



Full Year Results 2024

CLS Holdings plc

CLS

Contents

3

Overview

Fredrik Widlund

Chief Executive Officer

9

Financials & Occupiers

Andrew Kirkman

Chief Financial Officer

18

Portfolio, Sustainability
Summary & Outlook

Fredrik Widlund

Chief Executive Officer

27

Appendices

Fredrik Widlund

Chief Executive Officer



Andrew Kirkman

Chief Financial Officer



Overview

Fredrik Widlund
Chief Executive Officer



Operational focus and indexation driving performance

Operational delivery continuing

- Strong leasing momentum generating £16.6m (2023: £15.5m) of annual rent +7% year on year. New leases 6.8% above ERV
- Net rental income up 0.9% to £114m (up 3.8% LFL)
- Underlying vacancy down to 10.6% (2023: 11.0 %)

Valuations reduced but bottoming and outperformed the market

- Valuations down by 5.8% (H1 2024: 4.1%; H2 2024: 1.8%) in local currency driven by yield expansion

Good financing progress

- All 2024 refinancings successfully completed of £154.5m
- Well progressed with £342.1m (over 90%) of 2025 refinancings

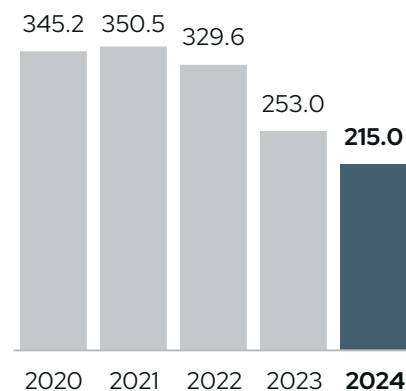
Disposals made and more to come

- £66.1m sold in 2024, £101.1m unconditionally exchanged and £24.2m agreed subject to contract in 2025, leaving £78.6m remaining from original target. A further £130m earmarked for sale

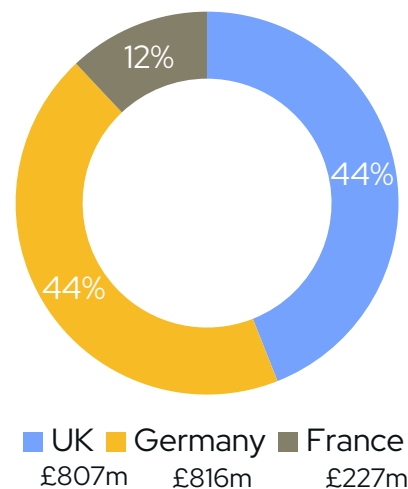
EPS & Dividend

- EPRA EPS 9.2p, down 10.7% from higher financing costs
- Updated progressive dividend policy of 1.5 to 3.0x cover to retain more earnings for long-term value creation
- Proposed full year dividend of 5.28p per share

EPRA NTA (p)



TOTAL PORTFOLIO (%)



EPRA EPS

9.2p
(2023: 10.3p)

DPS

5.28p
(2023: 7.95p)

TOTAL PORTFOLIO VALUE

£1.9bn
(2023: £2.1bn)

Securing income through strong leasing activity

ANNUAL RENT FROM NEW LEASES

£16.6m

**7% INCREASE IN LEASES BY VALUE VS 2023
112 DEALS SECURED, 6.8% ABOVE ERV**

(31 DEC 2023: £15.5m OF ANNUAL RENT FROM 130 LEASES 6.9% ABOVE ERV)

LEASE EXTENSIONS

49%

(31 DEC 2023: 51%)

NEW LEASES

51%

(31 DEC 2023: 49%)

LIKE-FOR-LIKE CONTRACTED RENT

+3.7%

(31 DEC 2023: +5.1%)

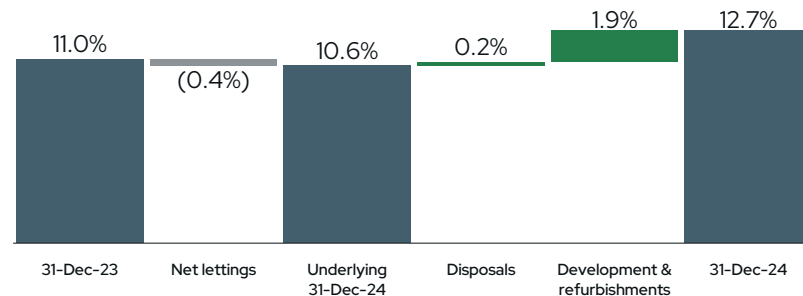
LIKE-FOR-LIKE ERV¹

+1.8%

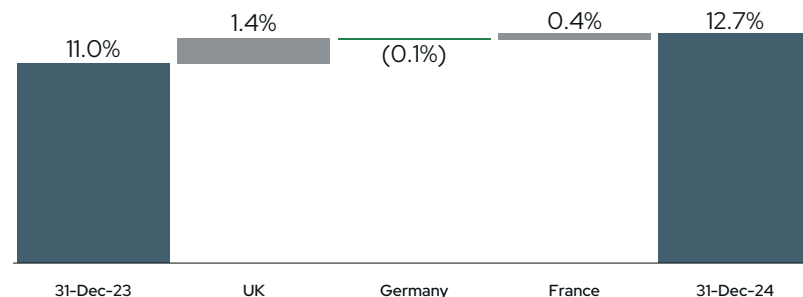
(31 DEC 2023: +1.6%)

¹ 0.8% decline in like-for-like ERV including New Printing House Square (as major refurbishment delayed to 2029 and instead seeking to extend all leases which are due to expire in June 2025)

CHANGE IN EPRA VACANCY (GROUP)



CONTRIBUTION TO EPRA VACANCY (BY COUNTRY)



2024 EPRA VACANCY BY COUNTRY

UK	Germany	France	Group
18.5%	6.7%	8.3%	12.7%

Two thirds of vacancy is EPC A or B (or equivalent)

Key lettings secured

United Kingdom



- 5th floor at Artesian for 12,052 sq. ft
- 10 year lease
- Selected for its excellent sustainability credentials (incl EPC A, 190m² green roof and being an all-electric building)



- Renewal of two floors and new lease over two additional floors at Fetter Lane for 29,816 sq. ft
- 10 year lease over entire office space of the building



- 13,247 sq. ft, 1st floor at Kings Court
- 10 year lease
- Extensively refurbished including main building reception and WCs, installation of roof mounted PV system and shower pods

Germany



- Ground-4th floor at The Yellow for 103,699 sq. ft
- 20 year lease consolidating four departments of the City of Dortmund
- Lease resulted in the WAULT of the property increasing from 2.5 to 9.0 years



- Lease over multiple floors for 96,218 sq. ft at Fangdieckstrasse
- 10 year lease to extend existing lease of 60,579 sq. ft with a new lease over 35,639 sq. ft



- 2nd-3rd floors at The Yellow for 77,166 sq. ft
- 5 year lease extension secured at 11.5% above ERV
- 9% above previous passing rent

France



- 11,000 sq. ft, 3 floors at Cap G
- 3/6/9 year lease
- Existing tenant who has been with CLS for 18 years
- CLS supported pixid with redeveloping its premises to align with their ESG policy



- 13,713 sq. ft, 2 floors at Park Avenue to software company Wavestone
- 9 year lease newly renovated property



- Ground-3rd floor lease at Petits Hôtels for 5,005 sq. ft
- 9 year pre-let over space currently being refurbished
- Ongoing refurbishment at building will significantly improve its sustainability credentials

Valuations down 5.8% but bottoming

Group

- 5.8% decrease in valuations in local currency driven by yield expansion across all markets

UK

- 8.3% decline, ERV down 2.4%, EY up 41bps
- Adjusting for Spring Gardens, due to valuation methodology, results in 5.1% decline for the rest of the UK portfolio

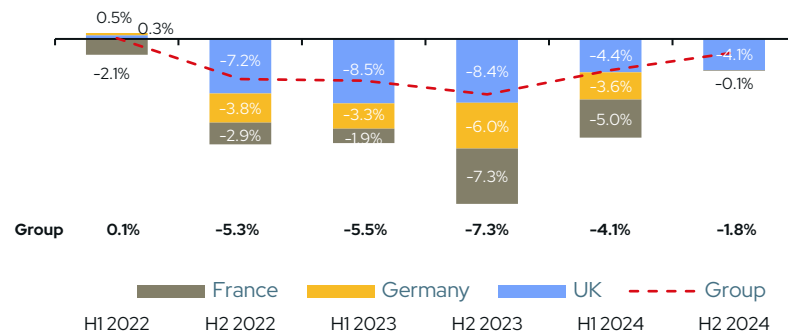
Germany

- 3.5% decline, ERV up 0.9%, EY up 12bps
- Similar declines across most cities with ERV increasing but offset by yield expansion
- Valuations flat in H2 2024, with valuation increases at several properties

France

- 5.1% decline, ERV up 0.6%, EY up 16bps
- Paris down 3.7% driven by yield expansion of 9 bps and Lyon down 7.2% due to 27 bps of yield expansion

