

2023 Interim Results

Shaftesbury Capital PLC

3 August 2023





The leading
central London
mixed-use
REIT

Strong
financial
profile

Excellent
operating
performance

Positive
outlook



The leading central London mixed-use REIT

Excellent momentum post-merger

Leading central London mixed-use REIT

- Completion of merger on 6 March 2023
- Excellent progress on integration

Positive operating metrics across the business

- High footfall, customer sales 15% ahead of 2019 levels
- Low vacancy; 2.5% of ERV available to let
- Valuation unchanged, 6% growth in annualised rents and 3% growth in ERV

Progress on merger benefits

- Cost savings ahead of schedule
- Identifying incremental revenue opportunities

Confidence in growth prospects

- Strong leasing pipeline and positive trading conditions



Impossible to replicate portfolio in the heart of London's West End



£4.9bn
Portfolio value



2.9m sq. ft.
Lettable space

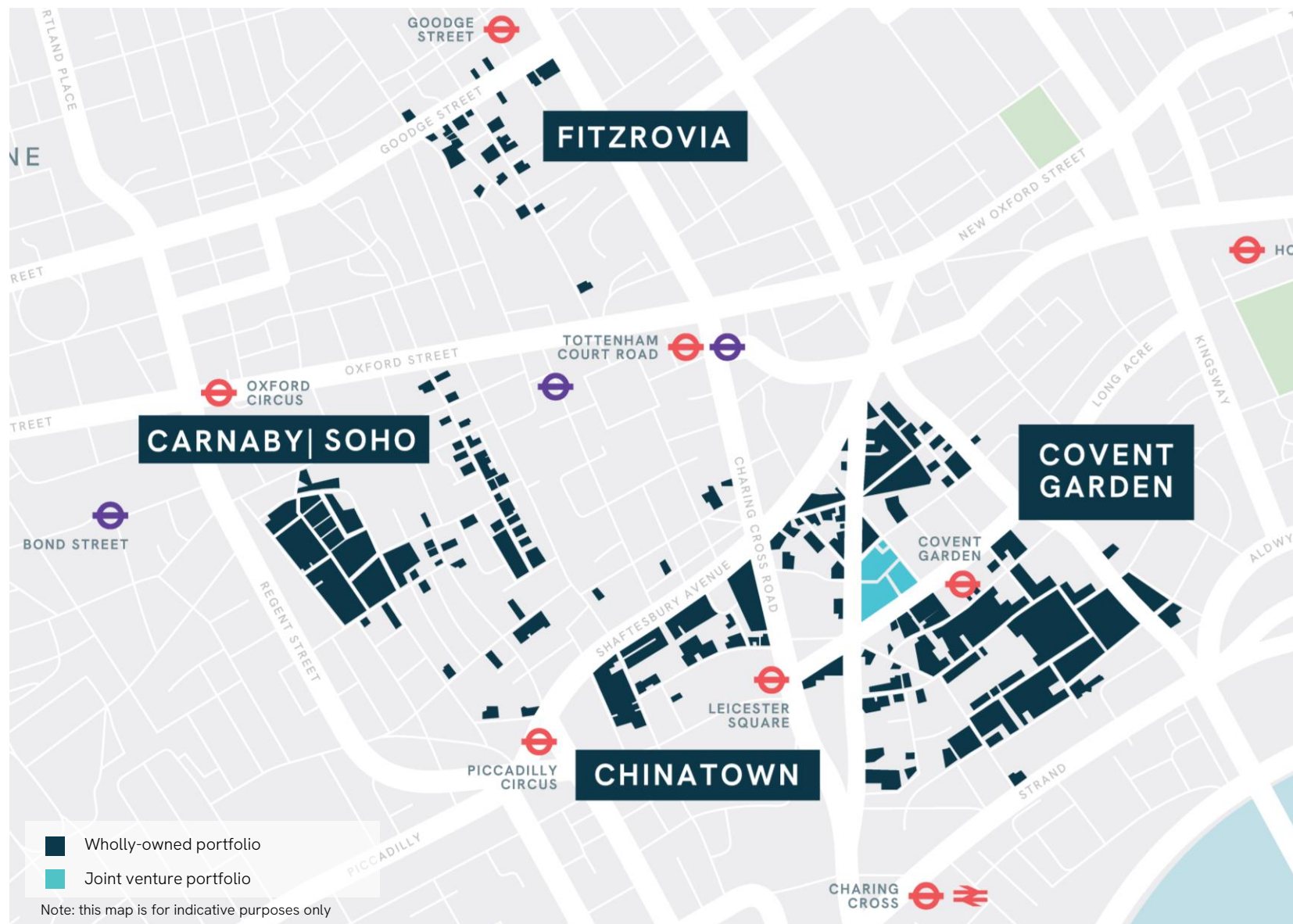


c.2,000
Lettable units¹

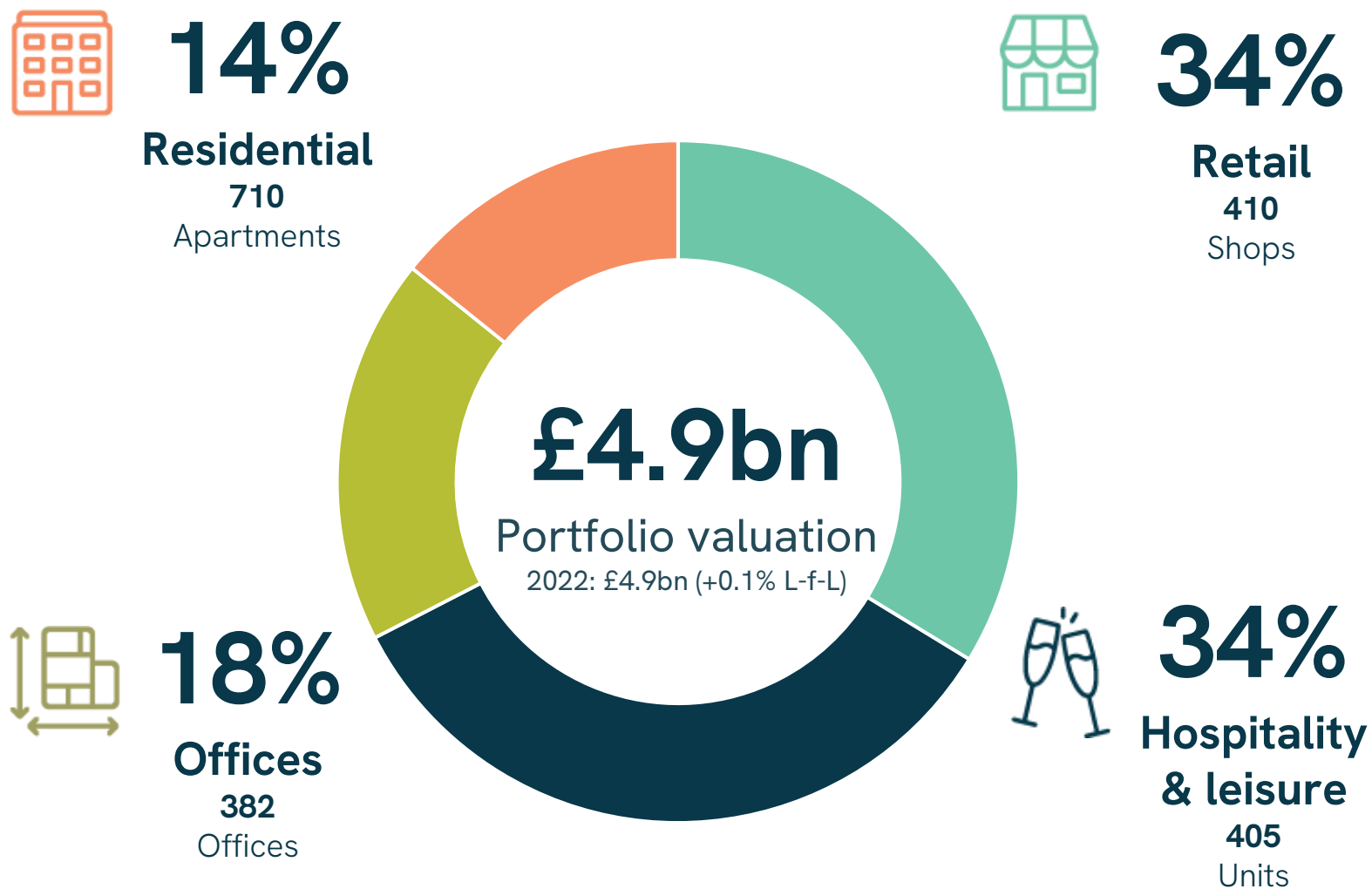


c.670
Buildings

1. Excludes long-leasehold residential interests



Well balanced, diverse mixed-use portfolio



Percentage of portfolio valuation

The West End's appeal and resilience

Unique long-term features

- Wide variety of retail, hospitality and leisure experiences
- Unrivalled concentration of entertainment and cultural attractions

