

HALF YEAR RESULTS PRESENTATION

For the six months ended 30 September 2020

19 January 2021

TODAY'S AGENDA

1. Chairman's introduction (Peter Williams)
2. H1 2021 overview (Richard Upton)
3. Financial results (Marcus Shepherd)
4. Portfolio review (Richard Upton)
 1. Pipeline primed for delivery
 2. Transitioning the investment portfolio
5. Outlook and Q&A (Richard Upton)

2020 – MAKING SIGNIFICANT PROGRESS DURING THE COVID-19 PANDEMIC



LOCKDOWN IN ENGLAND: 23 MARCH-25 JULY

REGIONAL & NATIONAL LOCKDOWNS

PRE AND EARLY COVID

STRENGTHENED CASH POSITION; DISCIPLINED COST MANAGEMENT

IDENTIFIED INCREASED EFFICIENCIES PLAN; SECURED NEW FACILITIES, INCREASING LIQUIDITY

ACCELERATED DISPOSALS PROGRAMME; IMPLEMENTATION OF ADDITIONAL COST SAVINGS INITIATIVES; CLEAR ACTION PLAN



- + Phase 1 planning at Mayfield
- + Harwell Campus disposal
- + Disposal of 3 non-core investment portfolio assets



- + Planning submission at Morden Wharf
- + Planning at Newtown Works
- + Arkley Golf Club acquisition
- + Call in at 8 Albert Embankment
- + Planning at Kensington Church Street and Landmark Court



- + Planning at Kingstanding
- + £23m grant for civic park at Mayfield
- + Shepherd's Bush Market JV
- + Extended maturity of unsecured loan notes



- + Planning Inquiry concluded for 8 Albert Embankment
- + Start on site at Mayfield
- + Sales and marketing programme underway

H1 2021 OVERVIEW

(£25.0)m development & trading losses

- + Includes exit from Spectre joint venture commercial platform
- + £1.0bn GDV of planning consents at Landmark Court, Newtown Works, Kensington Church Street and Kingstanding
- + Planning submitted at £0.7bn GDV Morden Wharf scheme
- + £23m grant at Mayfield, Manchester
- + Assets across Group portfolio with value of c.£80m completed, contracted or in the market at 18 January 2021

Investment portfolio capital value decline of 7.8%*

- + Reflecting ongoing market decline in retail sector property values (H1 2020: 3.2%* decline)
- + 74% rent collected/alternative payments agreed for September quarter and 46% for December quarter at 10 January 2021
- + Disposed of Swanley Shopping Centre, above March 2020 book value
- + Exchanged at Belsize Park, our second largest void, at book value

Prudent balance sheet management

- + Proactive measures in place to conserve cash and manage debt
- + £13.5m two year loan facility secured; three year extension to maturity of €47m of unsecured loan notes
- + £3.0m cash conserved through suspension of interim dividend (H1 2020: 2.4 pence)

Organisation restructure

- + Board changes made
- + Organisation restructured and streamlined; programme identified to reduce recurring overheads by 43% by FY 2023
- + Four strong Senior Management Team formed, with Planning, Development, Delivery and Creative expertise

*including share of JVs

STRENGTHENING BUSINESS FUNDAMENTALS – IMMEDIATE ACTIONS

1.

IMPLEMENTING A SIGNIFICANT OVERHEAD REDUCTION PROGRAMME

- + 43% reduction in gross recurring overheads by FY 2023
- + 41% reduction in staff headcount to complete by 30 June 2021, with teams realigned to project focus
- + Reduction in other third party costs, including relocation of office premises, rationalisation of Group and offshore structures

Outcome: stabilised recurring overhead of £12m p.a. by FY 2023

2.

PORTFOLIO RATIONALISATION PROGRAMME UNDERWAY

- + Portfolio review to be completed by end of April 2021, against risk, return, value metrics
- + Monetisations through accelerated disposals programme of non-core assets
- + Disposal of underperforming assets targeted to deliver proceeds of c.£50m in FY 2021 and >£80m in FY 2022

