



Capital & Counties Properties PLC

An aerial, wide-angle photograph of a large, historic city square at dusk. The square is paved with cobblestones and is filled with many people walking. Several large, square outdoor seating areas are visible, each covered by a large patio umbrella. The umbrellas are in various colors, including white, blue, and dark blue. The surrounding buildings are multi-story, with many windows illuminated from within, casting a warm glow. The sky is a deep blue, indicating twilight. The overall atmosphere is lively and urban.

2022 Annual Results

1 March 2023

Introduction

Ian Hawksworth

Financial review

Situl Jobanputra

Covent Garden

Michelle McGrath

Shaftesbury Capital

Ian Hawksworth

Q&A



Introduction

Ian Hawksworth



Enduring appeal of the West End

London is a leading global city

- At the heart of the capital is the West End
- Unrivalled concentration of entertainment and cultural attractions

Long-term resilience of the West End

- Strong recovery in footfall; customer sales ahead of 2019 levels

Significant growth potential

- Return of international visitors
- Elizabeth Line has further improved connectivity and accessibility

Positive performance at Covent Garden

- Excellent leasing demand across all uses
- Delivering strong rental growth
- Positive leasing pipeline continuing into 2023



Positive operational performance in 2022

Property valuation £1.8bn -0.3% lfl	Total property return 2.8%	EPRA NTA per share 182p -31p	Net rental income £57.2m +23%	Underlying earnings per share 2.2p +2.1p
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Covent Garden valuation unchanged

6% ERV growth offset by 19bps yield expansion

Growth in underlying earnings

Continued recovery of net rental income

Dividend of 2.5p per share

(2021: 1.5p)

Investment in Shaftesbury

Reflecting share price of 368p at 31 December 2022

Strong balance sheet

Low gearing, high liquidity

Prior year numbers restated where appropriate to reflect change in accounting policy following IFRIC agenda decision on rent concessions

Note: All numbers shown at Group share

A sustainable business

Progress towards Net Zero Carbon by 2030

- Joined the UN Race to Zero

Recognised as a Climate Leader

- 2022 Financial Times survey

Improving energy efficiency of the estate

- 68% of units have EPC rating of A-C

Enhancing air quality

- Enhanced air quality monitoring around the Piazza

Commitment to community and charitable programmes

Dynamic, inclusive and diverse culture



Estate greening

MSCI
ESG RATINGS



Smartworks Charity Shop

A photograph of a busy London street. On the left, there is a NARS store with a black facade and large glass windows. The NARS logo is visible on the building. A crowd of people is walking on the sidewalk, some looking at their phones. In the background, there are other buildings, including one with a green awning and a black sign with a white logo. A black street lamp is visible in the foreground.

Financial review

Situl Jobanputra

Growth in underlying and cash earnings

	2022 £m	Restated 2021 £m	Var £m
Net rental income ¹	57.2	48.9	8.3
Other income ²	13.5	2.7	10.8
Administration costs ³	(26.1)	(19.9)	(6.2)
Net finance costs	(24.6)	(31.4)	6.8
Profit before tax	20.0	0.3	19.7
Taxation	(1.4)	0.4	(1.8)
Underlying earnings	18.6	0.7	17.9
Underlying earnings per share (pence)	2.2p	0.1p	2.1p
Dividend per share (pence)	2.5p	1.5p	1.0p

Capco dividends paid during the year comprise the 2021 final dividend of 1.0p and the interim dividend of 0.8p. An additional 1.7p in respect of H2 2022 will be paid in March 2023

Prior year numbers restated where appropriate to reflect change in accounting policy following IFRIC agenda decision on rent concessions

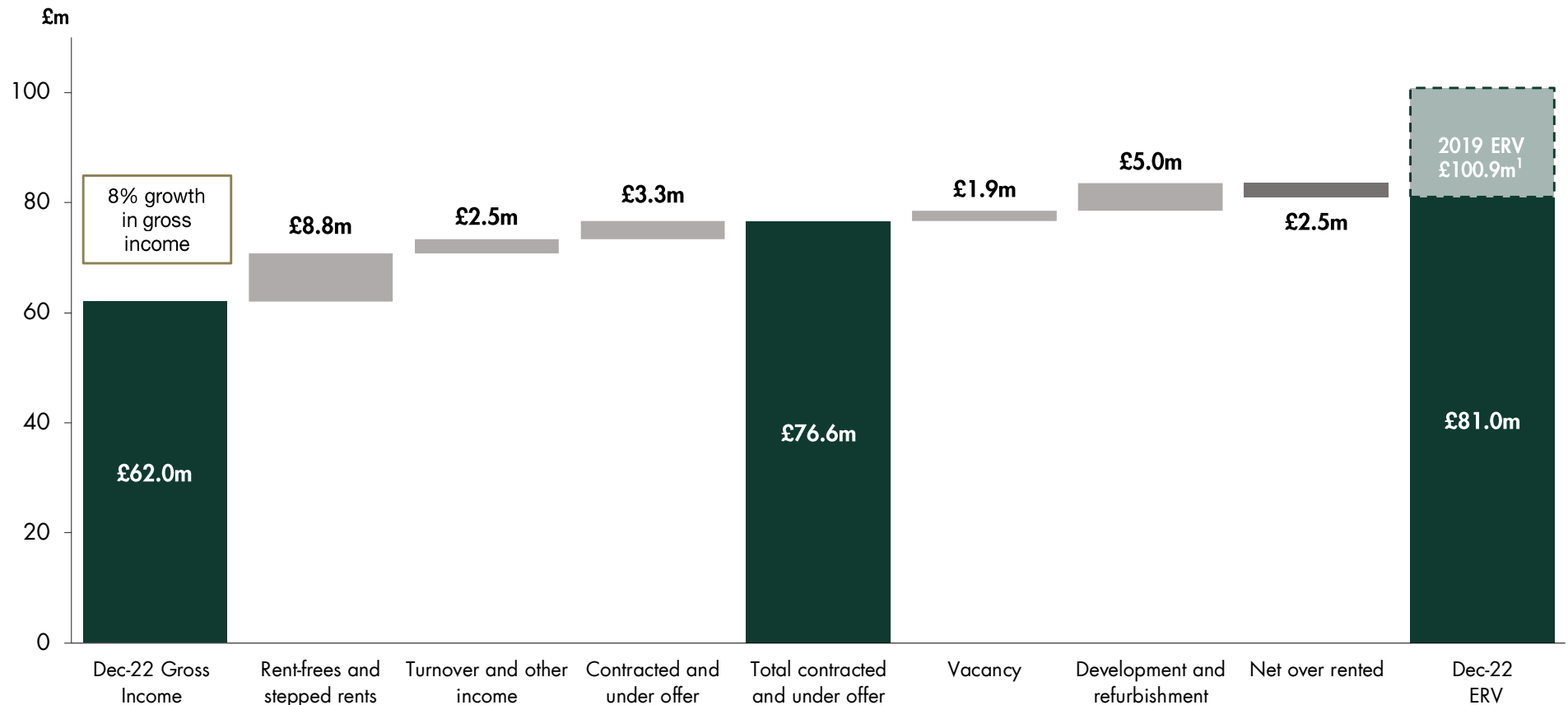
1. Nil adjustment for non-underlying, non-cash costs in 2022 (2021: £8.7m)

2. Includes Shaftesbury dividend of £13.5m received during the year (2021: £2.3m). Additional £2.6m (0.3p per Capco share) received in February 2023