Global destination attracting visitors

- c.200m visits per annum to the West End
- Large working population and residential community
- Seven days-a-week trading environment

Excellent connectivity

- Numerous major transport hubs
- Elizabeth Line stations enhancing footfall patterns

Long history of resilience and sustained demand

- Adaptable mixed-use portfolio with low capex requirements
- Smaller lot sizes attractive to domestic and international investors



Strategy to deliver long-term income and value growth from our unique portfolio

Benefitting all stakeholders and contributing to the success of the West End

Place our customers at the heart of the business



- Deliver best in class service to all customers
- Leverage our deep knowledge of the West End, consumers and extensive commercial data

Creative and active approach to asset management



- Invest in and nurture remarkable destinations in London's West End
- Dynamic leasing strategy
- Re-use, re-purpose and improve buildings
- Enhance public realm

Disciplined financial management



- Prudent, conservative approach to financial leverage and risk
- Maintain cost and capital discipline

Sustainable and community minded



- Broad community and stakeholder engagement
- Responsible stewardship
- Commitment to the environment and clear sustainability goals

Commitment to the environment and stakeholders

Commitment to become net zero carbon by 2030

- Combined pathway to be published later this year

Become a UK leader in sustainability for heritage properties

Re-use, re-purpose and improve heritage properties

- 68% of units have an EPC grade of A-C

Improving air quality, pedestrianisation and biodiversity programme

Our people are key to the business

- Passion for the West End

Ongoing stakeholder and community engagement

- Value the communities that make our places thrive



Group financial headlines

Delivering growth in annualised rents and ERV

Annualised gross income

£188m

+5.6%
2022: £178m (2019: £187m)

ERV

£235m

+3.3% L-f-L
2022: £227m (2019: £258m)

Property valuation

£4.9bn

+0.1% L-f-L
Yield: 4.2% (+10 bps)

EPRA NTA per share

194p

+12p vs Dec 22: 182p
Pro forma¹: 193p

Valuation unchanged

Total property return 1.4%

Strong leasing activity

220 leasing transactions 5% ahead of Dec 22 ERV

Underlying earnings

1.9 pence per share

Cost savings ahead of schedule

£13.5 million total savings expected

Strong financial position

EPRA LTV 31% with access to significant liquidity >£450m

Interim dividend declared

1.5 pence per share

1. Pro forma reflects 31 December 2022 reported metrics with completion adjustments. Refer to page 48 of 2023 Interim Results for further information