Outcome: c.£130m net proceeds by FY 2022; reduction in total assets

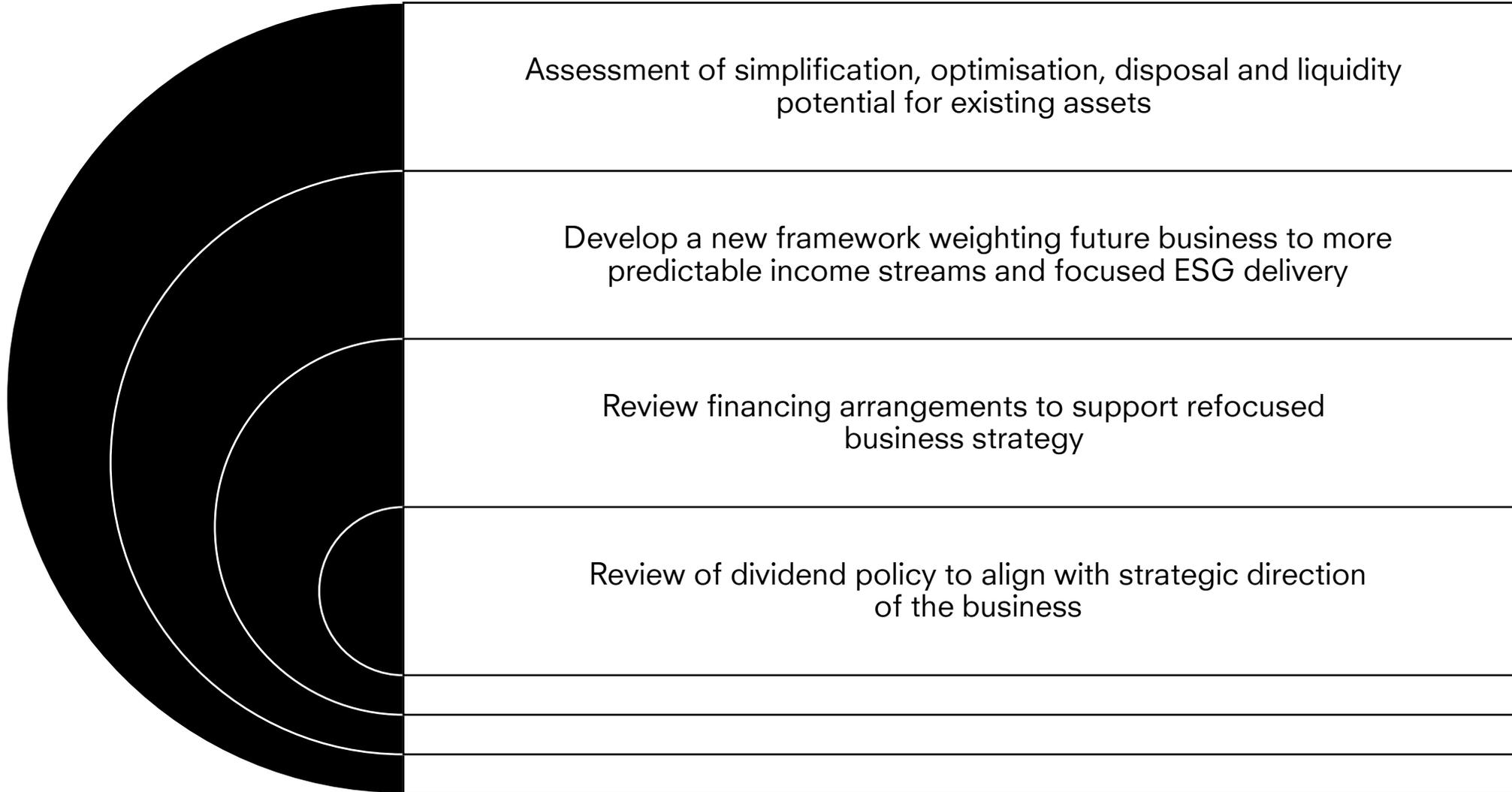
3.

CREATING AN INTEGRATED ESG APPROACH

- + Independent ESG review underway; launch of sustainability strategy in FY 2021
- + Define three immediate priority areas where we can deliver the most socio-economic benefit to communities
- + Set measurable targets relevant to our projects, approach and values
- + Roll out first Sustainable Impact Report with KPIs in FY 2022

Outcome: robust, evidence based strategy with measurable targets aligned to corporate priorities

