2020 Half Year Results

Investor and Analyst Presentation

Shaftesbury

Agenda

1 **Introduction**
Brian Bickell

2 **Results, Operating Activity & Finance**
Chris Ward

3 **Covid-19 & Outlook**
Brian Bickell

Note: All data refers to the wholly-owned portfolio unless otherwise stated

Introduction

Brian Bickell

Wholly-owned valuation: £3.5bn

Longmartin valuation: £0.2bn[1]

1. Our 50% share

Long-term strategy
Focused on long-term rental growth and sector outperformance

London and the West End: global appeal and broad-based economy

Long-term, adaptable curation creates lively, prosperous destinations

Impossible-to-replicate portfolio clustered in iconic locations

Long-term estate management strategy delivers compound rewards

Experienced and enterprising management team

Stable financing to support growth of the business

Introduction

London's West End
Structural resilience; global appeal

- **The West End's seven days-a-week economy underpinned by unique features**
  - Huge working population
  - Global destination attracts businesses and visitors
  - World-renowned variety of shops and dining experiences
  - Unrivalled concentration of entertainment and cultural attractions
  - Excellent transport links

>3% of UK GVA
generated within the City of Westminster

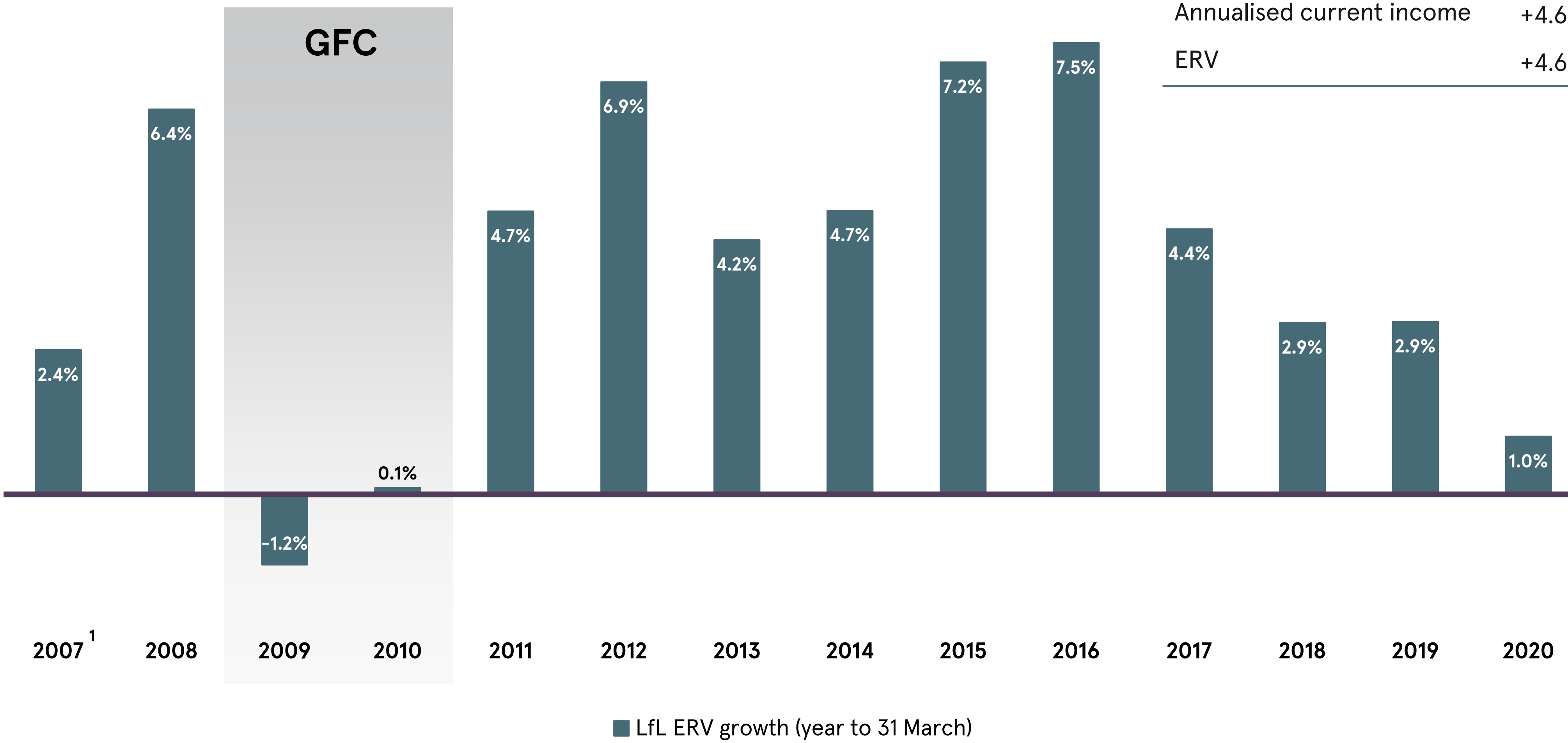
>200 million
annual visits to the West End

c. 700,000
working population in the City of Westminster

>225 million
passengers use the six Underground stations closest to our villages

Long-term rental growth
Resilience through economic cycles

10 year L-f-L CAGR	
Annualised current income	+4.6%
ERV	+4.6%



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1. LfL ERV growth in 2007 represents 6 months

Introduction

FY 2020 so far

October 2019 – January 2020

- General election brings end to political and Brexit uncertainty
- Busy Christmas and New Year trading period
- Leasing activity meeting ERV expectations
- Schemes progressing

February 2020

- Global Covid-19 concerns grow
- Footfall and spending begin to decline, first in Chinatown then across the West End
- Reduced leasing activity as global business confidence declines

March 2020

- UK government restrictions to halt spread of Covid-19
- Footfall and commercial activity at negligible levels
- Construction activity halted

April –June 2020

- Plans begin to emerge for gradual relaxation of government restrictions
- Non-essential retail allowed to open from June 15
- F&B and leisure opening not yet certain

FY 2020 starts

H1 FY 2020 ends and H2 FY 2020 starts

Dividends
Covid-19 operating challenges and uncertainties

- **Policy of long-term progressive growth in dividends**
  - Reflecting current and future income progression
  - Ensuring financing requirements are prioritised
  - 10 year CAGR to FY 2019: 5.3%
- **Difficult decision to not declare interim dividend**
  - Recognise dividends are an important part of shareholder returns and a benefit of ownership
  - Covid-19 challenges and uncertainty regarding their duration
  - Protect long-term interests of the business
- **Resumption of dividends as soon as prudent**
  - Maintain sustainable dividend growth over the long term
  - Pace of post-pandemic recovery a key factor in near-term decisions

Results, Operating Activity & Finance

Chris Ward

Headlines

Net property income

Underlying[1]

£49.6m

+2.1%

Reported

£46.2m

-4.9%

EPRA earnings

Underlying[1]

£28.7m

+5.1%

Reported

£25.3m

-7.3%

Portfolio value

Wholly-owned

£3.5bn

-7.9% (6m)[2] -8.6% (12m)[2]

Longmartin[3]

£0.2bn

-7.2% (6m)[2] -12.0% (12m)[2]

EPRA NAV per share

£8.78

-10.6% (6m) -11.8% (12m)

Loan to value ratio[4]

26.7%

Available liquidity

£247.5m

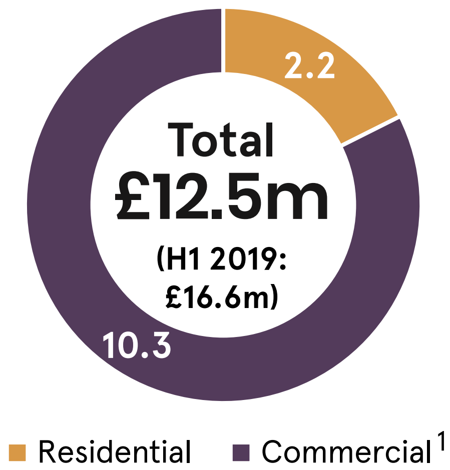
Uncommitted: £205.7m

1. Before Covid-19 provisions
2. Like-for-like
3. Our 50% share
4. Based on net debt

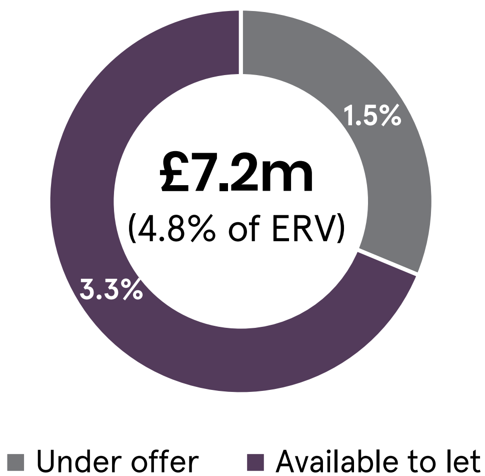
Appendices 2 and 3

Leasing activity and EPRA vacancy
Activity since February impacted by Covid-19

Leasing activity



EPRA vacancy



- **Leasing activity in H1**
  - Deals agreed broadly in line with ERV expectations
  - Noticeable decrease in leasing volumes since February
- **Vacancy at 31 March: £7.2m, 4.8% (9/19: £5.5m, 3.7%)**
  - Scheme completions before period end: £2.7m
  - Increased residential vacancy as overseas tenants returned to countries of origin
- **Since March**
  - Majority of lettings under offer at 31 March not yet concluded, pending better visibility on easing of lockdown
  - Leasing activity since March: £2.1m
  - Activity will increase as confidence returns

1. Excludes £2.5m pre-let to Equinox at 72 Broadwick in December 2019

Investment
Refurbish, reconfigure, repurpose

- **Adapting to evolving demand**
- **Particular focus on the size and configuration of retail accommodation; repurposing released space**
- **Delays from suspension of site activity, although now back on site, with appropriate measures in place**
- **72 Broadwick St**
  - 77% of commercial space conditionally pre-let or under offer
  - Completing in phases during next financial year
- **Other schemes**
  - Schemes with ERV of £8.0 million anticipated to complete in H2
  - Likely short term impact on EPRA vacancy
  - Useful contribution to income and earnings in medium term
- **Public realm improvements continue**

Schemes in the half year across

248,000 sq. ft.

Capital expenditure

£21.6m

(+1.0m in joint venture)

ERV under development

£15.6m

(10.4% of ERV)

