2020 Results

Investor and Analyst Presentation

Shaftesbury

Agenda

1 **Introduction**
Brian Bickell

2 **Results & Finance**
Chris Ward

3 **2021 & Beyond**
Brian Bickell

4 **Sustainability**
Brian Bickell

5 **Outlook**
Brian Bickell

6 **Q&A**
Brian Bickell
Chris Ward
Simon Quayle
Tom Welton

Email address for webcast participants' questions: brian.bickell@shaftesbury.co.uk

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

Iconic villages

1. % of combined portfolio valuation

In normal times

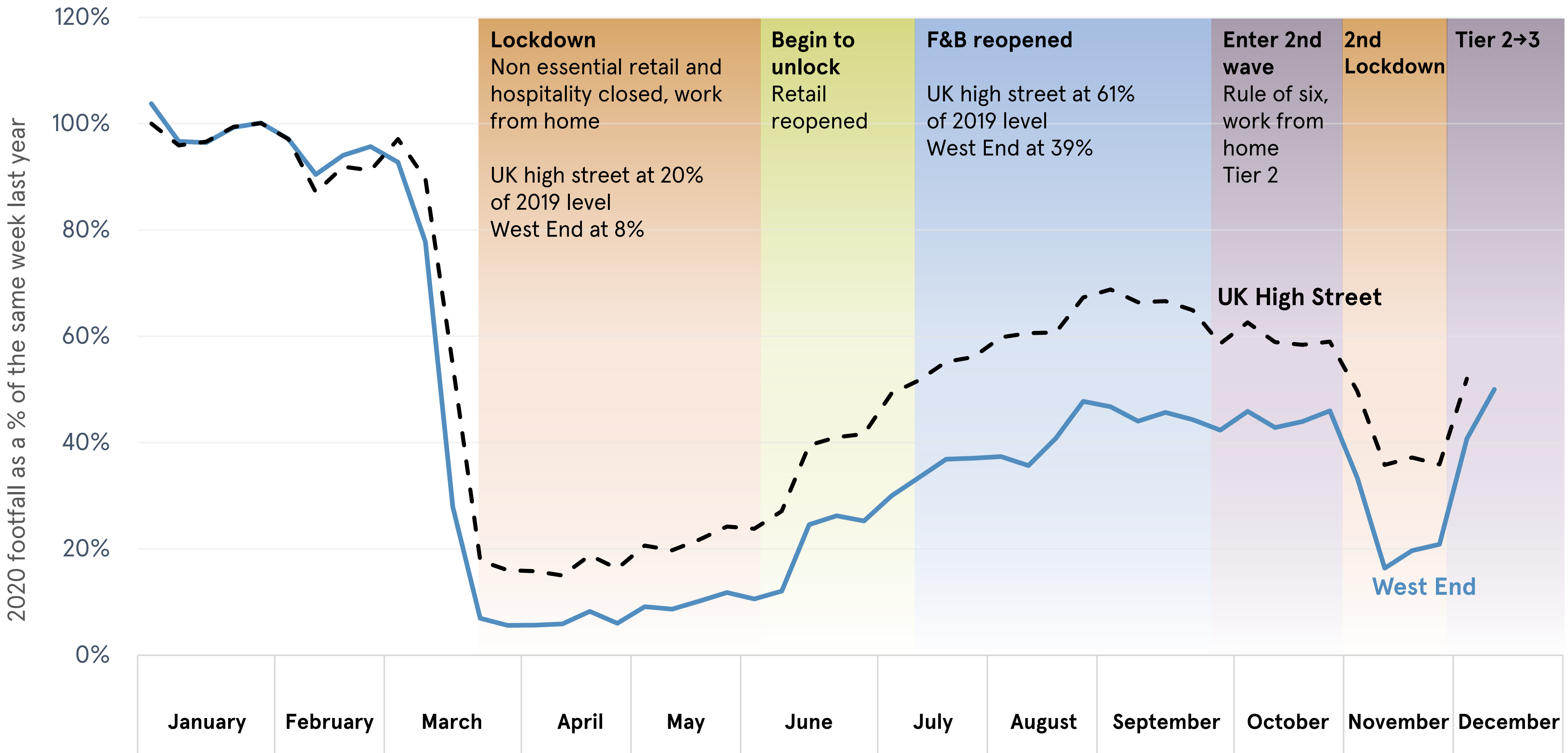
c. 754,000
working population in the City of Westminster

>200 million
passengers use the six Underground stations closest to our villages

>3%
City of Westminster contribution to UK GVA

>200 million
annual visits to the West End

Covid-19 impact on West End footfall



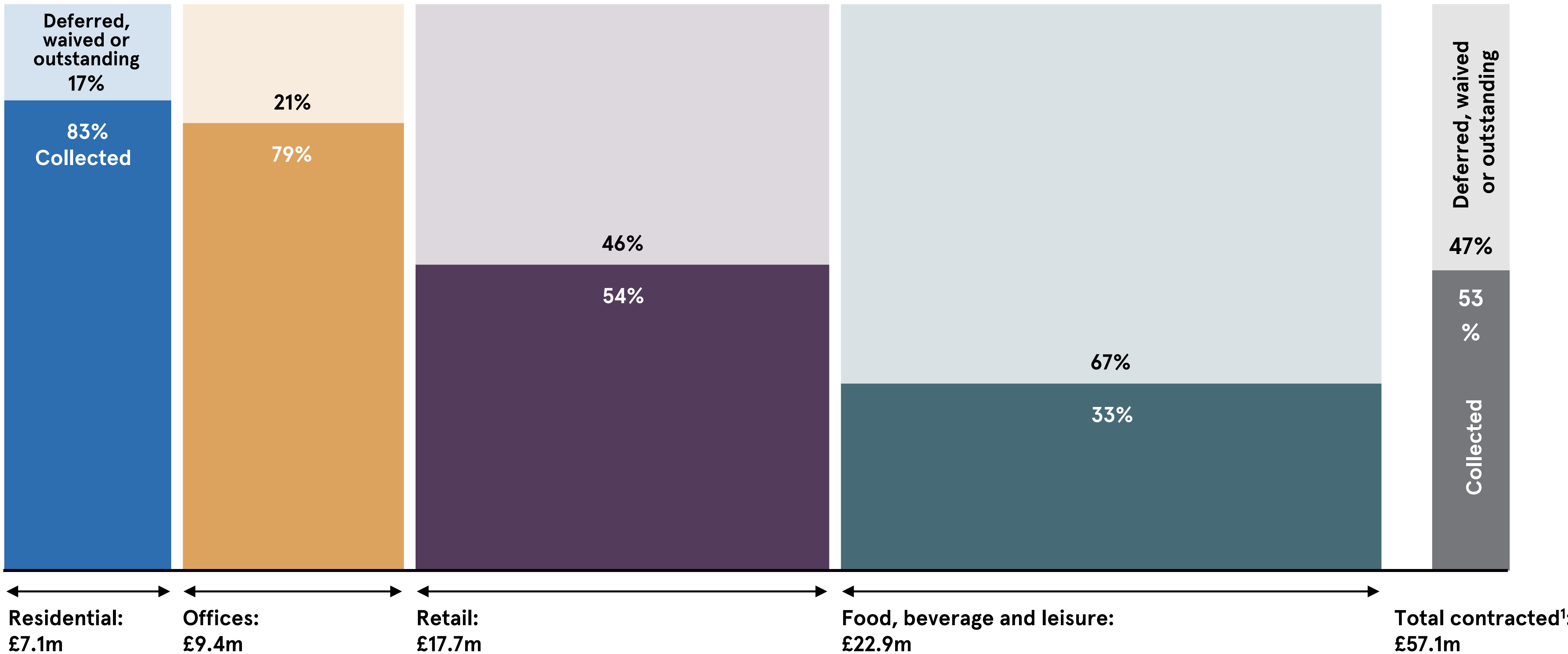
Source: New West End Company

Results & Finance

Chris Ward

Rent Collection

53% of rents collected for the 6 months to 30 September



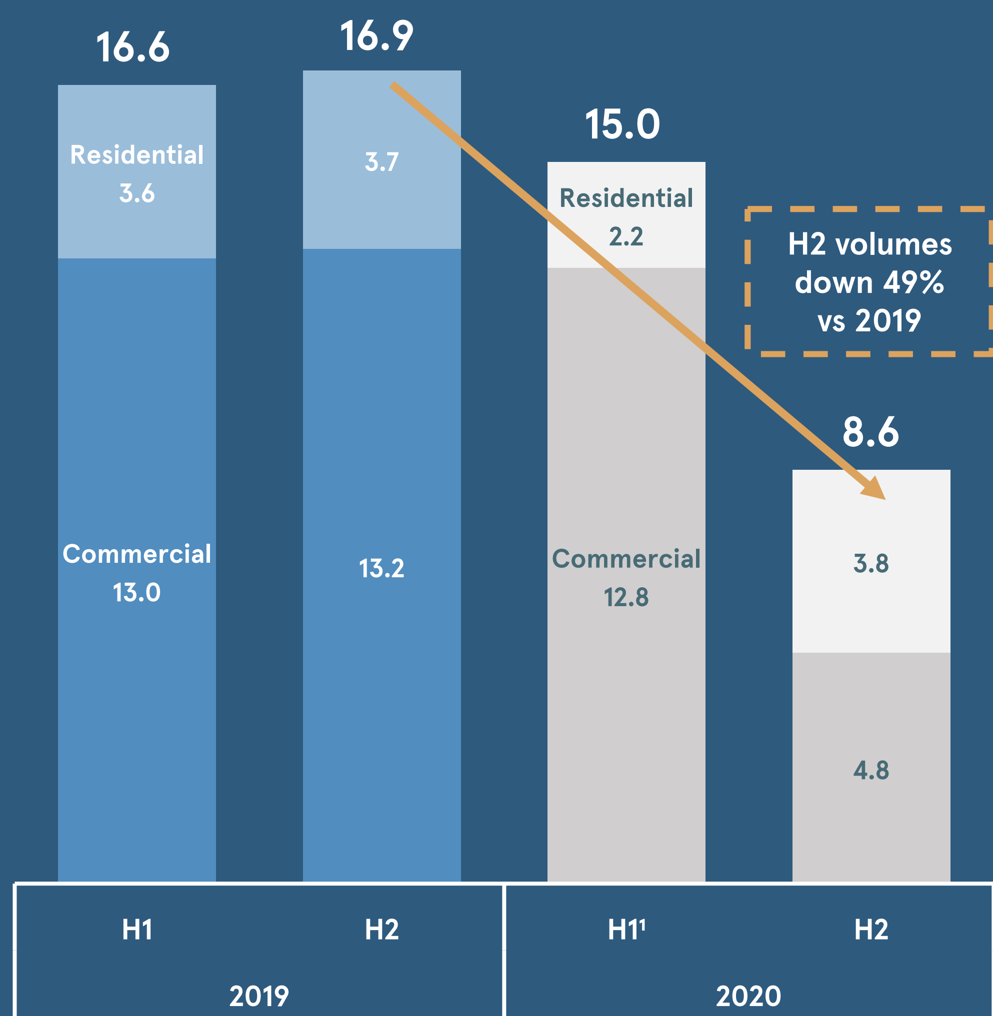
1. For the 6 months to 30 September 2020

Note: Width of columns is contracted rent in the 6 months to 30 September 2020
Collection % as at 30 November 2020

Letting activity
Significant decrease in leasing volume due to Covid-19

- **Business confidence affected by pandemic and outlook for economy and consumer spending**
- **Leasing activity affected since February 2020**
- **Decrease in commercial leasing activity particularly noticeable in H2**
  - Lettings and renewals: £2.1m
  - Rent reviews: £2.7m

Leasing volume (£m)