STRENGTHENING BUSINESS FUNDAMENTALS – 100-DAY PORTFOLIO REVIEW UNDERWAY



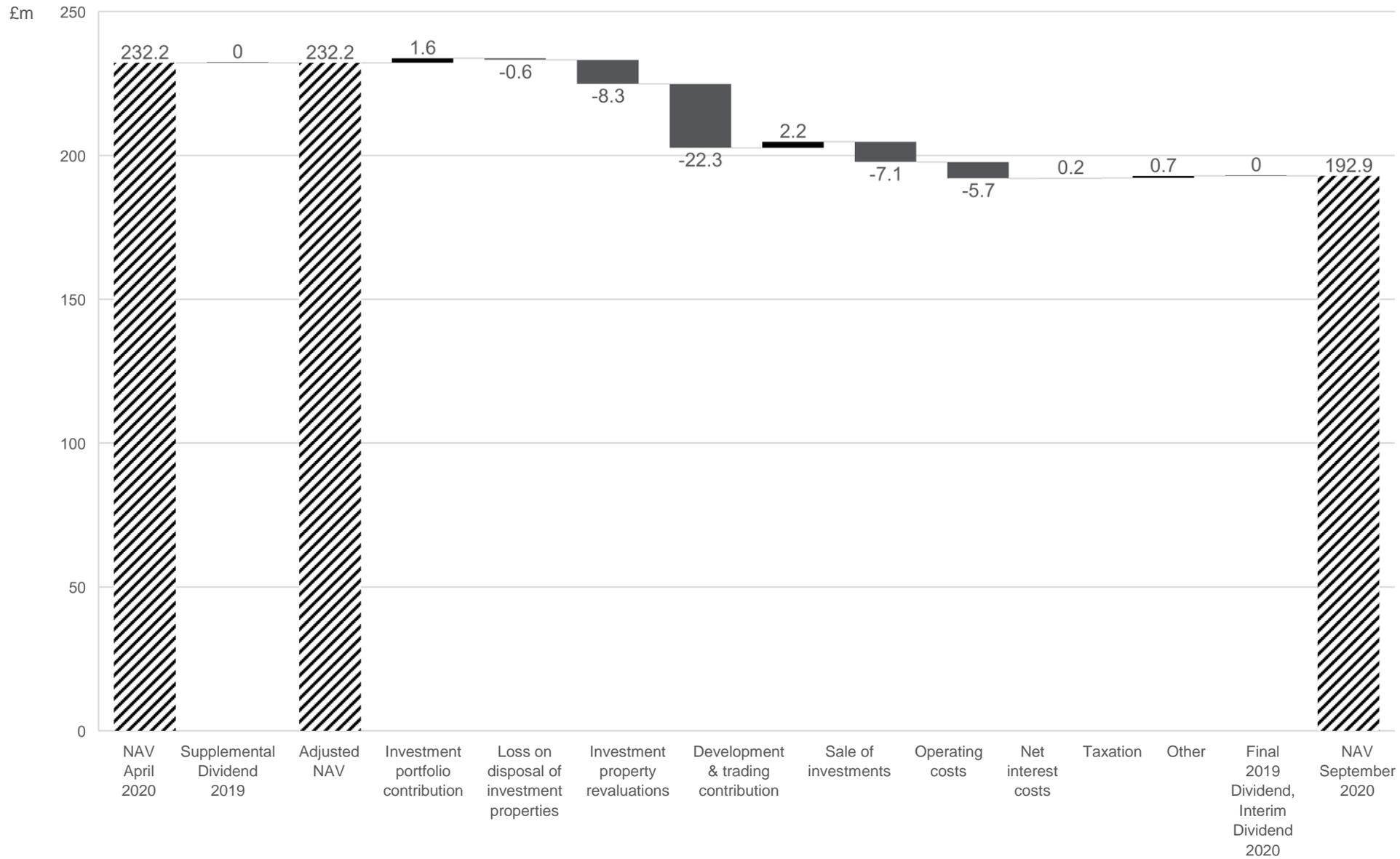
FINANCIAL RESULTS



H1 2021 PERFORMANCE

	H1 2021	H1 2020	FY 2020
Development and trading (losses)/gains	(£25.0)m	£3.6m	£11.0m
Basic net asset value (NAV)	£240.5m	£327.0m	£289.6m
Basic NAV per share	193p	263p	232p
(Loss) before tax	(£50.2)m	(£23.9)m	(£58.6)m
Basic (loss) per share	(40.1)p	(18.3)p	(44.5)p
Dividend per share (in respect of period reported)	-	2.4p	2.4p
Supplemental dividend per share declared	-	-	-
Net debt	£110.5m	£154.1m	£130.0m
Gearing	46.0%	47.1%	44.9%

MOVEMENT IN NAV THROUGH THE PERIOD

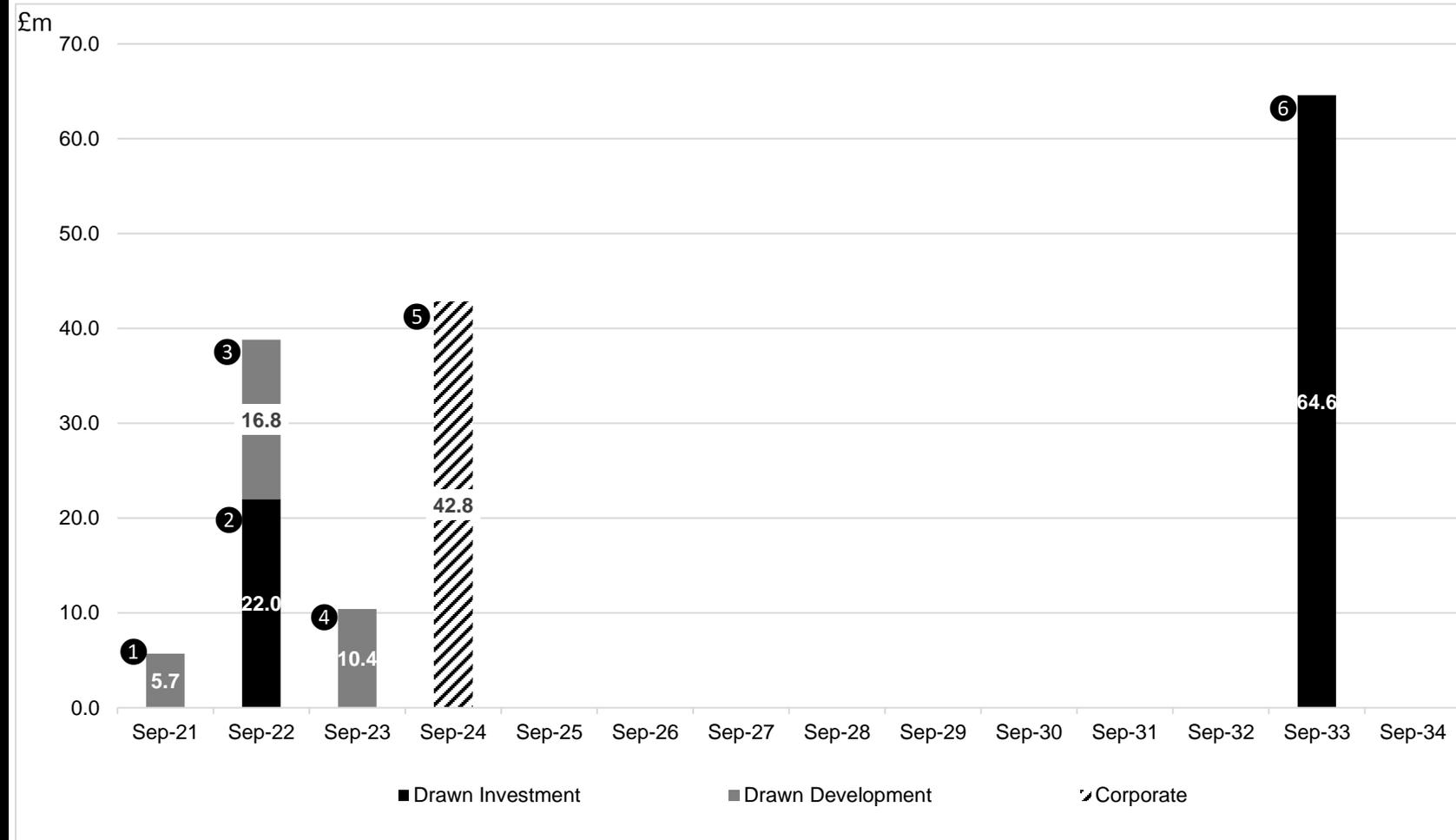


DEBT FINANCE

	H1 2021 £m	FY 2020 £m
Gross debt	160.5	161.0
Cash	(50.0)	(31.1)
Net debt	110.5	130.0
Gearing	46.0%	44.9%
Share of net debt in joint ventures	27.9	102.9
Net debt including joint ventures	138.4	232.8
Gearing including joint ventures	57.6%	80.4%
Analysis of gross debt (excluding JVs)		
Fixed rate	60.0%	64.6%
Capped / SWAP	26.4%	25.7%
Floating rate	13.6%	9.7%
Weighted average interest rate	5.7%	4.7%
Weighted average maturity	6.3 years	5.9 years