3. Before £14.6m of non-underlying costs (2021: £2.8m)

Note: All numbers shown at Group share

Significant opportunity to grow rental income



EPRA balance sheet

	2022 £m	Restated 2021 £m	Var £m
Investment, development & trading property ¹	1,785	1,789	(4)
Equity investment ²	357	596	(239)
Other	32	28	4
Net debt	(622)	(599)	(23)
EPRA NTA	1,552	1,814	(262)
Number of shares in issue (diluted)	852.3	851.9	0.4
EPRA NTA per share	182.1p	213.0p	(30.9p)

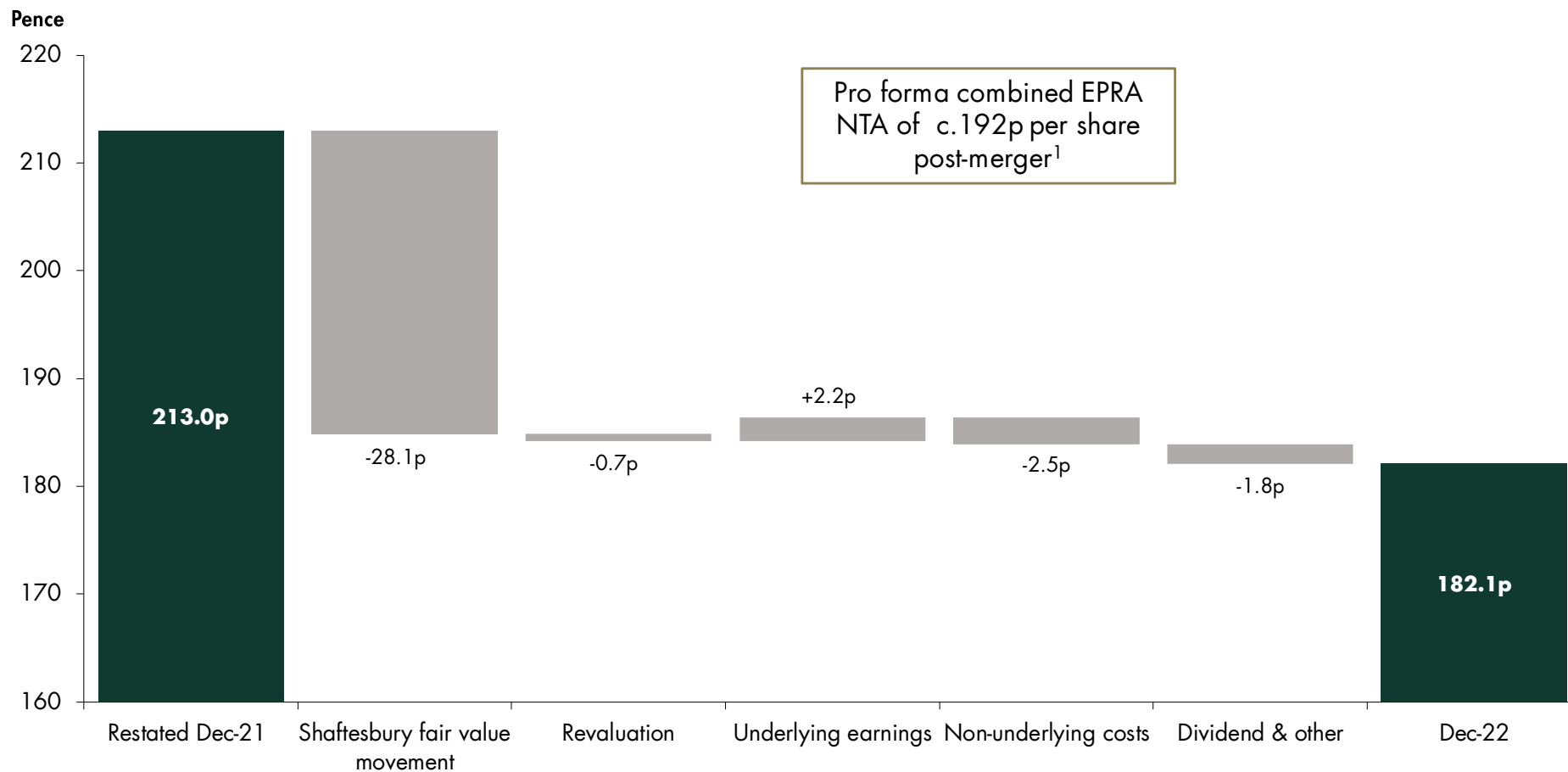
¹ The market value of investment, development & trading property is £1,820.7m (31 December 2021: £1,814.7m)

² Capco's investment in Shaftesbury PLC held at fair value, 368 pence per share at 31 December 2022 (31 December 2021: 615 pence)

Note: All numbers shown at Group share. A reconciliation of the Group Share to IFRS balance sheet is set out on page 33

Prior year numbers restated where appropriate to reflect change in accounting policy following IFRIC agenda decision on rent concessions