CLS valuation movement in local currency



	UK	Germany	France	Group
Valuation movement ¹	-8.3%	-3.5%	-5.1%	-5.8%
Total valuation movement (GBP)	-8.3%	-7.9%	-9.4%	-8.3%
ERV movement ^{1 2}	-2.4%	+0.9%	+0.6%	-0.8%
Equivalent yield	6.9%	5.2%	6.2%	5.9%
Equivalent yield movement ^{1 2}	+41bps	+12bps	+16bps	+24bps
EPRA vacancy	18.5%	6.7%	8.3%	12.7%
Vacancy movement	+270bps	-10bps	+270bps	+170bps

¹ Local currency ² Like-for-like

Disposals of £66.1m in line with book valuations



2024 Disposals (£66.1m)

UK

- Westminster Tower, London
- Aqueous II, Birmingham
- Cassini/Pascal, Leatherhead

Germany

- Hansastrasse, Dortmund

France

- Quatuor, Paris

2025 exchanged and planned disposals

- Spring Mews Student, Vauxhall unconditionally exchanged for £101.1m
- Two other agreed disposals in the UK and Germany for £24.2m
- Further disposals of £78.6m are in progress to complete 2024 targeted disposals of £270m
- Plus, additional disposals of £130m of assets earmarked for sale

Financials & Occupiers

Andrew Kirkman
Chief Financial Officer



Technisches Rathaus, Bochum, Germany

Summary of key metrics

EPRA EPS

9.2p

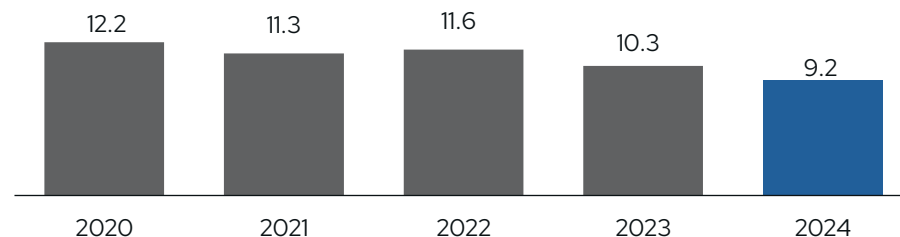
(31 DEC 2023: 10.3p)
(-10.7%)

EPRA NTA per share

215.0p

(31 DEC 2023: 253.0p)
(-15.0%)

EPRA EPS (PENCE)



PROPOSED FINAL DIVIDEND

2.68p

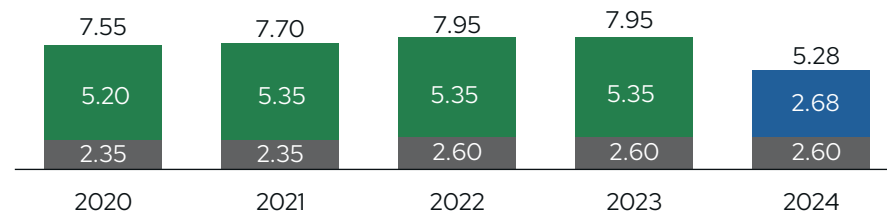
(31 DEC 2023: 5.35p)
(-50.0%)

TOTAL ACCOUNTING RETURN

-11.9%

(31 DEC 2023 : -20.8%)
N/M¹

DIVIDEND/SHARE (PENCE)



COST OF DEBT

3.77%

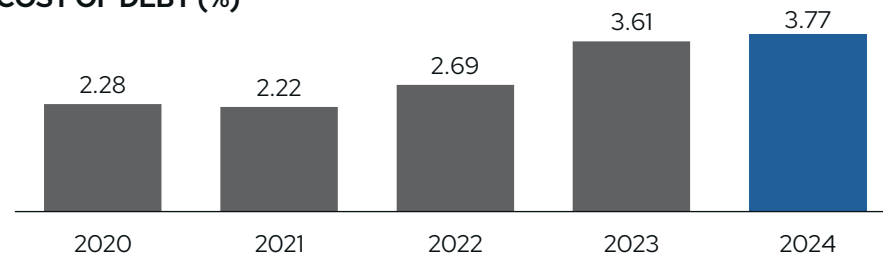
(31 DEC 2023: 3.61%)
+16BPS

% OF DEBT FIXED AND CAPPED

83%

(31 DEC 2023: 80%)
+3%

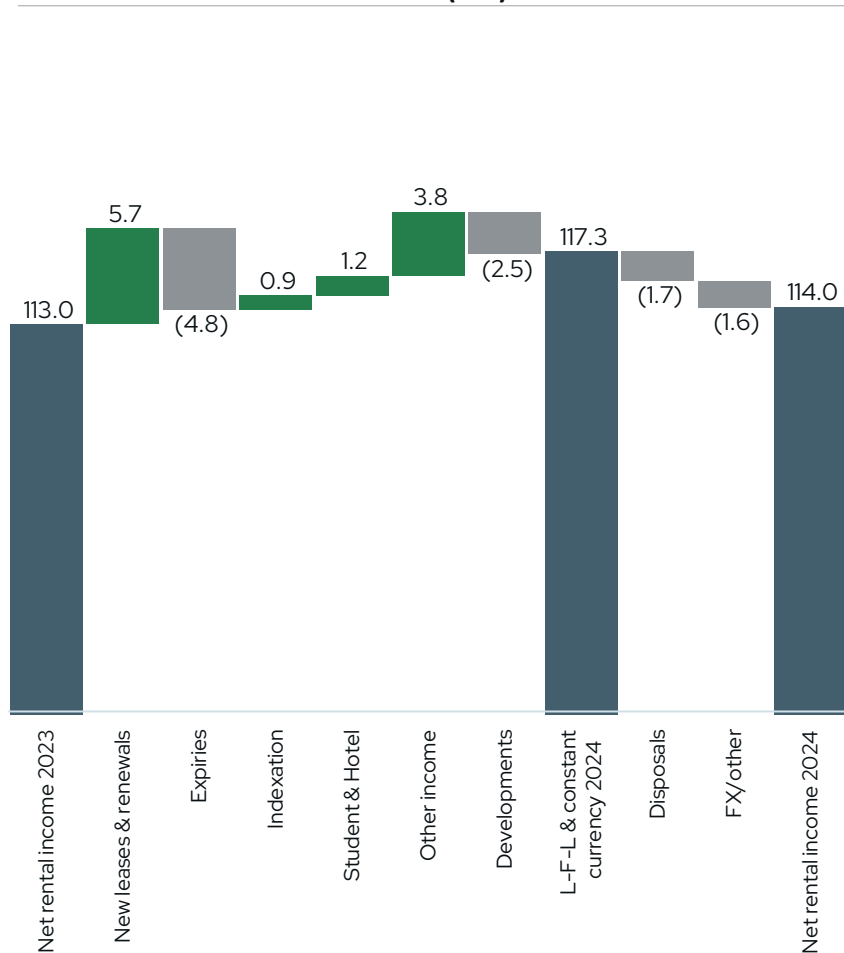
COST OF DEBT (%)



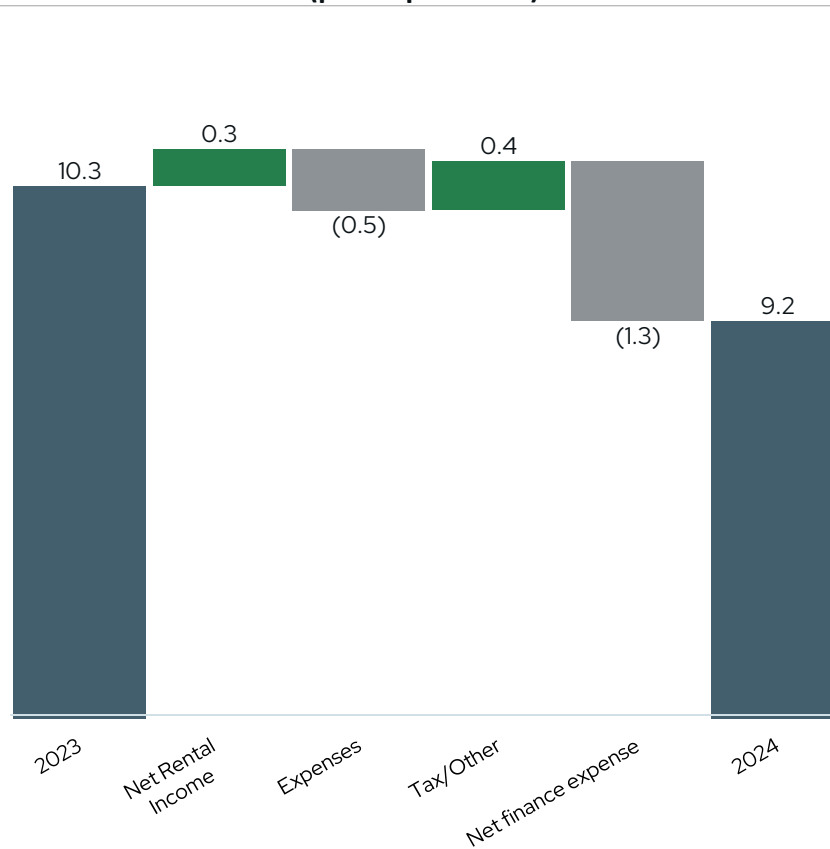
¹Movement between two negative numbers is not meaningful