DEBT MATURITY PROFILE

1. Bromley residential; £10.6m repaid during the period, a further £2.5m paid post 30 September 2020
2. £4.9m of Barclays investment loan repaid following disposal of Gemini Building at Harwell; new £13.5m NatWest loan drawn down, secured against Harwell deferred consideration loan notes and Plus X at Preston Barracks
3. Arts Building being repaid from sales proceeds in January 2021
4. White Heather and Dublin Industrial Estates
5. €47.0m loan notes renegotiated; repayment due in April 2024
6. Aviva £64.6m investment portfolio debt



POSITIONING U+I FOR THE FUTURE

STRENGTHEN LIQUIDITY AND PRESERVE CASH

- + **Dividend review:** conserved £3.0m in cash through suspension of interim dividend
- + **Raised additional finance of £14.1m:** including a £13.5m facility secured against previously uncharged assets
- + **Focus on most liquid projects:** with upcoming milestones to monetisation; disposals programme expected to generate proceeds of c.£50m in FY 2021

Liquidity of £50m free and restricted cash in H1 2021 (FY 2020: c.£30m)

MANAGE DEBT

- + **Reduced net debt:** from £130.0m at FY 2020 to £110.5m at H1 2021, including JV debt, following Spectre exit
- + **Review debt structures:** and align with corporate strategy, to accommodate new assets with significant growth potential in existing facilities
- + **Repay Taberna debt:** as a priority and a further £10.0m in cash by FY 2022
- + **Target to reduce on balance sheet gearing:** to 25-35% by end of FY 2022, subject to £130m monetisations programme

£27.0m restricted cash in Aviva facility in H1 2021 (FY 2020: 27.0m)

REDUCE COSTS

- + **Overhead:** 43% reduction in gross recurring overheads in the next three years from £21.2m in FY 2020 to £12m by the end of FY 2023
- + **Reduction in staff and non-staff costs:** including relocation to a smaller office; removal of surplus third party costs; and streamlined processes
- + **Capex:** all discretionary capex stopped or deferred, preserving c.£33.0m in cash in FY 2021

£9.0m gross recurring overhead in H1 2021; targeting £16m in FY 2021 (FY 2020: £21.2m)

PORTFOLIO PRIMED FOR DELIVERY



DEVELOPMENT AND TRADING PORTFOLIO

- ⊕ (£25.0)m development and trading losses
- ⊕ £10.6m impairment from exit of joint venture Spectre platform with Colony Capital; £6.3m impairment at Beeston Park
- ⊕ Creating an integrated regeneration portfolio, aligned to structural demand for quality, safe mixed-use spaces

PROGRESS IN PRIMING MAJOR PROJECTS FOR DELIVERY

- ⊕ £1.0bn GDV shovel ready schemes (Landmark Court, Newtown Works, Kensington Church Street, Kingstanding)
- ⊕ Planning submitted at £0.7bn GDV Morden Wharf scheme
- ⊕ Disposal of majority interest at Shepherd's Bush Market; gains of £3.7m and look through gearing reduced by c.8.5%
- ⊕ £23m Government grant at Mayfield, Manchester; construction commenced