72 Broadwick St: £6.0m, 4.0%

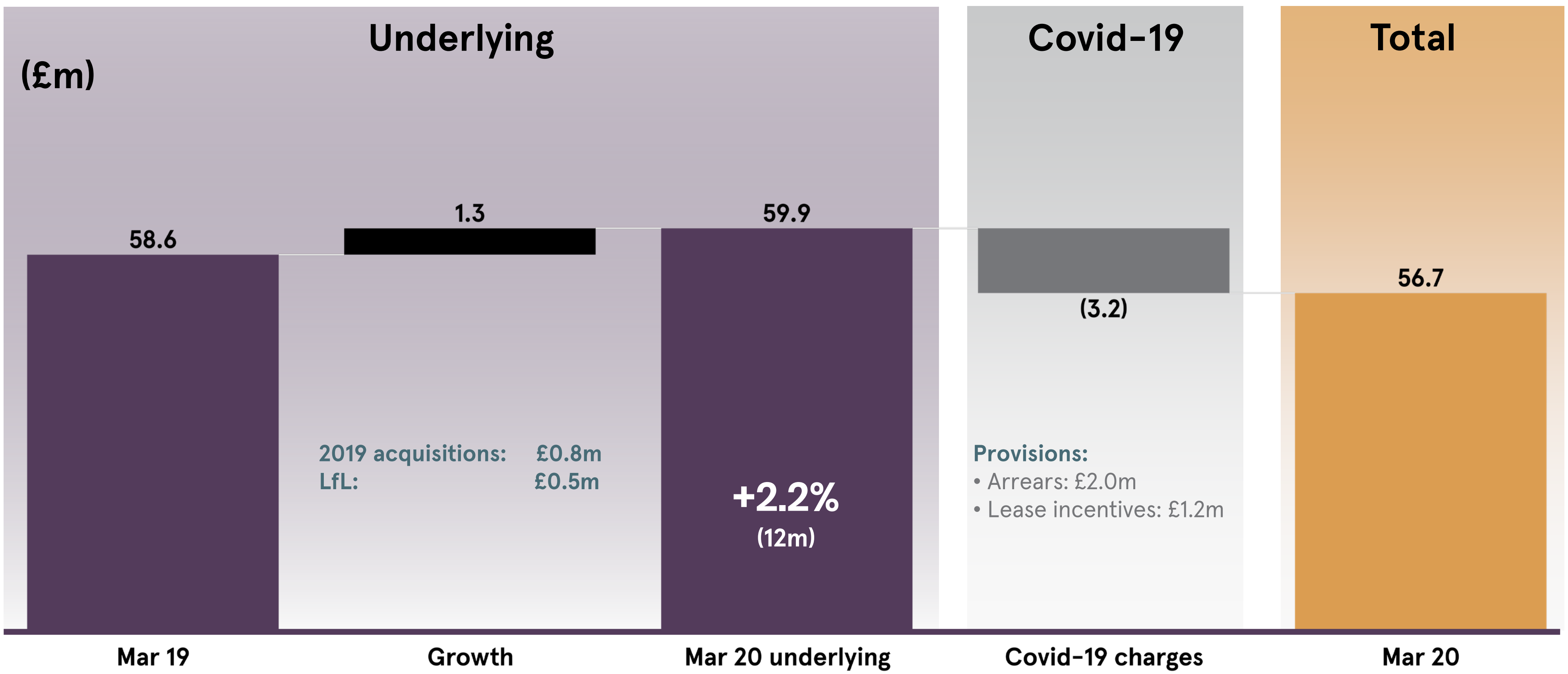
Other schemes: £9.6m, 6.4%

Acquisitions
Opportunities from challenging conditions

- **Uncertainty resulted in exceptionally limited acquisition opportunities in H1**
  - Post-election/Pre-Covid-19 increase in investment opportunities
  - Agreed to acquire building in Berwick Street (£4.0m)
- **90-104 Berwick Street (£36.1m)**
  - Vendor failed to meet contractual obligations
  - Further discussions but outcome not certain
- **Macro issues have often provided opportunities to add to the portfolio**
  - Acquisitions above normal run rate after GFC
  - Potential for acquisitions as activity returns
  - Resources to invest
  - Maintaining financial discipline

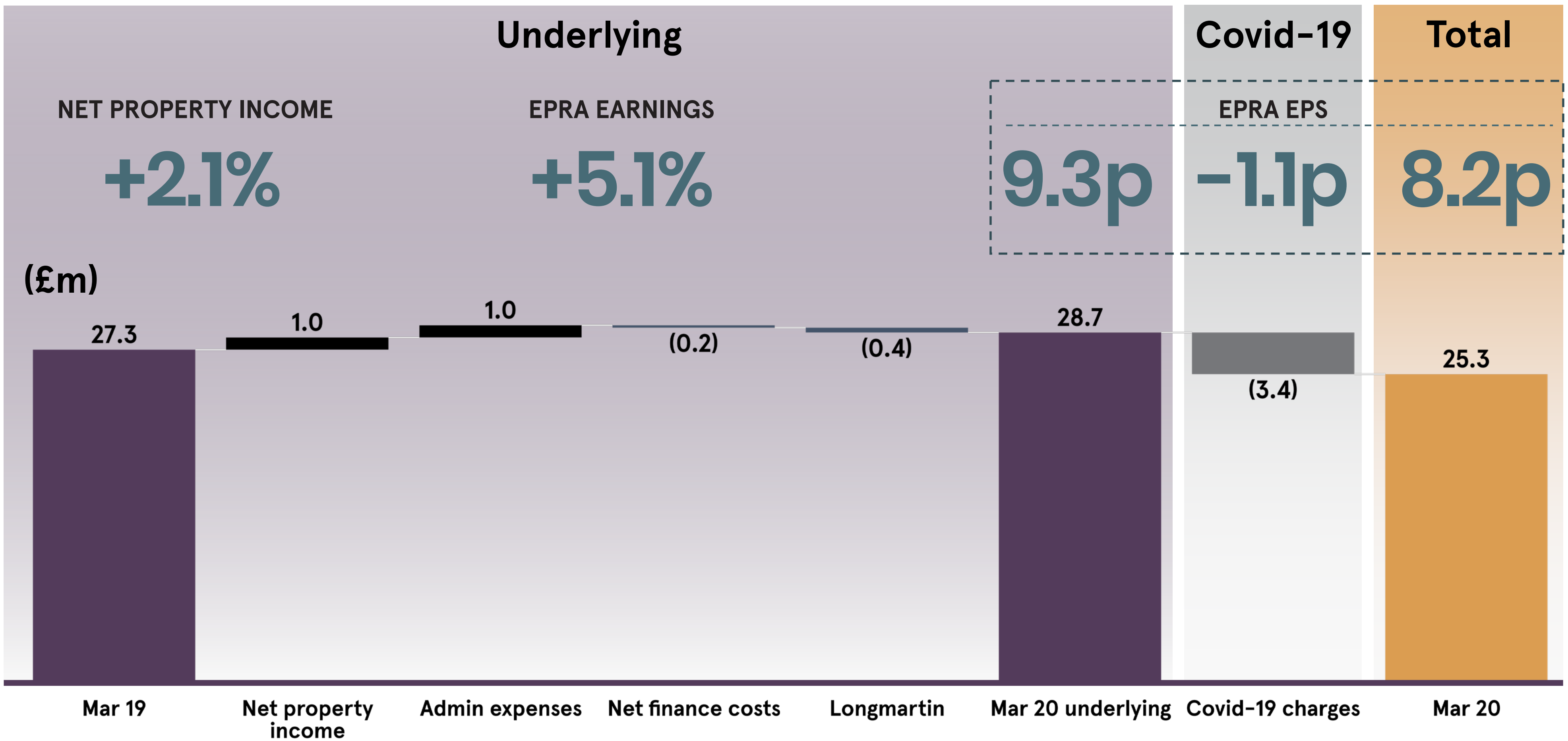
Rental income

Growth in underlying rental income notwithstanding pandemic impact on leasing activity from February



EPRA earnings

Underlying earnings increase driven by growth in underlying net property income and admin cost reduction



Valuation

Near-term CV-19 uncertainties; long-term fundamentals unchanged

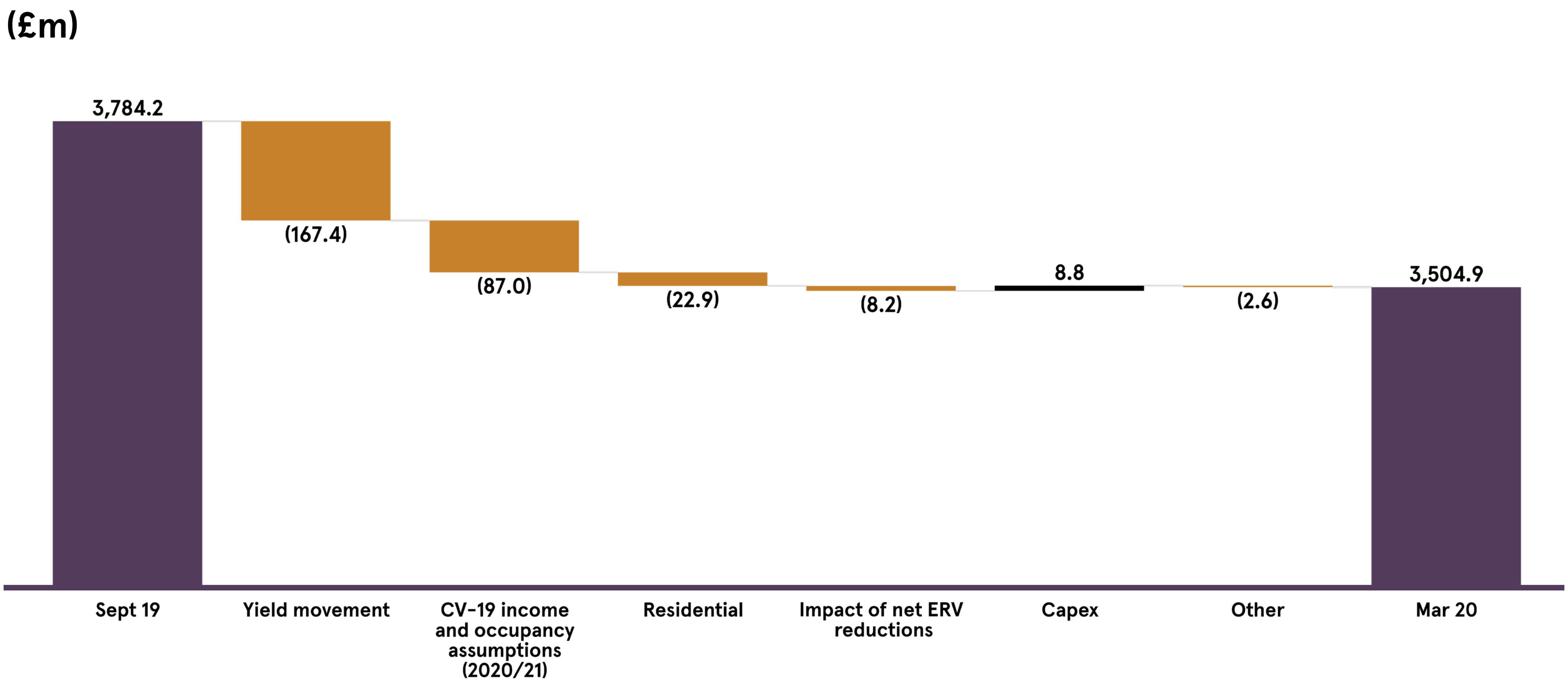
	Valuation (£m)	Valuation growth[1] 6 months[2]	Valuation growth[1] 12 months[2]	ERV growth[1] 6 months[2]	ERV growth[1] 12 months[2]	Equivalent Yield
Wholly-owned	**3,504.9**	**-7.9%**	**-8.6%**	**-0.1%**	**+1.0%**	**3.71%** (+24 bps)[2]
Longmartin[3]	195.0	-7.2%	-12.0%	-4.2%	-5.8%	4.03% (+9 bps)[2]

- **Near-term challenges around visitors and footfall**
- **Valuer material uncertainty statement; few comparable transactions, difficulty in exercising judgements**
- **Quality of location – security, long-term growth prospects and scarcity of available properties - would still command significant interest**
- **Potential greater value – valued in parts not its entirety**