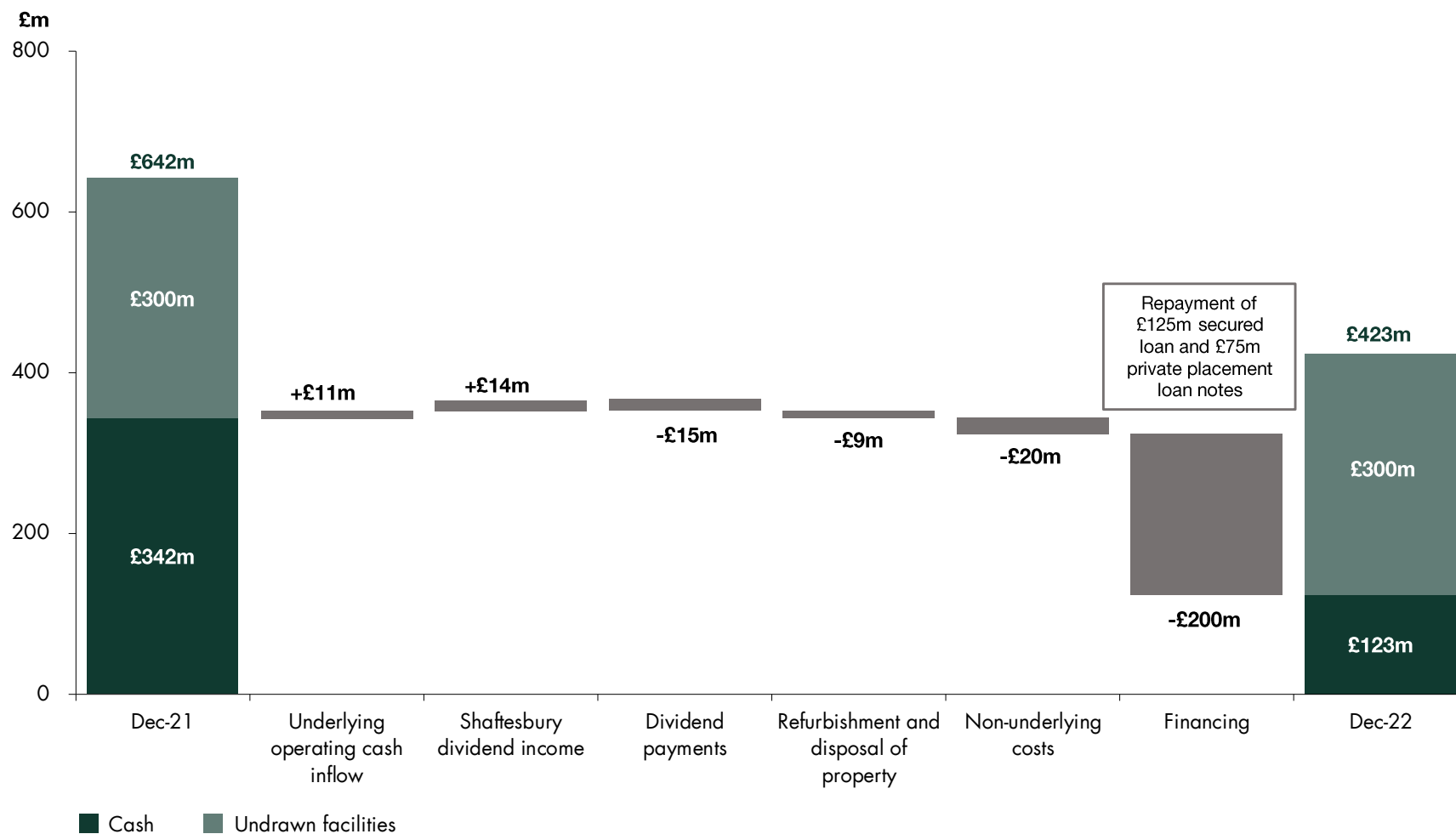
EPRA NTA movement



Prior year numbers restated where appropriate to reflect change in accounting policy following IFRIC agenda decision on rent concessions

1. Refer to slide 42 for Shaftesbury Capital sources of information

Access to significant liquidity



Tenant deposits and the standby facility are excluded from cash and undrawn facilities

Note: All numbers shown at Group share

Resilient and flexible capital structure

Covent Garden net debt	Covent Garden LTV	Covent Garden ICR	Group net debt	Net debt to gross assets
£366m	21%	3.9x	£622m	28%

Access to significant liquidity and substantial headroom against debt covenants

Extension of £300 million unsecured revolving credit facility (undrawn)

Maturity of September 2025

£200 million of debt repaid during 2022

£750 million drawn at fixed cost

£275 million exchangeable bonds at 2.0%

£475 million private placement loan notes at 2.8%

£200 million of interest rate collars in place for 2023 and 2024, capped at 1.23%

£576 million standby facility in place to cover potential repayment of Shaftesbury bonds

Covent Garden

Michelle McGrath



Covent Garden performance

Property value

£1.7bn
unchanged

ERV

+6% lfl
£81m

Leasing activity

+13%
vs Dec-21 ERV

Gross income

+8%
£62m

EPRA vacancy

2.5%
-0.1ppt

Strong leasing demand across all uses

- 71 leasing transactions (£10m contracted income)
- Leasing activity well ahead of previous passing rents

Unchanged valuation for the year

- H1 22 +5% lfl; H2 22 -5% lfl
- Equivalent yield 4.07% (2021: 3.88%)

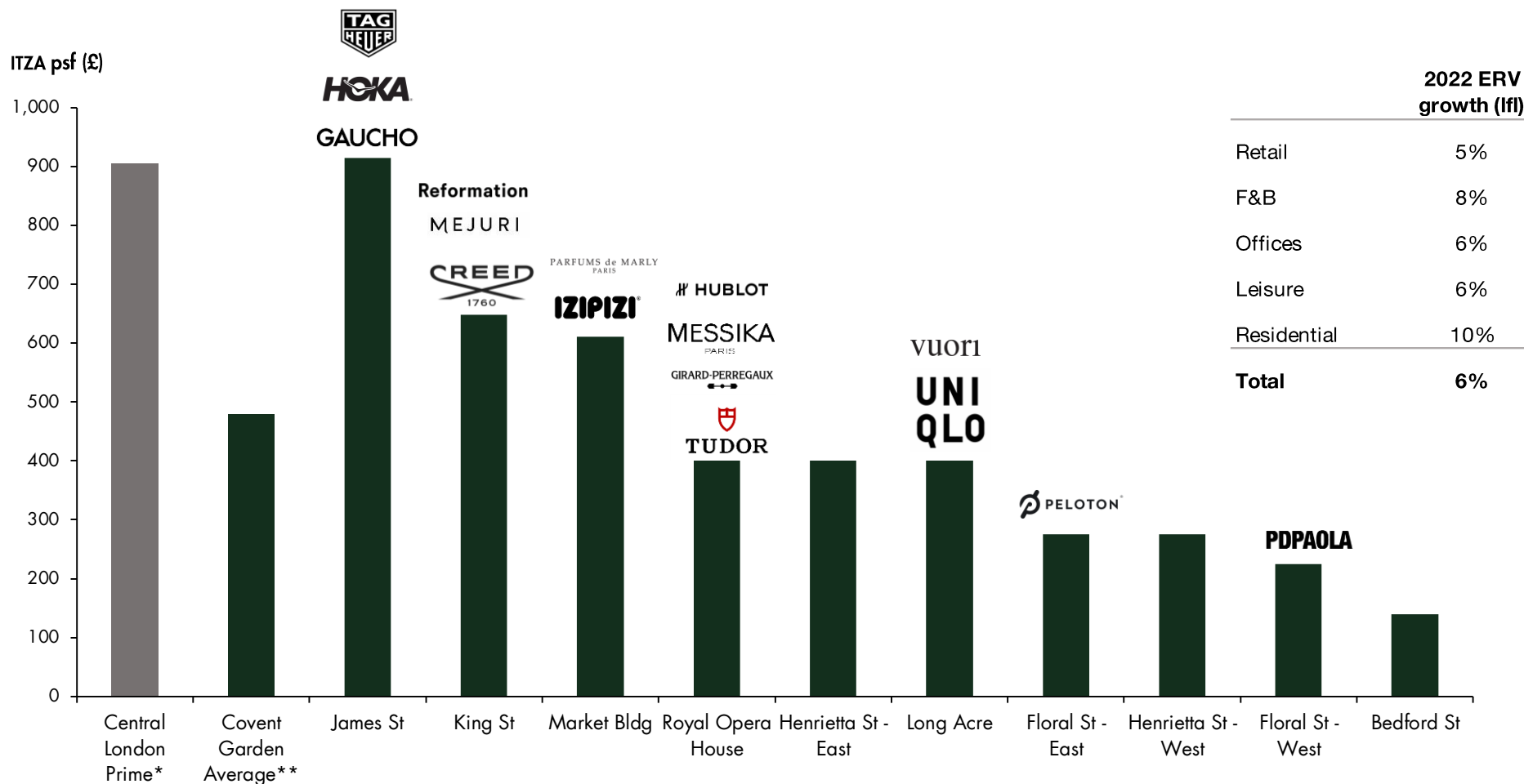
Positive operational indicators

- 2022 customer sales 7.5% lfl ahead of 2019 levels

Creative asset management

- Opportunities to enhance value and environmental performance

Significant opportunity to grow rents



* Based on 30ft Zone A, includes Old Bond Street, Oxford Street West and Regent Street (Covent Garden based on 20ft Zone A)