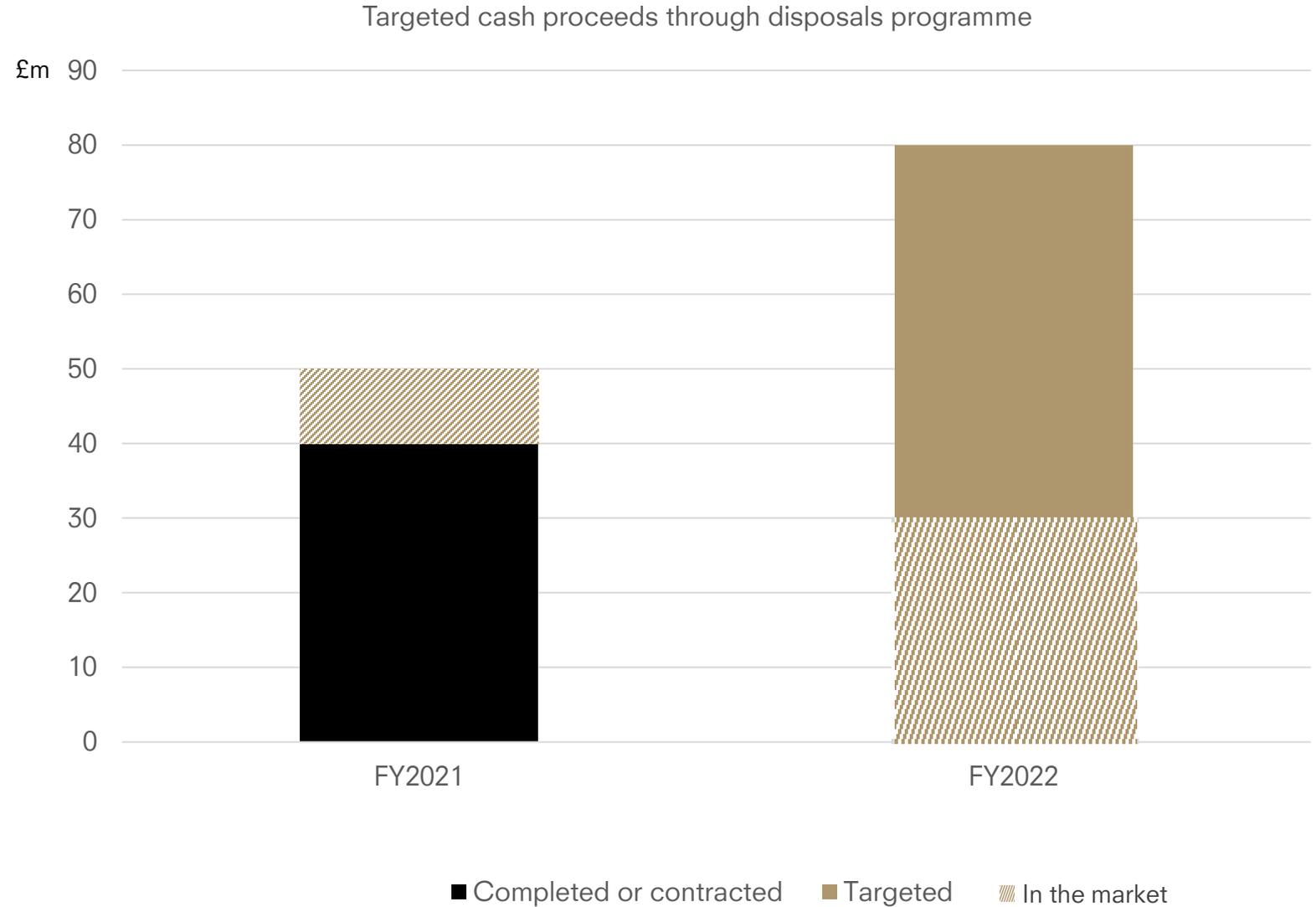
ACCELERATED MONETISATION OF EXISTING PIPELINE

- ⊕ Project portfolio rationalisation underway
- ⊕ Expect proceeds of c.£50m in FY 2021; >£80m in FY 2022 (including investment portfolio disposals)

ACCELERATED MONETISATION OF EXISTING PIPELINE

At 18 January 2021:

- + Completed / contracted trading sales across Group portfolio expected to generate c.£40m of cash, after repaying project related debt
- + Targeting an additional net c.£40m cash from assets already in the market



H1 2021 PROGRESS IN PRIMING MAJOR PROJECTS FOR DELIVERY

MORDEN WHARF, GREENWICH



H1 2021 status: submitted for planning in June 2020.
FY 2022 target: planning outcome expected in H1 FY 2022; site monetisation commences.

8 ALBERT EMBANKMENT, LAMBETH



H1 2021 status: Inquiry completed in December 2020.
FY 2022 target: Inquiry outcome expected.

MAYFIELD, MANCHESTER



H1 2021 status: secured £23 million in Government grant funding in August 2020 for civic park. Started on site.
FY 2022 target: complete funding arrangements; first DM fees.

FARADAY WORKS, GREENWICH



H1 2021 status: preparing new planning submission.
FY 2022 target: submit new planning application; planning consent and exit strategy.

LANDMARK COURT, SOUTHWARK



H1 2021 status: secured full planning consent in January 2021.
FY 2022 target: secure funding; commence build; first DM fees.

CNFE, CAMBRIDGE



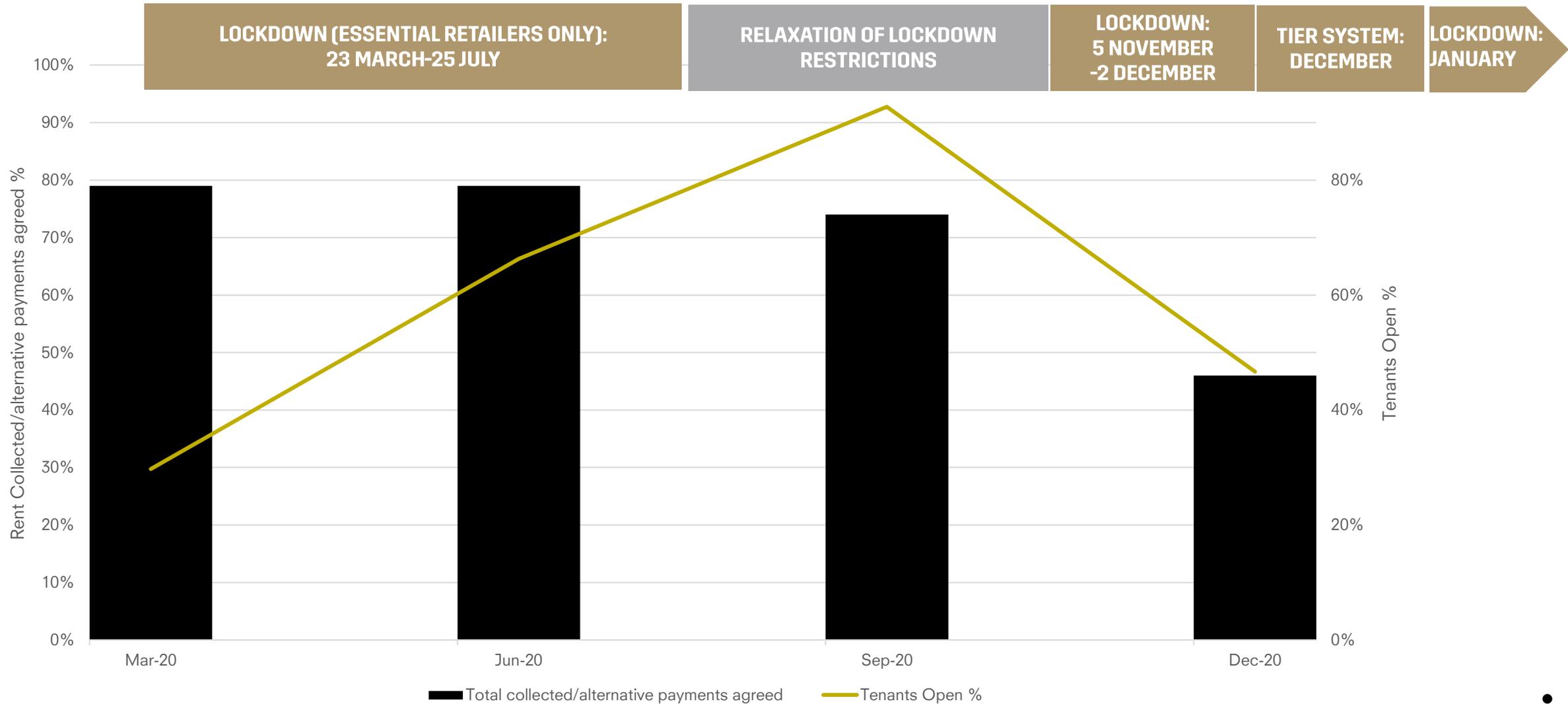
H1 2021 status: Anglian Water progressing consultation on relocation of water recycling centre.
FY 2022 target: planning well advanced for first commercial phase, to deliver first profit tranche, WIP recovery, and DM fees in H1 2023.