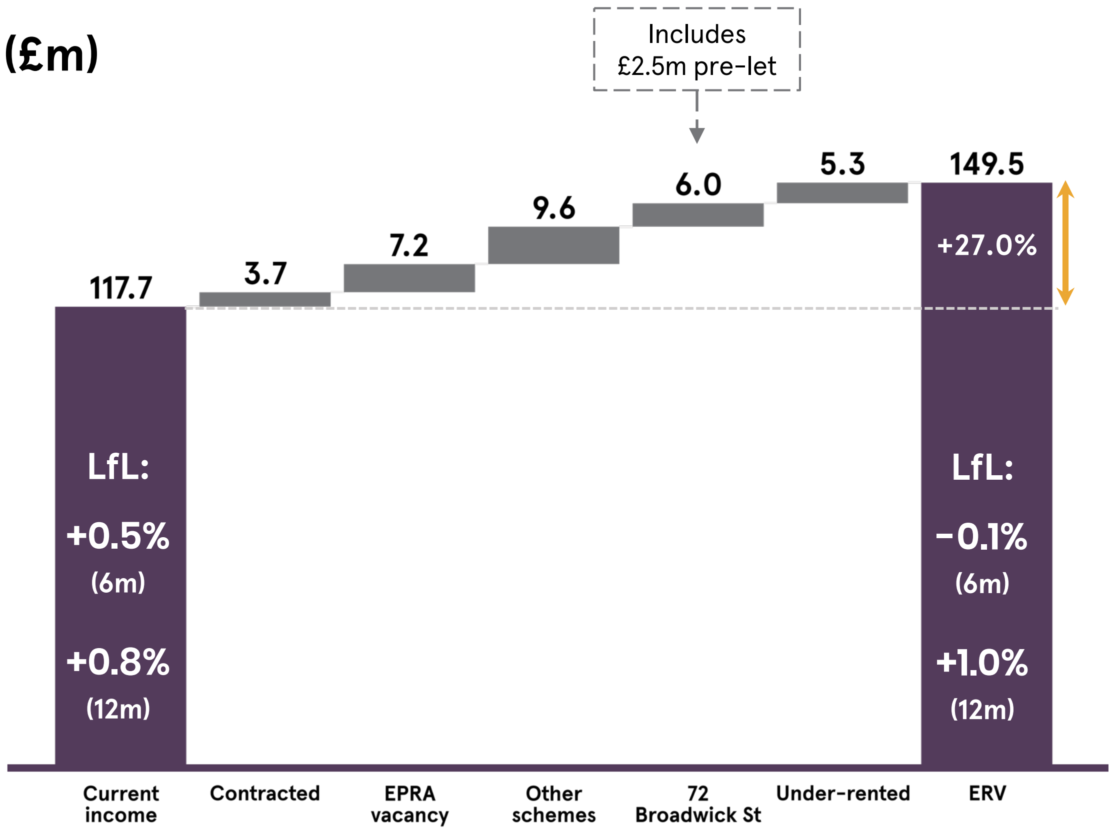
1. Like-for-like
2. Period to 31.3.20
3. Our 50% share

Wholly-owned portfolio valuation

Softening of yields; CV-19 impact on near-term income and occupancy assumptions



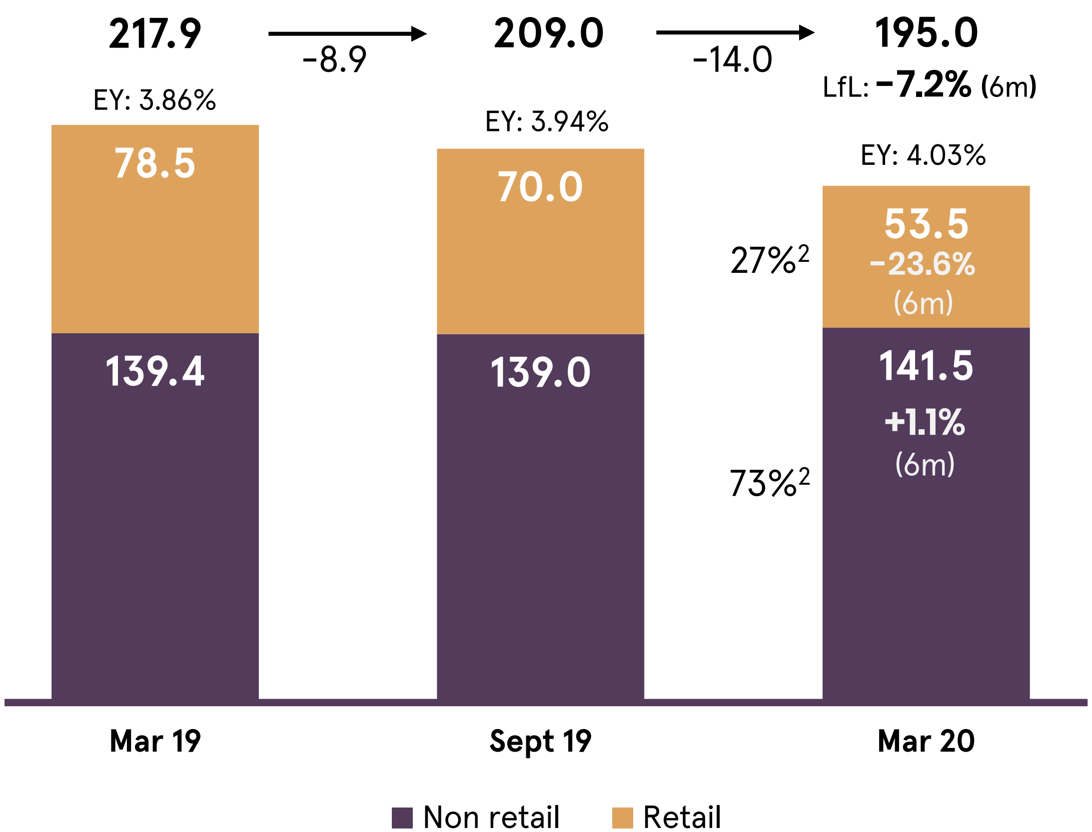
Portfolio reversionary potential
Long record of converting reversion into contracted income



- **Little transaction evidence in February/March 2020**
- **Headline ERVs holding up but signs of incentives increasing from low base**
  - Risk of near-term vacancy across the West End
  - Short-term impact on supply/demand tension
  - Expect to recover as confidence, footfall and spending return
- **Our villages will continue to be attractive to occupiers**
  - Vibrant areas where people want to be
  - Affordable relative rents
  - Flexible approach to leasing
  - Holistic management strategy

Longmartin valuation[1]
Further valuation decline in Long Acre retail space

Valuation summary (£m)

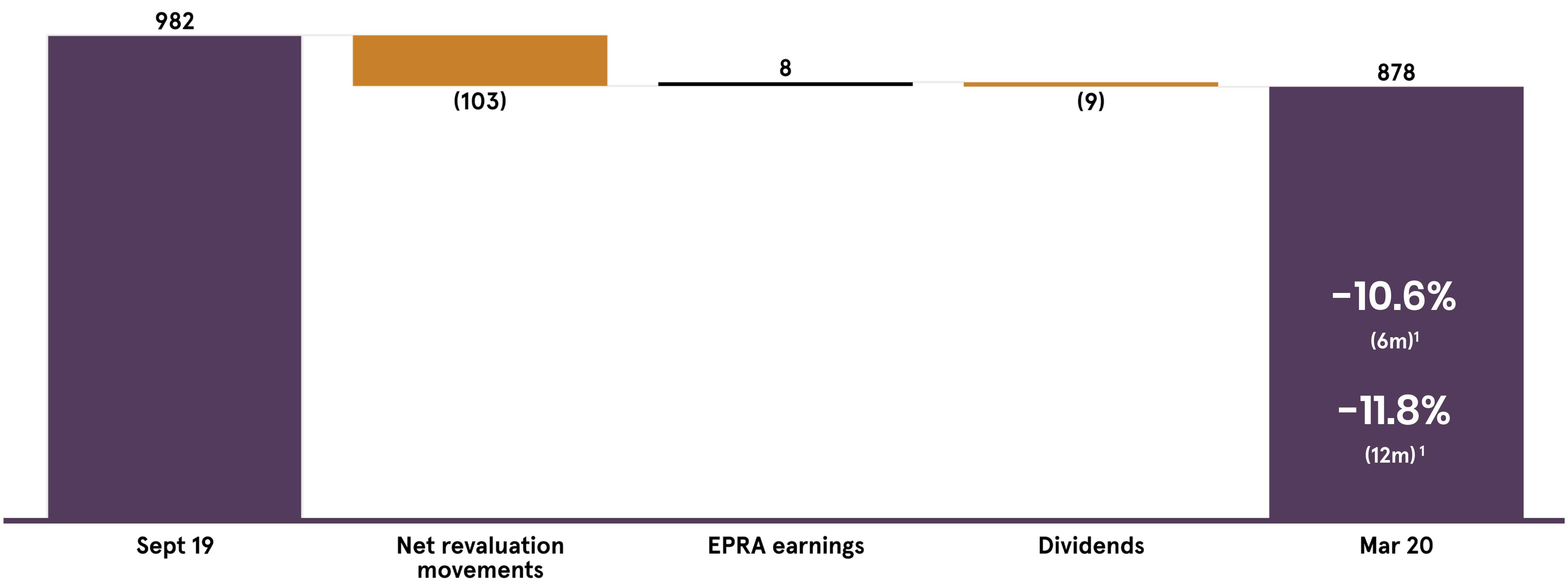


- **Retail**
  - 27% of Longmartin and just 1.4% of combined group valuation
  - Mainly Long Acre:
    - large retail units and rents
    - limited demand, increasing availability
  - LfL: -23.6% (6m)
    - -31.8% (12m)
    - -37.4% (18m)
  - Equivalent yield: 4.15% (+25 bps)
  - ERV: ↓ 17% (6m)
    - Impact £0.5m, equivalent to just 0.3% of combined group ERV
  - Repurposing space to downsize large shops
- **Non retail**
  - LfL: +1.1%
  - ERV: ↑ 1.8%
  - Equivalent yield: 3.97% (+3 bps)

1. Figures represent our 50% share
2. By value

Net asset value
NAV decrease due to revaluation deficits

EPRA NAV (pence per share)



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1. Period to 31.3.20

Debt summary
Well-financed with access to significant liquidity

- **Available uncommitted liquidity: £205.7m**
  - Cash: £172.5m
  - Undrawn facilities: £75m
  - Existing commitments: £41.8m
  - Earliest debt maturity: 2022 (£125m revolving credit facility)
- **LTV: 26.7%**
  - Significant covenant headroom
  - Unsecured assets > £600m
- **ICR waivers to deal with near-term period of lower rent collections**

Covid-19 & Outlook

Brian Bickell

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Covid-19: Impact on West End

- Initial impact in Chinatown from early February; West End began to close down in early March
- Traditionally high footfall and spending destination; activity reduced to negligible levels by mid-March
- Immediate impact upon retail/F&B/leisure volume-based business
- Offices and residential also impacted

Covid-19: Actions

- Philosophy of supporting our occupiers has always been a key aspect of our strategy
- Discussions with c.800 commercial tenants to agree tailored solutions on rents and service charges
- Aim is to collect 50% of rents due April – September 2020 over time
- Further support likely through recovery period as restrictions are gradually relaxed
- Moving permanently to monthly rents in advance for all commercial tenants from October
- Near-term elevated risk of higher vacancy until confidence and activity recovers
- Expect continuing evolution in structure of leases (lease lengths/incentive packages/turnover-related rents)

Culture of supporting our occupiers embedded in our strategy

Covid-19: Collaboration with stakeholders

- Preparing our locations and buildings for recovery phase
- Working with neighbouring estates, owners and Business Improvement Districts
- Extensive measures to safeguard workers, residents and visitors
- Marketing and PR to encourage return of domestic and international footfall with London & Partners
- Mayor of London/Westminster City Council/Camden Council engagement
- Supporting our community partners
- Support for our staff

Community Fund of

£144k

to support our community partners and local not-for-profit organisations helping people affected by Covid-19 within the Boroughs of Westminster and Camden

Beyond Covid-19

- Structural resilience of London, the West End and our business
- Rate of progress out of pandemic-related restrictions unclear
- Acceleration of pre-pandemic trends
- Proven, ever-evolving strategy
- Culture and values of growing importance
- Experienced, enthusiastic and committed team

Outlook

- London's pre-eminent position amongst the world's leading cities
- Impossible to replicate portfolio assembled over 34 years in the best West End locations
- Agile and entrepreneurial strategy
- Long-term partnerships with all our stakeholders
- Strong equity base and robust debt finance

Navigating current operational challenges and positioning our portfolio to benefit from the return of confidence and activity in local, national and global economies.