Strong financial profile

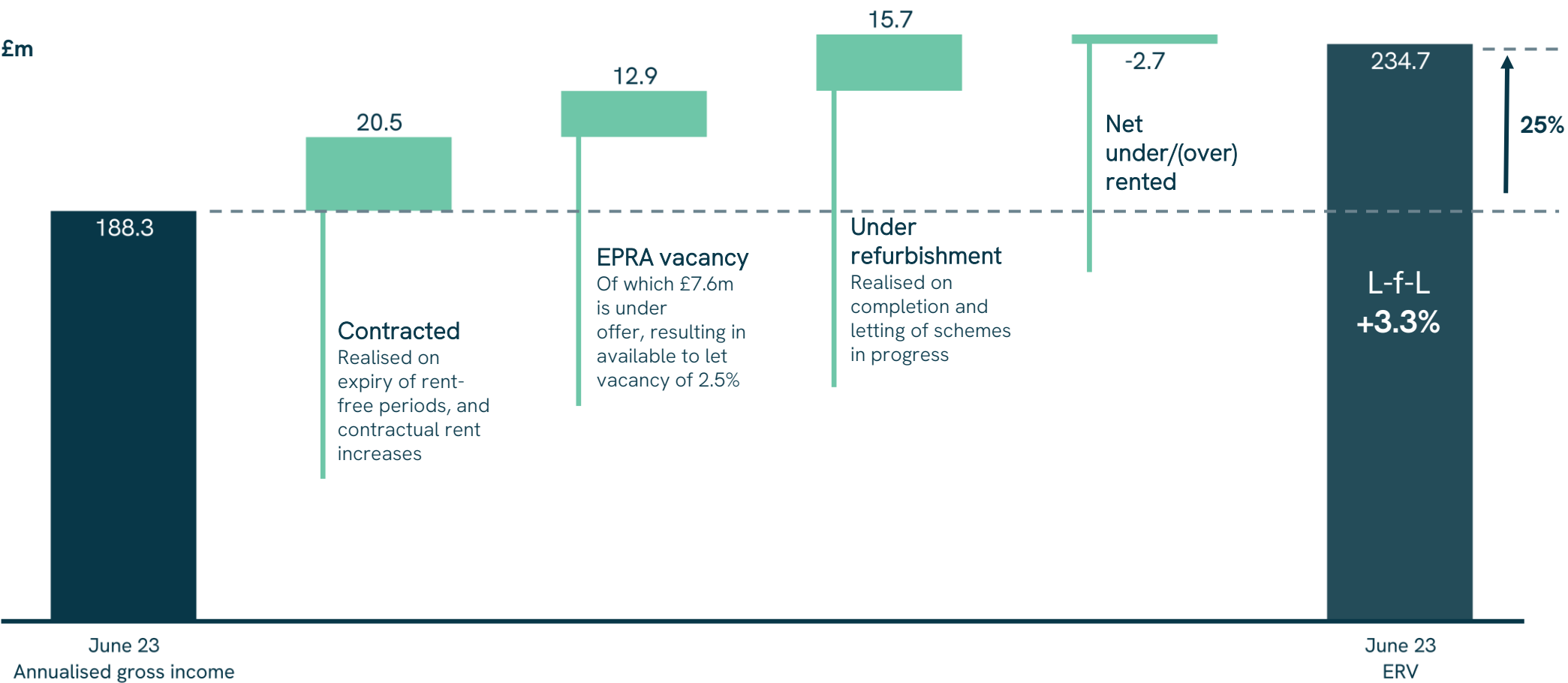
Underlying earnings

	H1 2023 £m ¹	Restated H1 2022 £m ²
Net rental income	63.4	26.9
Other income ³	2.6	3.9
Administration costs	(17.9)	(12.8)
Net finance costs	(21.5)	(14.3)
Share of joint venture profit	0.9	-
Taxation	-	(0.5)
Underlying earnings	27.5	3.2
Underlying earnings per share (pence)	1.9p	0.4p
Weighted average number of shares (million) ⁴	1,473.3	851.3
Dividend per share (pence)	1.5p	0.8p
EPRA earnings	10.8	12.0
EPRA earning per share (pence)	0.7p	1.4p

1. H1 2023 reflects legacy Capco business pre-merger completion and combined business from 6 March to 30 June 2023
2. The comparative reflects the reported results of Capco (restated to reflect previously announced IFRIC-related changes in accounting policy)
3. Includes Shaftesbury PLC dividend of £2.6m received in February 2023 prior to merger
4. Refer to slide 37 for further information on per share metrics

Significant reversionary potential

Active asset management and leasing activity delivering rental growth



Relates to wholly-owned portfolio only

Progress on merger benefits

Progressing towards an effective and efficient organisational structure and cost base

Cost savings ahead of phasing set out in the merger documentation

Actions taken to date to result in c.£9m of annualised cost savings

- Increased expectation of total savings from £12m to £13.5m

Identifying other benefits, including incremental revenue opportunities



EPRA balance sheet

	30 Jun 2023	Pro forma 31 Dec 2022 ¹	31 Dec 2022
	£m	£m	£m
Investment property	4,865	4,829	1,715
Investment in joint ventures	84	87	-
Financial assets at fair value ²	-	-	357
Net debt ³	(1,554)	(1,488)	(634)
Other	159	98	124
Net assets	3,554	3,526	1,562
EPRA net tangible assets	3,541	3,526	1,552
EPRA net tangible assets per share (pence)	194	193	182
Adjusted diluted number of shares⁴ (m)	1,827m	1,827m	852m