3.8% increase in L-F-L rental income; EPRA earnings down 10.8% from higher financing costs

Movement in net rental income (£m)

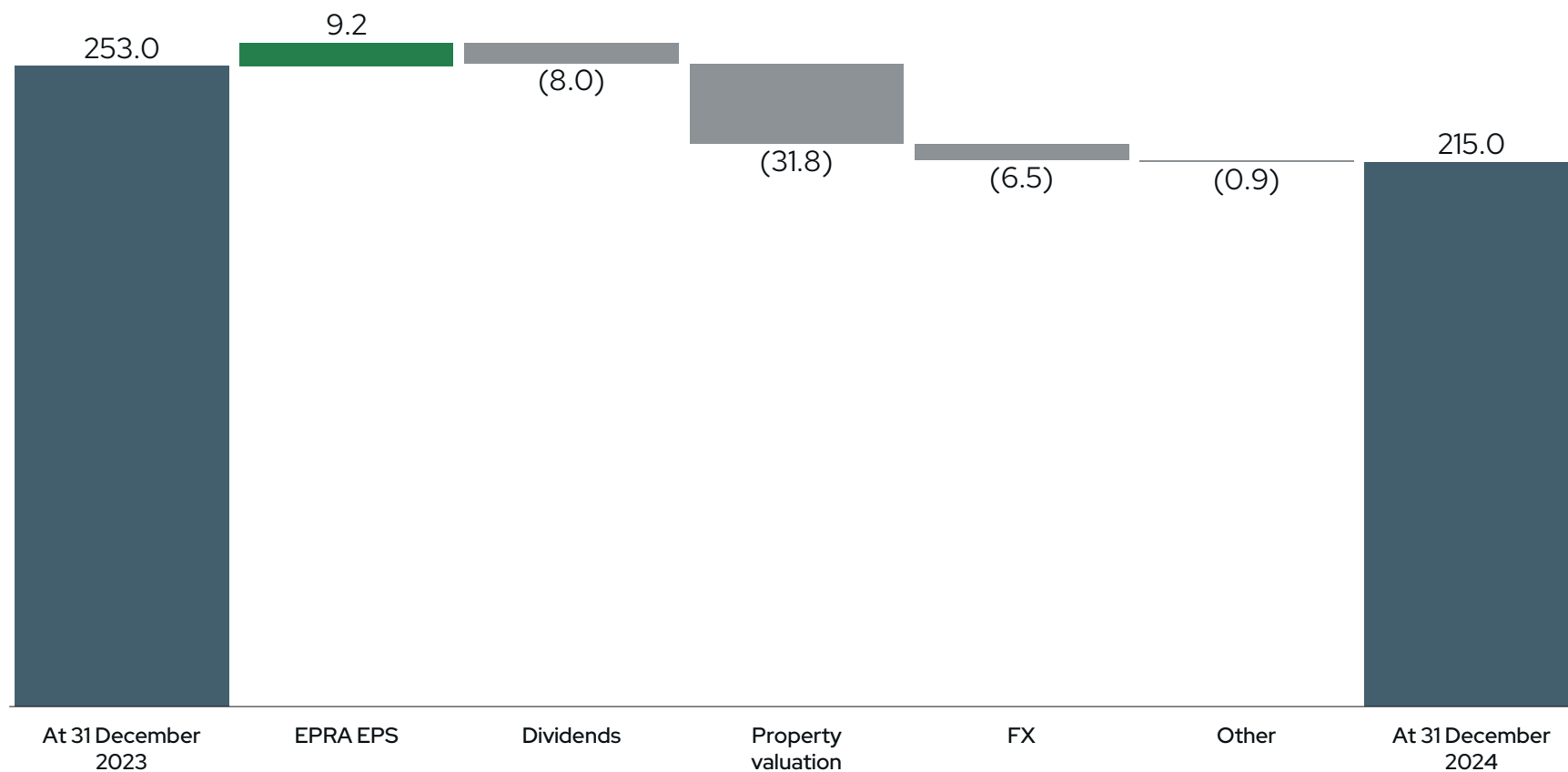


Movement in EPRA EPS (pence per share)



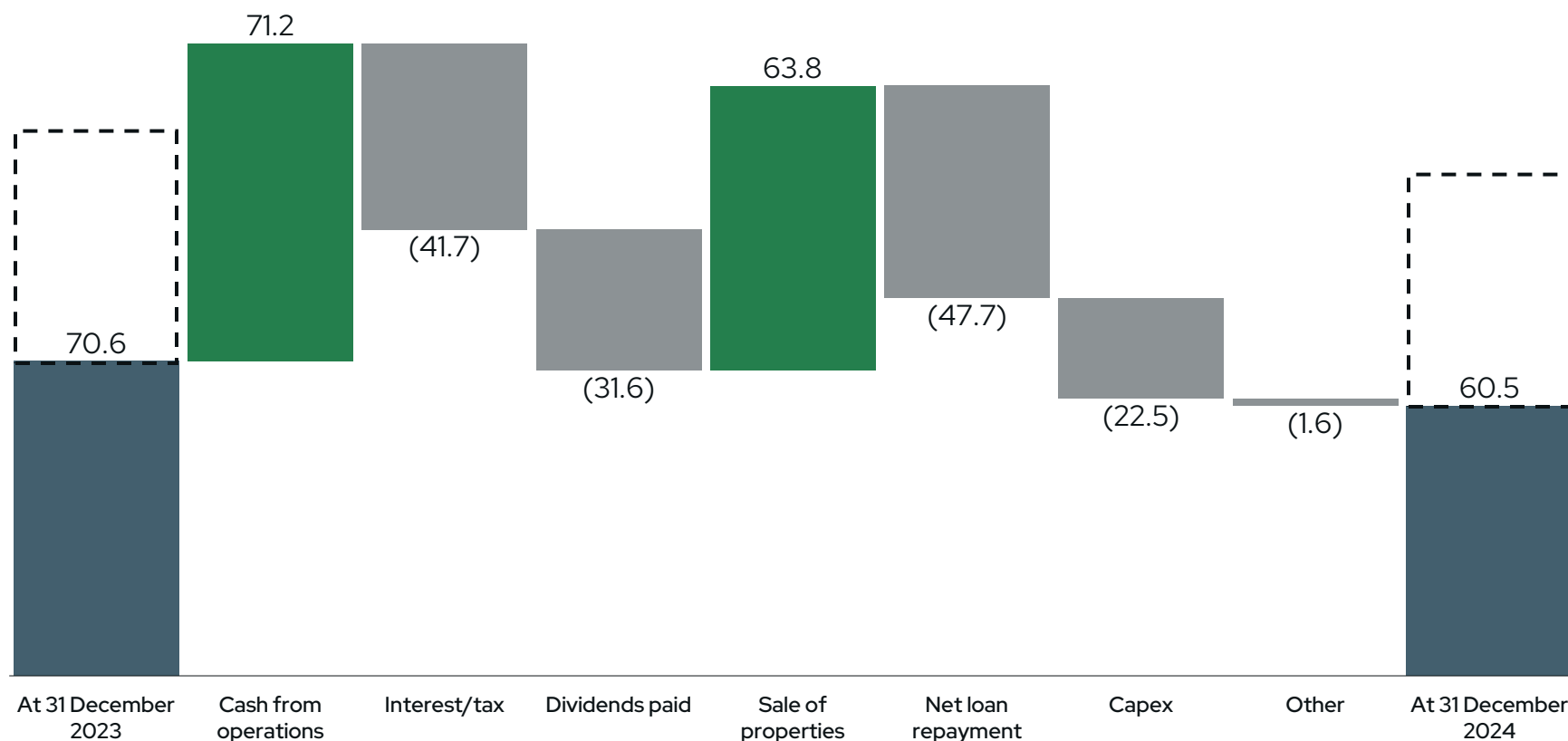
NTA impacted by property valuation decline and weaker Euro

Movement in EPRA NTA (pence per share)



Consistent cash generation with disposal proceeds to reduce leverage

Movement in cash and cash equivalents (£m)



£50m of undrawn revolving credit facilities and £10m of overdraft facilities

Financing – strategy and overview

Resilient financing strategy

- CLS uses secured, limited-recourse SPV financing and benefits from many different lending relationships
- Maintain over £100m of cash and cash equivalents and undrawn facilities, and covenant headroom
- No Group loan-to-value or interest cover covenants
- LTV increased to 50.7% from valuation declines however net debt down by £61m in the year; sale of Spring Mews Student reduces pro forma LTV below 48%
- We are planning to reduce our LTV to within our target range of 35% to 45% by further disposals
- 83% of debt is fixed or capped
- Cost of debt increased to 3.77% but is expected to remain stable or slightly reduce by year end