Appendices

1 Portfolio
2 Financial
3 Valuation
4 Village Summaries
5 Other

1 Portfolio

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Appendix: 1 Portfolio

Exceptional portfolio in the heart of London's West End

CARNABY
4.8 ACRES
38%
Of portfolio[1,2]

COVENT GARDEN
4.8 ACRES
28%
Of portfolio[1,2]

CHINATOWN
3.2 ACRES
22%
Of portfolio[1,2]

SOHO
1.5 ACRES
8%
Of portfolio[1,2]

FITZROVIA
0.9 ACRES
4%
Of portfolio[1,2]

LONGMARTIN
1.9 ACRES

34 years to accumulate and virtually impossible to replicate

15.2 acres and 1.9 acres owned in joint venture

c. 600 buildings[2] clustered in iconic, high footfall locations

1.9 million sq ft of commercial and residential space and 0.3m sq ft held in joint venture

100% of our portfolio is close to an Underground/Elizabeth Line station

1. By value
2. Wholly-owned portfolio

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Our portfolio

Split by ERV

Upper floors
31%

Lower floors
69%

Food, beverage and leisure
314
0.7m sq. ft.
38% of ERV

Retail
293
0.4m sq. ft.
31% of ERV

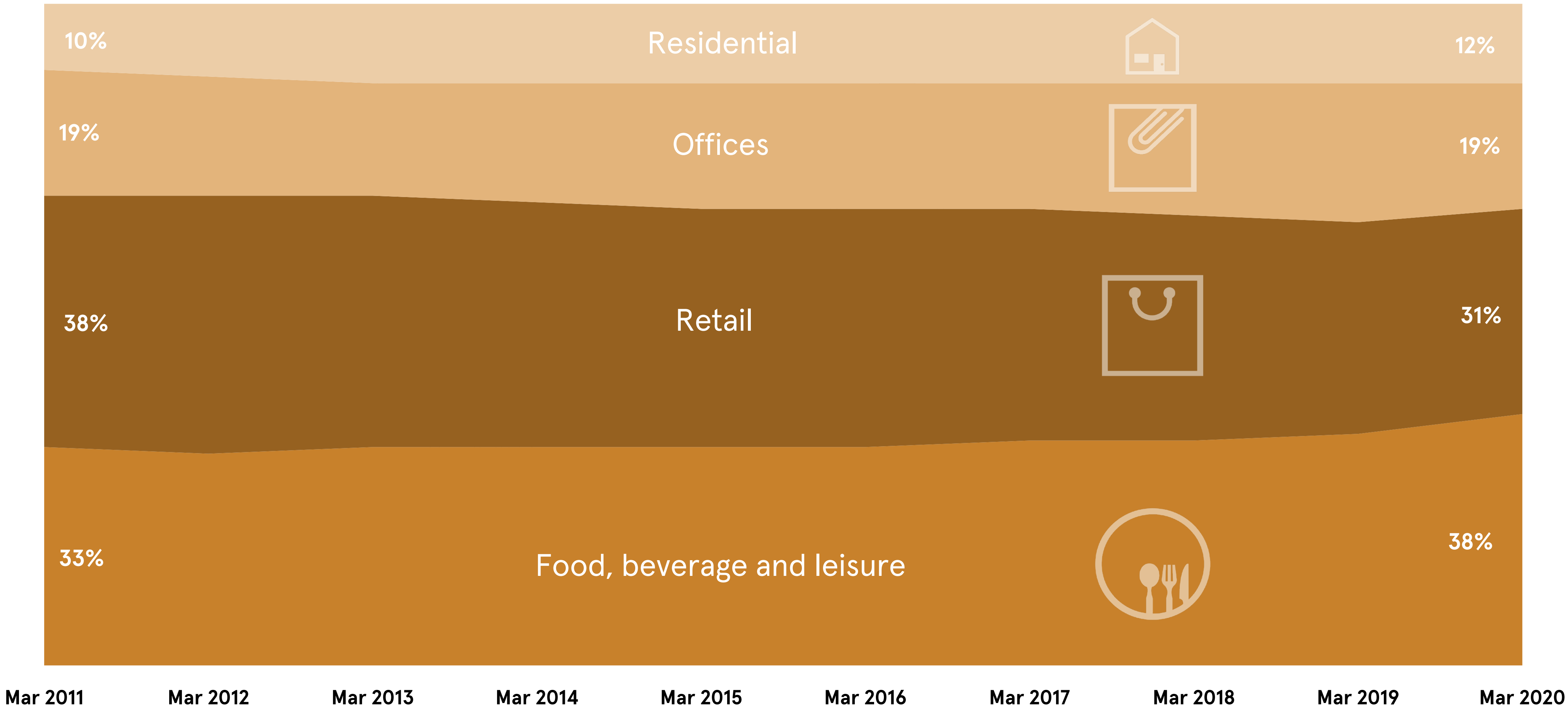
Offices
0.4m
sq. ft.
19% of ERV

Residential
616
0.4m sq. ft.
12% of ERV

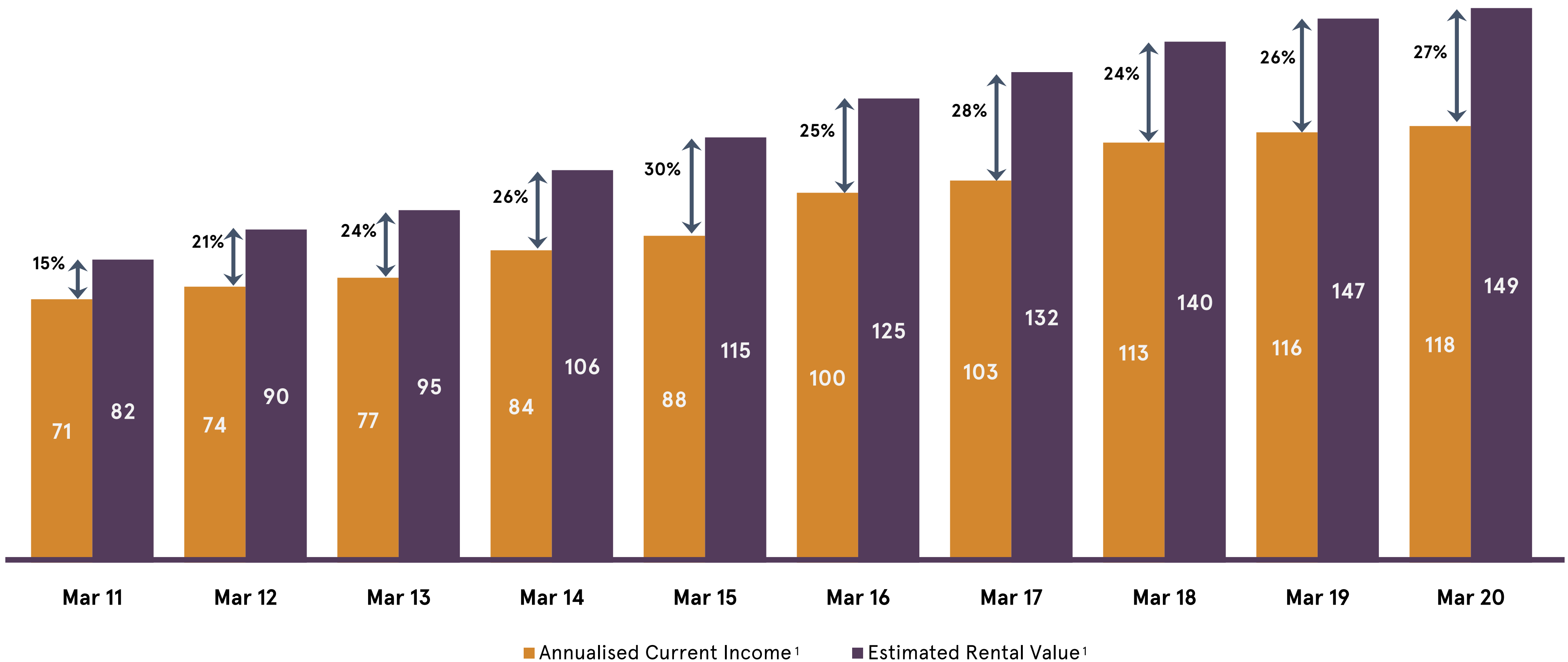
Appendix: 1 Portfolio

Mix of uses (wholly-owned portfolio)

Evolution of uses over time (% of ERV)



Long-term rental growth and conversion into contracted income



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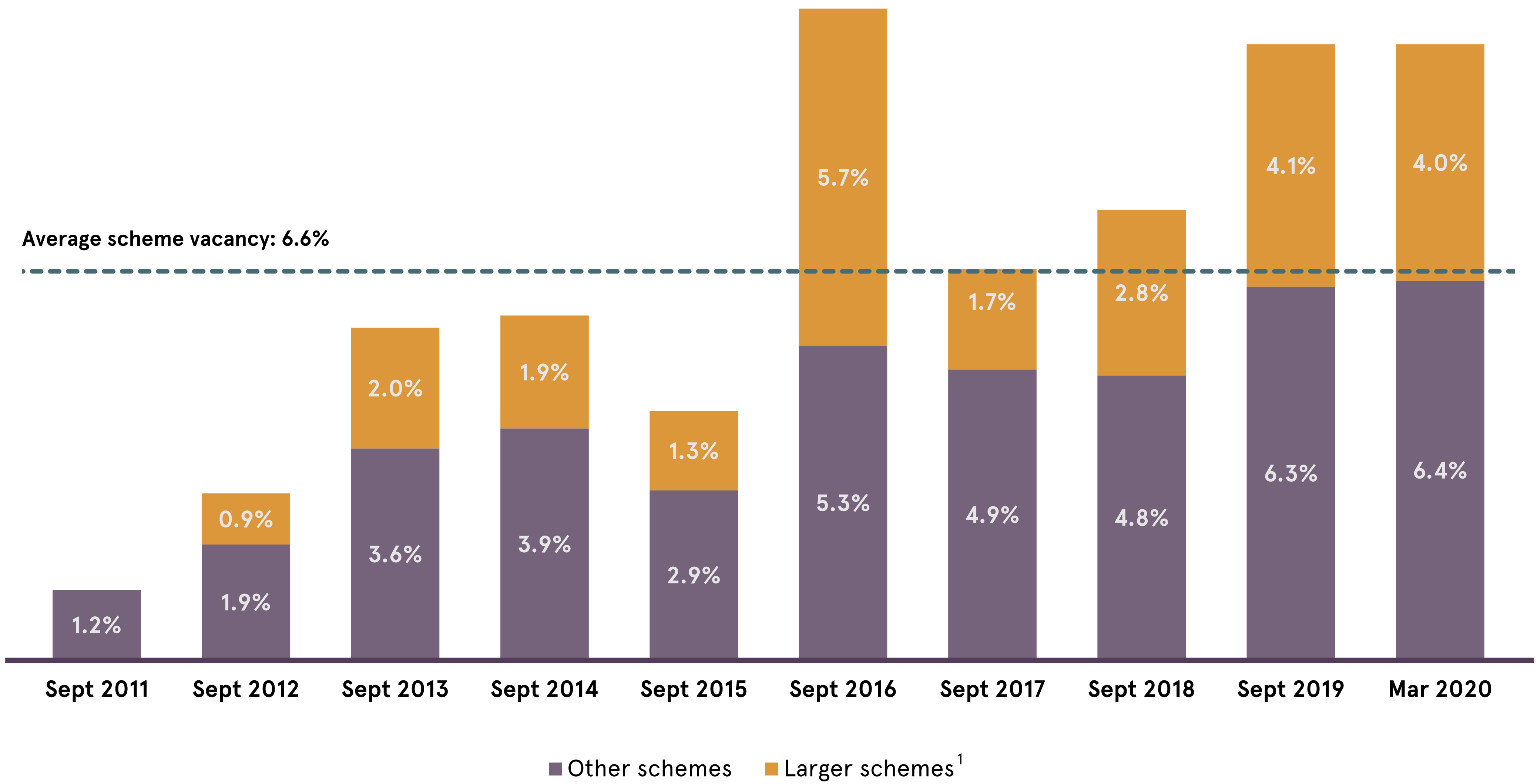
1. Includes acquisitions

Scheme vacancy

	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV Mar 2020	% of total ERV Sept 2019
72 Broadwick St	3.3	0.4	1.6	0.7	**6.0**	4.0%	4.1%
% pre-let /under offer	*75.8%*	-	*100.0%*	-	*68.3%*		
Other schemes	1.9	2.8	4.2	0.7	**9.6**	6.4%	6.3%
% pre-let or under offer	*21.1%*	*3.7%*	-	-	*5.3%*		
Total	**5.2**	**3.2**	**5.8**	**1.4**	**15.6**	**10.4%**	**10.4%**
% pre-let/under offer	*54.7%*	*3.2%*	*27.6%*	-	*29.5%*		
Sq. ft. (000's)							
31.3.20	72	25	82	26	205		
30.9.19	73	27	77	36	213		

10 year scheme vacancy



1. 2012 to 2014: Carnaby Court. 2015: Central Cross. 2016: Central Cross, 57 Broadwick St and Thomas Neal's Warehouse. 2017: 57 Broadwick St. 2018 to 2020: 72 Broadwick St.