** Covent Garden average based on all streets, including Market Building

World-class customer line up

New signings



MEJURI

GAUCHO



UNI
QLO



MESSIKA
PARIS



New openings

STEREO



PDPAOLA

VUOR1

PARFUMS de MARLY
PARIS



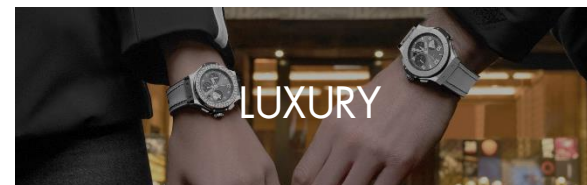
N.PEAL
LONDON

IZIPIZI®

Reformation

Miller Harris
PERFUMER LONDON

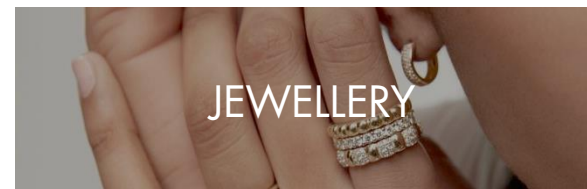
Rails



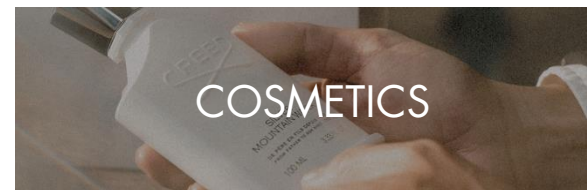
LUXURY



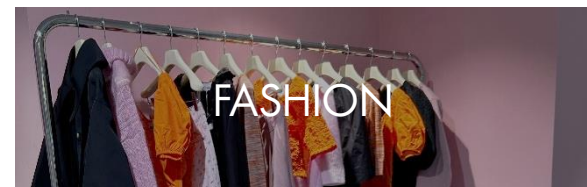
DINING



JEWELLERY



COSMETICS



FASHION

Attractive fundamentals underpinning leasing demand

Prime West End location

- Strong footfall drivers, connectivity, diverse consumer mix

Global brand recognition

- Flagship destination, customer acquisition, brand value

Mixed use ecosystem

- Targeted range of uses, categories and experiences

Experiential, animated, current

- Key differentiation

Pedestrianised open air environment

- Significant alfresco offer
- Sustainable vision for the estate

Scale and concentration

- Active asset management, world-class estate



Investing in our portfolio

Completion of high quality office refurbishments

- 5-6 Henrietta Street and 35 King Street
- £100psf new rental tone set for the office portfolio

Opportunities to enhance value and sustainability credentials

- 4 targeted initiatives underway
- c.£25 million capex over 18 - 24 months

Royal Opera House Arcade lease re-gear

- £12.9m cash consideration
- Consolidates ownership with the acquisition of remaining unit



An aerial photograph of London, showing a dense urban landscape with numerous buildings, streets, and green spaces. The River Thames is visible in the foreground, with a bridge and several boats. The sky is blue with some light clouds.

Looking ahead to Shaftesbury

Capital PLC

Ian Hawksworth

Creating the leading central London mixed-use REIT

Combining two businesses from a position of strength

- An impossible to replicate portfolio

‘Best of both’ approach

- People are key to our business
- Combine both companies’ strengths, cultures and values

Significant short and long-term expected benefits

- Significant revenue growth potential
- Greater efficiencies and recurring cost synergies
- Stronger operational platform
- Enhanced access to capital

Long-term responsible stewardship and ongoing community engagement

Deliver income and value growth, and a progressive dividend

Combined key metrics

c.£4.9bn
Portfolio value

c.2.9m sq ft
Lettable space

c.670
Buildings

c.2,000
Lettable units

c.£178m
Annualised gross
income

c.£227m
ERV
(2019: £258m)

c.192p
EPRA NTA
per share

c.31%
LTV

Refer to slide 42 for Shaftesbury Capital sources of information

An impossible to replicate portfolio



A photograph of a busy pedestrian street at dusk. The street is lined with buildings, some with shop signs like 'TED BAKER' and 'DIPTOYU'. String lights are strung across the street, and a large crowd of people is walking. The scene is illuminated by the warm glow of the streetlights and the cool light of the twilight sky.

Q&A

Capco appendix



A sustainable and responsible business



**EPRA sustainability
reporting awards
Gold**



**Standing Investments
Assessment 68/100 with 2 Green
Stars. Development Portfolio
85/100 with 3 Green Stars**



**Recognised as a climate
leader 2022 by the
Financial Times**

**MSCI
ESG RATINGS**



FTSE4Good

**FTSE4Good
68th percentile**



**Carbon Disclosure
Project: B**



**ISS ESG Corporate
Rating: 2nd Decile**

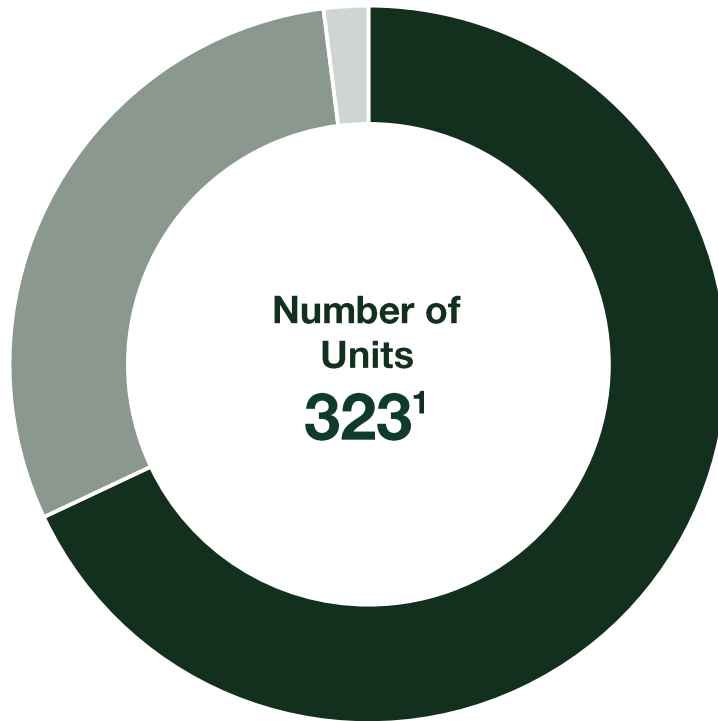
**Member of
Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

**S&P Global CSA
Rating: 90th percentile**

Memberships



Energy Performance Certificates (EPC)



■ A-C: 68%

■ D-E: 30%

■ Units undergoing refurbishment: 2%

Strategy to re-use, re-purpose and improve

- Enhance energy performance credentials
- Incremental refurbishment activities
- Significant embedded carbon
- Re-use building fabric where possible

Improving EPC ratings across the estate

- 68% of units have A-C rating

1. 323 reflects units subject to EPC rating (excludes long leasehold residential)

Net Zero Carbon by 2030

Focused on five key activities:

50% reduction in embodied carbon

- Prioritise innovative refurbishment using sustainable materials
- Whole Life Carbon assessments