Key debt metrics

	UK	Germany	France	Group
Drawn debt (£m)	474.9	421.2	107.3	1,003.5
Number of loans	9	22	13	44
Loan-to-value	58.4%	51.5%	46.8%	50.7%¹
Cost of debt	4.49%	3.01%	3.58%	3.77%
Years to maturity	3.5	2.7	3.4	3.2

¹ Includes centrally held cash and cash equivalents of £60.5m

Financing – focus for 2025

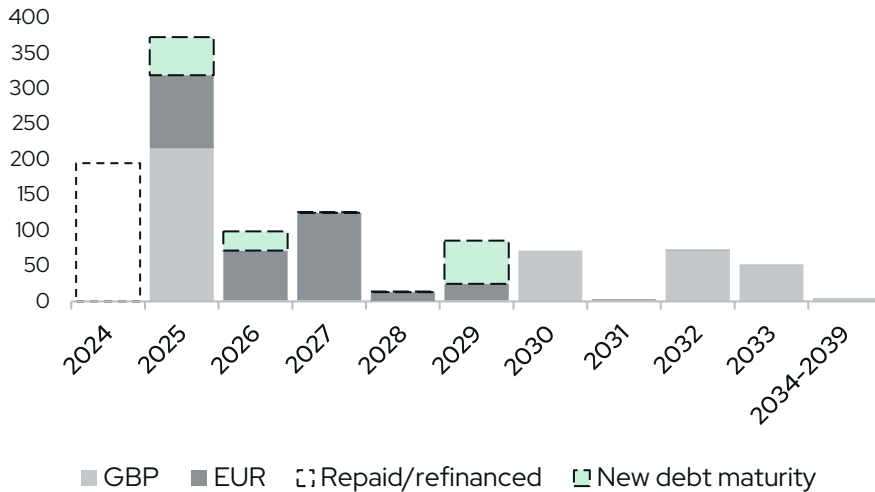
2024 debt – refinancings delivered on schedule

- All refinancing due in 2024 completed as planned
- In 2024, we financed, refinanced or extended £154.5m across nine loans at an average rate of 5.13%, of which £137.7m was fixed at 4.99%

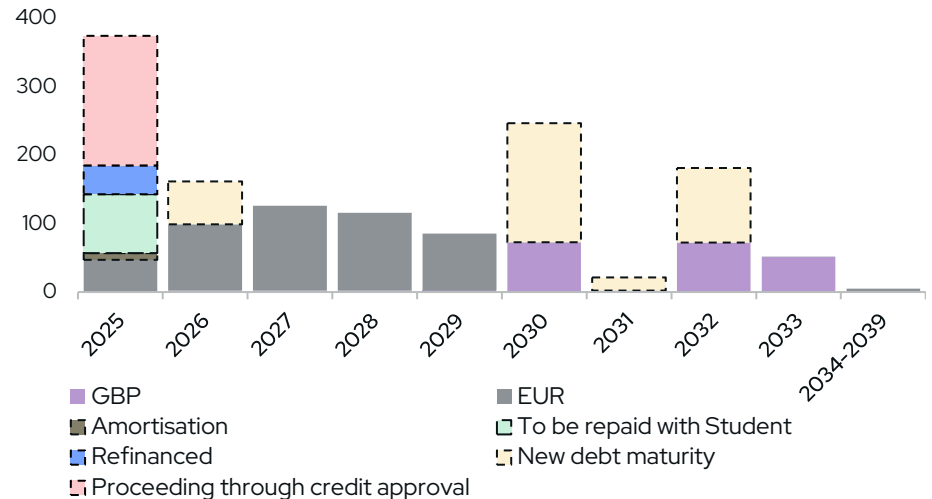
2025 refinancing – progressing as expected

- At the start of 2024, £373.7m debt (incl. £9.6m of amortisation) was expiring in 2025 across 12 loans and 9 lenders. We have made good progress on £342.1m:
 - £42.1m has been refinanced;
 - £85.8m will be refinanced or repaid with the sale of Spring Mews Student;
 - £189.1m has been or is going through credit approval; and
 - £25.1m to be refinanced in Q2 2025 with discussions well progressed
- Remaining 2025 debt of £22.0m (less £9.6m amortisation) does not mature until Q4 2025. £92.2m (6 facilities) due to expire in 2026 and £125.2m (7 facilities) in 2027
 - As is normal, it is too early to start negotiations on refinancing these loans

Start and end of 2024 (£m)



Current position (£m)



High-quality and diversified tenant base

RENT COLLECTION

99%

(31 Dec 2023: 99%)

TENANT SIZE

26%

GOVERNMENT

40%

LARGE













18%

MEDIUM

16%

OTHER

Top 15 Tenants by Contracted Rent (32%)

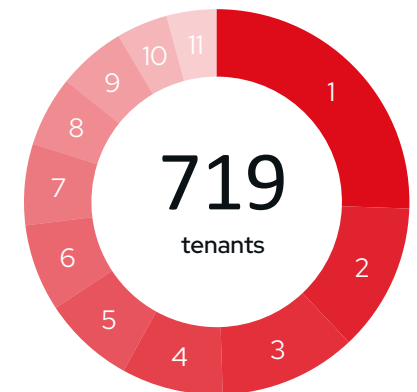
1	 NCA National Crime Agency	9	
2	 Secretary of State	10	
3	 BOCHUM	11	
4	KANTAR	12	
5	 HSPVNRW	13	HONDA
6	 Postbank	14	 Freie und Hansestadt Hamburg
7	 General Mills	15	T Mobile
8	 Kaufland		

Key

- United Kingdom
- Germany
- France

Tenant Sectors %

1	Government	25.5
2	Commercial & Professional Services	12.4
3	Information Technology	11.5
4	Communication Services	8.5
5	Consumer Discretionary	7.7
6	Health Care	7.3
7	Industrials	6.8
8	Other	6.1
9	Financials	5.7
10	Consumer Staples	4.3
11	Real Estate	4.2



Over 50% of income index-linked

United Kingdom



Percentage of rental
income index-linked

35%

- Leases are not generally index-linked
- Leases >5 years generally subject to upwards only open market rent review every five years
- Spring Gardens lease subject to RPIX (2024 uplift c. 2.6%)
- Other indexed leases reference RPI or CPI

Germany



Percentage of rental
income index-linked

62%

- Majority of leases linked to German CPI (Verbraucherpreisindex)
- CLS 2024 average c. 3.7% inflation increase
- A further c. 19% are subject to annual stepped rent of c. 2.4%

France



Percentage of rental
income index-linked

100%

- All leases subject to annual review
- Lease reviews subject to Indice des Loyers des Activités Tertiaires (ILAT)
- CLS 2024 average c. 5.2% inflation increase

Portfolio & sustainability

Fredrik Widlund
Chief Executive Officer



Spring Mews, Vauxhall, United Kingdom

Near-term £46m refurbishment pipeline delivering an estimated profit on cost in excess of 20% (1/2)

The Brix, Essen



- Full refurbishment underway, with total remaining capex of c. £15m to be invested in 2025 and 2026
- Project will deliver ERV of €14 psqm and estimated profit on cost in excess of 25%
- Multi-tenanted office building consisting of five interconnected building sections totalling 21,797 sqm with a green inner courtyard
- New 30-year lease for 17,400 sqm with anchor tenant City of Essen due to commence in phases from July 2025
- Located in Essen's Central Business District, close to central train station and to several major roads connecting the Ruhr area

The Yellow, Dortmund



- Significant refurbishment with total capex of c. £10m invested in 2025 and 2026 as space is handed over
- Project will deliver ERV of €14 psqm and estimated profit on cost is in excess of 20%
- 24,000 sqm property featuring spacious atrium with campus-like atmosphere
- New 20-year lease for 9,634 sqm with City of Dortmund; WAULT increased from 2.5 to 9.0 years with the property becoming fully let by filling existing/upcoming vacancy
- Located in Dortmund's Central Business District with excellent connectivity to public and private transportation

Near-term £46m refurbishment pipeline delivering an estimated profit on cost in excess of 20% (2/2)

Debussy, Paris



- Total capex of c. £10m to be invested from 2025 to the start of 2027
- Project will deliver ERV of €21 psqm and estimated profit on cost is in excess of 15%
- Planning permission granted to convert this existing 4,200 sqm five-storey office block into serviced apartments, operated by serviced apartment specialist Edgar Suites on a 12-year lease
- Located 10 km northwest of central Paris and close to Paris La Défense. Very well served by public transportation and enjoys excellent connectivity to Place de Belgique and Paris La Défense

Bismarckstrasse, Berlin



- Expected capex of c. £12m is planned to be invested in 2025 and 2026
- Project will deliver ERV of €32 psqm and estimated profit on cost is approximately 20%
- Planning permission for the 6,000 sqm 6-storey commercial building has been granted for a comprehensive and energy efficient upgrade and additional 1,100 sqm of office and roof top space
- Located in the centre of the Charlottenburg district in western Berlin near the Deutsche Oper U-Bahn and Savignyplatz S-Bahn stations