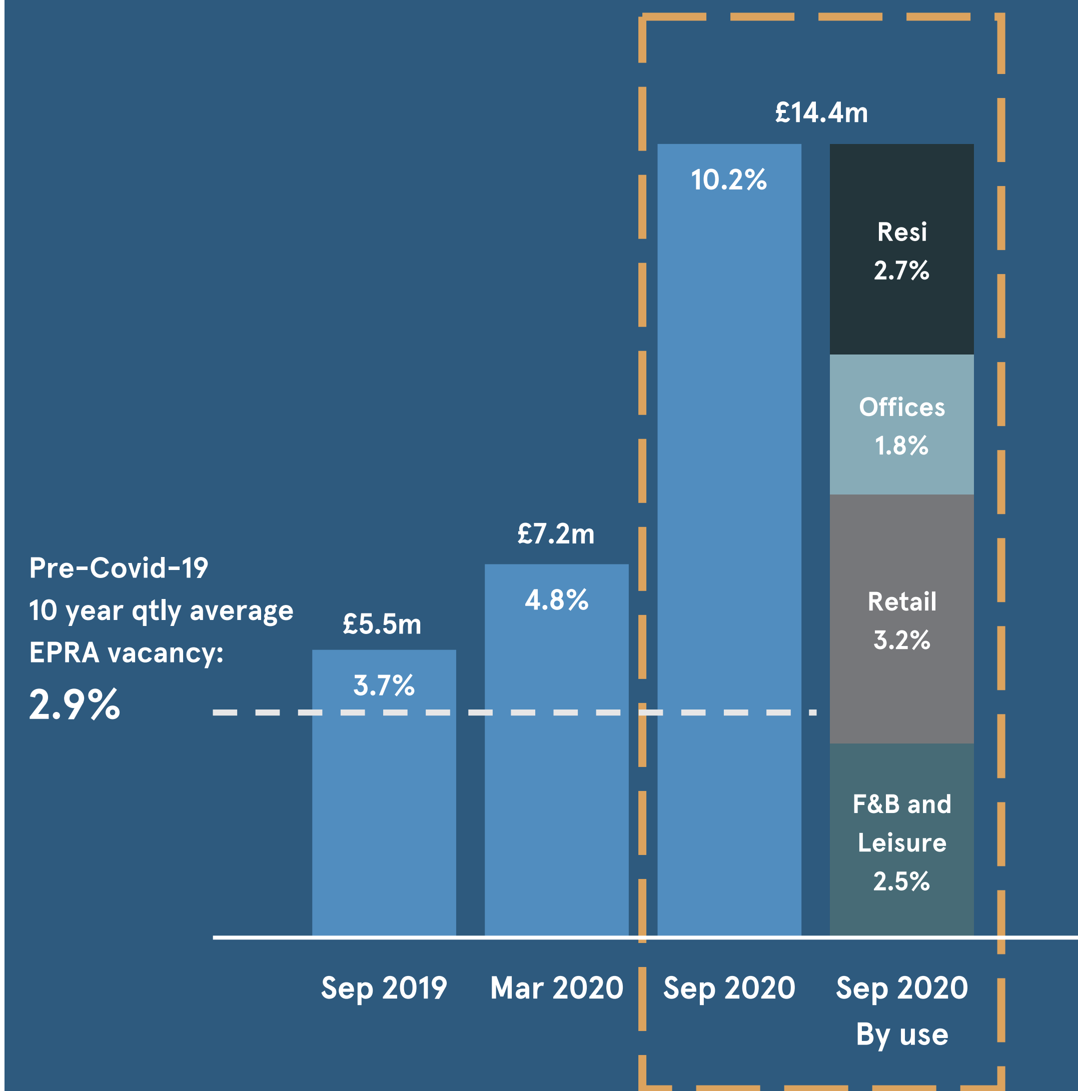
1. 2020 includes £2.5m pre-let to Equinox at 72 Broadwick in December 2019

EPRA vacancy

Unprecedented availability of space across the West End

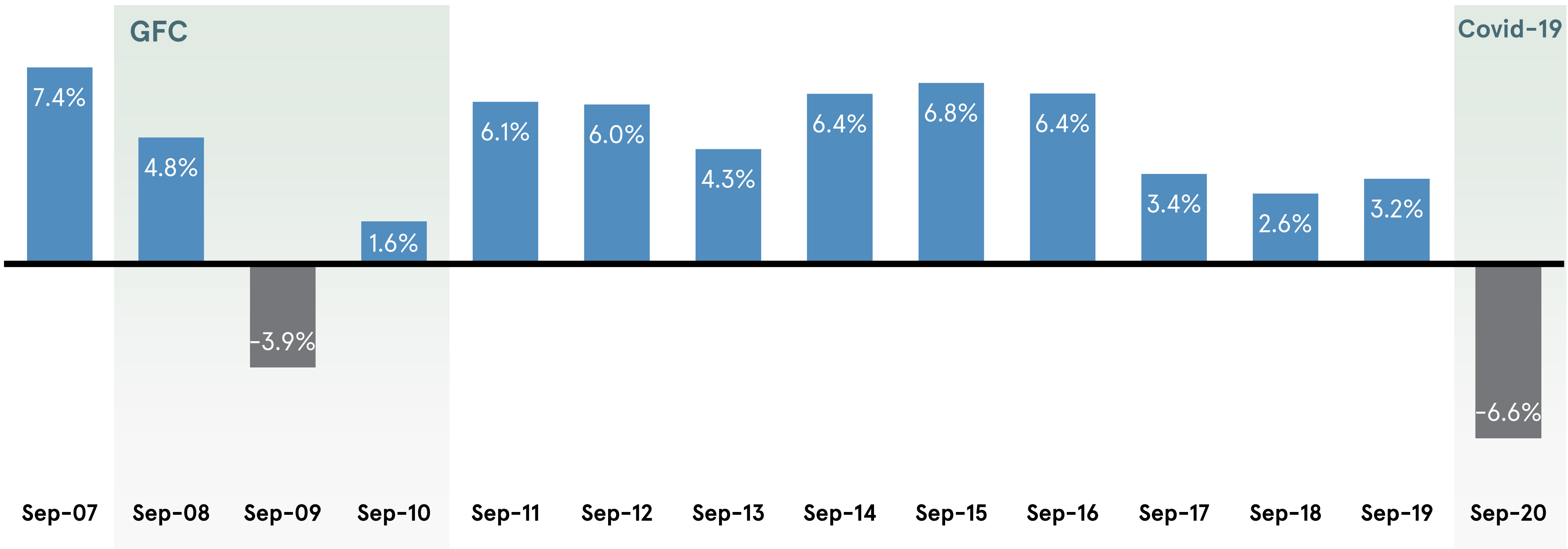
- **Vacancy at 30 September: £14.4m, 10.2% (+6.5% Y-o-Y)**
  - Majority of the increase in vacancy in H2
  - Affected all uses
  - Reduced near-term occupier demand and letting activity
  - Completion of schemes
  - Space handed back by commercial tenants
  - Exceptional increase in vacant apartments
    - 137 apartments
    - Overseas occupiers returned home
    - Near-term availability of flats to let across the West End

Covid-19 impact: vacancy +7.3%
vs 10 year average



History of resilience and growth in ERVs

12 month L-f-L ERV Growth



- **LfL decline: 6.6%**
  - Impact of reduced footfall: F&B and retail occupiers suffering operational and financial challenges
  - Near-term availability of space in West End exceeds current occupier demand

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All data relates to the wholly owned portfolio

Headlines

Net property income

£74.3m

-24.2%

EPRA earnings

£29.4m

-46.2%

H1: £25.3m H2: £4.1m

Rent collection

53%

Collected[1]

34% deferred or waived

Portfolio value

Wholly-owned

£3.1bn

-18.3% [2]

Longmartin[3]

£0.2bn

-16.9% [2]

EPRA NAV per share

£7.43

-24.3%

Pro forma[5]: £6.72

Loan to value ratio[4]

31.5%

Pro forma[5]: 22.1%

1. Of rents invoiced for the 6 months to 30 September 2020; collection data to 30 November
2. Like-for-like
3. Our 50% share
4. Based on net debt
5. Pro forma for November 2020 equity raise

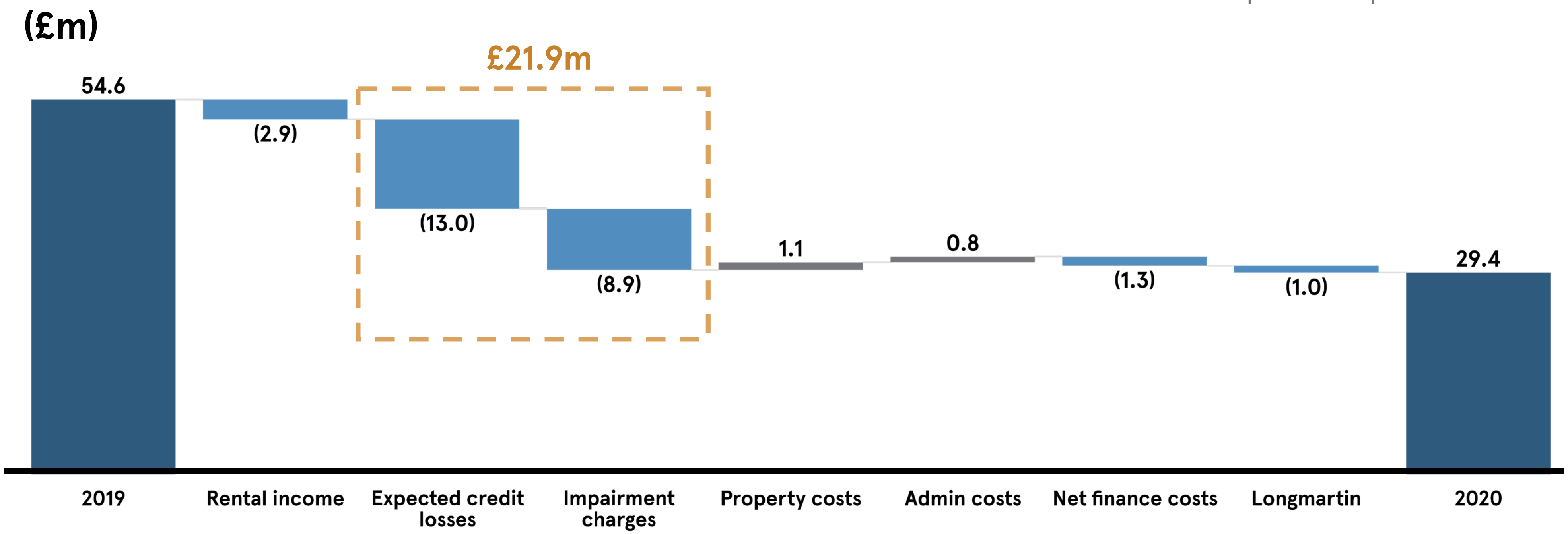
Appendices 2 and 3

EPRA earnings
Underlying earnings decrease driven by charges for expected credit losses and impairments in H2

NET PROPERTY INCOME
-24.2%

EPRA EARNINGS
-46.2%

EPRA EPS
9.6p
H1: 8.2p H2: 1.4p



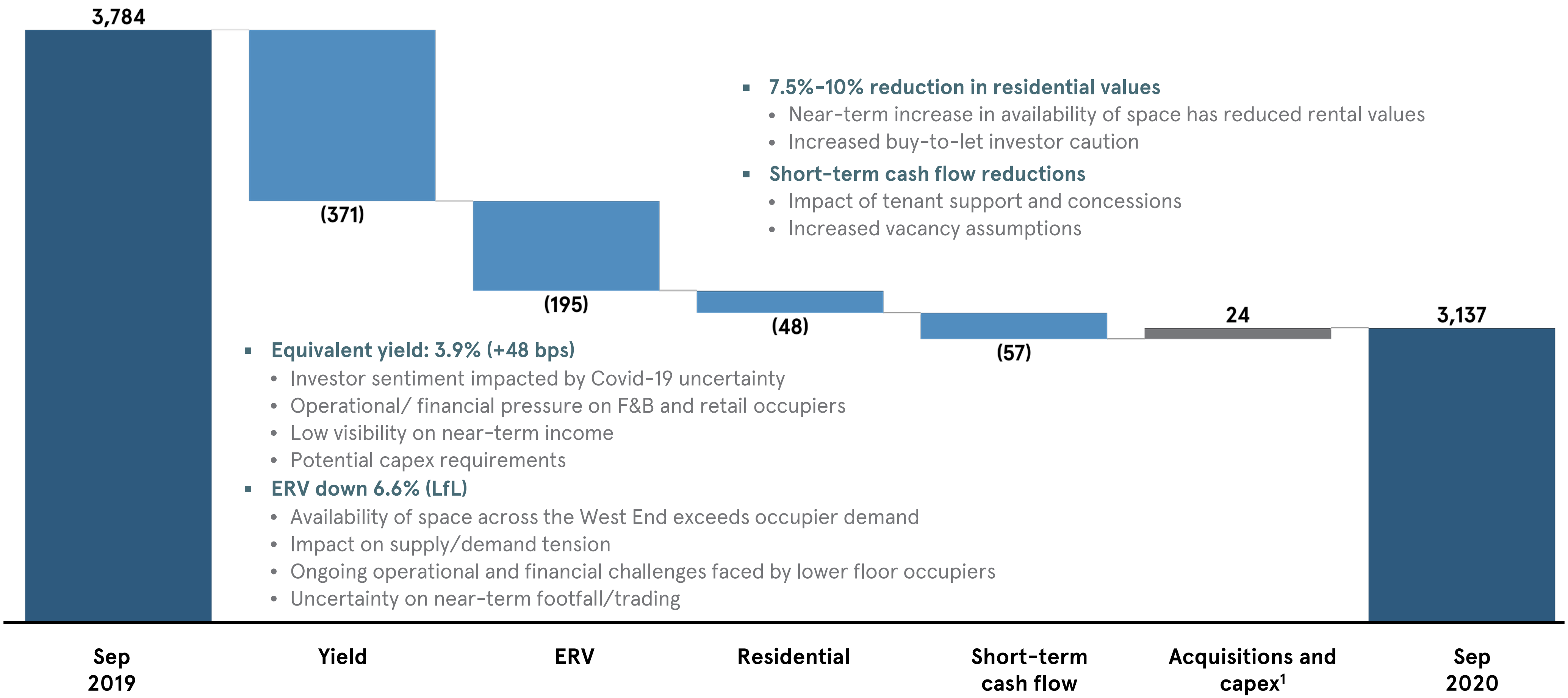
Portfolio investment

- **Capex**
  - Schemes across 200,000 sq. ft.; Capex £34.8m
  - Space under refurbishment: 10.1% of ERV
  - 72 Broadwick Street
    - 48% pre let to Equinox
    - Office space no longer under offer, but encouraging other interest
    - Completion in phases from Summer 2021
- **Acquisitions**
  - 3 buildings in Carnaby and Berwick Street: £13.3m
  - Acquisition in Seven Dials post year end: £2.8m
- **90-104 Berwick Street**
  - Vendor failed to meet contractual obligations by April 2020
  - Practical completion of scheme in October 2020
  - Discussions continue but no decision until key conditions fulfilled to our satisfaction