1. Pro forma reflects 31 December 2022 reported metrics with completion adjustments. Refer to page 48 of 2023 Interim Results for further information

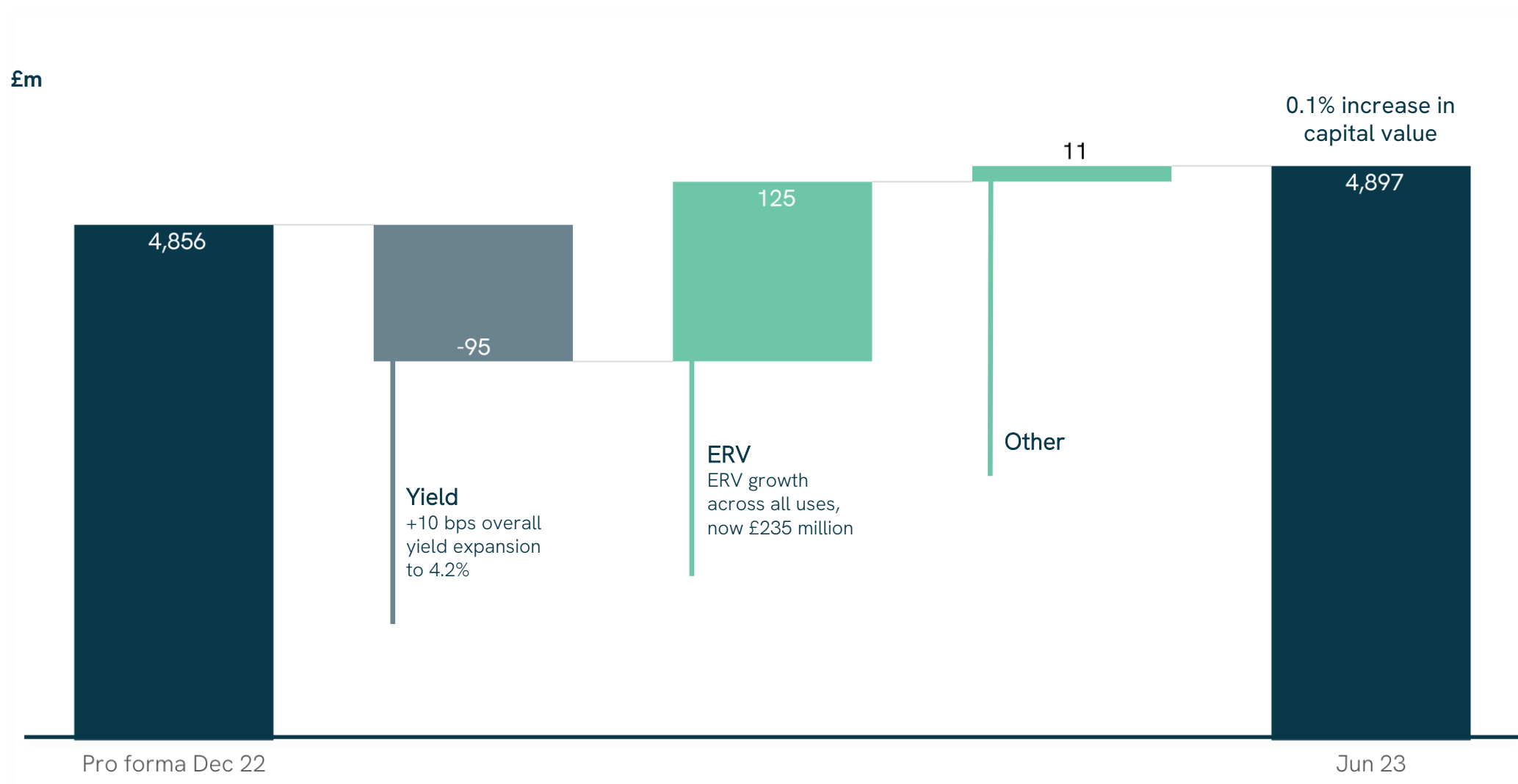
2. Relates to Capco's investment in Shaftesbury PLC shares pre-merger