Citadel Place/Spring Gardens, Vauxhall

Citadel Place (currently Spring Gardens)

- Zone 1 site (Vauxhall) first developed by CLS as campus-style offices in early 1990s; six interconnected buildings, comprising 211,672 sq ft
- 7-month lease extensions up to September 2026 agreed with current occupier (NCA), adding £7.0m of rent
- Redevelopment proposals for c. 500 homes across three blocks, with estimated GDV of £340m–£380m
- Second public consultation held on 19 March 2025; working closely with Lambeth Council and GLA to progress scheme with target date for planning submission in Q2 2025
- Level of CLS capital commitment will depend upon negotiation with potential JV partners – likely that CLS will contribute land value plus some capex
- Planning permission expected to be received in mid-2026 with conversations with potential partners commencing in 2025



Progress in 2024: energy & carbon

- Net Zero Carbon Pathway (NZC) total programme spend to end of 2024 c. £17m (since 2021)
 - £48m estimated further capex by 2030
- 27 carbon reduction and energy efficiency projects completed in 2024. In total, estimated savings of c.300 tonnes CO₂e¹ per annum will be achieved
- Smart metering now covers nearly 80% of our total Group utility supplies whilst our managed portfolio in Germany and the UK is equipped with smart water meters and leak detection systems
- Maintained over 99% of Group electricity supply being carbon-free
- Upcoming review of current NZC policy in 2025 (mid-point to 2030)

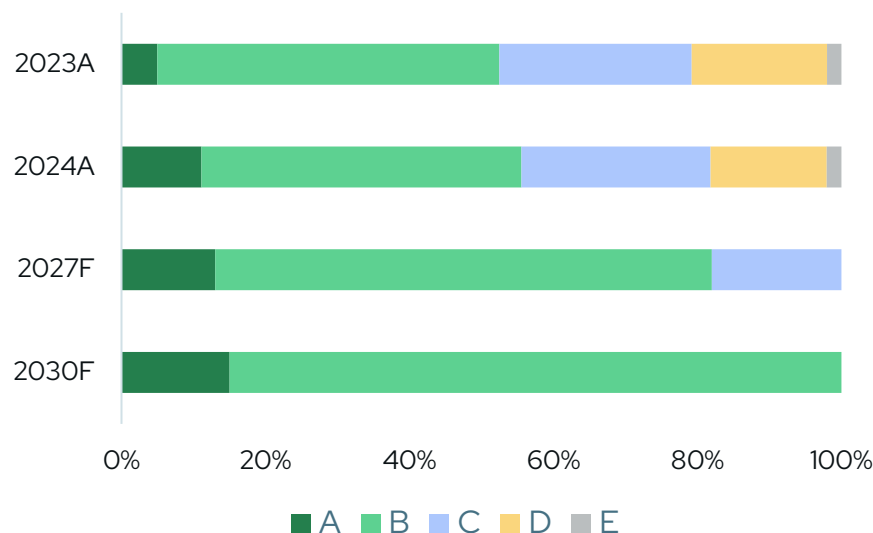
LIKE-FOR-LIKE DECREASE IN LANDLORD ENERGY CONSUMPTION

4.9%

LIKE-FOR-LIKE DECREASE IN SCOPE 1 & 2 GHG EMISSIONS

6.9%

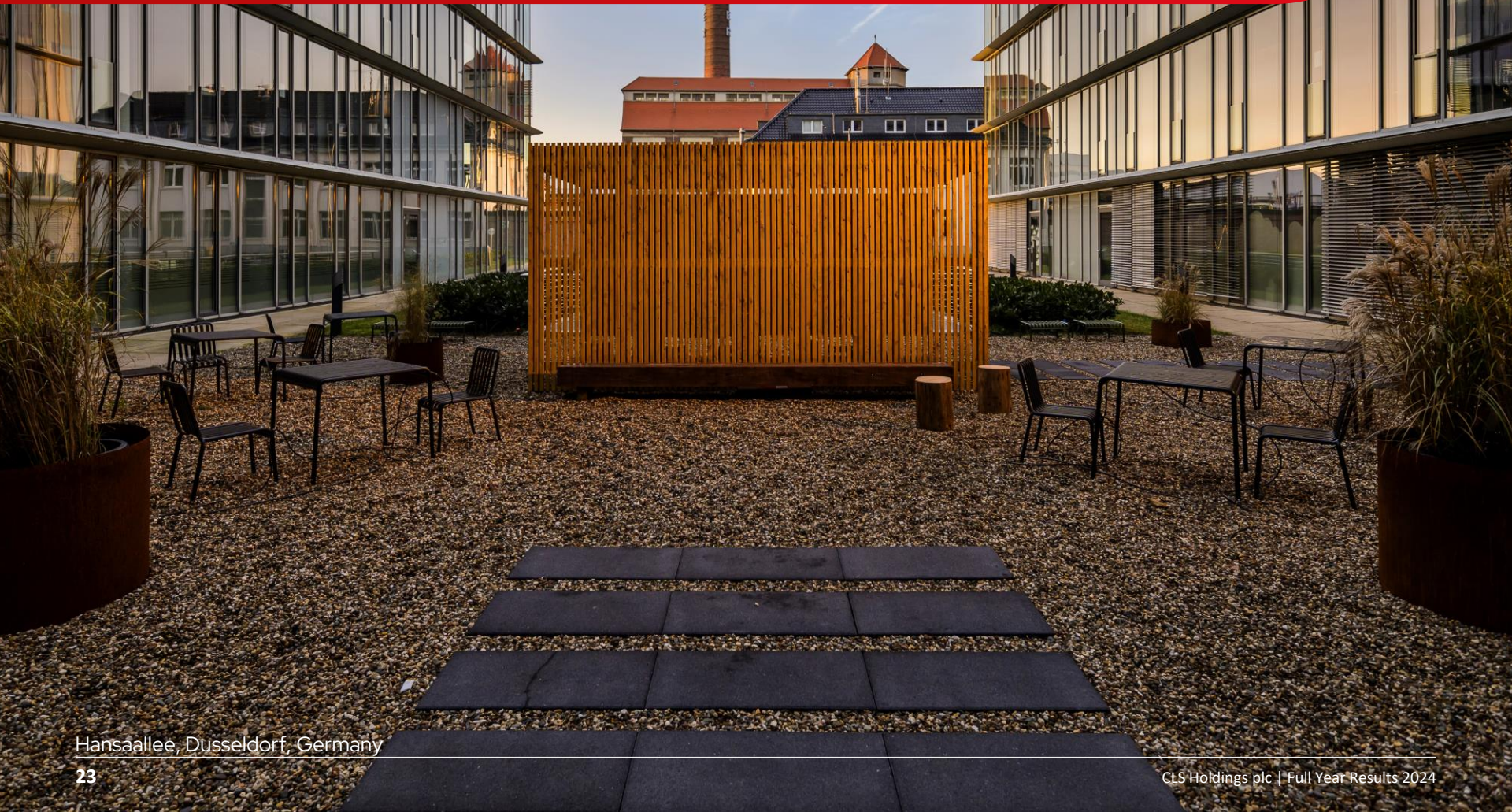
EPC (UK) ratings evolution



¹CO₂e Carbon dioxide equivalent

Summary & Outlook

Fredrik Widlund
Chief Executive Officer



Hansaallee, Dusseldorf, Germany

Market Update

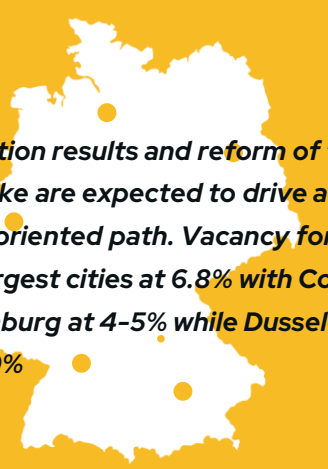
United Kingdom



Outlook more positive. Vacancy in London and South-East stable at 9.2% and 12.3%, and with limited new supply, we expect this to reduce

- Political stability
- Outlook more positive, with increasingly larger transactions in the office sector
- Employees returning to offices; employers mandating greater office attendance
- Leasing take-up in London at 10-year average; the shift to high-quality offices is continuing and is driving rental growth
- Valuations bottomed in H2 2024 and with lower UK interest rates, should improve

Germany



The election results and reform of the debt brake are expected to drive a more growth-oriented path. Vacancy for the seven largest cities at 6.8% with Cologne and Hamburg at 4-5% while Dusseldorf above 10%

- The election results expected to drive a more growth-oriented path
- Investment markets likely to have bottomed out; improved sentiment from attractive property yields vs. swap rates
- The gap between well-connected and sustainable assets and older assets in out-of-town business parks widening
- Strong demand from government and medium-sized businesses