60% reduction in operational carbon

- Drive down energy demand

Prioritise innovation and renewables

- New technologies and energy initiatives
- Innovative supply chain

Enhance climate adaptation and resilience

- Improve building resilience

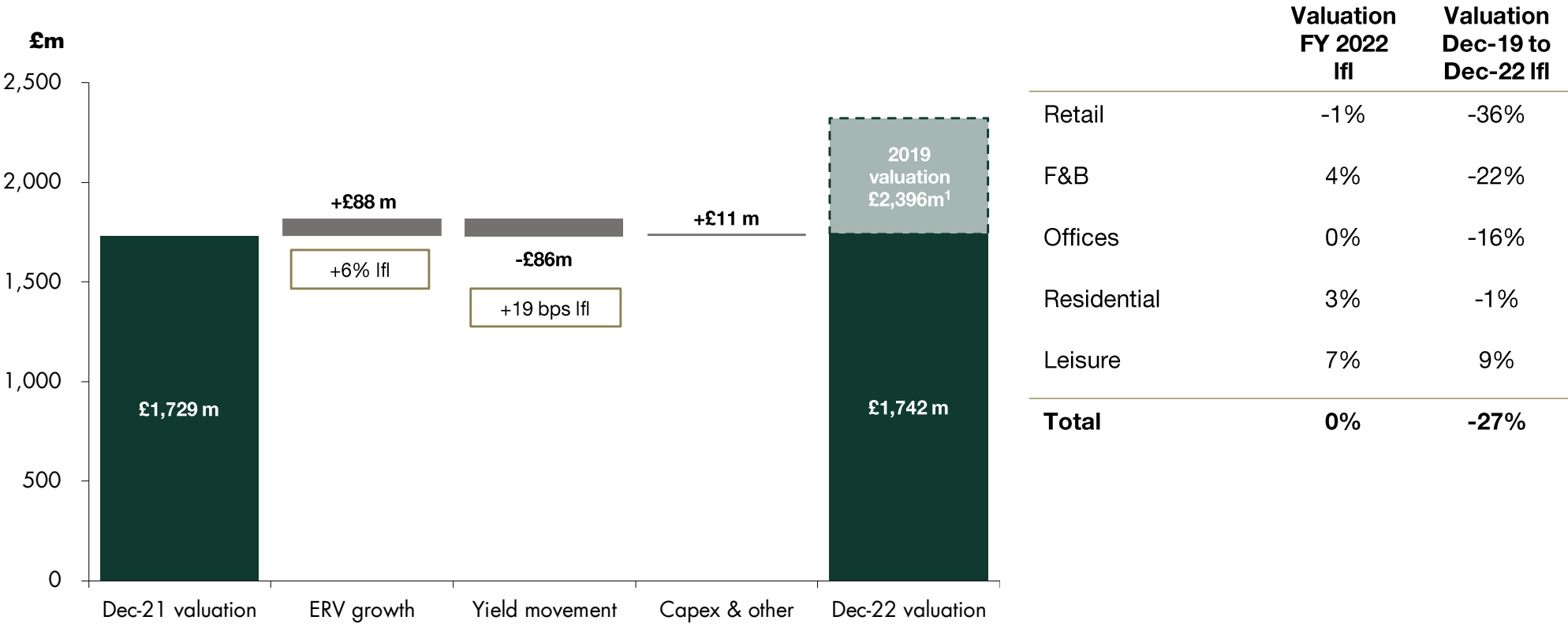
Residual emission offsetting

- Certified schemes



Covent Garden valuation remains 27% below 2019 levels

	Dec-19	Dec-21	Dec-22
Initial yield	2.50%	2.94%	3.21%
Equivalent yield	3.64%	3.88%	4.07%



1. 2019 valuation adjusted for disposal of Wellington block, Southampton Street, Bedford Street and King Street properties (£200m)

Covent Garden portfolio

	Retail	F&B	Office	Residential	Leisure/ Other	Total
Valuation	£840m	£455m	£270m	£127m	£50m	£1,742m
Gross income	£28.8m	£17.4m	£10.4m	£3.4m	£2.0m	£62.0m
ERV	£38.3m	£19.5m	£17.0m	£4.1m	£2.1m	£81.0m
Area (square foot)	0.4m	0.2m	0.2m	0.2m ¹	0.1m	1.1m
Units	120	68	68	196	52	504

1. Residential includes units sold on long lease interests covering approximately 159,000 square feet

Use by value:

Retail
48%

F&B
26%

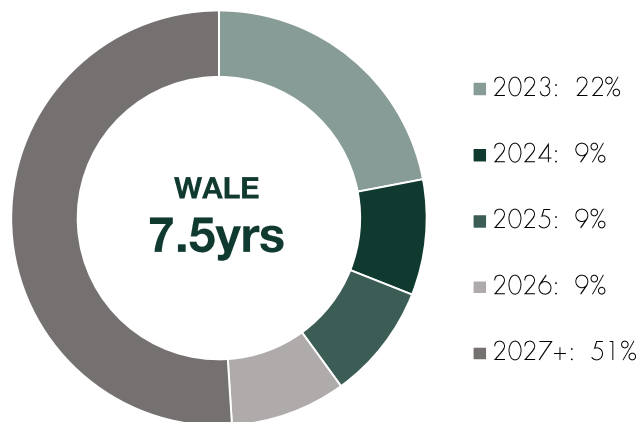
Office
16%

Residential
7%

Leisure
3%

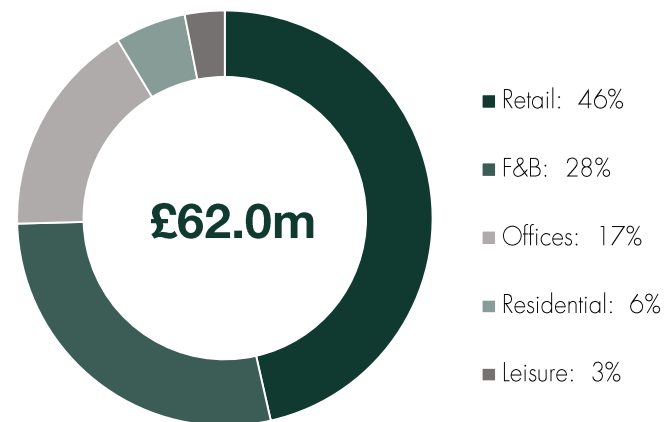
Covent Garden portfolio 70 properties, 504 lettable units