3. Includes fair value assessment of Shaftesbury PLC debt on completion of the merger, resulting in 2.6 pence uplift in EPRA NTA

4. Excludes 128 million shares held by a Group entity as security under the exchangeable bond post merger

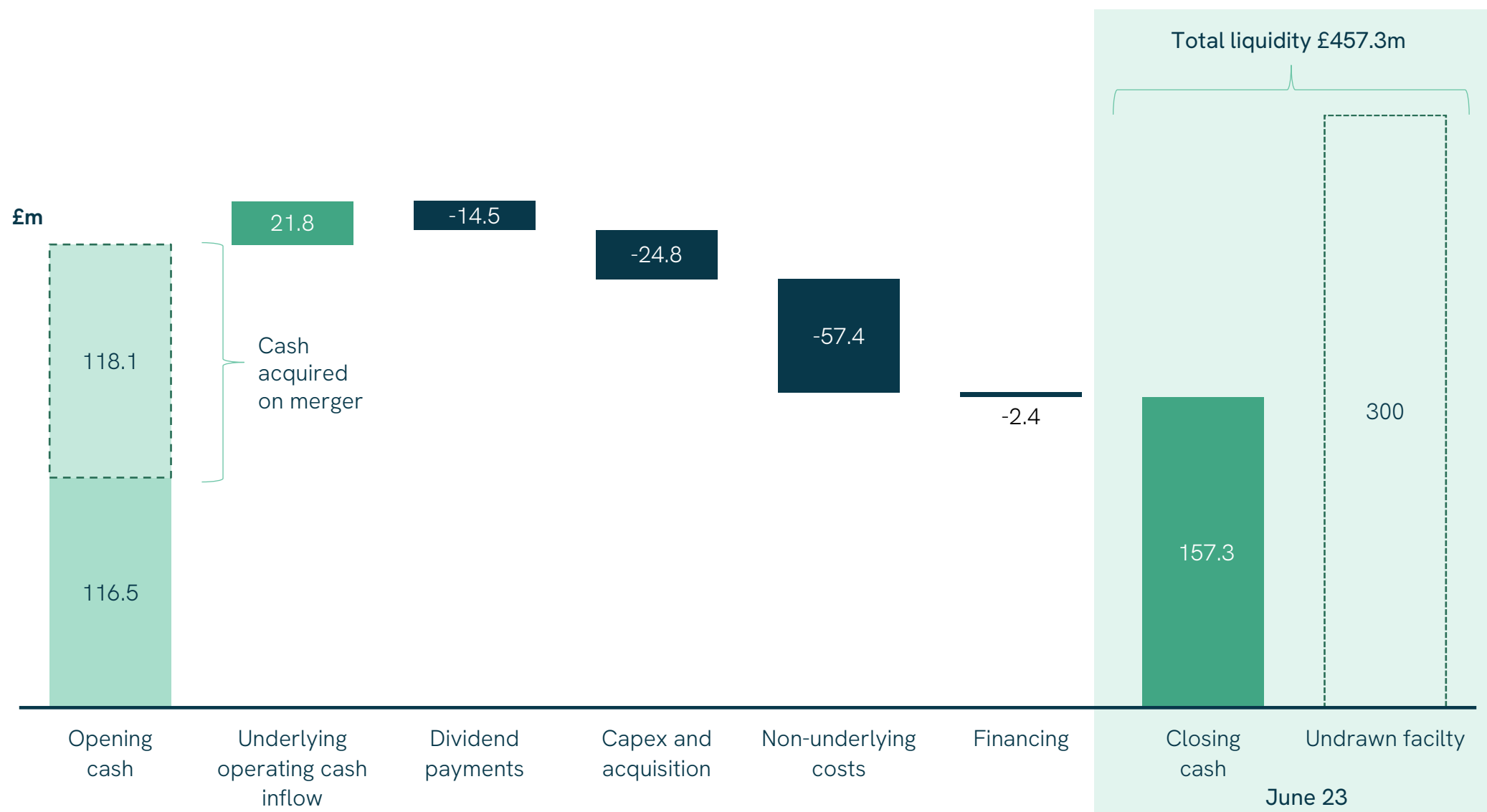
Valuation unchanged in H1 2023

ERV growth of +3.3% offset by +10 bps yield expansion



Pro forma reflects 31 December 2022 valuation metrics reported in respective trading updates issued on 30 January 2023
Excludes £2 million Lillie Square Holdings group properties