France



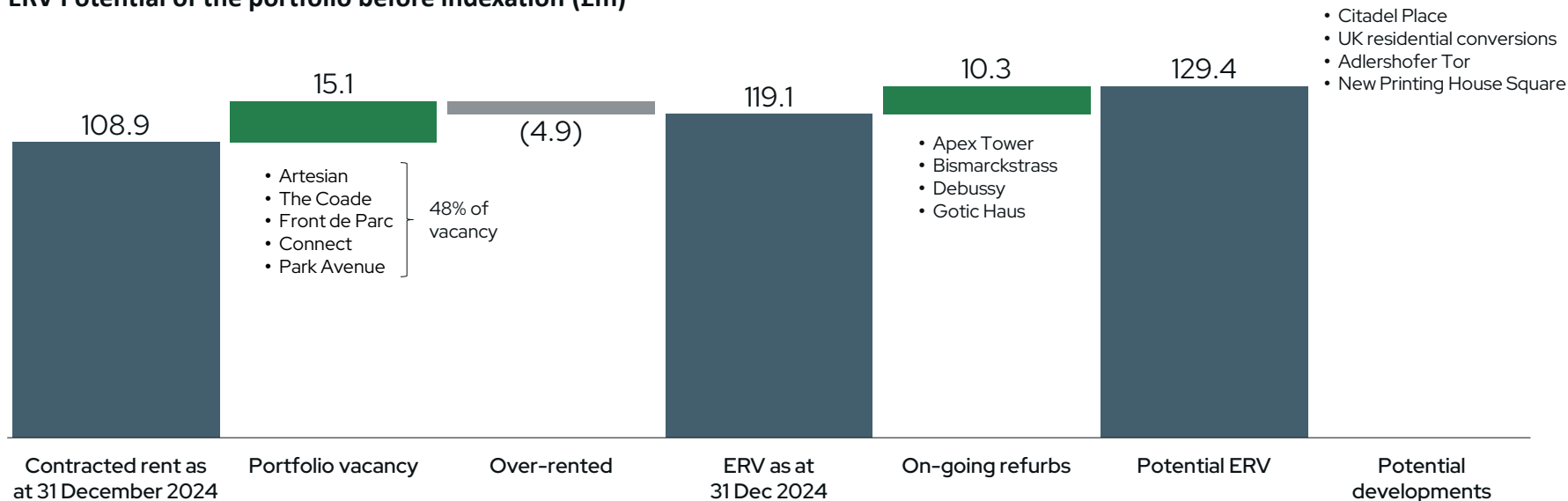
The supply and demand balance for offices remains challenging in parts of Paris, while Lyon remains stable. Vacancy in Paris and Lyon at 10.2% and 7%

- Political uncertainty with no parliamentary majority since the election in June 2024
- The investment market is heavily dominated by French investors
- The supply and demand balance for offices remains challenging in parts of Paris
- Lyon is benefitting from restrictive policies for developments that support existing office stock
- Stable letting market for small to medium-sized floorplates

Significant growth opportunities

- Focus on reducing current vacancy; leases signed in 2024 at Artesian and The Coade with more progress expected in 2025
- Indexation also driving rental growth, over 50% of portfolio index-linked which captures higher rents
- Near-term upside from works in progress at the Brix, Bismarckstrasse and The Yellow, with Debussy to follow shortly
- Medium-term, larger development opportunities in central London, including Citadel Place development in Vauxhall, seven residential conversion opportunities in the UK and a rooftop extension in Berlin

ERV Potential of the portfolio before indexation (£m)¹

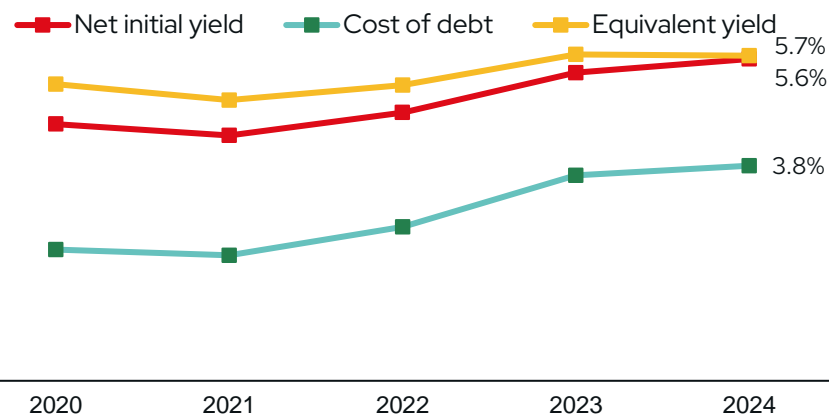


¹ Not a profit forecast, for illustrative purposes only. Does not include prospective acquisitions, disposals or like-for-like rental growth

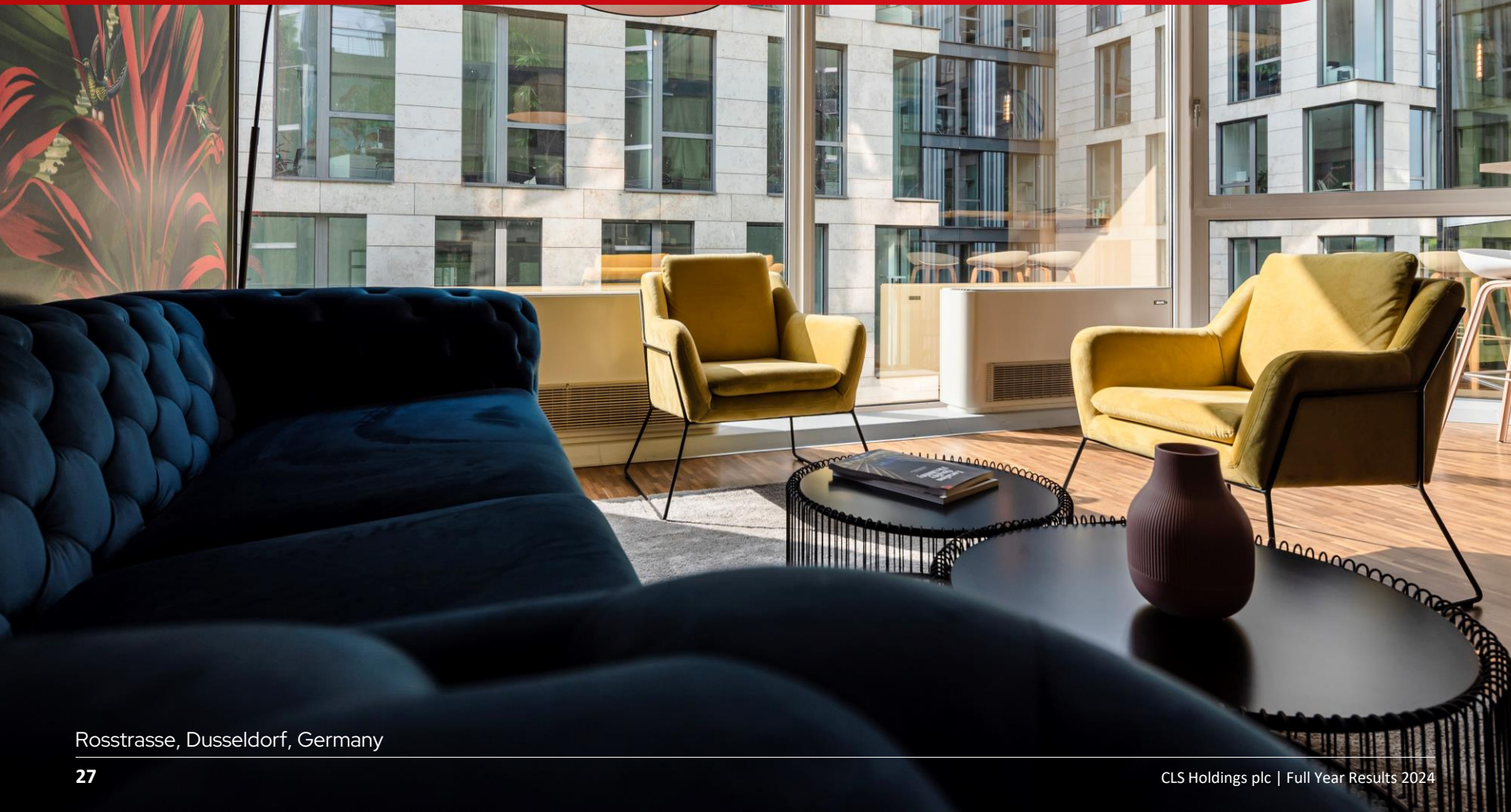
Delivering on our strategic priorities

- Maintaining strong leasing momentum to reduce vacancy
- Disciplined execution of property disposals to reduce LTV; exchanged or agreed £191m (70% of target announced in March 2024), with a further £130m of sales identified
- Progressing 2025 refinancings, with only two loans totalling c. £22m remaining to progress
- Re-set dividend policy to 1.5x to 3.0x cover, retaining £16m per annum to fund opportunities enabling sustainable growth
- Pursuing upside opportunities embedded in the portfolio
- Significantly reduced valuation declines in H2 2024 and adjusted property yields indicate that we are at or close to bottom of cycle