Wholly-owned valuation

18.3% like-for-like decline due to Covid-19 uncertainties

Valuation movement in the year (£m)



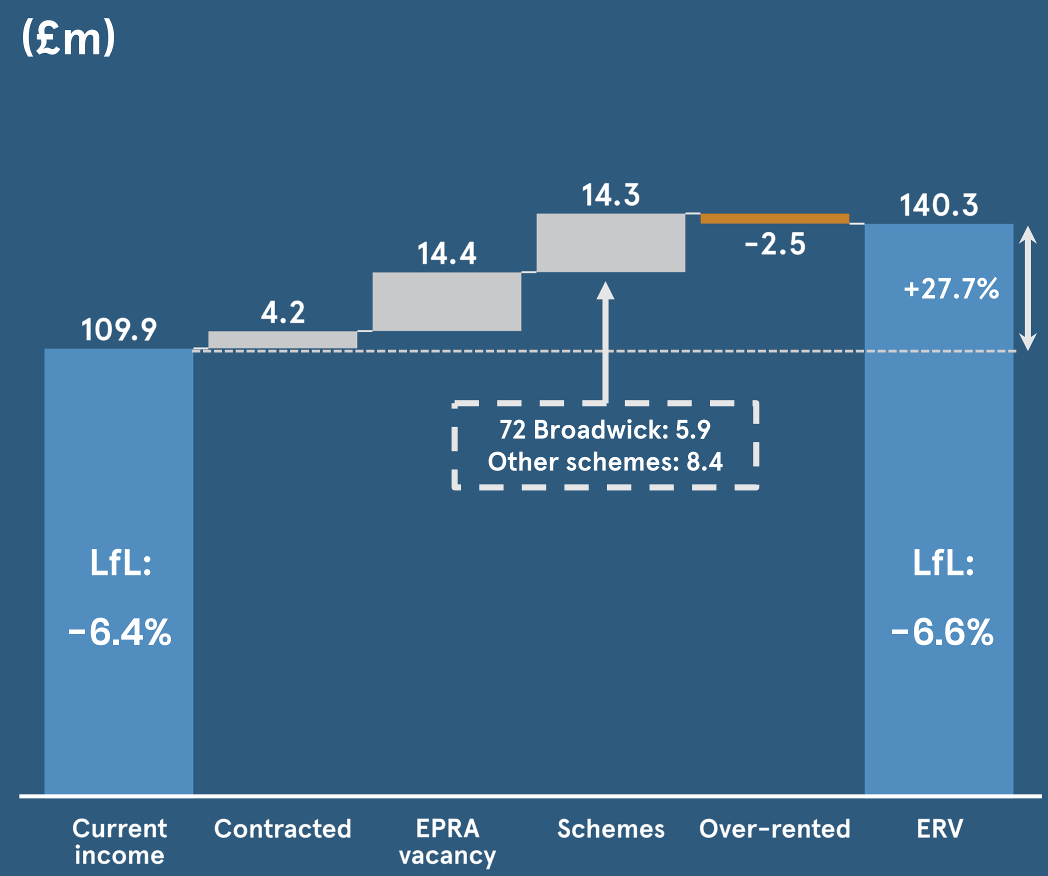
- **Equivalent yield: 3.9% (+48 bps)**
  - Investor sentiment impacted by Covid-19 uncertainty
  - Operational/ financial pressure on F&B and retail occupiers
  - Low visibility on near-term income
  - Potential capex requirements
- **ERV down 6.6% (LfL)**
  - Availability of space across the West End exceeds occupier demand
  - Impact on supply/demand tension
  - Ongoing operational and financial challenges faced by lower floor occupiers
  - Uncertainty on near-term footfall/trading

- **7.5%-10% reduction in residential values**
  - Near-term increase in availability of space has reduced rental values
  - Increased buy-to-let investor caution
- **Short-term cash flow reductions**
  - Impact of tenant support and concessions
  - Increased vacancy assumptions

1. Includes current market value of acquisitions made in the period and a capex movement which represents the year on year change in valuers' estimate of cost to complete various schemes within the portfolio

Portfolio reversionary potential

- Majority of reversion relates to vacancy and schemes in progress
- ERV decline: Valuers estimate our let accommodation currently over-rented by £2.5m



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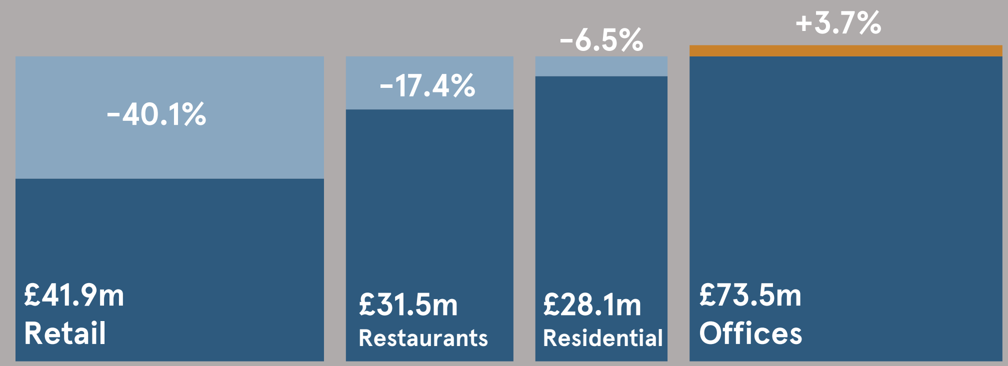
Longmartin JV valuation

- **Retail dominated by large shops on Long Acre**
  - High overall rents; further decline in occupier demand leading to further pressure on rental values
- **Restaurants: Covid-19 disruption to supply/demand balance**
  - Near-term F&B vacancy in immediate vicinity
- **Offices**
  - ERV growth: 3.2%; Yield: -2 bps
- **Residential decline**
  - Near-term increase in availability and slowing of investment market

Valuation at 30 September 2020 (£m)

With % change since 30 September 2019

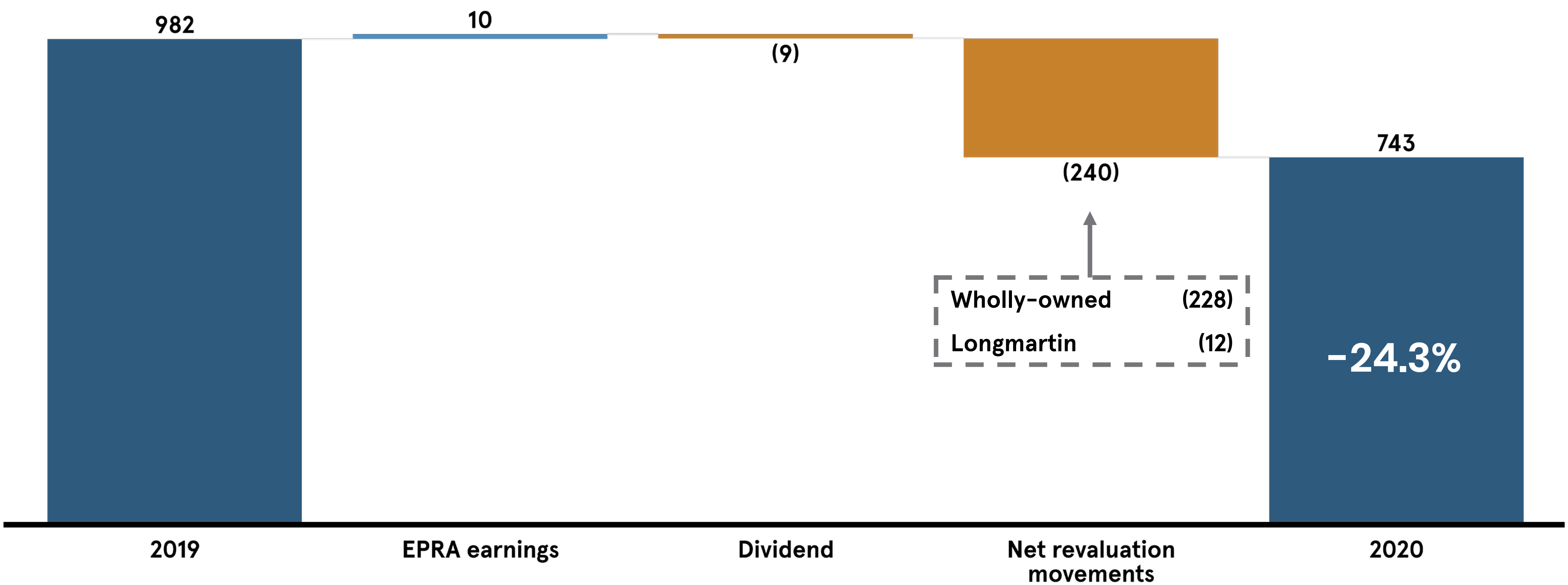


Width of the bars denotes 30 September 2019 valuation

Valuation	£175m (Sep-19: £209m)
LfL valuation decline	16.9%
Equivalent yield	4.11% (+17 bps)
ERV	£8.8m (-12.0%)
Annualised current income	£6.2m (-17.9%)

Net asset value
NAV decrease due to revaluation deficits

EPRA NAV (pence per share)



Finance position at 30 September

- **Key metrics**
  - LTV: 31.5% (+7.6%, due to portfolio revaluation)
  - Available resources: £197.8m
    - Including £125m undrawn RCF
  - Committed capex: £31m
- **Covenants**
  - ICR waivers in place:
    - Term loans: Jan 2021, April 2021
    - RCFs: Dec 2020, Jan 2021
  - Compliance with Bonds' covenants and all LTV covenants, but risk rising
- **RCF maturities**
  - £125m: May 2022
  - £100m: Feb 2023

30 September	2020
	£m
Resources	
Cash	72.8
Undrawn RCFs	125.0
Available resources	**197.8**
Commitments	(31.0)
Uncommitted resources	**166.8**
Debt	
Net debt	987.0
Loan to value	31.5%
Weighted average maturity	8.3 years
Blended cost of debt[1]	2.9%

1. Including non-utilisation fees on undrawn bank facilities

Equity Issue
Maintain strong financial base and liquidity; position to return to long-term growth as pandemic issues recede