Lease expiry profile¹

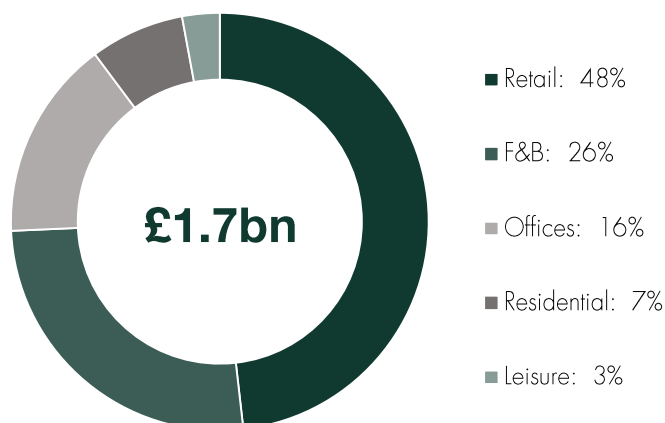


1. Lease expiry profile based on the earlier of lease break and lease expiry

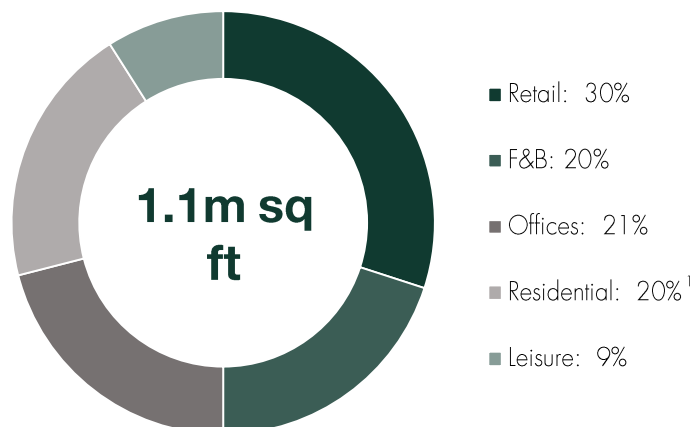
Annual gross income



Property value



Total floor area

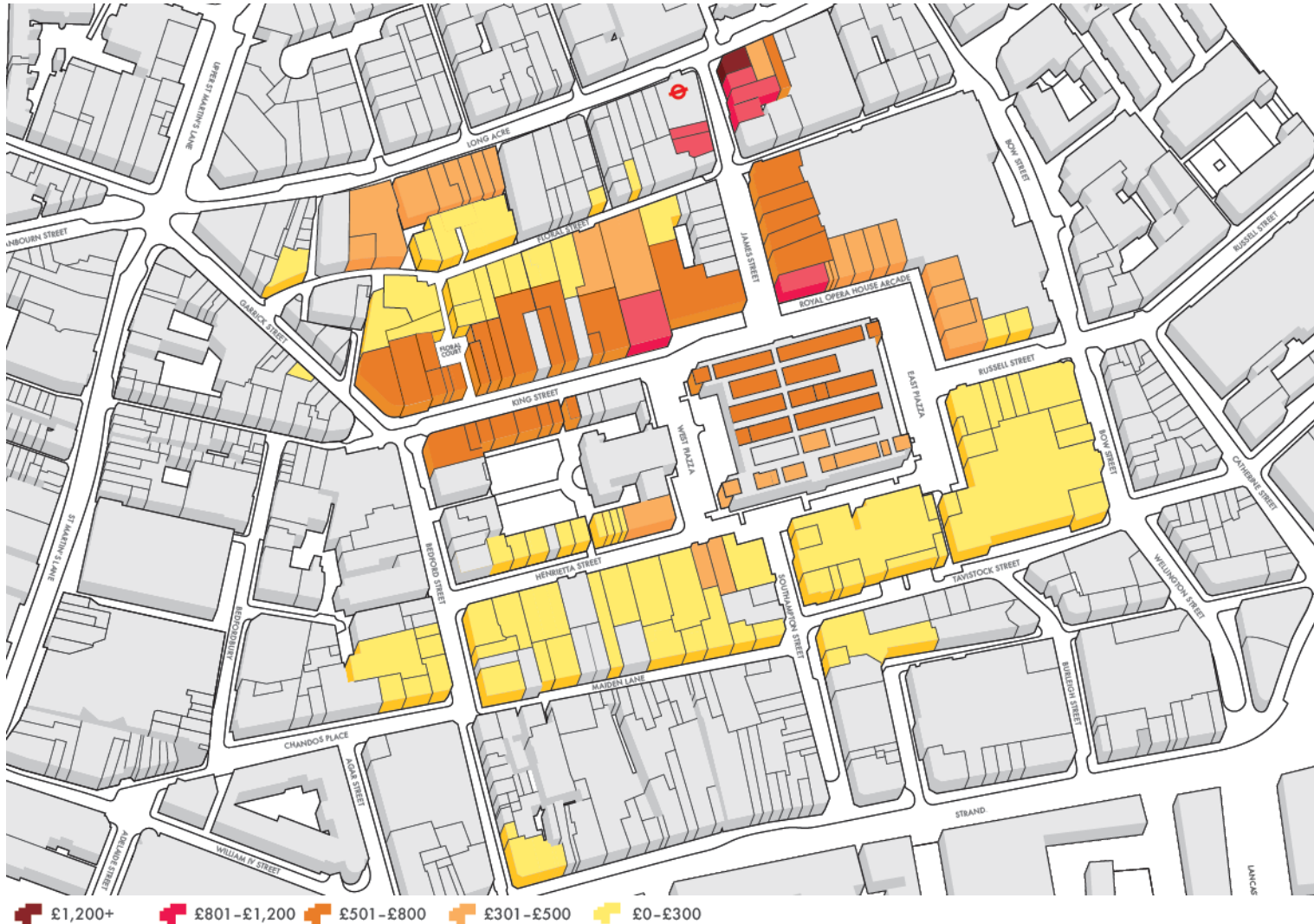


1. Residential includes units sold on long lease interests covering approximately 159,000 square feet

Covent Garden portfolio analysis



December 2022 Zone A Map



Underlying earnings – H1 & H2 2022

	H1 2022 £m	H2 2022 £m	FY 2022 £m
Net rental income	28.0	29.2	57.2
Other income ¹	3.9	9.6	13.5
Administration costs	(12.8)	(13.3)	(26.1)
Net finance costs	(14.3)	(10.3)	(24.6)
Underlying profit before tax	4.8	15.2	20.0
Taxation	(0.5)	(0.9)	(1.4)
Underlying earnings	4.3	14.3	18.6
Underlying earnings per share (pence)	0.5p	1.7p	2.2p

1. Includes Shaftesbury dividend of £13.5m received during the year (2021: £2.3m). Additional £2.6m in respect of Q4 2022 received in February 2023.

Note: All numbers shown at Group share

Summary balance sheet

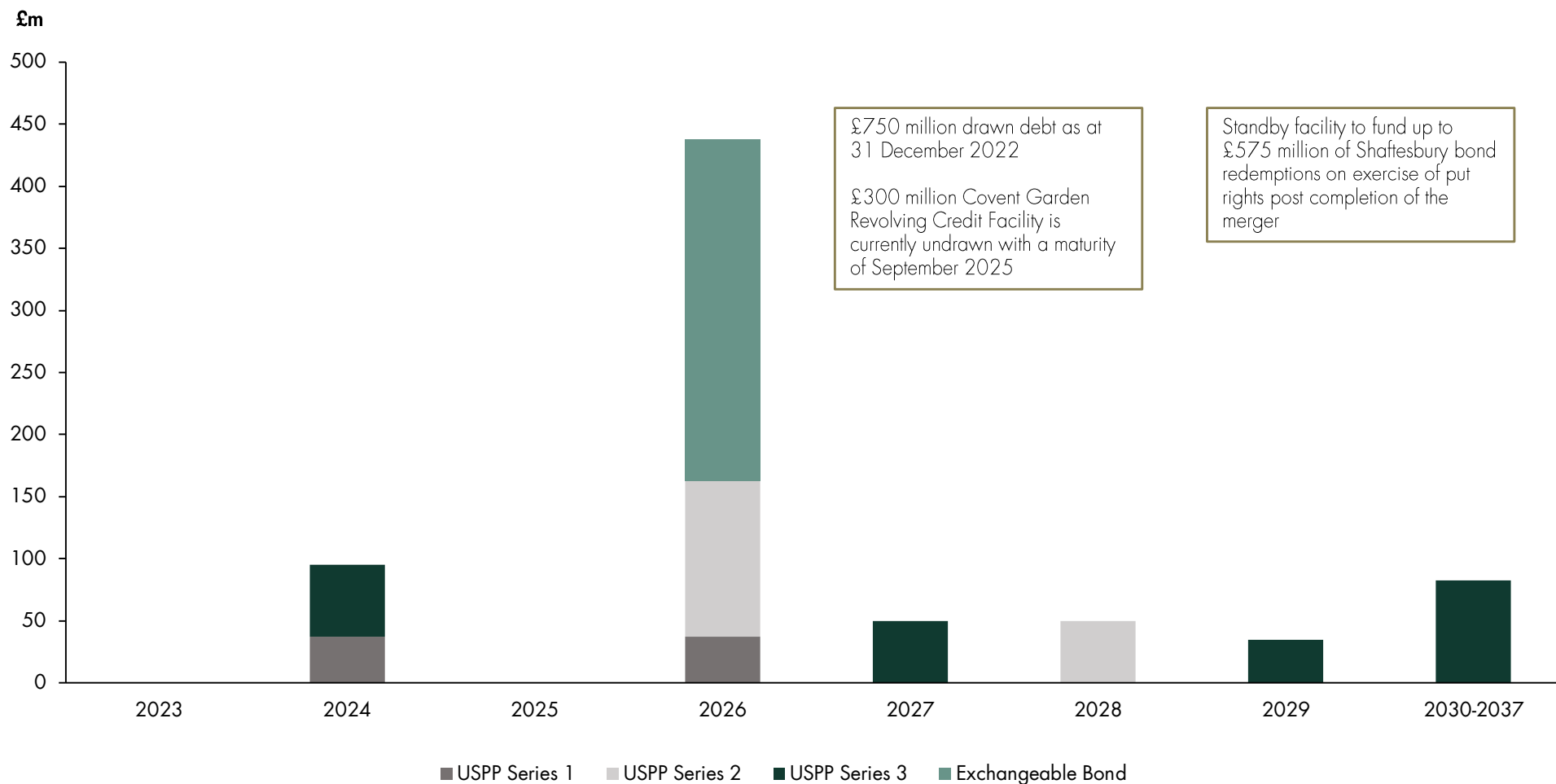
Group share to IFRS as at 31 December 2022