TRANSITIONING THE INVESTMENT PORTFOLIO

RETAIL AND LEISURE RENT AND TRADING BY QUARTER AS AT 10 JANUARY 2021



VALUATION MOVEMENTS BY ASSET TYPE

- + 7.8% capital value decline; core portfolio initial yield 6.3%; £10.6m estimated rental value
- + Occupancy at 79.7%, including 86.7% for retail and 95.5% for shopping centres
- + ¹Shopping centre exposure has reduced to £24.6m (24.5% weighting) since 30 September 2020, following completion of the sale of Swanley Shopping Centre

30 September 2020*	Valuation	Weighting	Valuation movement	NEY	NEY movement	ERV Occupancy movement	
	£m	%	%	%	bps	%	%
Retail	22.8	20.4	-1.9	8.5	55.9	-1.2	86.7%
Shopping centres	35.5 ¹	31.9	-13.2	9.7	41.8	-6.1	95.5%
Commercial	36.2	32.5	-2.2	6.4	5.3	-0.3	56.2%
Leisure	16.9	15.2	-6.4	6.9	-6.7	-5.8	64.5%
Total	111.4	100	-6.5	8.3	30.0	-3.4	79.7%

30 September 2020*	Valuation	Weighting
	£m	%
London	35.3	31.7
South East	61.0	54.8
Manchester	2.2	2.0
Rest of UK	12.9	11.5
Total	111.4	100.0

*Core portfolio only

TRANSITION AND RESTRUCTURE OF INVESTMENT PORTFOLIO UNDERWAY

CREATING AN INTEGRATED REGENERATION MODEL

- + Acceleration of disposals programme; Swanley Shopping Centre and Belsize Park contracted post period end (£15.1m)
- + Review of all investment portfolio assets and investment criteria underway
- + Reduce exposure to retail-led investments
- + Investment portfolio will be integrated into the development and trading portfolio

REVIEWING ACQUISITIONS WITH REGENERATION POTENTIAL

- + Focus on regeneration assets with potential for significant uplift in value through densification or change of use
- + First asset under offer; second asset identified

SUMMARY AND OUTLOOK



SUMMARY AND OUTLOOK

- + LOSSES REFLECT IMPACT OF COVID-19 AND PORTFOLIO REASSESSMENT**
- + MAJOR COST REDUCTION AND MONETISATION STRATEGIES IMPLEMENTED**
- + >£130M DISPOSALS PROGRAMME REDUCES DEBT, STRENGTHENS CASH RESERVES AND FUTURE INCOME VISIBILITY**
- + PIPELINE IS PRIMED FOR DELIVERY AND ALIGNED TO STRUCTURAL NEED**
- + PIVOTAL MOMENT FOR U+I; CONFIDENCE IN FUTURE OUTLOOK**
- + FY 2021 RESULTS AND STRATEGY UPDATE ON 26 MAY 2021**

APPENDICES



AN INTEGRATED MODEL

Development and trading portfolio

PPP 25% Of gross assets*	Trading 35% Of gross assets*
£95m** Capital value***	£133m** Capital value***
2.0x-5.0x Equity multiple	1.5x Equity multiple

Delivers

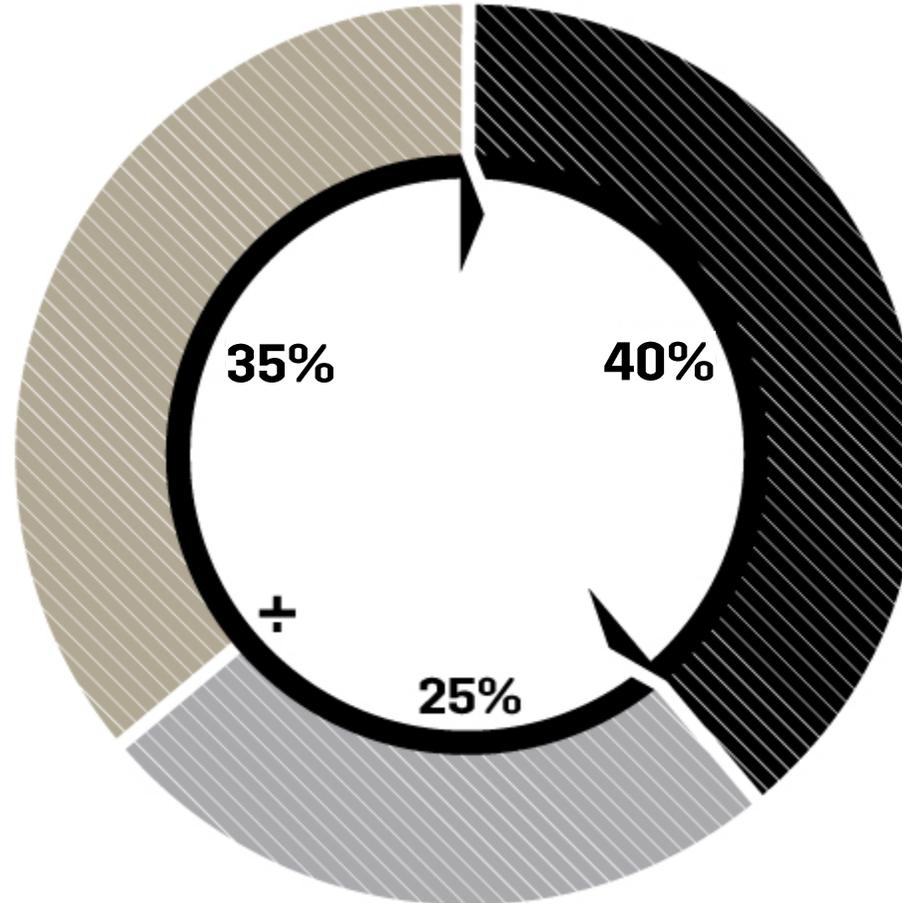
Longer-term development profit
Shorter-term trading profit
Elements of completed developments retained within investment portfolio

