio

Top 20 tenants represent **44%** of portfolio

WAULT to break of **4.8 years**

- Low risk & defensive characteristics
- Located close to transport hubs



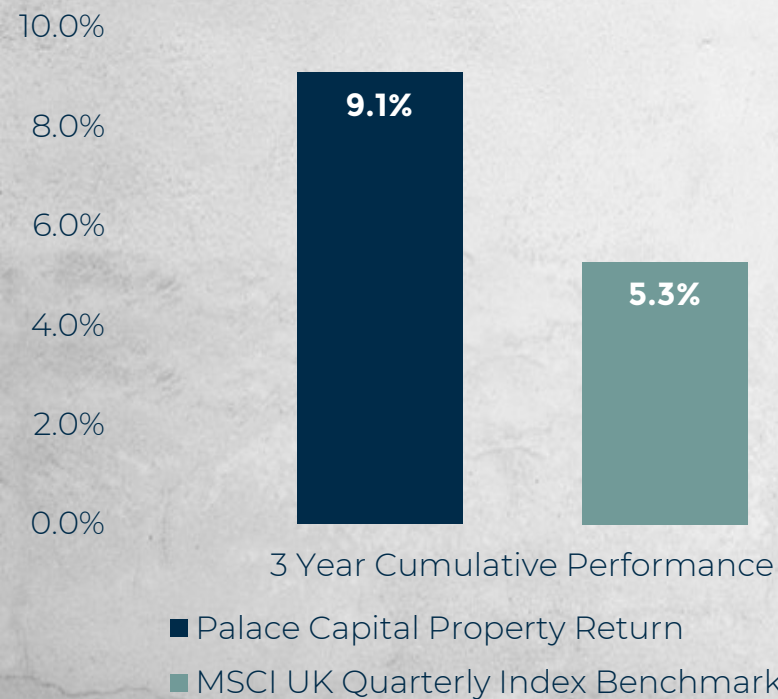
Hudson Quarter Timeline



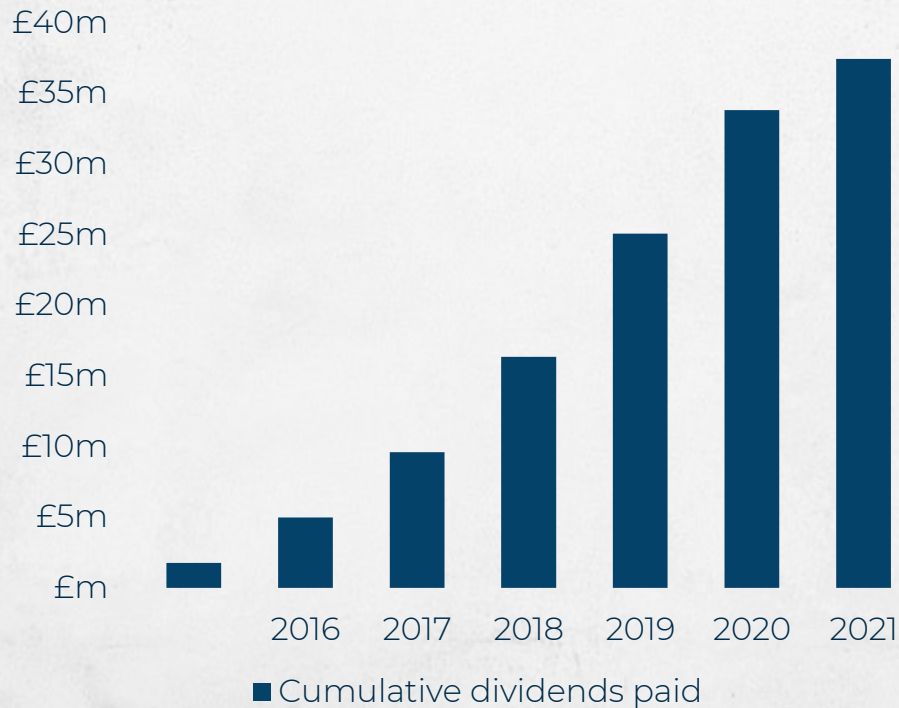
Strong track record of outperformance

Income and Capital Return

3 Year Total Property Return Vs MSCI Benchmark



Dividend Pay-Out



Outperformed the MSCI benchmark over a 3 year period

£37m of dividends paid to date

Sector splits

Regional Office and Industrial focus

	Market value 31 March 2021 (£)	% of Portfolio by market value	No. properties	No. leases	Area (sq ft)	Contractual rental income p.a. (£)	ERV (£)*	WAULT to break (yrs)	Total ERV of void (£)
Offices	116,280,000	41.1%	25	101	669,711	7,926,082	10,813,496	2.7	2,257,007
Industrial	40,740,000	14.4%	10	35	409,593	2,458,579	2,881,140	3.5	139,200
Development	59,625,000	21.1%	2	-	38,447	-	942,450	-	-
Leisure	35,455,000	12.5%	2	21	306,970	3,409,653	3,226,035	10.8	217,513
Retail	21,520,000	7.6%	7	45	125,203	1,885,938	2,104,561	8.0	174,450
Retail Warehouses	9,200,000	3.3%	2	3	53,870	759,964	595,700	5.7	-
Total	282,820,000	100%	48	205	1,603,794	16,440,216	20,563,382	4.8	2,788,170