Net initial yield vs. cost of debt



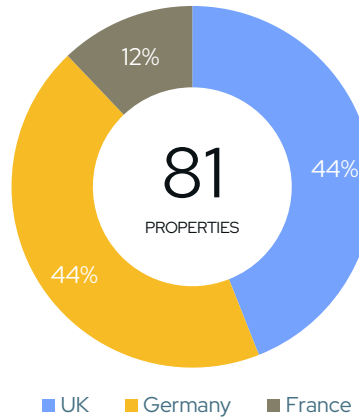
Appendices



Overview

- CLS Holdings plc is a property investment company which has been listed on the London Stock Exchange since 1994
- We are a supportive, progressive and sustainably focused commercial landlord that specialises in owning and managing office buildings, with a range of lease lengths, in order to achieve stable cash flows
- We operate in London and the South-East of the UK, and in the larger cities in Germany and France
- Our investments are based on our long-term vision, continuously modernising our portfolio into viable, future-focused and sustainable properties
- Since 2022, our UK business is a REIT

TOTAL PORTFOLIO VALUE (%)



3

COUNTRIES

719

TENANTS

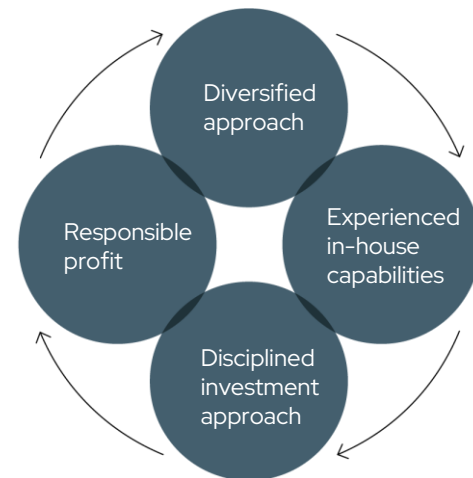
81

PROPERTIES

25

LENDERS

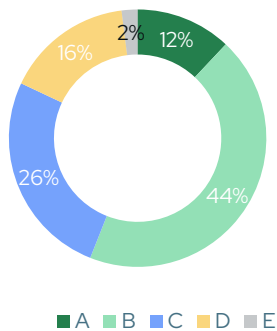
BUSINESS MODEL



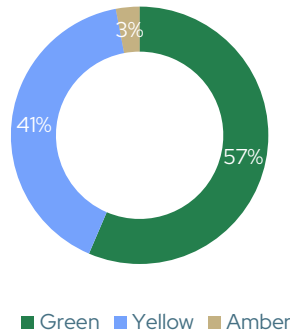
Ambition to develop leading green credentials

- Awarded Gold in the EPRA Sustainability Best Practices Recommendations
- Maintained our GRESB 4 Stars rating
- Whole of the managed portfolio is BREEAM In-use (or equivalent) certified, with most buildings assessed to Version 6
- 53%¹ of our BREEAM In-use certified properties are rated “Very Good” or “Excellent” (2023: 35%)
- UK EPC ratings continue to improve; 56% of the UK portfolio is rated EPC A or B (2023: 53%) and we have reduced our EPC D rated buildings by nearly 20%
- Fully compliant with 2024 minimum EPC regulations in the UK and on track to meet the 2030 Décret Tertiaire energy efficiency targets in France

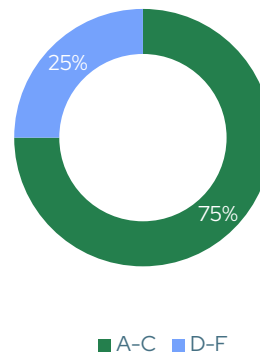
UK EPC



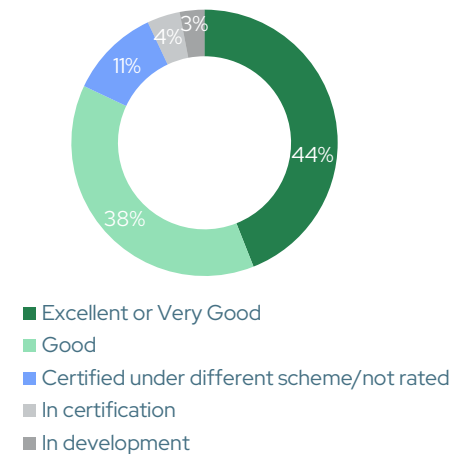
GERMANY ENEC



FRANCE - DPE



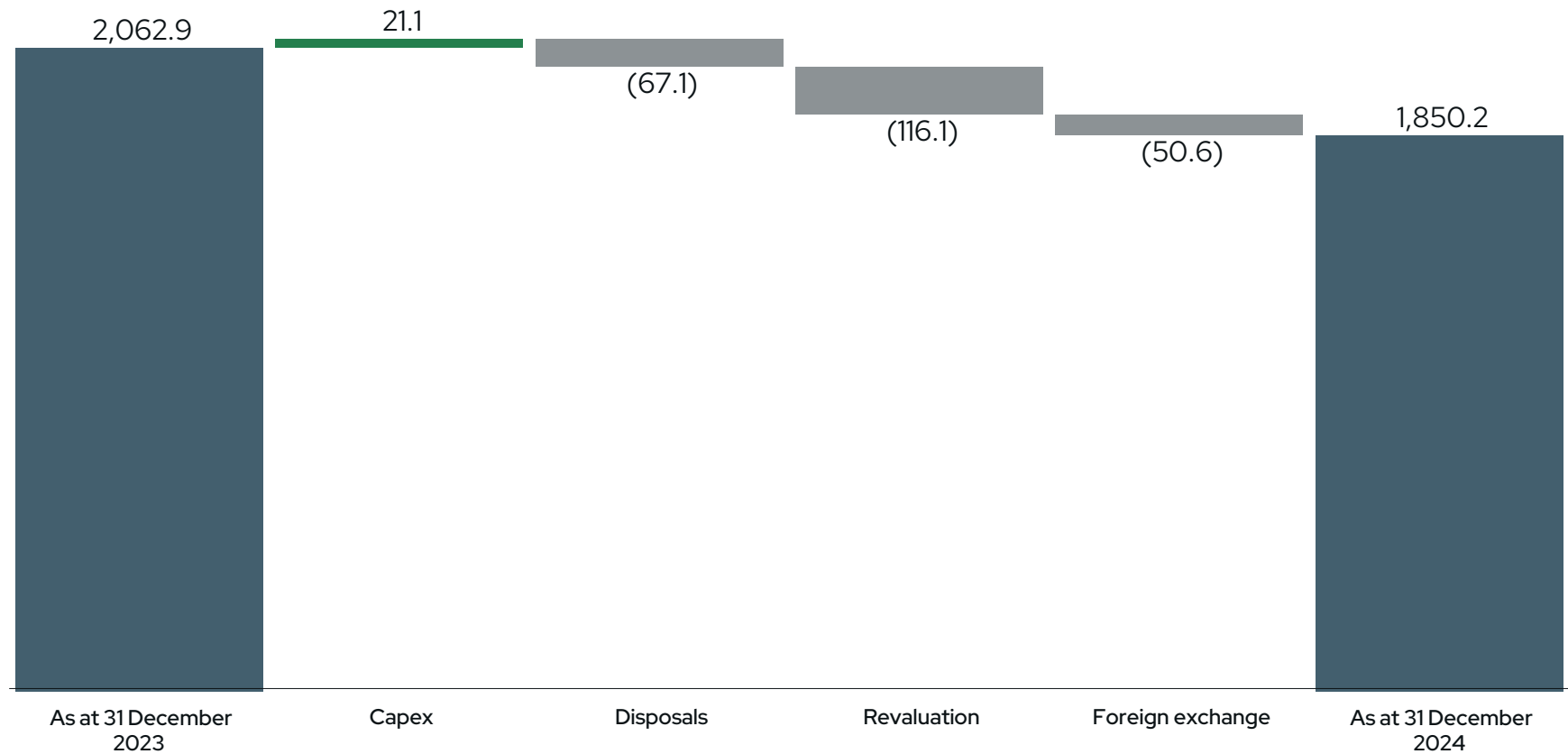
BREEAM IN-USE



¹Excluding properties certified under a different scheme, in certification or in development

Actively disposing of assets to reduce net debt

Movement in property portfolio¹ (£m)