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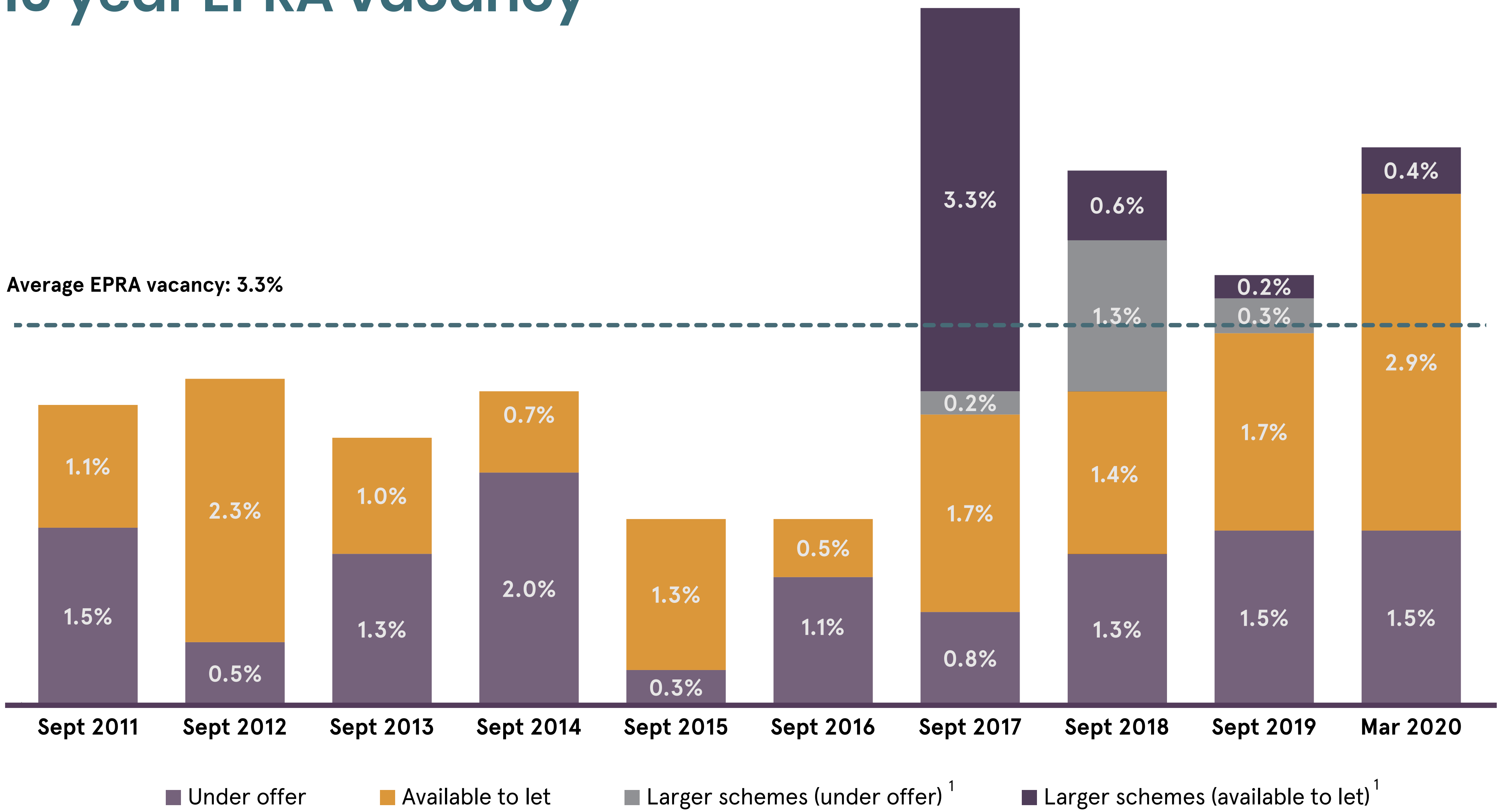
EPRA vacancy

	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV Mar 2020	% of total ERV Sept 2019
Larger schemes[1]							
Under offer	-	-	-	-	**-**	-%	0.3%
Available-to-let	0.4	0.3	-	-	**0.7**	0.4%	0.2%
	0.4	0.3	-	-	**0.7**	0.4%	0.5%
Other vacancy							
Under offer	0.7	0.7	0.3	0.5	**2.2**	1.5%	1.5%
Available-to-let	0.6	2.2	1.1	0.4	**4.3**	2.9%	1.7%
	1.3	2.9	1.4	0.9	**6.5**	4.4%	3.2%
Total							
Under offer	0.7	0.7	0.3	0.5	**2.2**	1.5%	1.8%
Available-to-let	1.0	2.5	1.1	0.4	**5.0**	3.3%	1.9%
	1.7	**3.2**	**1.4**	**0.9**	**7.2**	**4.8%**	**3.7%**
Sq. ft. (000s)							
31.3.20	20	33	24	18	**95**		
30.9.19	16	46	12	1	**75**		

1. 2019 and 2020: Central Cross

10 year EPRA vacancy



1. Larger schemes are Central Cross (2017, 2018, 2019 & 2020) and Thomas Neal's Warehouse (2017 & 2018)

2 Financial

Appendix: 2 Financial

Income and costs

EPRA EARNINGS	Underlying Mar 2020 £m	Covid-19 charges Mar 2020 £m	Reported Mar 2020 £m	Mar 2019 £m	Sept 2019 £m
Rental income	59.9	(3.2)	56.7	58.6	117.3
Property costs	(10.3)	(0.2)	(10.5)	(10.0)	(19.3)
Net property income	**49.6**	**(3.4)**	**46.2**	**48.6**	**98.0**
Admin expenses	(6.5)	-	(6.5)	(7.5)	(15.2)
	43.1	**(3.4)**	**39.7**	**41.1**	**82.8**
Net finance costs	(15.4)	-	(15.4)	(15.2)	(30.5)
Share of Longmartin JV profit before tax[1]	1.3	-	1.3	1.8	2.9
Recurring profit before tax	**29.0**	**(3.4)**	**25.6**	**27.7**	55.2
Share of Longmartin JV current tax	(0.3)	-	(0.3)	(0.4)	(0.6)
EPRA earnings	**28.7**	**(3.4)**	**25.3**	**27.3**	**54.6**

PROPERTY COSTS	Underlying Mar 2020 £m	Covid-19 charges Mar 2020 £m	Reported Mar 2020 £m	Mar 2019 £m	Sept 2019 £m
Operating costs	4.4	-	4.4	3.7	7.3
Vacant property costs	0.9	-	0.9	0.8	2.0
Management fees	1.4	-	1.4	1.4	2.7
Letting costs	1.8	0.2	2.0	1.7	3.4
Village promotion	1.8	-	1.8	2.4	3.9
Property outgoings	**10.3**	**0.2**	**10.5**	**10.0**	**19.3**

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1. After adjusting for revaluation surplus and deferred tax

Reconciliation of IFRS to proportional consolidation

BALANCE SHEET	31 March 2020			30 September 2019		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Investment properties	3,487.1	199.1	3,686.2	3,765.9	213.2	3,979.1
Investment in Longmartin JV	114.5	(114.5)	–	127.6	(127.6)	–
Net debt	(937.3)	(59.3)	(996.6)	(905.8)	(59.4)	(965.2)
Other assets and liabilities	27.4	(25.3)	2.1	19.5	(26.2)	(6.7)
Net assets	**2,691.7**	**-**	**2,691.7**	**3,007.2**	**-**	**3,007.2**

INCOME STATEMENT	Mar 2020			Mar 2019			Sept 2019		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Net property income	**46.2**	**3.1**	**49.3**	**48.6**	**3.5**	**52.1**	**98.0**	**6.4**	**104.4**
Admin costs	(6.5)	(0.1)	(6.6)	(7.5)	(0.1)	(7.6)	(15.2)	(0.1)	(15.3)
Profit on disposal	0.2	–	0.2	2.8	–	2.8	2.8	–	2.8
Revaluation surplus/(deficit)	(300.4)	(15.1)	(315.5)	16.2	(9.0)	7.2	(15.3)	(19.2)	(34.5)
Operating profit	**(260.5)**	**(12.1)**	**(272.6)**	**60.1**	**(5.6)**	**54.5**	**70.3**	**(12.9)**	**57.4**
Net finance costs	(15.4)	(1.8)	(17.2)	(15.2)	(1.7)	(16.9)	(30.5)	(3.4)	(33.9)
Share of Longmartin post-tax loss	(11.7)	11.7	–	(6.2)	6.2	–	(13.8)	13.8	–
Profit before tax	**(287.6)**	**(2.2)**	**289.8**	**38.7**	**(1.1)**	**37.6**	**26.0**	**(2.5)**	**23.5**
Tax	–	2.2	2.2	–	1.1	1.1	–	2.5	2.5
Profit after tax	**(287.6)**	**-**	**(287.6)**	**38.7**	**-**	**38.7**	**26.0**	**-**	**26.0**

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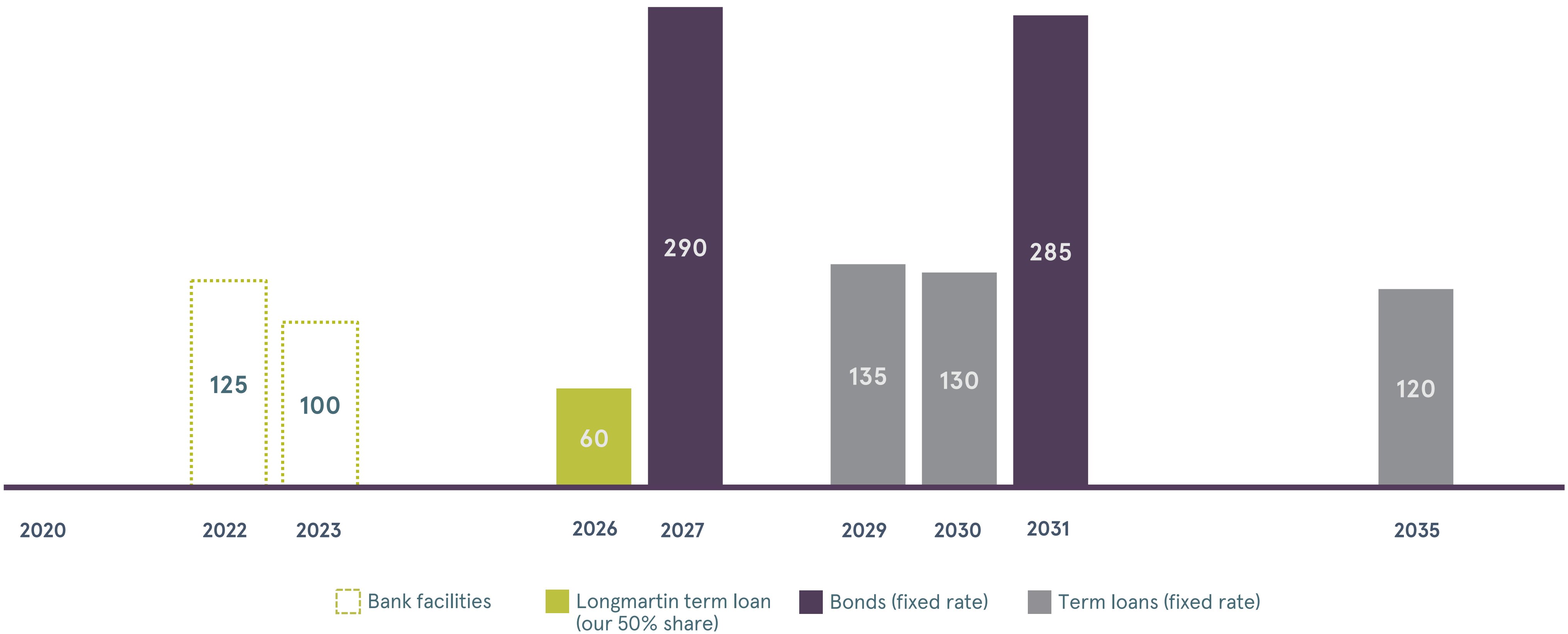
Appendix: 2 Financial