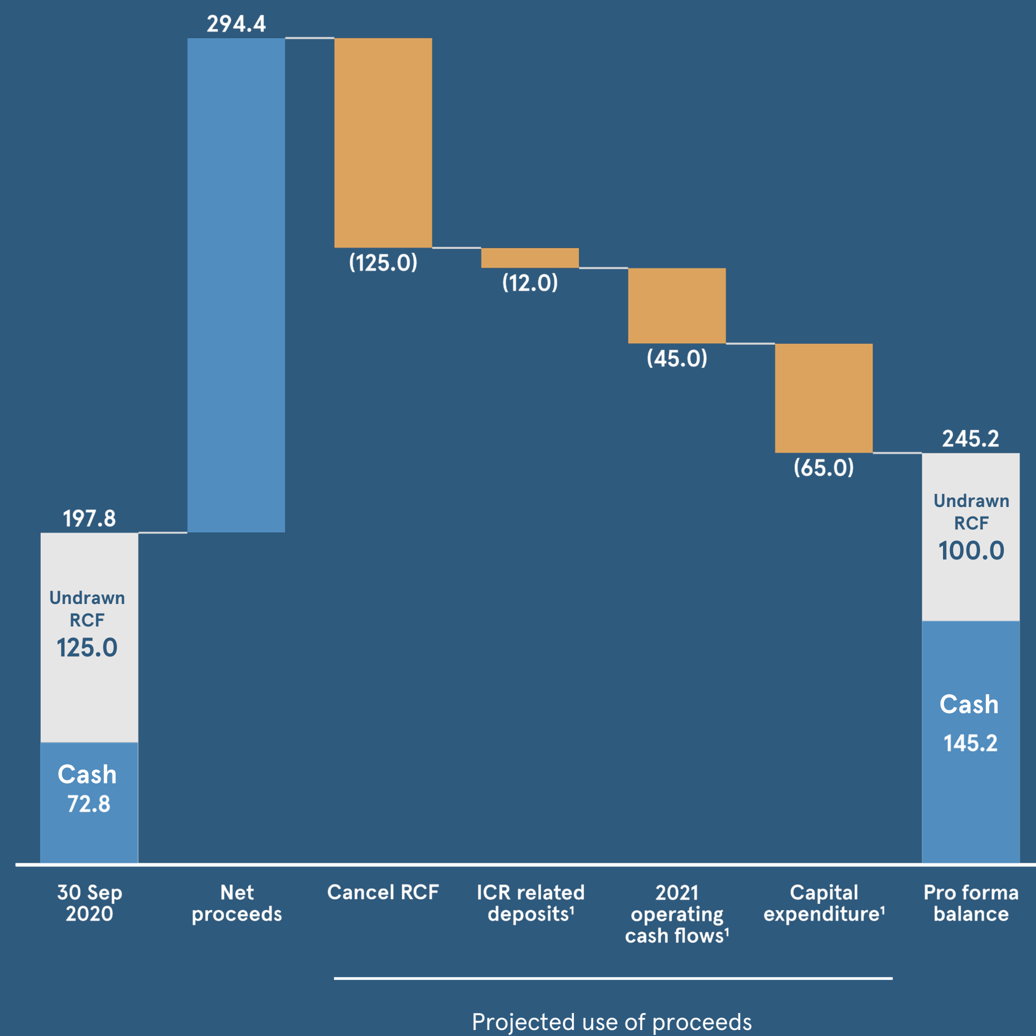
- **Elevated finance risks**
  - Low visibility on near-term income
  - Reliance on ICR waivers for working capital
  - LTV risk increasing
  - Signs on hardening of credit conditions; impact on further waivers and refinancing risk

- **Considered range of options including disposals and equity**
  - Prioritise maintaining financial capacity and liquidity: focusing on debt and gearing while uncertainty over near-term rental income and property values prevails
  - Material disposals to address financing risks not in shareholders' long-term interest

Equity Issue

- **Underwritten firm placing, placing and open offer (£297m gross); offer for subscription (£10m gross)**
  - 76.75m shares @ £4 per share
  - Net proceeds: £294.4m
- **Use of proceeds**
  - Managing finance risks
    - Cancel shortest tem RCF
    - Liquidity for potential ICR deposits to be used as cure rights in the absence of extended waivers
  - Liquidity maintenance
    - Fund estimated 2021 operating cash out flows in "reasonable worst case scenario"
    - Provide capital for anticipated capex over coming two years
    - Maintain prudent level of liquidity

Impact on liquidity (£m)



1. In the Reasonable Worst Case scenario modelled for the Working Capital Statement

Financing: Other post Balance Sheet events

- **£125m RCF cancelled**
  - Remove near-term refinance risk
  - Release £252m of security
  - Commitment fee saving: £0.8m pa
- **£100m RCF repaid**
  - Remains available to be redrawn subject to compliance with agreement
  - Annual interest saving (while undrawn) c £1m
- **ICR waiver extensions**
  - Term loans: Jul 2021, Jan 2022
  - Remaining RCF: Oct 2021

Pro forma impact

30 September	2020 Reported £m	2020 Pro-forma £m
Resources		
Cash	72.8	267.2
Undrawn RCFs	125.0	100.0
Available resources	**197.8**	**367.2**
Commitments	(31.0)	(31.0)
Uncommitted resources	**166.8**	**336.2**
Debt		
Net debt	987.0	692.6
Loan to value	31.5%	22.1%
Weighted average maturity	8.3 years	9.0 years
Blended cost of debt[1]	2.9%	3.1%

2021 & Beyond

Brian Bickell

2021: Headwinds continue

- **Pandemic control measures likely to be in place for much of 2021 but impact reducing as conditions improve**
  - Continued pressure on retail and hospitality businesses
- **Government has announced that London and parts of the Home Counties will be moving to Tier 3 restrictions, beginning from 16 December until further notice**
  - All hospitality businesses will close other than for takeaway or home delivery services
  - Non-essential travel into or out of the Tier 3 area is discouraged
- **Gradual sustained return of local and domestic footfall as confidence returns**
  - Encouraging footfall since November lockdown lifted
  - International travel recovery from 2022
- **Continuing government support for businesses uncertain**
  - Furlough scheme and business rates relief to continue?
  - Brexit transition ends; WTO rules/disruption?
  - End of tax free shopping for international visitors?

2021 & Beyond

2021 Recovery Strategy

- **Priority to maintain occupancy and street-level activation**
  - Vacancy at 30.11.2020: 12% of ERV
- **Continue financial and operational support for occupiers but tapering as trading improves**
  - Rent collection October/November: 37%
- **Flexible leasing and incentives to retain and attract tenants**
  - Turnover-linked rents/shorter retail leases
  - Enhanced specification of new space
- **Encouraging letting interest in recent weeks**

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2021 & Beyond

Focused, long term investment strategy

- **Complete existing schemes**
  - 72 Broadwick Street
- **Ensure available space is lettable and competitive**
- **Continue to repurpose space and improve environmental performance**
- **Strategic acquisitions in existing ownership clusters**
  - Increased availability due to Covid-19 distress
- **Selective disposals of assets no longer considered "core"**

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Sustainability

Brian Bickell

Sustainability

Sustainability actions

Reducing the impact of our operations; supporting local communities

- **Environment**
  - Ongoing focus on the sustainable re-use buildings
  - Continue to improve energy efficiency
  - GHG emissions intensity reduced by 7.7% and renewable energy for our wholly-owned supplies
  - Increased biodiversity by a further 9%
  - Partnering with neighbouring estates and BIDs to improve air quality

- **Communities**
  - Focused on young people and local communities in Westminster and Camden
  - Establishment of Covid Community Fund to meet urgent needs
  - Continued long term successful relationships with grassroots organisations
  - £866,000 in donations, volunteering and in-kind support
  - Board 20% remuneration waiver for four months

- **Governance**
  - Integration of UN Sustainable Development Goals and support for UN Global Compact
  - Appointed Head of Sustainability
  - Initial review of climate risks in line with recommendations of TCFD
  - Inclusion in the European Dow Jones Sustainability Index 2020

Sustainability embedded in our operations

Sustainability priorities

As a responsible business, we are committed to making a positive impact

Environment

- Continue to focus on building re-use and demonstrate carbon benefits
- Publish long term science based targets
- Set an ambitious and transparent net zero carbon target
- Continue to invest in green infrastructure and set a new medium-term biodiversity target
- Work with partners to reduce vehicle movements and improve air quality

Communities

- Work with our occupiers to improve their sustainability performance
- Partner with local expert organisation to increase impact
- Support community recovery from Covid-19
- Develop community engagement strategy

Governance

- Continue to develop our sustainability strategy
- Develop climate change disclosures in line with recommendations of TCFD
- Work in partnership with industry bodies, community groups and local authorities

Science Based Targets and Net Zero Carbon target to be announced in 2021

Outlook

Brian Bickell

Outlook

London and the West End

Global appeal; structural resilience

- **London**
  - Global creative, financial and commercial centre
  - One of the world's most popular visitor destinations
  - Population of 9.3m with expected growth to 10m by 2030

- **The West End**
  - Seven days-a-week economy with access to an affluent, diverse customer base
  - Huge working population
  - Best and most-innovative restaurants, cafes, bars and clubs
  - Unrivalled concentration of entertainment and cultural attractions
  - Excellent transport links

- **Shaftesbury**
  - Busiest and liveliest locations in the heart of the West End
  - Distinctive, mid-market offer
  - Modest rental levels
  - Adaptable buildings

The Shaftesbury Proposition
Making great places even better

Making a positive long lasting contribution to
London's West End

Experienced & innovative management team

Responsible

Long-term estate management Strategy

Long-term growth prospects

Impossible-to-replicate portfolio

Low risk

Shaftesbury


CHOOSE LOVE IN CARNABY
THANK YOU
LONDON
FUTURE
WISH
TOGETHER
HOPE
HERO
The Kooples
size?

Q&A

Appendices

1 Portfolio
2 Financial
3 Valuation
4 Village Summaries
5 Principal Risks

1 Portfolio

Appendix: 1 Portfolio

Exceptional portfolio in the heart of London's West End

CARNABY
4.8 ACRES
39%
Of portfolio[1,2]

COVENT GARDEN
5.0 ACRES
27%
Of portfolio[1,2]

CHINATOWN
3.8 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

16 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

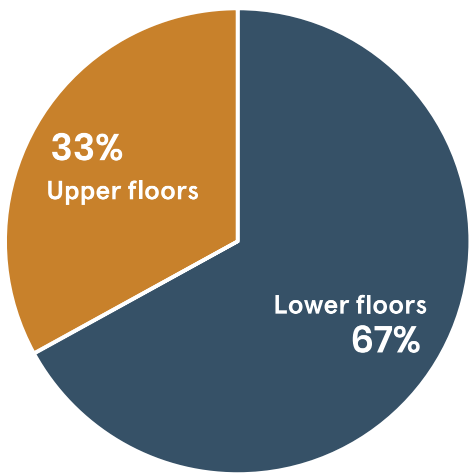
100% of our portfolio is close to an Underground/Elizabeth Line station

1. By value
2. Wholly-owned portfolio

Appendix: 1 Portfolio

Our portfolio

Split by ERV



Food, beverage and leisure

317

0.7m sq. ft.

37% of ERV

Retail

294

0.4m sq. ft.

30% of ERV

Offices

0.4m

sq. ft.

20% of ERV

Residential

624

0.4m sq. ft.

13% of ERV

Covid-19: impact and response

- **Covid-19 having a material adverse effect on the Group's revenue**
  - Decline in visitors and spending since March due to restrictions on business and impact of social distancing measures
  - Negative impact on F&B and retail trading activity, reduced office utilisation and increased residential vacancy, materially affecting rent collection and vacancy
  - Elevated near-term risk of higher EPRA vacancy until there is a return of business and consumer confidence and activity

- **Strategy: preserve long-term value by supporting tenants and maintaining occupancy**
  - Waiver and deferral of contracted rents for limited periods
  - Drawing on rent deposits which tenants are not being required to replenish
  - Restructuring leases, including removing or deferring break clauses, and settling outstanding rent reviews
  - From October 2020, option for tenants to pay rents and service charges monthly, rather than quarterly in advance
  - Further support to December 2020 and likely to continue into next year depending on trading conditions in the coming months and prospects for 2021

(contd…)

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 remained uncertain

July-August 2020
- F&B permitted to reopen on 4 July
- Improvement as local and domestic day visitors return, followed by gradual return of office workers
- F&B trade benefits from Eat Out to Help Out scheme
- Footfall approaching 50% of pre-pandemic level

Covid-19: impact and response (contd.)