	Group share £m	Less: Joint ventures ¹ £m	IFRS £m
Investment, development & trading property	1,785	(70)	1,715
Equity investment ²	357	—	357
Other assets and liabilities	42	76	118
Net debt	(622)	(6)	(628)
NAV	1,562	—	1,562

1. Primarily Lillie Square

2. Investment in Shaftesbury PLC

Capco drawn debt maturity profile



Taxation summary

Tax on income and gains

The total tax charge for the year, made up of both underlying tax and non-underlying tax, is £6.0 million.

The Group is a UK Real Estate Investment Trust (REIT) and therefore is exempt from UK corporation tax on income and gains arising from its qualifying property rental business provided that certain REIT conditions are met on a continuing basis. The Group satisfied all REIT requirements needed to maintain REIT status throughout 2022.

Income and gains arising from non-qualifying REIT activities (e.g. trading operations) are subject to UK corporation tax (currently 19%).

A disposal of the Group's trading properties at their market value, before utilisation of carried forward losses, would result in a UK corporation tax charge to the Group of £1.3 million (19% of £7.1 million).

Lillie Square joint venture

Continuing to progress sales

- 5 units sold during 2022 representing £6.6 million (£3.3 million Capco share)
- 69 units remain available across Phase 1 and Phase 2

Valuation

- 6% decline (like-for-like) to £79 million¹ (Capco share)

Funding

- £35m cash distribution to joint venture partners during the year (£17.5m Capco share)
- Net cash position £11.8m (£5.9m Capco share)

1. Includes Lillie Square joint venture and Lillie Square holdings group properties





Shaftesbury Capital PLC appendix

Strong financial profile

Prospects for income growth

c. £178m Annualised gross income ¹	c. £227m ERV ¹ (2019: £258m)
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Operating and financing efficiency opportunities

- Rental and property-level costs of £34m²
- Administration costs of £48m²
- Net finance costs of £54m^{2,3}

£12m of pre-tax recurring cost synergies on an annual run rate basis by end of second year following completion

Resilient balance sheet

c. £1.5bn Net debt c. 31% LTV	c. 192p EPRA NTA per share
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Low leverage and high liquidity

Strong credit positioning and enhanced access to capital over time

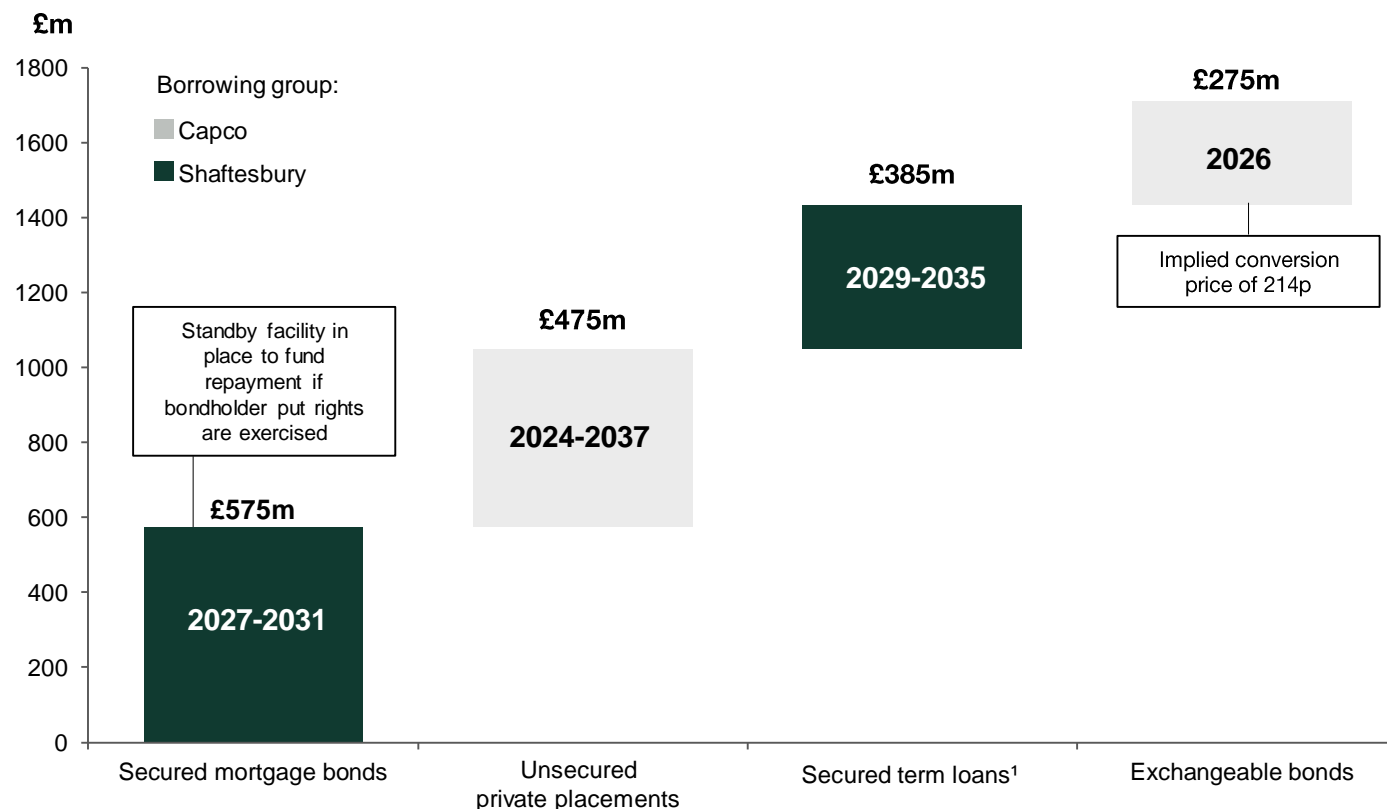
Progressive dividend policy underpinned by income growth prospects and effective cost and capital management

1. Figures reflect Capco as at 31 Dec 2022 and Shaftesbury as at 30 Sept 2022
2. Figures reflect aggregation of the last twelve months' reported numbers for each company; (Capco 1 Jan 2022 – 31 Dec 2022) (Shaftesbury 1 Oct 2021 – 30 Sept 2022)
3. Refer to slide 41 for Standby facility terms