* Based on Cushman & Wakefield estimated rental values

Top 10 assets by value

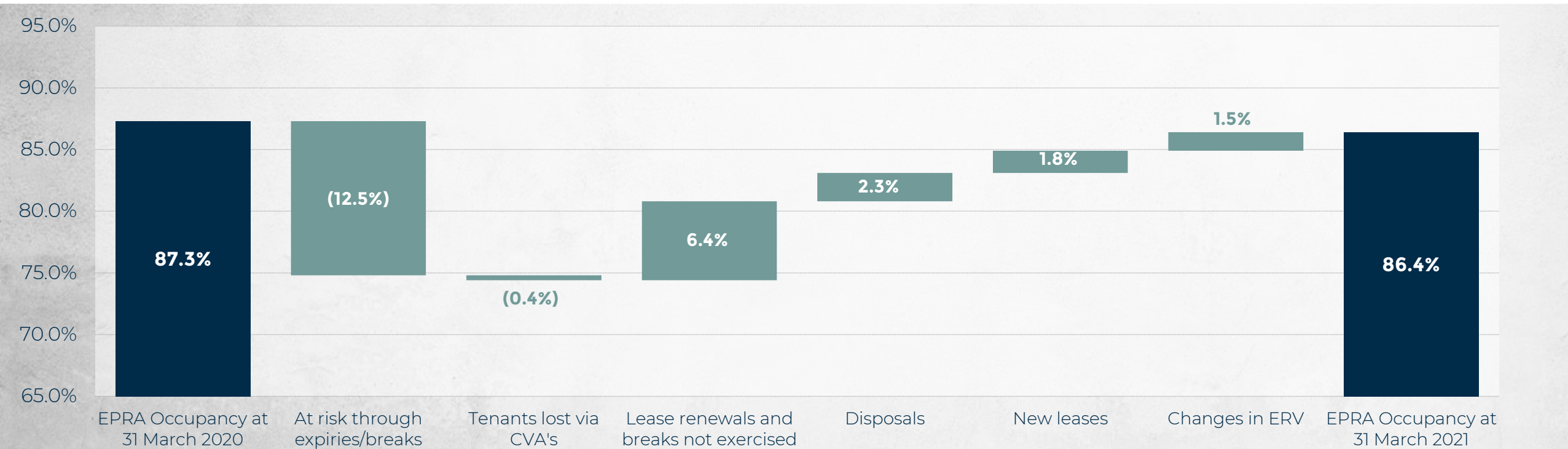
62% of total portfolio

Property Name	Sector	Area (sq ft)	Gross rental income p.a. (£)	Reversionary yield*	WAULT to break (yrs)
Hudson Quarter, York Development	Development	n/a	n/a	n/a	n/a
Broad Street Plaza, Halifax	Leisure	117,767	1,723,806	7.36%	10.9
2 & 3 St James Gate, Newcastle	Offices	99,125	1,290,348	8.83%	3.4
Sol, Northampton	Leisure	189,203	1,685,847	8.64%	10.6
Boulton House, 17-21 Chorlton Street, Manchester	Offices	74,648	891,473	8.24%	2.3
One Derby Square, Liverpool	Offices	70,161	1,033,718	8.06%	3.0
Bank House, 27 King Street, Leeds	Offices	89,081	563,960	7.95%	2.3
Kiln Farm, 2-4 Pitfield, Milton Keynes	Offices	52,818	663,617	7.78%	6.0
25 & 27 Black Moor Road, Verwood	Industrial	65,765	387,000	5.71%	2.2
Point Four Industrial Estate, Avonmouth	Industrial	84,748	465,144	6.66%	3.0
Total		881,763	8,704,913		