Key value drivers

Planning gain
Arbitrage / mispricing
Development margin

H1 21 performance

(£25.0)m development and trading losses



Investment portfolio

40%
Of gross assets*

£153m
Capital value***

Delivers

Income return
Capital growth
Future development opportunities

Key value drivers

Asset management
Planning gain

H1 21 performance

£120.6m portfolio (directly held)

*Group share where appropriate
**Assets held at cost, not revalued
***Capital value includes all property interests held both directly and indirectly

HOW WE ARE MANAGING SOME OF OUR BIGGEST RISKS DURING COVID-19

Risk

Planning delays

Land availability

Political uncertainty

Changing constructing regulations

Struggling retail sector

Delays in investment/ decision-making

Mitigation

Attractive shovel ready mixed-use schemes, that address community needs

Focus on unlocking potential from public/private sector's significant bank of unused brownfield land

Government's "Build, Build, Build" agenda puts regeneration at the heart of the Covid-19 recovery plan

Work with trusted third party experts to manage the integrity, quality and compliance of our schemes

Increased focus on assets with potential for change of use; convenience retail has performed well

Mixed-use schemes will become more relevant; capital still looking to invest in assets of the future

DEVELOPMENT PIPELINE: MAJOR PPP PROJECTS

Scheme	Region, Acqn Date	GDV ¹	U+I Equity (max)	Timeframe	Planning Status	Scheme details
Cambridge Northern Fringe East, Cambridge	London City Region, July 2018	£3bn	£5m	2024-2037	Pre-planning	120 acres; 5,000+ residential units, c.500,000 sq.ft. office/employment space, 200,000 sq.ft. leisure, retail and community space.
Mayfield, Manchester*	Manchester, December 2016	£1.5bn	£23m	2021-2033	Phase 1 secured Strategic Regeneration Framework approved	24 acres; 1,000+ residential units, 2m sq.ft. GIA office space; 350 bed hotel, retail and leisure space, 6.5 acre public park and an additional 6.5 acres of public realm.
Morden Wharf, Greenwich	London City Region, March 2012	£770m	£16m	2020-2022	Pre-planning Submitted June 2020	19 acres; 1,500 residential units, plus 200,000+ sq.ft. other uses.
8 Albert Embankment, Lambeth	London City Region, August 2016	£500m	£15m	2020-2025	Planning Inquiry	2 acres, 400+ residential units, hotel, 85,000+ sq.ft. office, fire station & museum, gym and retail.
Landmark Court, Southwark*	London City Region, December 2017	£240m	£7m	2020-2024	Resolution to grant planning	1.7 acres; 200,000 sq.ft. of office space, retail, workspace and new homes. Conditional JV agreement signed with public sector partner.
Faraday Works (formerly Westminster Industrial Estate)*	London City Region, October 2016	£165m	£3m	2020-2022	Pre-planning	5 acres, 330 residential units, 70,000 sq.ft. of employment space.
The Future Works, Slough	London City Region December 2009	£275m	£8m	2020-2024	Secured	3 acres; 350,000 sq.ft. of office accommodation being delivered in three phases.
Preston Barracks, Brighton	London City Region, July 2014	£200m	£5m	2020-2023	Secured	5 acres; 369 residential units, 50,000 sq.ft. offices, 550+ student beds and ancillary retail.
Circus Street, Brighton*	London City Region, April 2008	£130m	£4m	2020	Secured	2.4 acres; 142 residential units, 30,000 sq.ft. of office space, 450 student bed accommodation, 10,000 sq.ft. of ancillary retail space and 14,000 sq.ft. dance space.

* Held in joint venture

¹ GDV is based on the value of the scheme if built out, regardless of exit strategy. A project is removed from the GDV pipeline on disposal of the final phase.

DEVELOPMENT PIPELINE: MAJOR TRADING PROJECTS

Scheme	Region, Acqn Date	GDV ¹	U+I Equity	Timeframe	Planning Status	Scheme details
Kensington Church Street, London W1*	London City Region, March 2011	£330m	£12m	2020-2021	Resolution to grant planning	1 acre; 55 residential units, 50,000 sq.ft. offices, 30,000 sq.ft. retail.
Kingstanding, Kent	London City Region, 2019	£250m	£2m	2020-2026	Resolution to grant planning	33 acres; 340,000 sq.ft. offices; 460,000 sq.ft. warehousing.
Kent Wool Growers, Ashford	London City Region, January 2018	£60m	£4m	2021	Resolution to grant planning	3 acres, c.250 residential units.
Arts Building, London N4	London City Region, January 2019	£26m	£6m	2020 -2021	Pre-planning Submitted November 2019	c.50,000 sq.ft. of office building, part-let, part vacant.
White Heather Industrial Estate, Dublin 8	Dublin, December 2018	€110m	€6m	2020-2022	Pre-planning	2.8 acres, land rezoned for residential use in 2020.
Newtown Works, Ashford*	London City Region, December 2018	£220m	£2m	2021	Secured	12 acres, film and studio floorspace, residential, hotel.
Pincent's Hill, Reading	London City Region, April 2008	£80m	£5m	2021	Pre-planning Submitted February 2019	48 acres, 265 residential units.

* Held in joint venture

¹ GDV is based on the value of the scheme if built out, regardless of exit strategy. A project is removed from the GDV pipeline on disposal of the final phase.