EPRA net asset measures

	31 March 2020				
	Existing measures		New measures		
	EPRA NAV £m	EPRA NNNAV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS net tangible assets	2,691.7	2,691.7	2,691.7	2,691.7	2,691.7
Dilutive effect of share options	0.4	0.4	0.4	0.4	0.4
Joint venture deferred tax	11.1	-	11.1	11.1	-
Excess of fair value over book value	-	(17.4)	-	-	(17.4)
Investment property purchaser's costs	-	-	248.7	-	-
Total	2,703.2	2,674.7	2,951.9	2,703.2	2,674.7
Number of shares (m)	307.8	307.8	307.8	307.8	307.8
Diluted net assets per share (£)	**8.78**	**8.69**	**9.59**	**8.78**	**8.69**

	30 September 2019				
	Existing measures		New measures		
	EPRA NAV £m	EPRA NNNAV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS net tangible assets	3,007.2	3,007.2	3,007.2	3,007.2	3,007.2
Dilutive effect of share options	0.5	0.5	0.5	0.5	0.5
Joint venture deferred tax	13.6	-	13.6	13.6	-
Excess of fair value over book value	-	(93.7)	-	-	(93.7)
Investment property purchaser's costs	-	-	272.9	-	-
Total	3,021.3	2,914.0	3,294.2	3,021.3	2,914.0
Number of shares (m)	307.7	307.7	307.7	307.7	307.7
Diluted net assets per share (£)	**9.82**	**9.47**	**10.71**	**9.82**	**9.47**

Debt maturity profile
Weighted average maturity: 8.8 years[1]



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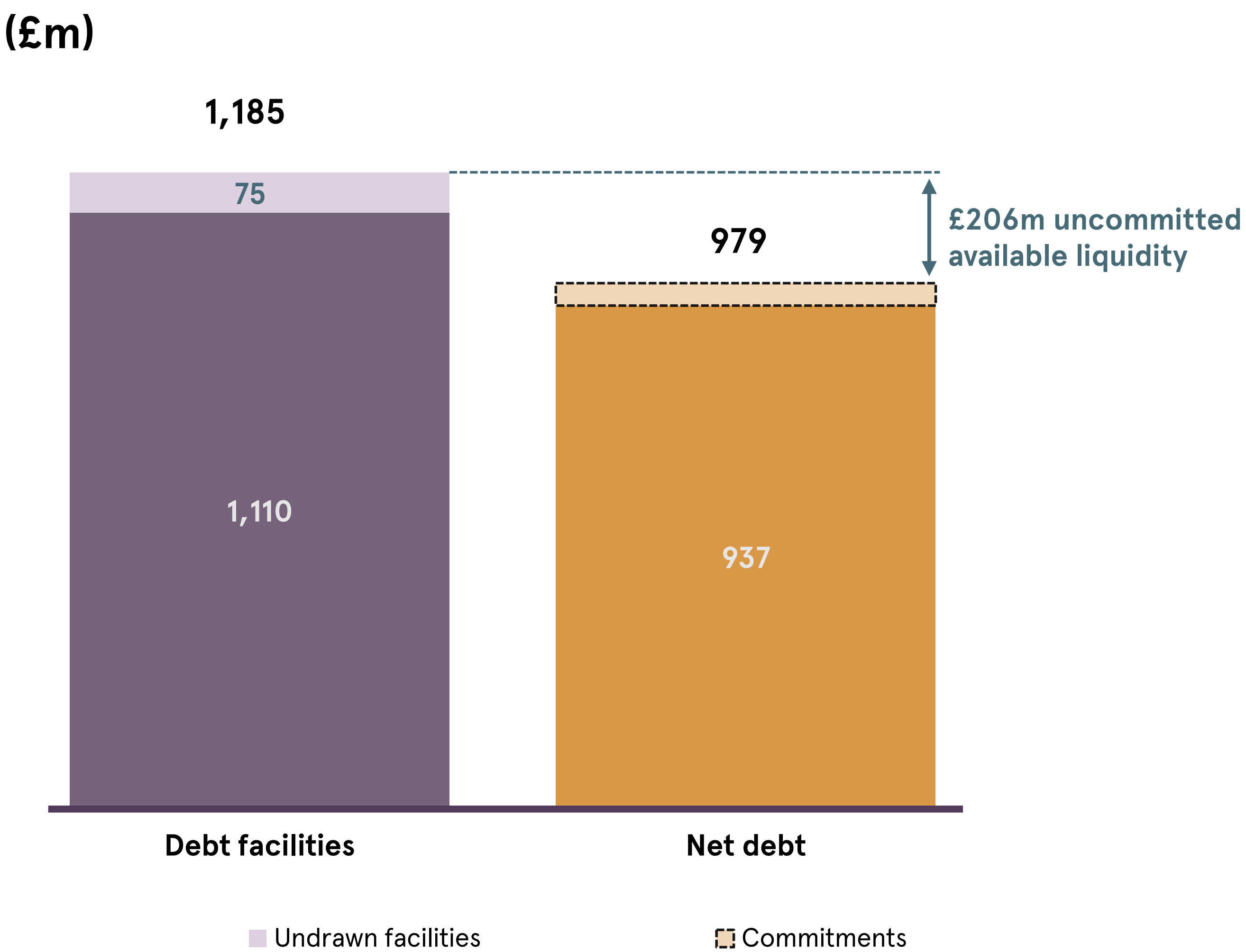
1. Excluding Longmartin non-recourse debt

Debt summary



Available liquidity
£206m

Loan-to-value[1]
26.7%

Weighted average debt maturity
8.8 years

Blended cost of debt[2]
2.9%

1. Based on net debt
2. Including non-utilisation fees on undrawn bank facilities

Appendix: 2 Financial

Debt covenants

INTEREST COVER	Frequency of testing	Summary of measure	Min	Comments
Bonds	Half yearly	Net property income of specifically secured assets, adjusted to exclude certain costs, to gross interest payable under the bonds.	1.25x	Calculation is based on the annualised income accruing at the testing date, or due to accrue within three months. Security top-up required if ICR falls below 1.15x
Term loans	Quarterly	Net property income of specifically secured assets, adjusted to exclude certain costs, to gross interest payable under the loans.	1.4x – 1.5x	3-month backward looking test based on actual receipts. 12-month projected test. Cure rights available.
Revolving credit facilities	Quarterly	Consolidated net rental income plus dividends from joint ventures to consolidated net interest.	1.5x	Based on Group half year and full year reported information, and management accounts in the interim quarters. Cure rights available.

LOAN TO VALUE	Frequency of testing	Summary of measure	Min	Comments
Bonds	Half yearly	Nominal value of bonds to valuation of specifically secured assets.	60%	Security top-up required if LTV exceeds 66.67%.
Term loans	Quarterly	Debt to valuation of specifically secured assets.	60% - 70%	Cure rights available. Cash waterfall applies if LTV > 65%.
Revolving credit facilities	Quarterly	Amounts drawn to valuation of specifically secured assets.	66.67%	Cure rights available.

3 Valuation

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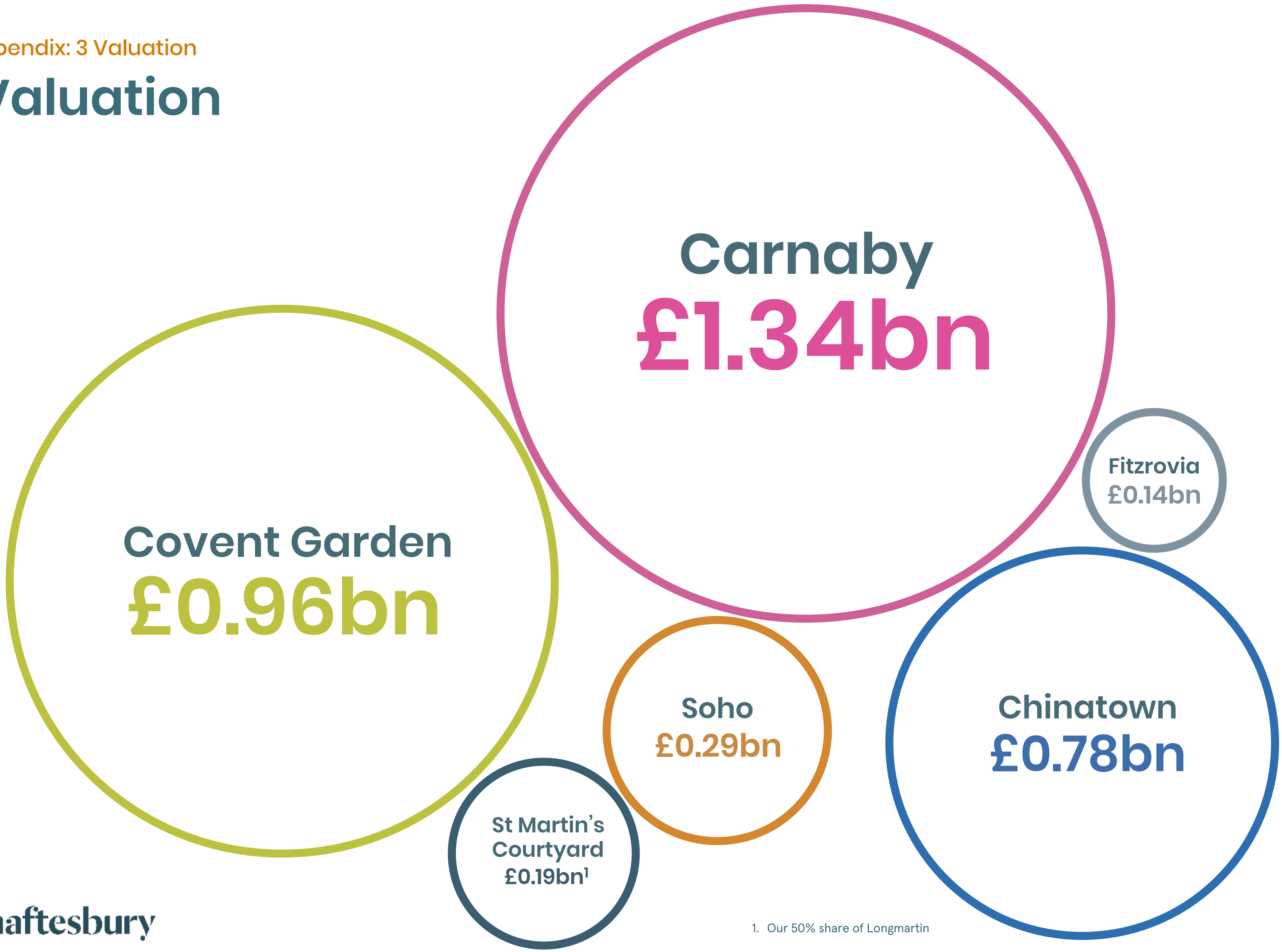
Valuation