* Based on Cushman & Wakefield estimated rental values

EPRA Occupancy





















Significant asset management in progress



Top 20 Tenant Rent Collection

Sustainable income: 44% of passing rents from top 20 tenants

98% of rent secured from Top 20 Tenants for the year

Tenant	Industry	Contracted Rent pa (£'000)	Q1 rent collection	Q2 rent collection	Q3 rent collection	Q4 rent collection	Tenant	Industry	Contracted Rent pa (£'000)	Q1 rent collection	Q2 rent collection	Q3 rent collection	Q4 rent collection
 VUE	Leisure	913	100%	100%	Deferred*	Deferred	 BRAVISSIMO	Retail	294	0%***	0%***	100%	100%
 Rockwell Automation	Auto	544	100%	100%	100%	100%	 ALDI	Retail	291	100%	100%	100%	100%
 ACCOR HOTELS	Hotel	510	Rent free**	Rent free**	100%	100%	 SUTTON	Local Authority	283	100%	100%	100%	100%
 LOTTERY FUNDED	Charity	444	100%	100%	100%	100%	 QUADRANT SYSTEMS	Aviation	280	100%	100%	100%	100%
 brose	Auto	432	100%	100%	100%	100%	 NHS Calderdale and Huddersfield NHS Foundation Trust	Health	262	100%	100%	100%	100%
 SOMERSET BRIDGE	Insurance	409	100%	100%	100%	100%	 BOOKER	Retail	246	100%	100%	100%	100%
 Wickes	Retail	401	100%	100%	100%	100%	 serco	Public Services	246	100%	100%	100%	100%
 exela TECHNOLOGIES	Technology	355	100%	100%	100%	100%	 Redland	Construction	240	100%	100%	100%	100%
 APCOA PARKING	Car Parking	345	100%	100%	100%	100%	 BANK OF ENGLAND	Central Bank	232	100%	100%	100%	100%
 D YOUNG & CO INTELLECTUAL PROPERTY	Legal	310	100%	100%	100%	100%		Automobile Repair	227	100%	100%	100%	100%

*Vue have paid one month of their Q3 rent, rest is deferred according to their agreed 12 month payment plan which will commence 1 September 2021. Rent recommenced in May 2021

**Accor Hotels lease was extended 5 years in return for 6 months rent free

***Currently in negotiations with Bravissimo to recover Q1 & Q2 rent arrears

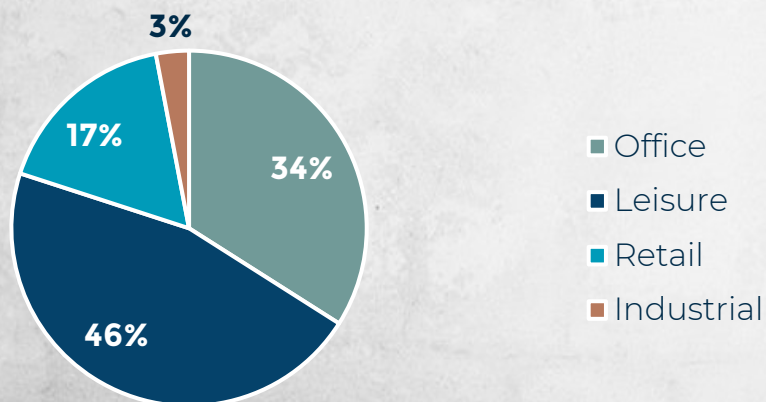
Analysis of bad debt provisions

Year ended 31 March 2021

BY ACTIVITY

CVA/administration	£0.5m
Other leisure and retail	£0.5m
Other provisions	£0.3m
Bad debt provisions held on Balance Sheet	£1.3m

Bad debt provision by sector



- Conservative approach taken against recoverability of debtors
- 63% of the provision relates to the leisure and retail sector
- Providing the economy continues to recover well, we are confident we will be able to recover some of the arrears we have provided for

Biographies



NEIL SINCLAIR
Chief Executive

Chartered Surveyor FRICS

Neil co-founded Palace Capital and has over 50 years' experience in the property sector. He was a founder of Sinclair Goldsmith Chartered Surveyors which was admitted to the Official List in 1987 and subsequently merged with Conrad Ritblat.



STEPHEN SILVESTER
Chief Financial Officer

Chartered Accountant FCA

Stephen joined Palace Capital in 2015 and brings over 10 years' experience as a finance professional in real estate. He previously held the role of Group Financial Controller at NewRiver REIT for 3 years and prior to that was Head of Finance at St Hilliers, a construction, development and property fund management business in Australia.



RICHARD STARR
Executive Property Director

Chartered Surveyor MRICS

Richard joined Palace Capital in 2013 on the back of the Sequel acquisition and related equity raise. He has extensive experience sourcing and managing commercial investments from his previous role running his own successful boutique property consultancy and before that, four Central London property firms.



STANLEY DAVIS
Chairman

Stanley is a successful entrepreneur who has been involved in financial services and property businesses since 1977. His founding Company was company registration agents Stanley Davis Company Services which he sold in 1988. Until recently he was the Chairman of Stanley Davis Group Limited specialising in Company formations, property and Company searches.



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