INVESTMENT PORTFOLIO PERFORMANCE

Number of assets

17

31 March 2020: 17

Valuation change (inc. JVs)

£(10.3)m

31 March 2020: £(11.8)m

(7.8)%

Capital loss

Size of portfolio

£120.6m

31 March 2020: £130.6m

Initial Yield*

6.3%

31 March 2020: 6.2%

6.8%

After expiry of rent free periods

Weighted unexpired lease term*

5.7 yrs

31 March 2020: 6.0 yrs

4.7 yrs WAULT to break*

31 March 2020: 5.1 yrs

Estimated Rental Value*

£10.6m

31 March 2020: £11.0m

Void rate*

20.3%

31 March 2020: 16.6%

95%

On shopping centre assets

Equivalent Yield*

8.3%

31 March 2020: 8.0%

* Core portfolio only

Figures as at 30.09.20



INVESTMENT PORTFOLIO: TOP FIVE ASSETS

Project name	Overview	Key statistics
Plus X, Brighton	Managed workspace	Valuation: £15-20m Valuation change: N/A Running yield: N/A WAULT: N/A ERV growth: N/A Average rent psf: N/A
Airport House, Croydon	Managed workspace	Valuation: £10-15m Valuation change: ↓ Running yield: 6.8% WAULT: 4.5 years ERV growth: 0% Average rent psf: £18
Swanley Shopping Centre, Kent	Retail centre anchored by Wilko, Costa, Poundland, Barclays and Boots	Valuation: £10-15m Valuation Change: ↓ Running Yield: 9.5% WAULT: 3.9 years ERV growth: -3.0% Top Zone A: £45
The Furlong Shopping Centre, Ringwood	Retail centre anchored by Waitrose (not owned) <i>Key tenants:</i> AGA; Café Nero; Crew Clothing; Fat Face; Holland & Barrett; Joules; Phase Eight; Waterstones	Valuation: £10-15m Valuation change: ↓ Running yield: 7.9% WAULT: 2.6 years ERV growth: -0.7% Top Zone A rent: £75
Waterglade Retail Park, Clacton-On-Sea	Retail park comprising-B&M, Halfords, Iceland, Carpetright and Next	Valuation: £10-15m Valuation change: ↔↓ Running yield: 5.5% WAULT: 5.5 years ERV growth: 12.1%

INVESTMENT PORTFOLIO – OUR TOP FIVE OCCUPIERS

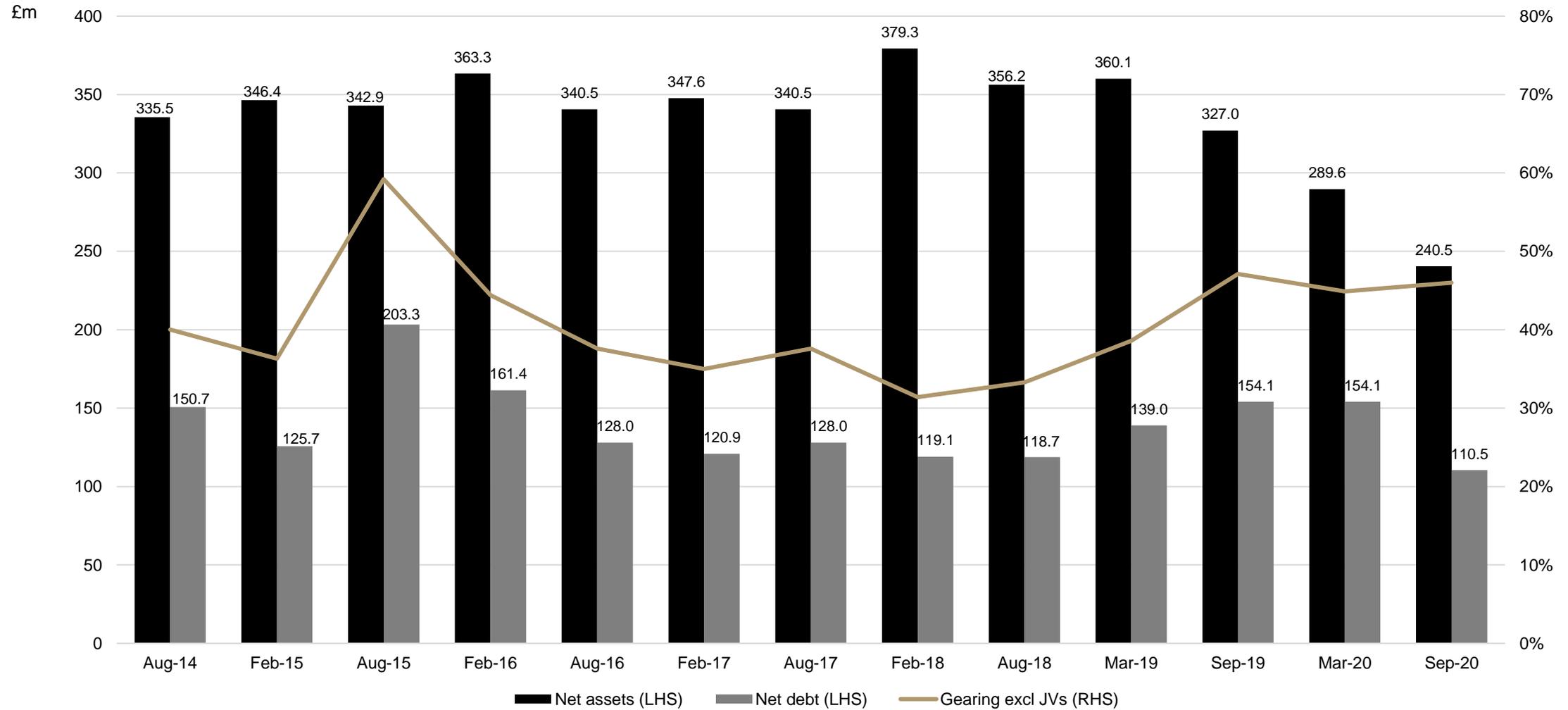
As at 30 September 2020

Occupier	Annual rent £'m	% of contracted rent
Sainsbury's Supermarket	0.5	5.3
B&M Retail	0.4	4.3
Carpetright	0.3	3.6
Pure Gym Limited	0.3	3.4
JD Wetherspoon	0.2	2.7

As at 31 March 2020

Occupier	Annual rent £'m	% of contracted rent
Sainsbury's Supermarket	0.5	5.5
B&M Retail	0.4	4.2
Carpetright	0.3	3.5
Pure Gym Limited	0.3	3.3
JD Wetherspoon	0.2	2.7

NET DEBT, NET ASSETS AND GEARING



*On Balance Sheet

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