- **Measures to preserve liquidity**
  - Moratorium on all non-essential expenditure, new schemes and acquisitions, other than by exception
  - No dividends to be declared for FY 2020
  - Agreed interest cover waivers in relation to the RCFs and Term Loans until at least December 2020 with one now extended until June 2021

- **West End's recovery will depend on duration and severity of government social distancing restrictions:**
  - Government advice/restrictions affecting office usage
  - Impact of social distancing measures on trading capacity and turnover levels
  - Recovery in confidence and local and domestic visitor footfall
  - Public transport usage in and out of the West End and levels of the daily office working population
  - Re-opening of visitor attractions, such as theatres, cinemas, galleries, museums
  - Recovery in international tourism

September 2020

- Concerns over a second wave grow with extensive "local lockdowns" in Scotland, Wales and the North
- Government imposes national 10pm F&B curfew, new "rule of six" restricting size of groups and return to work guidance reversed

October 2020

- Government introduces new three-tier alert framework to address regional outbreaks. London was then placed in tier two, the "High risk" tier, which means two households are not permitted to mix indoors

November 2020

- 2nd "national lockdown" for 4 weeks
- Non-essential retail closed, hospitality closed except for takeaway, work from home

December 2020

- 2nd lockdown ends
- Stringent social distancing restrictions remain in place, work from home advice remains
- London in Tier 2 moving to Tier 3 on 16 December

Rent collection by use

For the 6 months to 30 September 2020

	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	Total %
Collected	7.4	9.5	7.5	5.9	30.3	53%
Deferred	3.9	1.1	0.2	–	5.2	9%
Waived	9.1	4.7	0.4	0.1	14.3	25%
Outstanding	2.5	2.4	1.3	1.1	7.3	13%
Total contracted	**22.9**	**17.7**	**9.4**	**7.1**	**57.1**	

For the 2 months to 30 November 2020

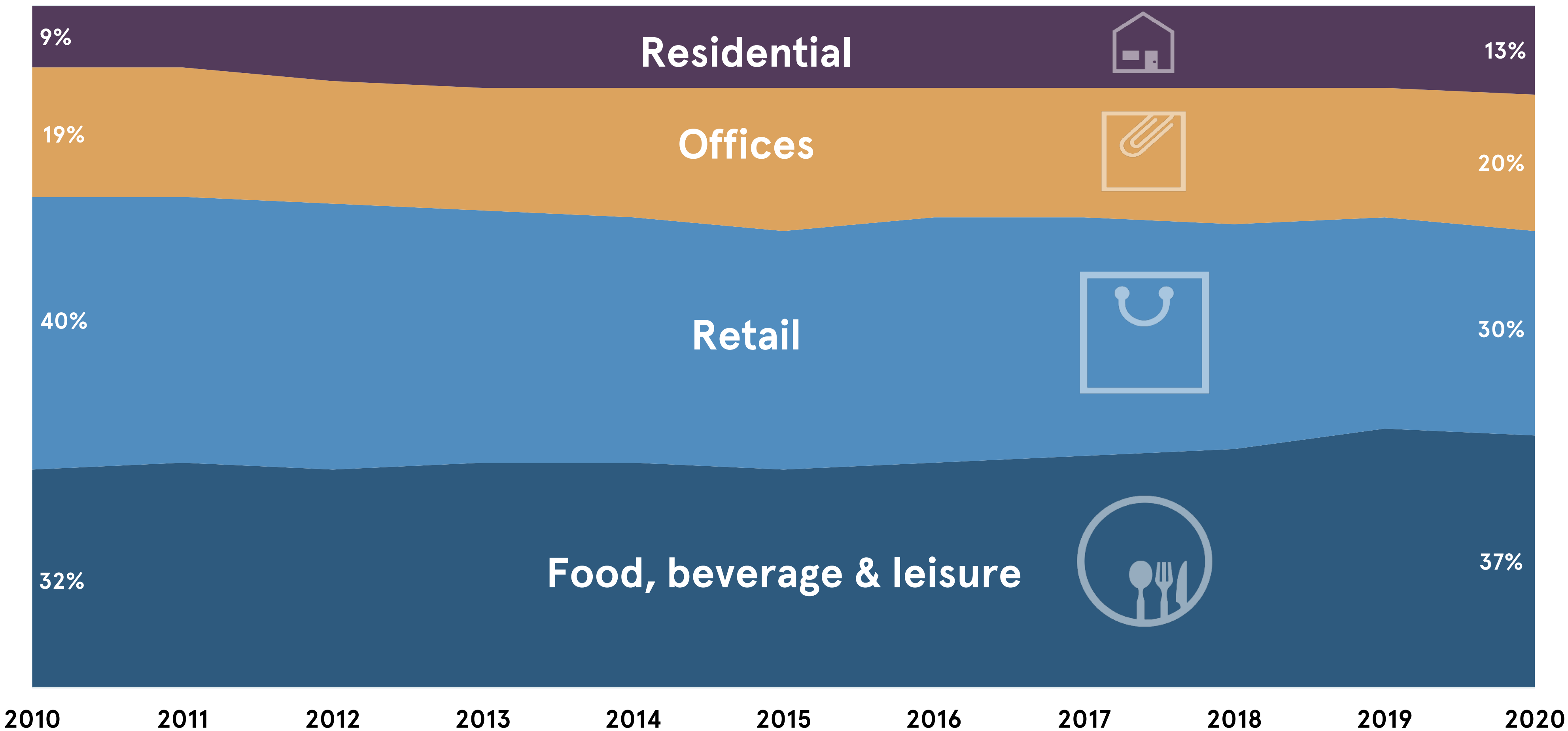
	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	Total %
Collected	1.5	1.8	2.1	1.5	6.9	37%
Waived	4.5	2.8	0.1	–	7.4	40%
Outstanding	2.0	1.3	0.8	0.2	4.3	23%
Total contracted	**8.0**	**5.9**	**3.0**	**1.7**	**18.6**	

Note: Data as at 30 November 2020

Appendix: 1 Portfolio

Mix of uses

Evolution of uses over time



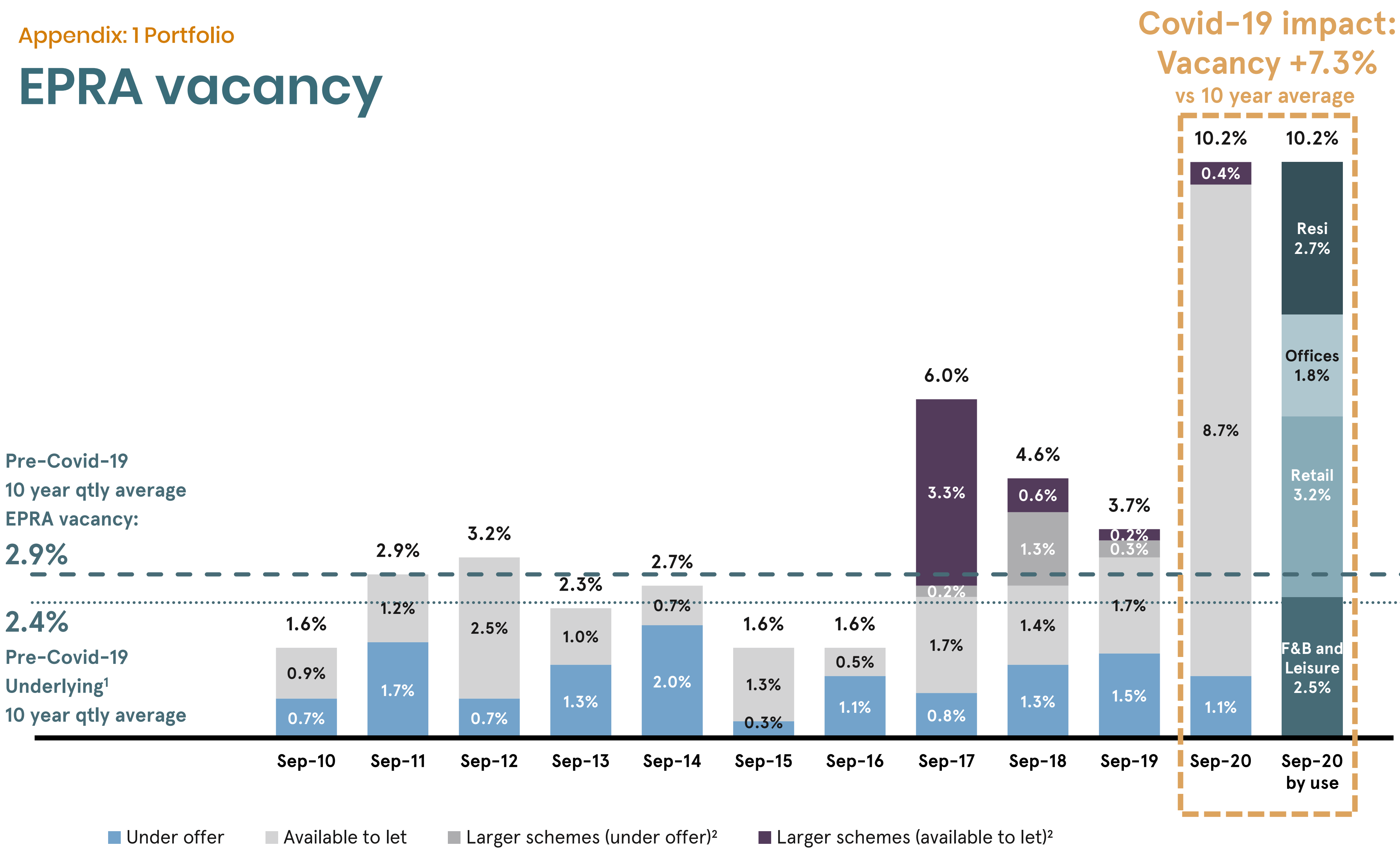
Data shown reflects wholly-owned portfolio

EPRA vacancy

	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV Sept 2020	% of total ERV Sept 2019
Under offer	0.9	0.4	0.2	0.2	**1.7**	**1.1%**	1.8%
Available-to-let	2.6	4.1	2.3	3.7	**12.7**	**9.1%**	1.9%
Total	**3.5**	**4.5**	**2.5**	**3.9**	**14.4**	**10.2%**	**3.7%**
2019	1.4	3.2	0.8	0.1	5.5		
Area ('000 sq. ft.)							
30.9.20	**47**	**45**	**40**	**72**	**204**		
30.9.19	16	46	12	1	75		
Number							
30.9.20	**22**	**35**	**45**	**137**	**239**		

1. 2019 and 2020: Central Cross

EPRA vacancy



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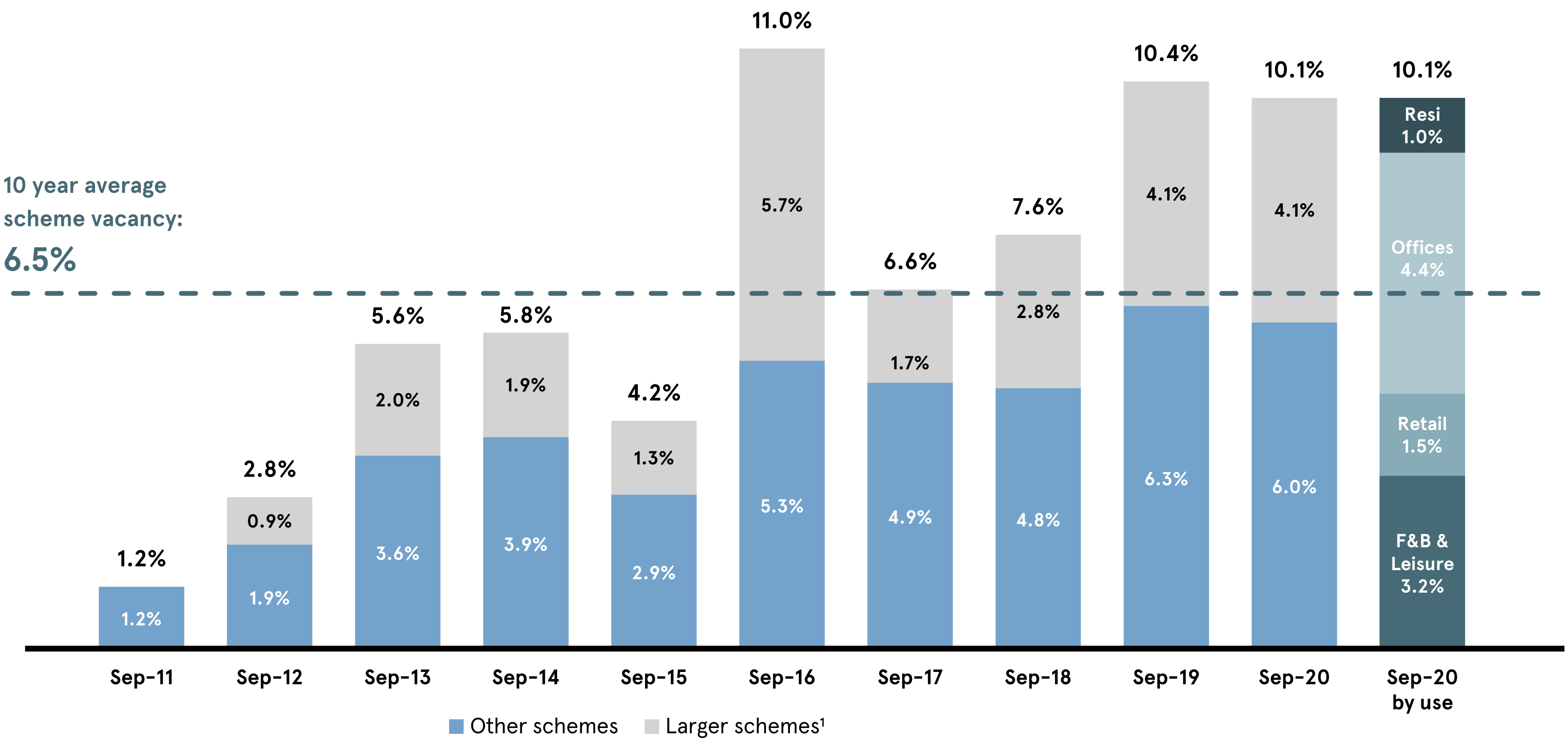
1. Underlying 10 year quarterly average excludes larger schemes
2. Larger schemes are Central Cross (2017, 2018, 2019 & 2020) and Thomas Neal's Warehouse (2017 & 2018)