¹ Comprises investment property, PPE and properties held for sale

United Kingdom



Value of property portfolio

£807.0m

Percentage of Group's property interests

44%

Number of properties

34

Number of tenants

210

Vacancy rate

18.5%

Lettable space

1.8m sq. ft

Government and major corporates

75.2%

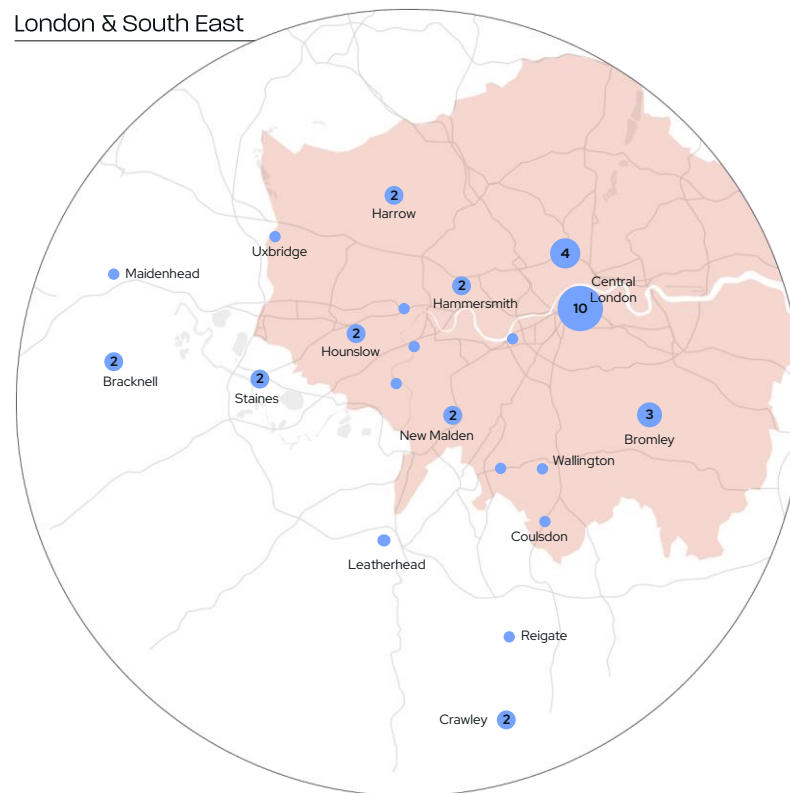
Weighted average lease length to end

3.5 years

UK properties

London	26
South East	8
Total	34

London & South East



Germany



Value of property portfolio

£815.7m

Percentage of Group's property interests

44%

Number of properties

31

Number of tenants

360

Vacancy rate

6.7%

Lettable space

3.6m sq. ft

Government and major corporates

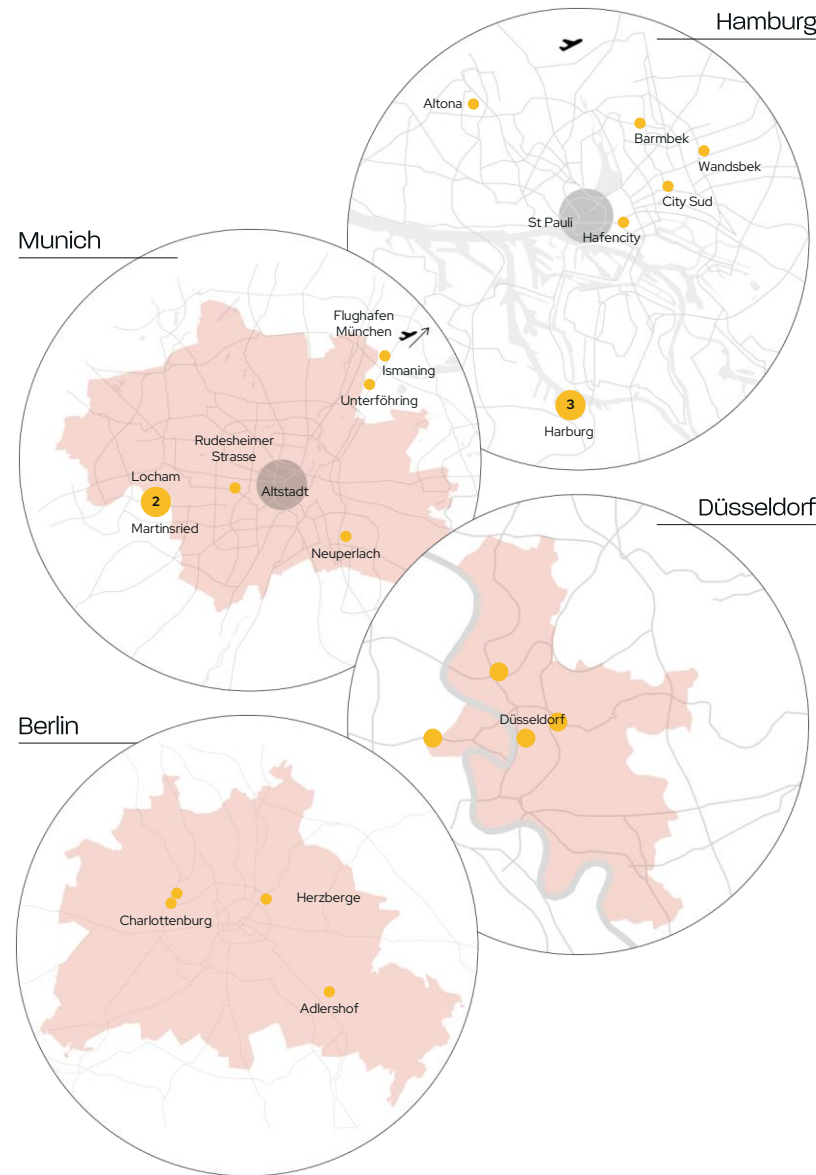
56.1%

Weighted average lease length to end

5.6 years

German properties

Hamburg	8
Munich	6
Berlin	4
Düsseldorf	4
Stuttgart	3
Dortmund	2
Cologne	1
Bochum	1
Essen	1
Nuremberg	1
Total	31



France



Value of property portfolio

£227.5m

Percentage of Group's property interests

12%

Number of properties

16

Number of tenants

149

Vacancy rate

8.3%

Lettable space

0.8m sq. ft

Government and major corporates

62.7%

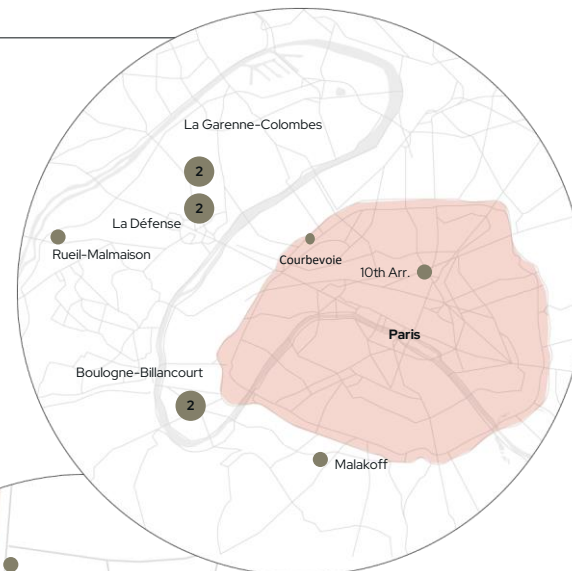
Weighted average lease length to end

5.7 years

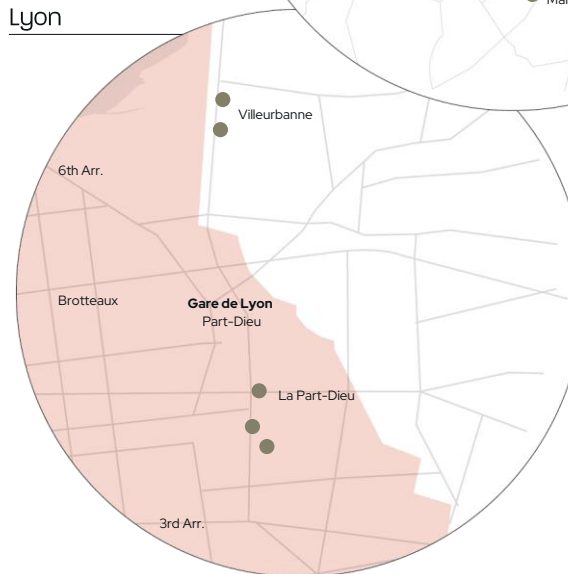
French properties

Paris	10
Lyon	5
Lille	1
Total	16

Paris



Lyon



Group statistics

At 31 December 2024	Valuation (£m)	Valuation movement (local currency)	EPRA NIY ²	EPRA 'topped-up' NIY ³	EPRA Vacancy	Weighted average unexpired lease term (years)	ERV of lettable space (£m)	Contracted rent (£m)	Contracted rent (£/sq. ft)
UK	807.0	(8.3%)	6.1%	6.6%	18.5%	3.5	58.6	50.1	£32.61
Germany	815.7	(3.5%)	4.5%	4.9%	6.7%	5.6	45.5	44.9	€16.23
France	227.5	(3.1%)	5.2%	5.6%	8.3%	5.7	14.9	13.9	€23.68
Total portfolio	1,850.2	(5.8%)	5.2%	5.6%	12.7%	4.7	119.0	108.9	£19.48

1. Valuations performed by Cushman and Wakefield (UK and France) and JLL (Germany).

2. Excludes developments; calculations based on passing rents.

3. Excludes developments; calculations based on contracted rents.

Disclaimer

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