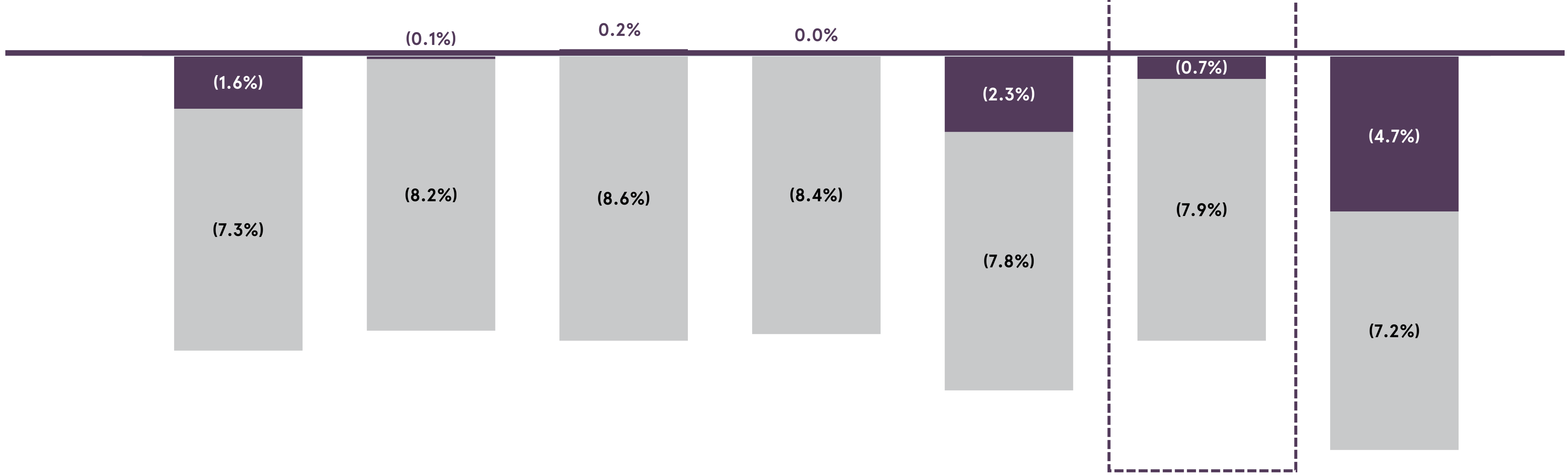
1. Our 50% share of Longmartin

Valuation summary

	Fair value £m	% of portfolio	Annualised current income £m	ERV £m
Carnaby	1,342.0	38%	43.8	61.1
Covent Garden	956.6	28%	31.8	38.6
Chinatown	776.8	22%	26.2	31.8
Soho	288.3	8%	11.0	12.0
Fitzrovia	141.2	4%	4.9	6.0
Wholly-owned portfolio	**3,504.9**	**100%**	**117.7**	**149.5**
Longmartin joint venture (our 50%)	195.0		7.7	9.6

L-f-L change in capital values

	Carnaby	Covent Garden	Chinatown	Soho	Fitzrovia	Wholly-owned	Longmartin
5 year CAGR	+3.6%	+2.6%	+2.6%	+5.4%	+3.1%	+3.2%	-1.2%
12 month	-8.7%	-8.3%	-8.4%	-8.4%	-9.9%	-8.6%	-12.0%



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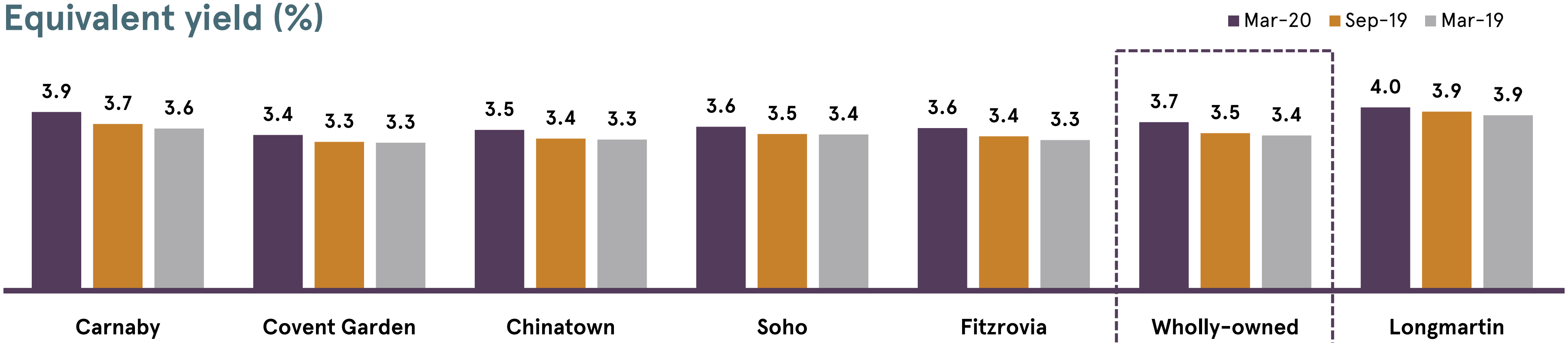
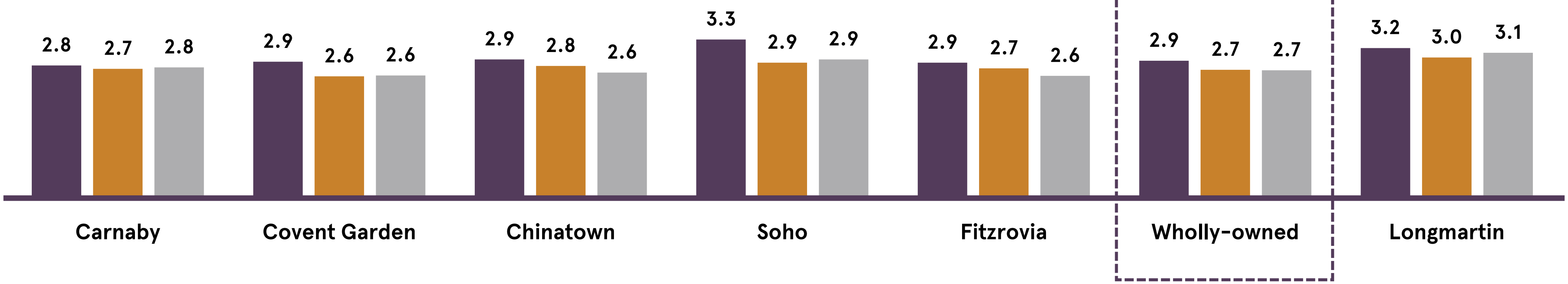
Appendix: 3 Valuation

Yields

Equivalent yield (%)



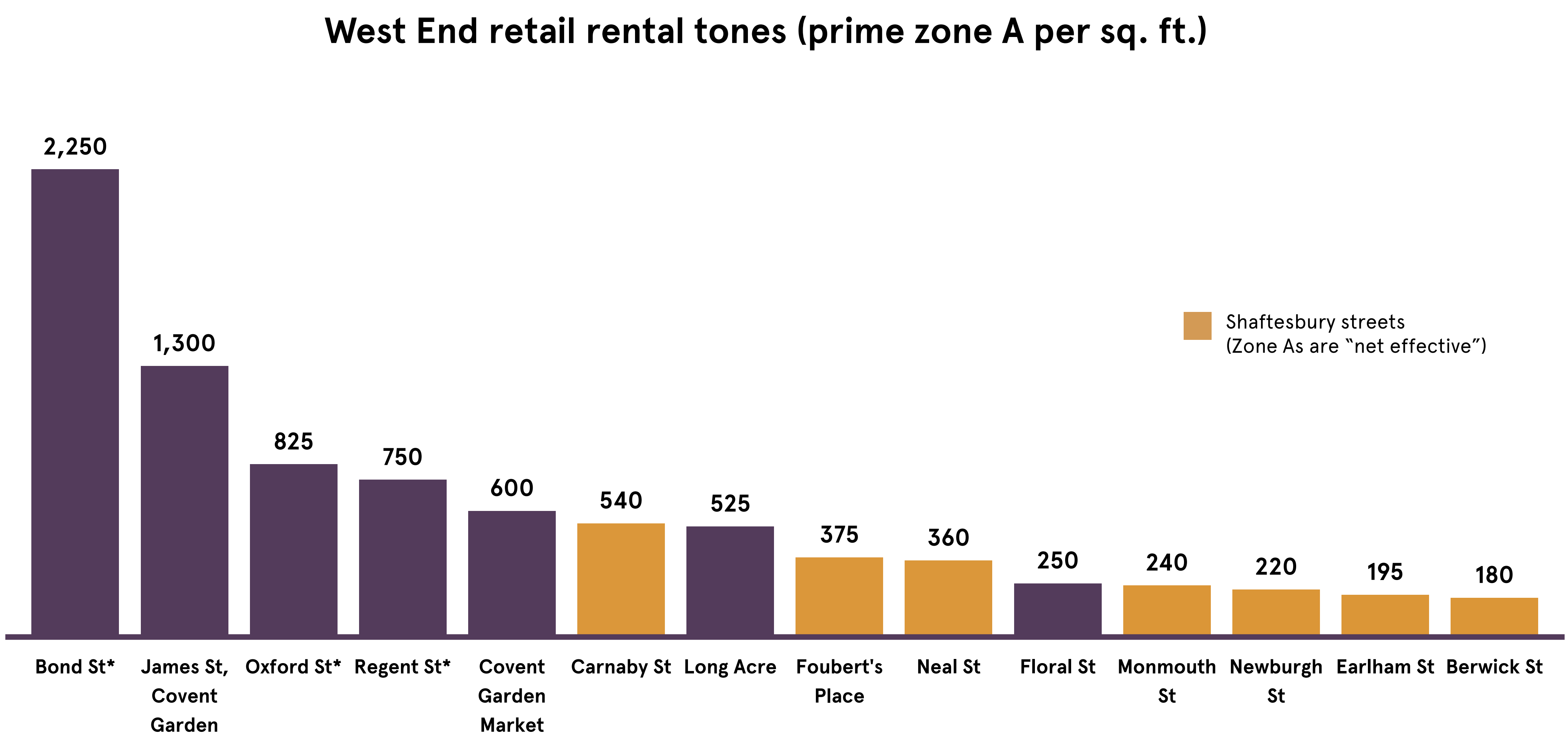
Initial yield (%)



Portfolio reversion by use

	Food, beverage and leisure £m	Retail £m	Office £m	Residential £m	Wholly-owned £m	Longmartin £m
Annualised current income	**47.1**	**35.8**	**18.7**	**16.1**	**117.7**	**7.7**
Vacancy						
- Under offer/available-to-let	1.7	3.2	1.4	0.9	7.2	1.0
- 72 Broadwick Street	3.4	0.4	1.5	0.7	6.0	-
- Other schemes	1.9	2.8	4.2	0.7	9.6	0.3
	54.0	42.3	25.8	18.4	140.5	9.0
Contracted (rent frees, stepped rents)	1.4	2.3	-	-	3.7	0.8
Under-rented	1.2	1.8	2.1	0.2	5.3	(0.2)
ERV	**56.6**	**46.4**	**27.9**	**18.6**	**149.5**	**9.6**

West End retail tones



Source: Cushman & Wakefield, published information and company data

* Based on 30 ft. zones

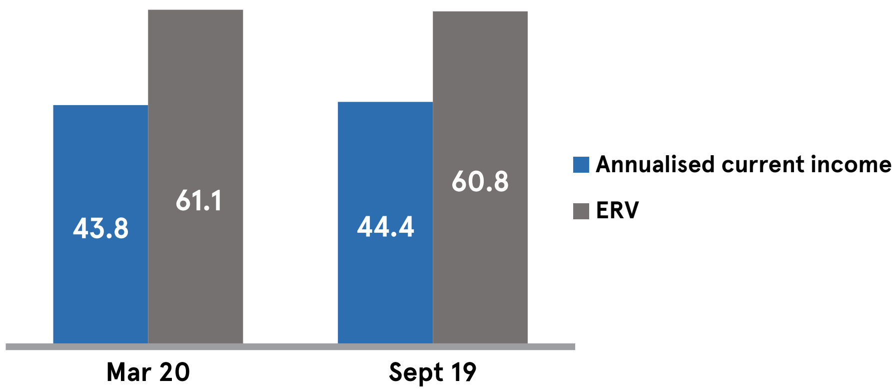
4 Village Summaries

Appendix: 4 Village Summaries

Carnaby – in numbers

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£1,342.0m**	£1,435.3m	£1,435.3m
Acquisitions	**-**	£17.9m	-
Capital expenditure	**£8.9m**	£14.0m	£5.9m
Capital value return (L-f-L)	**-7.3%**	-1.3%	+0.3%
Equivalent yield	**3.9%**	3.7%	3.6%
Reversion	**£17.3m**	£16.4m	£13.9m