Scheme vacancy

	Food, beverage and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV Sept 2020	% of total ERV Sept 2019
72 Broadwick Street	3.4	0.4	1.5	0.6	**5.9**	**4.1%**	4.1%
Other schemes	1.1	1.8	4.7	0.8	**8.4**	**6.0**	6.3%
Total	**4.5**	**2.2**	**6.2**	**1.4**	**14.3**	**10.1%**	**10.4%**
2019	5.4	2.8	5.5	1.8	15.5		
Area ('000 sq. ft.)							
30.9.20	**63**	**22**	**85**	**30**	**200**		
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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2 Financial

Income and costs

EPRA EARNINGS	Sept 2020 £m	Sept 2019 £m
Rental income	114.4	117.3
Provisions for expected credit losses and impairments	(21.9)	-
Other property charges	(18.2)	(19.3)
Net property income	**74.3**	**98.0**
Administrative expenses	(14.4)	(15.2)
	59.9	**82.8**
Net finance costs	(31.8)	(30.5)
Share of Longmartin JV profit before tax[1]	(1.3)	2.9
Recurring profit before tax	**26.8**	55.2
Share of Longmartin JV current tax	2.6	(0.6)
EPRA earnings	**29.4**	**54.6**

1. After adjusting for revaluation surplus and deferred tax

Reconciliation of IFRS to proportional consolidation

BALANCE SHEET	30 September 2020			30 September 2019		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Investment properties	3,115.5	179.0	3,294.5	3,765.9	213.2	3,979.1
Investment in Longmartin JV	96.8	(96.8)	-	127.6	(127.6)	-
Net debt	(987.0)	(57.9)	(1,044.9)	(905.8)	(59.4)	(965.2)
Other assets and liabilities	55.3	(24.3)	31.0	19.5	(26.2)	(6.7)
Net assets	**2,280.6**	**-**	**2,280.6**	**3,007.2**	**-**	**3,007.2**

INCOME STATEMENT	Sept 2020			Sept 2019		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Net property income	**74.3**	**5.6**	**79.9**	**98.0**	**6.4**	**104.4**
Administrative expenses	(14.4)	(0.1)	(14.5)	(15.2)	(0.1)	(15.3)
Profit on disposal	0.3	-	0.3	2.8	-	2.8
Revaluation surplus/(deficit)	(698.5)	(35.8)	(734.3)	(15.3)	(19.2)	(34.5)
Operating profit	**(638.3)**	**(30.3)**	**(668.6)**	**70.3**	**(12.9)**	**57.4**
Net finance costs	(31.8)	(3.7)	(35.5)	(30.5)	(3.4)	(33.9)
Share of Longmartin post-tax loss	(29.4)	29.4	-	(13.8)	13.8	-
Profit before tax	**(699.5)**	**(4.6)**	**(704.1)**	**26.0**	**(2.5)**	**23.5**
Tax	-	4.6	4.6	-	2.5	2.5
Profit after tax	**(699.5)**	**-**	**(699.5)**	**26.0**	**-**	**26.0**

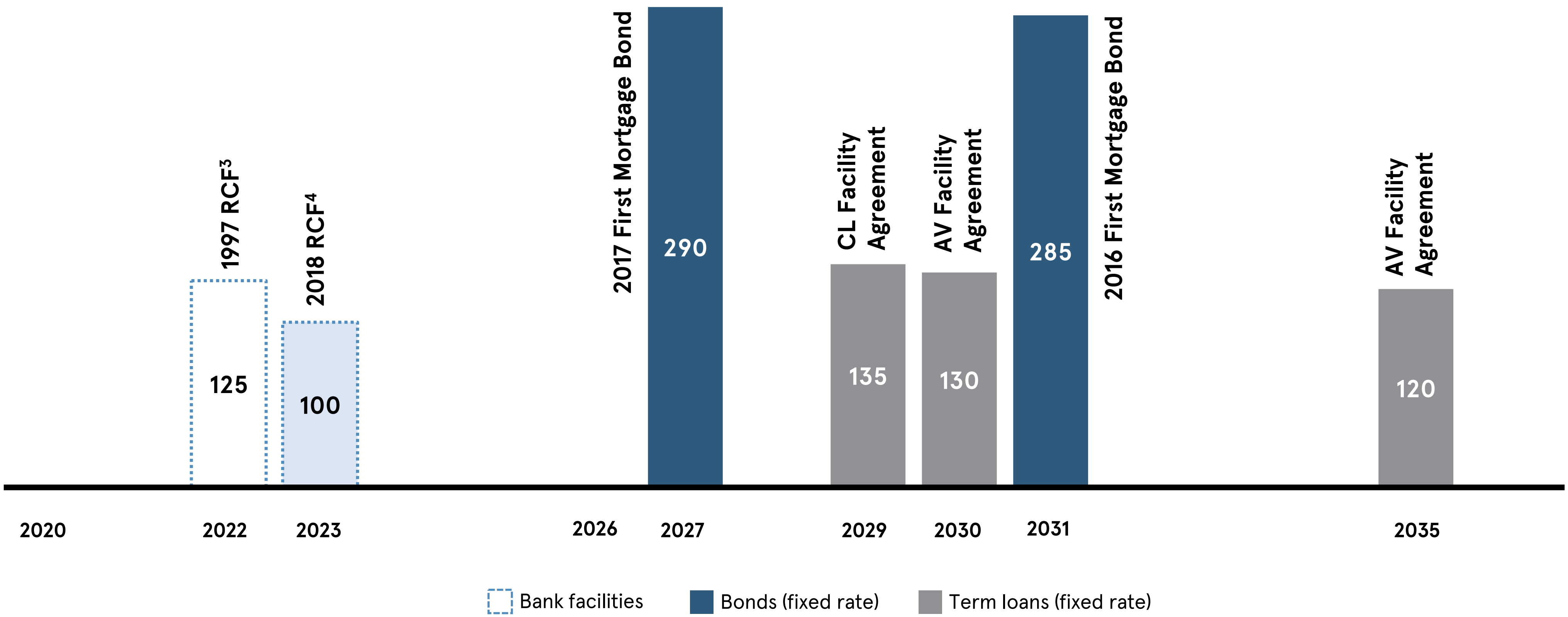
EPRA net asset measures

	30 September 2020				
	Existing measures		New measures		
	EPRA NAV £m	EPRA NNNAV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS net assets	2,280.6	2,280.6	2,280.6	2,280.6	2,280.6
Dilutive effect of share options	0.7	0.7	0.7	0.7	0.7
Joint venture deferred tax	8.5	-	8.5	8.5	-
Excess of fair value over book value:					
Secured term loans	-	(48.0)	-	-	(48.0)
Mortgage bonds	-	11.4	-	-	11.4
Investment property purchaser's costs	-	-	222.5	-	-
Total	2,289.8	2,244.7	2,512.3	2,289.8	2,244.7
Number of shares (m)	308.0	308.0	308.0	308.0	308.0
Diluted net assets per share (£)	**7.43**	**7.29**	**8.16**	**7.43**	**7.29**

	30 September 2019				
	Existing measures		New measures		
	EPRA NAV £m	EPRA NNNAV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS net 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:					
Secured term loans	-	(75.8)	-	-	(75.8)
Mortgage bonds	-	(17.9)	-	-	(17.9)
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 (£m)

Weighted average maturity: 8.3 years[1,2]



1. As at 30 September 2020
2. Excluding Longmartin non-recourse debt
3. Undrawn at 30 September and terminated since
4. Drawn at 30 September 2020 but repaid since

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.	1.15x	Calculation is based on the annualised income accruing at the testing date, or due to accrue within three months. Security top-up (or purchase and cancel sufficient bonds) to 1.25x 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. Waivers until July 2021 (£134.8m term loan) and January 2022 (£250m term loan)
Revolving credit facility[1]	Quarterly	Consolidated net rental income plus dividends from the joint venture to consolidated net interest.	1.5x	Based on Group half year and full year reported information, and management accounts in the interim quarters. Waiver until October 2021

LOAN TO VALUE	Frequency of testing	Summary of measure	Min	Comments
Bonds	Half yearly	Nominal value of bonds to valuation of specifically secured assets.	66.67%	Security top-up (or purchase and cancel sufficient bonds) to 60.0% 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 facility[1]	Quarterly	Amounts drawn to valuation of specifically secured assets.	66.67%	Cure rights available. Draw stop at 50% during term of ICR waiver.

1. Ignoring our £125m facility which was terminated in November 2020

3 Valuation

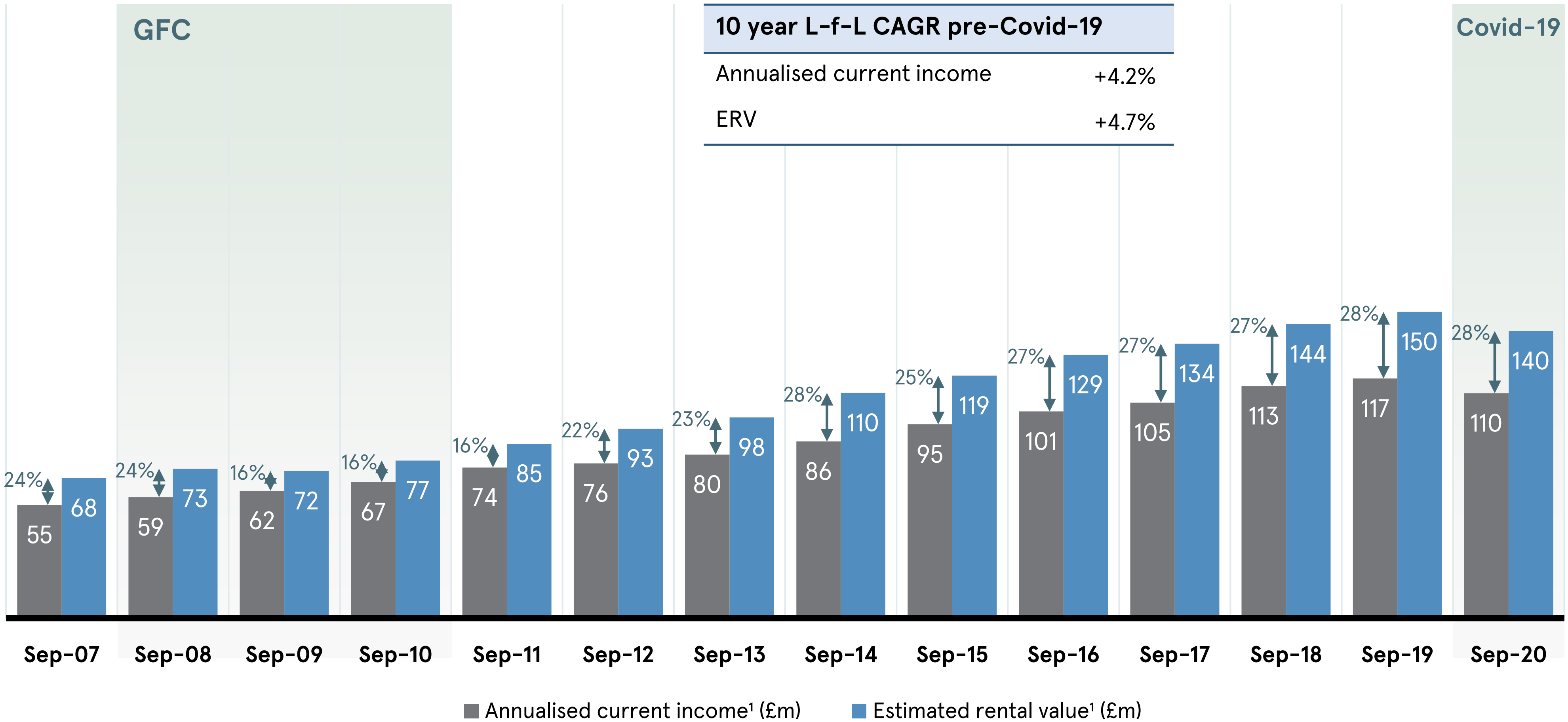
Valuation summary

	Fair value £m	% of portfolio	Annualised current income £m	ERV £m
Carnaby	1,212.3	39%	41.7	58.0
Covent Garden	840.8	27%	28.8	35.4
Chinatown	700.6	22%	24.7	30.1
Soho	258.7	8%	10.4	11.3
Fitzrovia	125.0	4%	4.3	5.5
Wholly-owned portfolio	**3,137.4**	**100%**	**109.9**	**140.3**
Longmartin joint venture (our 50%)	175.0		6.2	8.8