Refer to slide 42 for Shaftesbury Capital sources of information

Resilient and flexible capital structure

COMBINED METRICS



1. Change of control waivers in place

Net debt
c. £1.5bn

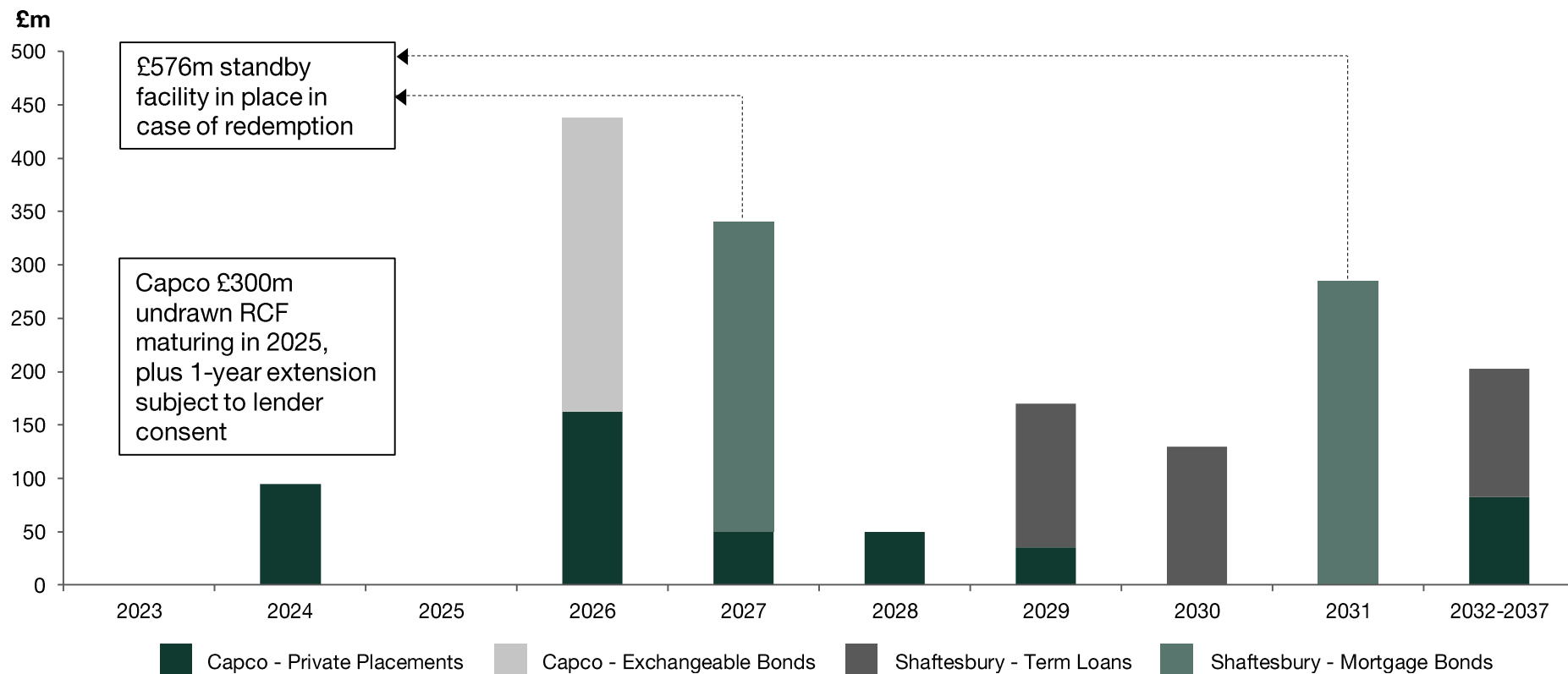
LTV
c. 31%

£200m
interest rate
collars 2023-
24 capped at
1.23%

Stronger credit positioning and enhanced access to capital over time

Figures as at 31 December 2022. Refer to slide 42 for sources of information

Shaftesbury Capital debt maturity profile



Standby facility terms

	Standby facility
Description	Standby facility to provide replacement financing in the event the Shaftesbury Mortgage Bondholders exercise their option to redeem their bonds at par on completion of the Merger
Lenders	HSBC, Barclays and BNP Paribas
Size	Maximum facility of £576m
Term	24 months from June 2022 + 6 months (Borrower option) + 6 months (Lender consent)
Reference rate	SONIA
Margin	<p>From signing of the loan to the earlier of (i) the completion of the Merger; and (ii) 31-Dec-22 0.75%</p> <p>Thereafter until 12 months following loan signing 1.50%</p> <p>Thereafter increasing by 25 basis points every 6 months up to 24 months, 2.75% and 3.25% respectively for the final two 6 month periods</p>
Covenants	<p>Loan to Value – 60%</p> <p>Interest cover ratio – 1.0x Net Rental Income</p> <p>Unencumbered assets ratio – 1.5 : 1</p>

This is the Loan Facility Agreement as defined in the 2.7 Announcement

Sources of information

	Capco (31 December 2022)	Shaftesbury (31 December 2022)	Shaftesbury Capital
Portfolio value (wholly owned)¹	£1.74bn	£3.11bn	£4.85bn
JV share of property value²	£77m	£173m	£0.25bn
Net debt	£622m	£827m ³	£1.5bn⁴
EPRA NTA	£1.6bn	£2.4bn ⁵	£3.5bn⁶
EPRA NTA per share			c.192p⁷

1. Portfolio valuations as per external valuations undertaken as at 31 December 2022 and disclosed in the Capco and Shaftesbury respective trading updates announced on 30 January 2023

2. JV share of property value in respect of Capco's and Shaftesbury's 50% interests in Lillie Square and Longmartin respectively. Values are per external valuations as at 31 December 2022 and 30 September 2022 disclosed in the Capco and Shaftesbury preliminary annual results

3. Net debt as disclosed in Shaftesbury Trading Update released on 30 January 2023

4. Combined Group net debt equals last reported balances as at 31 December 2022 less estimated remaining transaction costs as disclosed in Capco's supplementary prospectus published on 29 November 2022 adjusted for costs incurred up to 31 December 2022 and 30 September 2022 for Capco and Shaftesbury respectively

5. Shaftesbury's EPRA NTA is equal to Shaftesbury's 30 September 2022 EPRA NTA included in its preliminary annual results announced on 28 November 2022, adjusted for the 2.7% property revaluation loss for the three month period to 31 December 2022 as disclosed in Shaftesbury's trading update released on 30 January 2023

6. Combined Group EPRA NTA is calculated using the 31 December 2022 Capco EPRA NTA of £1,552 million plus the 30 September 2022 Shaftesbury EPRA NTA of £2,468 million, less the Shaftesbury revaluation loss for the three month period to 31 December 2022, less the 31 December 2022 valuation of the Shaftesbury shares held by Capco of £357 million, less estimated remaining transaction costs

7. Combined Group EPRA NTA per share is equal to the Combined Group EPRA NTA divided by 1,825 million shares being the total shares of the Combined Group at admission as stated in the Prospectus dated 7 July 2022

8. Annualised gross income and ERV as at 31 December 2022 for Capco and 30 September 2022 for Shaftesbury

Expected timetable of principal events

Dates

CMA clearance	Wednesday 22 February 2023
Publication of Capco annual results for 2022	Wednesday 1 March 2023
Court sanction hearing	Thursday 2 March 2023
Publication of supplementary prospectus and Capco annual report for 2022	Friday 3 March 2023
Last day for dealings in Shaftesbury shares	Friday 3 March 2023
Scheme effective and admission and trading of new Capco shares on LSE and JSE	Monday 6 March 2023
Expected trading in new name of Shaftesbury Capital PLC on the LSE and JSE under the share code SHC	Tuesday 7 March 2023

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These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this presentation are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the failure to realise contemplated synergies and other benefits from mergers and acquisitions; the effect of mergers, acquisitions and divestitures on Capco's operating results and businesses generally; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Capco's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Capco.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this presentation reflect the knowledge and information available to Capco at the date of preparation of this presentation and Capco undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

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