REVERSION (£m)



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38%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
24%	39%	31%	6%
168,000 sq. ft.	172,000 sq. ft.	274,000 sq. ft.	66,000 sq. ft.

carnaby.co.uk

follow carnabylondon

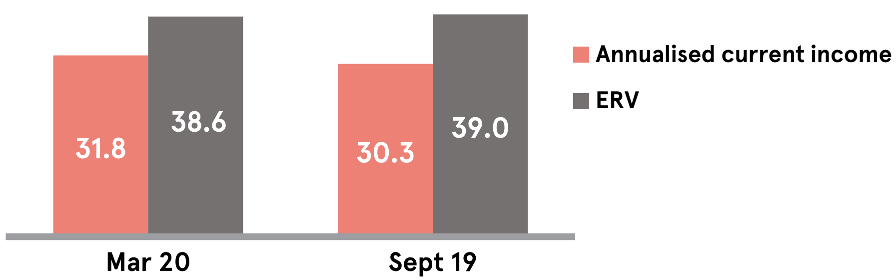
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Covent Garden – in numbers

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£956.6m**	£1,036.5m	£1,018.6m
Acquisitions	**-**	£20.0m	£3.0m
Capital expenditure	**£5.3m**	£4.7m	£1.8m
Capital value return (L-f-L)	**-8.2%**	-0.1%	+0.0%
Equivalent yield	**3.4%**	3.3%	3.3%
Reversion	**£6.8m**	£8.7m	£8.0m

REVERSION (£m)



Shaftesbury

28%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
37%	31%	14%	18%
201,000 sq. ft.	131,000 sq. ft.	89,000 sq. ft.	137,000 sq. ft.

sevendials.co.uk

follow 7dialslondon

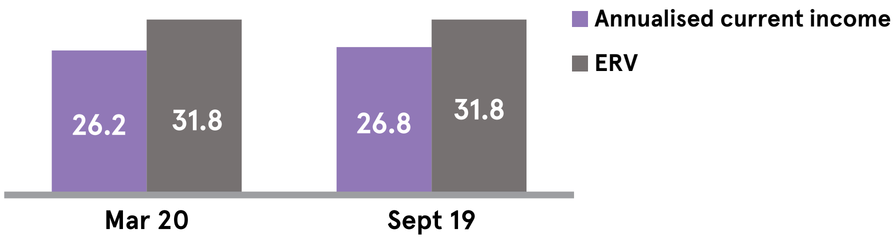
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Chinatown – in numbers

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£776.8m**	£843.9m	£837.5
Acquisitions	**-**	-	-
Disposals	**-**	£9.1m	£9.1m
Capital expenditure	**£5.7m**	£8.9m	£4.2m
Capital value return (L-f-L)	**-8.6%**	+0.8%	+0.6%
Equivalent yield	**3.5%**	3.4%	3.3%
Reversion	**£5.6m**	£5.0m	£5.7m

REVERSION (£m)



Shaftesbury

22%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
63%	20%	3%	14%
213,000 sq. ft.	79,000 sq. ft.	26,000 sq. ft.	101,000 sq. ft.

chinatown.co.uk

follow chinatownlondon

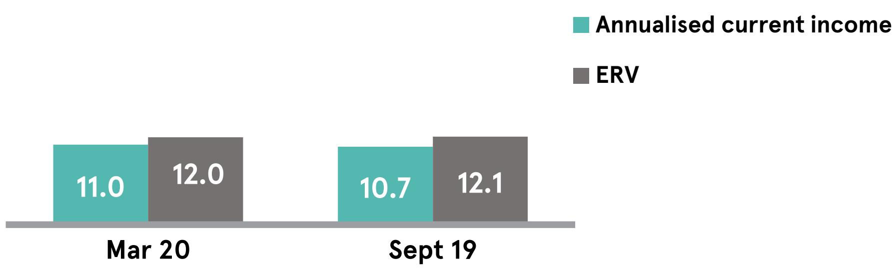
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Soho – in numbers

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£288.3m**	£314.1m	£313.8m
Acquisitions	**-**	£3.5m	£3.5m
Capital expenditure	**£0.7m**	£1.2m	£0.9m
Capital value return (L-f-L)	**-8.4%**	+3.1%	+3.1%
Equivalent yield	**3.6%**	3.5%	3.4%
Reversion	**£1.0m**	£1.4m	£1.8m

REVERSION (£m)



Shaftesbury

8%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
39%	28%	18%	15%
63,000 sq. ft.	45,000 sq. ft.	40,000 sq. ft.	37,000 sq. ft.

thisissoho.co.uk

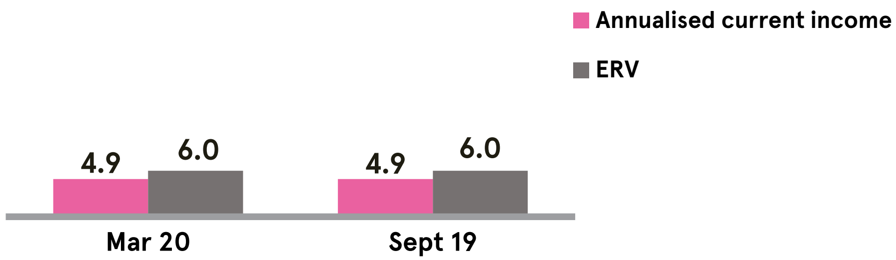
follow thisissoho

1. By value; wholly owned portfolio

Fitzrovia – in numbers

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£141.2m**	£152.0m	£154.0m
Acquisitions	**-**	£5.6m	£5.6m
Capital expenditure	**£1.0m**	£2.1m	£0.7m
Capital value return (L-f-L)	**-7.8%**	-2.4%	-0.1%
Equivalent yield	**3.6%**	3.4%	3.3%
Reversion	**£1.1m**	£1.1m	£1.2m

REVERSION (£m)



Shaftesbury

4%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
50%	16%	8%	26%
51,000 sq. ft.	16,000 sq. ft.	10,000 sq. ft.	27,000 sq. ft.

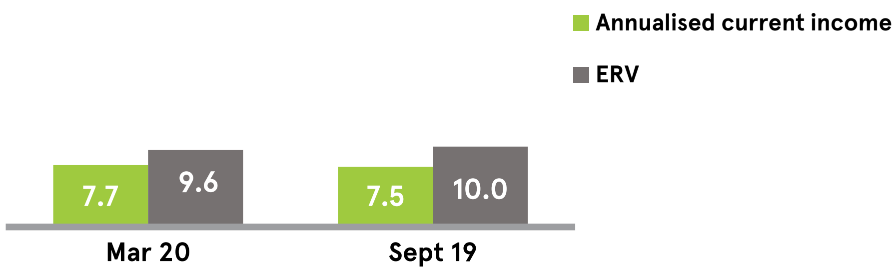
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Longmartin – in numbers[1]

	Mar 2020	Sept 2019	Mar 2019
Valuation	**£195.0m**	£209.0m	£217.9m
Capital expenditure	**£1.0m**	£3.7m	£2.2m
Capital value return (L-f-L)	**-7.2%**	-8.5%	-4.0%
Equivalent yield	**4.0%**	3.9%	3.9%
Reversion	**£1.9m**	£2.5m	£2.0m

REVERSION (£m)



Shaftesbury

£195.0m

Food, beverage and leisure	Retail	Offices	Residential
19%	28%	39%	14%
46,000 sq. ft.	64,000 sq. ft.	102,000 sq. ft.	55,000 sq. ft.

theyardscoventgarden.co.uk

follow theyardscoventgarden

1. All numbers except square footage represent our 50% share

5 Other

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Principal risks

Reduction in spending and/or footfall in our areas

▪ Potential causes

- Fall in the popularity of the West End and particularly our areas leading to decreasing visitor numbers.
- Changes in consumer tastes, habits and spending power.
- Health pandemics.
- Terrorism or the threat of terrorism.
- Competing destinations.

▪ Consequences

- Reduced tenant profitability/increased occupier financial distress.
- Reduced occupier demand.
- Higher vacancy.
- Reduced rental income and declining earnings.
- Reduced ERV, capital values and NAV (amplified by gearing).
- Risk of loan covenant breaches.

▪ Commentary

The collapse in West End footfall, evident from early February in Chinatown, and then widely across the West End from mid-March, had an immediate impact on the trading and cash flow of our 607 shops, restaurants, cafés, pubs and bars, materially reducing the collection of rents in advance due on the March quarter day. Many of our smaller office occupiers were similarly affected, and we saw an increase in vacancy in our rental apartments, as overseas tenants returned to their countries of origin.

Rent collections have reduced materially. The new "normal" following Covid-19, including how people choose to work and shop, could reduce footfall and spending in the short term. We will continue to adapt our portfolio to meet occupier requirements.

Changes in regulatory environment

▪ Potential causes

- Unfavourable changes to national or local planning and licensing policies.
- Tenants acting outside of planning/licensing consents.
- Growing complexity and level of sustainability regulation.
- Increased stakeholder focus on ESG.
- Increased regulation/guidance in respect of social distancing both within our portfolio and in connection with domestic and international travel.

▪ Consequences

- Ability to maximise the growth prospects of our assets limited.
- Reduced tenant profitability/increased occupier financial distress.
- Reduced occupier demand.
- Increased costs.
- Reduced earnings.
- Decrease in property values and NAV (amplified by gearing).
- Reduction of spending/footfall in our areas.

▪ Commentary

We have recently recruited a Head of Sustainability whose focus is to ensure we continue to develop and implement our long-term sustainability strategy and our already extensive community engagement.

For increased regulation/guidance on social distancing, see comments on the new "normal" (left).

Principal risks (continued)

Macroeconomic factors

Potential causes

- Unforeseen macroeconomic shocks or events.
- Uncertainty on the terms of Brexit.
- Upward cost pressures.

Consequences

- Lower consumer confidence.
- Reduced visitor numbers.
- Lower availability of labour, occupier supply chain disruption and higher import costs.
- Reduced tenant profitability/increased occupier financial distress.
- Reduced occupier demand.
- Pressure on rents.
- Higher vacancy.
- Reduced rental income and declining earnings.
- Reduced ERV, capital values and NAV (amplified by gearing).
- Risk of loan covenant breaches.

Commentary

Uncertainty prevailed in the lead up to the UK General Election in December, although risk reduced after, once there was greater certainty over the political landscape. Despite this, the terms of Brexit remain to be agreed.

Covid-19 has resulted in increased macroeconomic risk. We have seen a reduction in asset valuations and operating cash inflow. Our balance sheet remains strong. We have significant levels of liquidity and we are taking actions to secure continued support from our lenders. We expect continued uncertainty over the coming months and it is possible that the UK will go into recession, which would have a further negative impact.

Decline in the UK real estate market

Potential causes

- Changes to global political landscape.
- Increasing bond yields and cost of finance.
- Reduced availability of capital and finance.
- Lower relative attractiveness of property compared with other asset classes.
- Changing overseas investor perception of UK real estate.

Consequences

- Reduced property values.
- Decrease in NAV (amplified by gearing).
- Risk of loan covenant breaches.
- Ability to raise new debt funding curtailed.

Commentary

As for Macroeconomic factors (left).

Emerging/increasing risks

- Impact of climate change.
- Failure to anticipate or understand changes in consumer and occupier trends in food, beverage and retail.
- Failure to effectively use, store and manage data.
- Failure to meet stakeholder ESG expectations.
- Developing and retaining talented people.

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This presentation may contain certain “forward-looking statements” with respect to Shaftesbury PLC (the Company) and the Group’s financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “due”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans”, “targets”, “goal” or “estimates” or, in each case, their negative or other variations or comparable terminology.

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