Appendix: 3 Valuation

History of ERVs and reversion

10 year L-f-L CAGR pre-Covid-19	
Annualised current income	+4.2%
ERV	+4.7%



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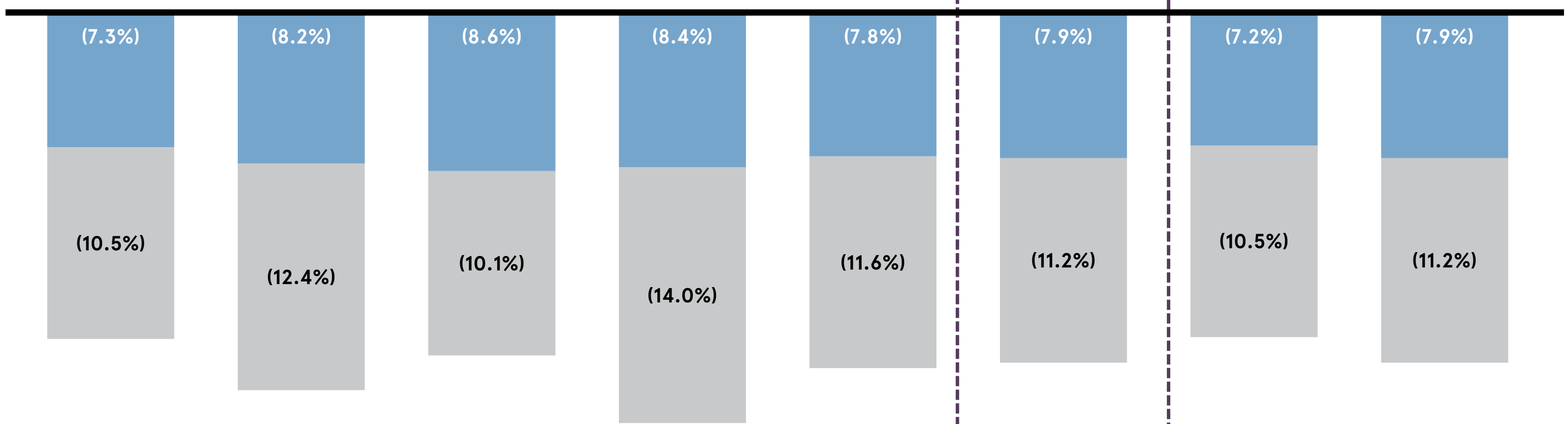
All data relates to the wholly owned portfolio

1. Includes acquisitions

L-f-L change in capital values

	Carnaby	Covent Garden	Chinatown	Soho	Fitzrovia	Wholly-owned	Longmartin	Total
5 year CAGR	-1.0%	-1.5%	-1.2%	+0.2%	-0.7%	-1.1%	-4.7%	-1.3%
12 month	-17.0%	-19.5%	-17.8%	-21.2%	-18.5%	-18.3%	-16.9%	-18.2%



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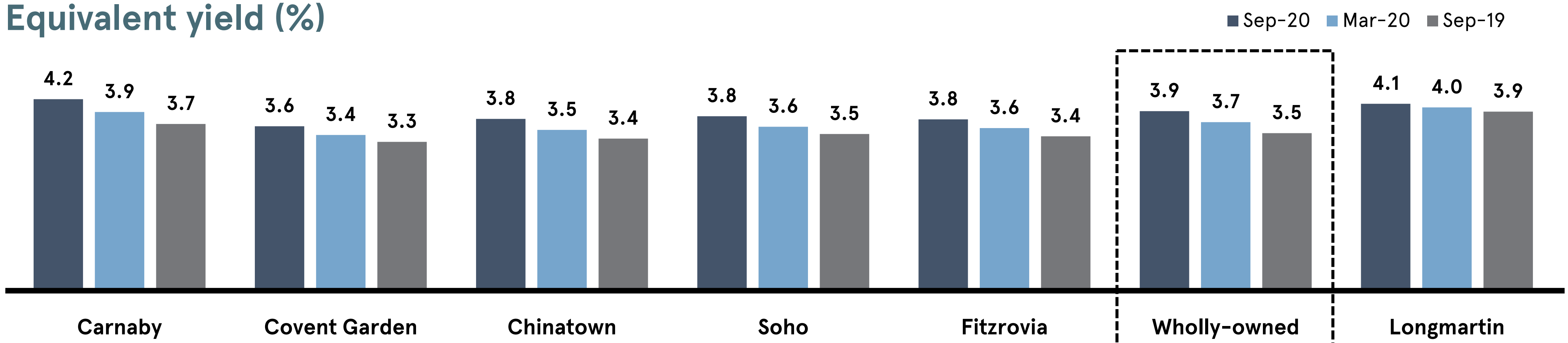
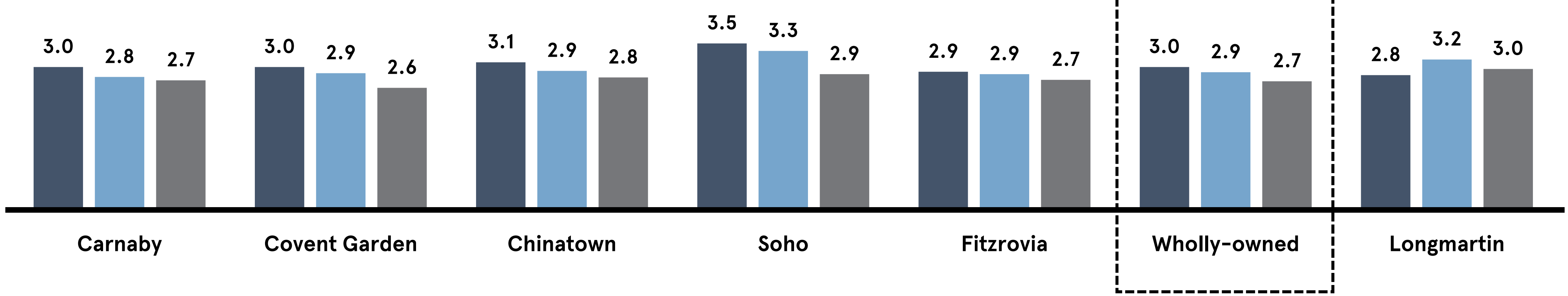
Yields

Equivalent yield (%)



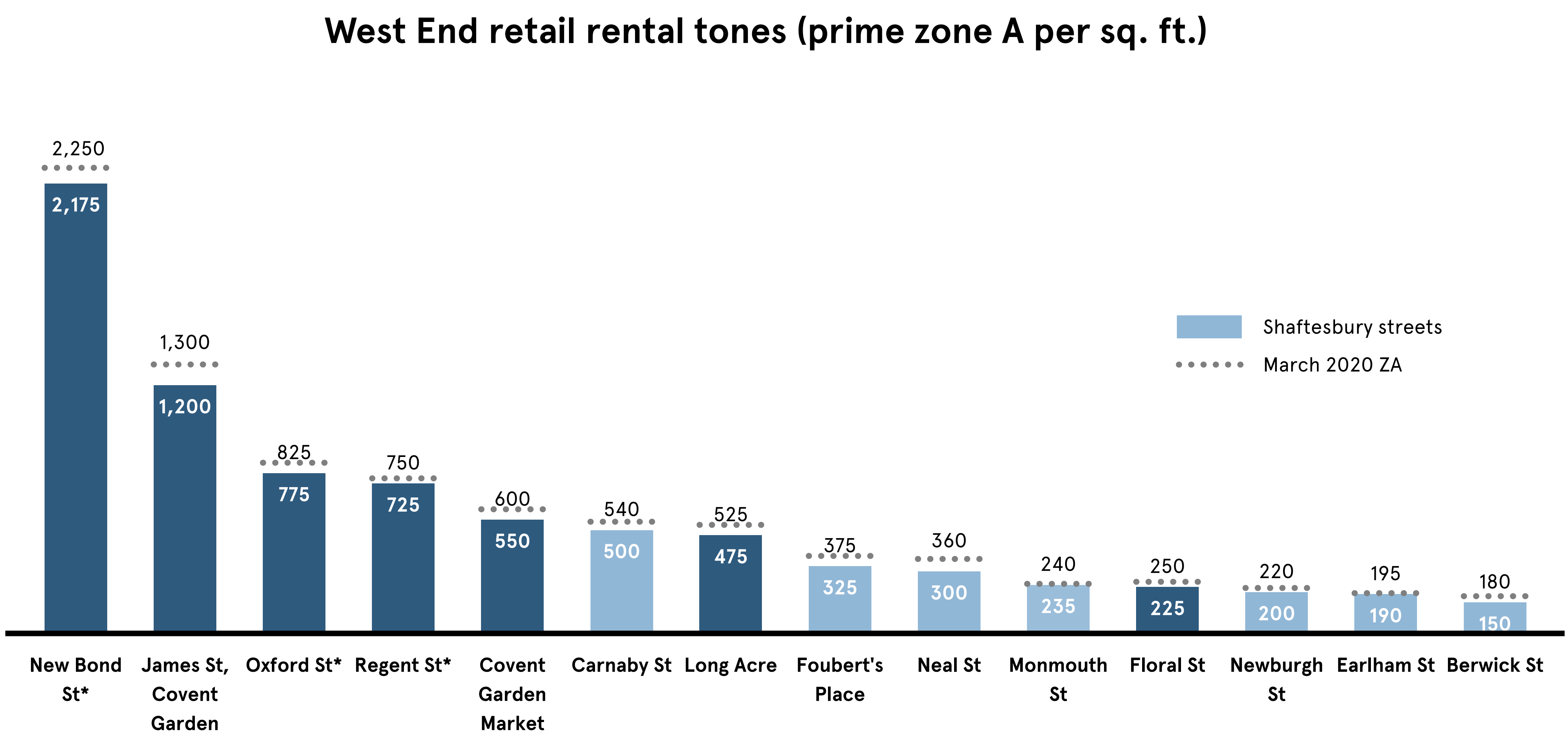
Initial yield (%)



Portfolio reversion by use

	F&B and leisure £m	Retail £m	Office £m	Residential £m	Wholly-owned £m	Longmartin £m
Annualised current income	**45.6**	**34.4**	**17.2**	**12.7**	**109.9**	**6.2**
Vacancy						
- Under offer/available-to-let	3.5	4.5	2.5	3.9	14.4	2.2
- 72 Broadwick Street	3.4	0.4	1.5	0.6	5.9	-
- Other schemes	1.1	1.8	4.7	0.8	8.4	0.1
	53.6	41.1	25.9	18.0	138.6	8.5
Contracted (rent frees, stepped rents)	0.8	2.2	1.2	-	4.2	1.9
(Over)/under-rented	(1.6)	(1.3)	0.5	(0.1)	(2.5)	(1.6)
ERV	**52.8**	**42.0**	**27.6**	**17.9**	**140.3**	**8.8**

West End retail tones



Source: Cushman & Wakefield, published information and company data

* Based on 30 ft. zones

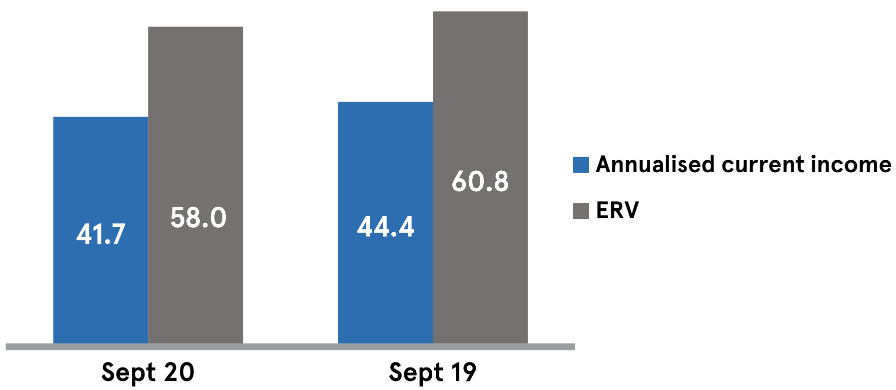
4 Village Summaries

Appendix: 4 Village Summaries

Carnaby – in numbers

	Sept 2020	Sept 2019
Valuation	**£1,212.3m**	£1,437.7m
Acquisitions	**£4.5m**	£17.9m
Capital expenditure	**£15.6m**	£14.0m
Capital value return (L-f-L)	**-17.0%**	-1.3%
Equivalent yield	**4.2% (+ 54 bps)**	3.7%
Reversion	**£16.3m**	£16.4m

REVERSION (£m)



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39% of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
24%	38%	32%	6%
169,000 sq. ft.	173,000 sq. ft.	274,000 sq. ft.	68,000 sq. ft.

carnaby.co.uk

follow carnabylondon

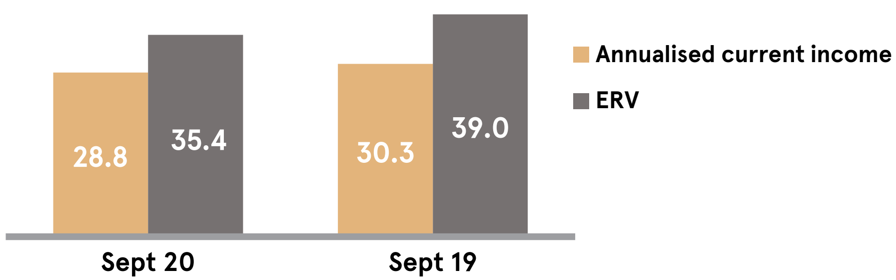
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Covent Garden – in numbers

	Sept 2020	Sept 2019
Valuation	**£840.8m**	£1,036.5m
Acquisitions	**-**	£20.0m
Capital expenditure	**£7.6m**	£4.7m
Capital value return (L-f-L)	**-19.5%**	-0.1%
Equivalent yield	**3.6% (+ 34 bps)**	3.3%
Reversion	**£6.6m**	£8.7m

REVERSION (£m)



Shaftesbury

27%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
37%	29%	15%	19%
201,000 sq. ft.	131,000 sq. ft.	89,000 sq. ft.	137,000 sq. ft.

sevendials.co.uk

follow 7dialslondon

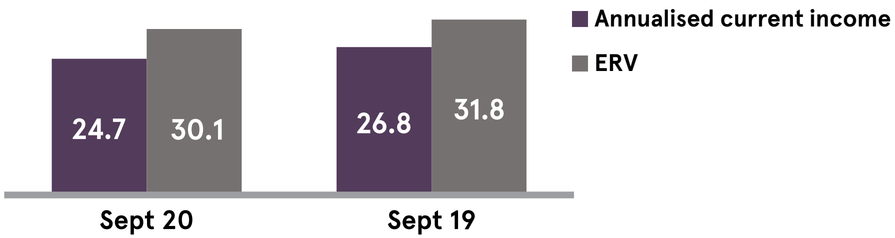
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Chinatown – in numbers

	Sept 2020	Sept 2019
Valuation	**£700.6m**	£843.9m
Disposals	**-**	£9.1m
Capital expenditure	**£7.9m**	£8.9m
Capital value return (L-f-L)	**-17.8%**	+0.8%
Equivalent yield	**3.8% (+ 43 bps)**	3.4%
Reversion	**£5.4m**	£5.0m

REVERSION (£m)



22%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
62%	20%	4%	14%
209,000 sq. ft.	82,000 sq. ft.	25,000 sq. ft.	103,000 sq. ft.

chinatown.co.uk

follow chinatownlondon

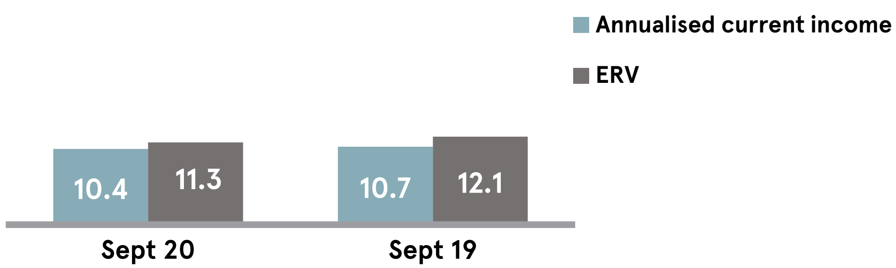
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Soho – in numbers

	Sept 2020	Sept 2019
Valuation	£258.7m	£314.1m
Acquisitions	-	£3.5m
Capital expenditure	£5.2m	£1.2m
Capital value return (L-f-L)	-21.3%	+3.1%
Equivalent yield	3.8% (+ 39 bps)	3.5%
Reversion	£0.9m	£1.4m

REVERSION (£m)



Shaftesbury

8%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
39%	26%	19%	16%
65,000 sq. ft.	45,000 sq. ft.	41,000 sq. ft.	37,000 sq. ft.

thisissoho.co.uk

follow thisissoho

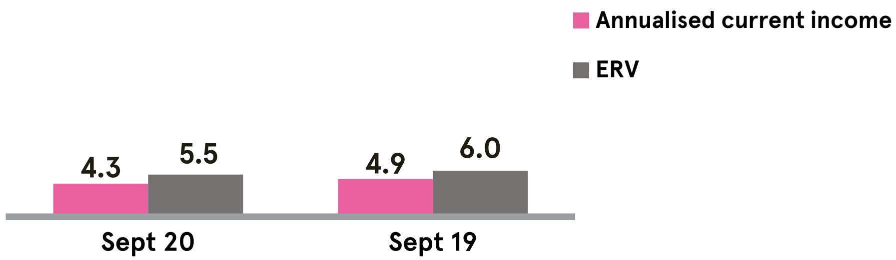
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Fitzrovia – in numbers

	Sept 2020	Sept 2019
Valuation	**£125.0m**	£152.0m
Acquisitions	**-**	£5.6m
Capital expenditure	**£1.1m**	£2.1m
Capital value return (L-f-L)	**-18.5%**	-2.4%
Equivalent yield	**3.8% (+ 37 bps)**	3.4%
Reversion	**£1.2m**	£1.1m

REVERSION (£m)



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4%

of our portfolio[1]

Food, beverage and leisure	Retail	Offices	Residential
48%	16%	8%	28%
52,000 sq. ft.	15,000 sq. ft.	10,000 sq. ft.	27,000 sq. ft.

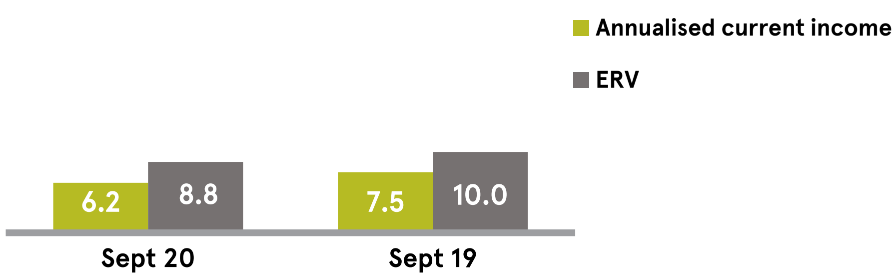
1. By value; wholly owned portfolio

Appendix: 4 Village Summaries

Longmartin – in numbers[1]

	Sept 2020	Sept 2019
Valuation	**£175.0m**	£209.0m
Capital expenditure	**£1.4m**	£3.7m
Capital value return (L-f-L)	**-16.9%**	-8.5%
Equivalent yield	**4.1% (+ 17 bps)**	3.9%
Reversion	**£2.6m**	£2.5m

REVERSION (£m)



£175.0m

Food, beverage and leisure	Retail	Offices	Residential
18%	26%	42%	14%
46,000 sq. ft.	64,000 sq. ft.	102,000 sq. ft.	55,000 sq. ft.

theyardscoventgarden.co.uk

follow theyardscoventgarden

Shaftesbury

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

5 Principal Risks

External factors

Macroeconomic factors

Potential causes

- Macroeconomic shocks or events.
- Uncertainty on trading and other relationships with the EU from 1 January 2021:
  - *Short-term disruption to the UK economy.*
  - *Upward cost pressures.*
  - *Supply chain disruption.*
- Longer-term Covid 19 impacts:
  - *Higher inflation.*
  - *Taxation increases.*
  - *Recessionary environment.*
  - *Higher unemployment.*

Consequences

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

Decline in the UK real estate market

Potential causes

- Changes to 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.
- Covid-19 accelerating structural changes in the retail and office sectors.

Consequences

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

External factors (cont'd)

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.
- Regulation/guidance in respect of social distancing both within our portfolio and in connection with domestic and international travel for the duration of the pandemic.

Consequences

- Ability to maximise the growth prospects of our assets restricted.
- 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.

Geographic concentration

Reduction in spending and/or footfall in our areas

- **Potential causes**
  - Pandemics.
  - Macro-economic conditions including recession, declining disposable income, unemployment, etc.
  - 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.
  - Terrorism or the threat of terrorism.
  - Competing destinations.
  - Possibility that Covid-19 induces permanent structural changes in frequency of visits and spending behaviour.
  - UK plans to end tax-free shopping for overseas visitors.
- **Consequences**
  - Lower sales densities.
  - Reduced tenant profitability/increased occupier financial distress/tenant default.
  - 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.

Market and consumer

Significant increase in tenant default/failure

- **Potential causes**
  - Decline in turnover (see Reduction in spending and/or footfall in our areas).
  - Increasing cost base and supply chain disruption (see macroeconomic factors).
  - Occupiers with limited Balance Sheet capacity are less likely to sustain a prolonged period of operational losses.
  - Wind down of Government Covid-19 support, including business rates relief which ceases at the end of March 2021.
  - Possibility that Covid-19 induces permanent structural changes in frequency of visits and spending behaviour.
  - Economic headwinds including recession, declining disposable income, unemployment.
- **Consequences**
  - Lower sales densities, reduced tenant profitability.
  - Reduced income and earnings.
  - Increased vacancy and related costs.
  - Frictional cost of re-letting.
  - Reduced ERV, capital values and NAV (amplified by gearing).
  - Risk of loan covenant breaches.

We are unable to adapt to tenant demands/shifts in market offer by competitors, or we fail to anticipate changes in rental growth

- **Potential causes**
  - Rapidly changing occupier requirements.
  - Structural changes in consumer behaviour and spending.
  - Occupiers becoming increasing cost conscious leading to:
    - *reduced space requirements and consequential lower occupational costs, including investment in fit-out; and*
    - *an increased reluctance to contribute fully towards building service charge and insurance costs.*
  - Increased vacancy across the West End.
  - Shaftesbury tenant proposition becomes uncompetitive.
  - Flexible working could change office requirements.
- **Consequences**
  - Reduced income and earnings.
  - Increased vacancy and related costs.
  - Additional capital expenditure requirements to compete on fit out standards.
  - Pressure on ERV, leading to decline in capital values and NAV (amplified by gearing).
  - Risk of loan covenant breaches.

Governance, data and internal control

Financing risk

Potential causes

- Reduction in income or values as a result of other principal risks.
- Changing lease structure landscape to more flexible leases and/or risk sharing.

Consequences

- Loan covenant breaches or reliance on waivers from lenders.
- Insufficient liquidity to meet obligations.
- Ability to raise new finance or refinance existing debt may be impaired.
- Forced disposal of properties.

Climate risk

- We recognise that climate change and the transition to a low carbon economy will present significant long-term risks and opportunities for our business.
- Failure to identify and mitigate risks could lead to disruption to our operations, damage to our reputation, and inhibit our ability to attract visitors and occupiers, which ultimately could lead to a reduction in the value of our portfolio.
- We are continuing to de-carbonise our portfolio and will incur additional costs in the low energy refurbishment of buildings.
- Our key risk indicators are: energy and carbon emissions, waste consumption, EPC ratings and green building certification.

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This presentation may contain certain forward-looking statements, forecasts, estimates, projections and opinions ("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", “continue”, "could", “forecast”, "may", "should", "expects", "believes", "intends", "plans", “project”, "targets", “will”, "goal" or "estimates" or, in each case, their negative or other variations or comparable terminology.

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