Access to significant liquidity



Cash excludes £14.4 million of tenant deposits

Strong financial position

Net debt	EPRA LTV	Liquidity	Weighted average cost of debt	Weighted average debt maturity
£1.6bn	31%	>£450m	3.4% ¹	4 yrs

Access to substantial liquidity

Diversified sources of funding

Significant headroom on all covenants

Income and values can fall by over 40% before breach

Interest rate protection on drawn debt

£500m of SONIA exposure capped at 2.7% (2023) and £350m at 2.3% (2024)

1. 4.3 per cent before taking account of interest income on cash deposits and the benefit of interest rate hedging



Excellent operating performance

+3.3% first half ERV growth across our portfolio



Valuation and ERV movements are shown on a like-for-like basis versus 31 December 2022

Retail

A strong retail leasing market

- Customer sales on average 15% ahead of 2019 levels

Demand continues to gravitate towards vibrant, thriving high footfall locations

- Broad range of unit sizes and rental tones

37 new lettings and renewals: £5.1m; +5.7% vs Dec-22 ERV

- Rent reviews: £1.1m; +2.1% vs previous passing rents

Limited space available: 33 units (ERV: £2.4m)

£78m
ERV
+2.8% L-f-L

33%
of total
ERV

410
Shops
0.8m sq. ft.

Selection of 2023 openings and signings



Hospitality & leisure

Diverse range of food concepts, from accessible casual to premium

Strong trading prospects

- Our offer continues to evolve

18 new lettings and renewals: £1.7m; +4.3% vs Dec-22 ERV

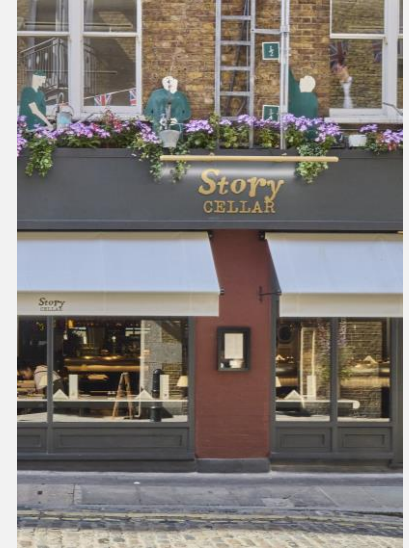
- Rent reviews: £5.5m; +7.8% vs previous passing rents

Limited space available: 8 units (ERV: £0.6m)

£79m
ERV
+3.9% L-f-L

34%
of total
ERV

405
Units
1m sq. ft.



Offices

Good demand for high quality office space in vibrant locations

- High amenity value and excellent environmental credentials

Flight to quality

- Strong market for fully-fitted office space

34 new lettings and renewals: £3.7m; +6.6% vs Dec-22 ERV

- Rent reviews: £1.1m; +5.0% vs previous passing rents

Available to let: 25 office suites (ERV: £2.2m)

£51m
ERV
+ 2.7% L-f-L

22%
of total
ERV

382
Offices
0.7m sq. ft.



Residential

Sustained demand across our West End portfolio

- Apartments typically go under offer within days

131 new lettings and renewals completed

- £4.6m new contracted income in the period
- Rents achieved +12.5% vs previous rents

High occupancy

- 4 units available (ERV: £0.1m)

£26m

ERV
+4.3% L-f-L

11%

of total
ERV

710

Apartments
0.4m sq. ft.



Investing in our portfolio

Adapting and repurposing our buildings

- Opportunities to enhance value and sustainability credentials
- 229k sq. ft. (6.7% of ERV) under refurbishment
- c.1% of portfolio value expected to be invested p.a.

Disciplined capital allocation

- Priority to maximise the potential from investment opportunities in our existing portfolio
- 5% of the portfolio expected to be recycled
- Royal Opera House Arcade lease regear (£12.9m) completed in February 2023



5-7 Carnaby Street



72 Broadwick Street



15-17 Long Acre



39-40 Bedford Street



Positive outlook

Excellent start for Shaftesbury Capital

Positive trading conditions across our portfolio

Strong pipeline of demand for the second half


Significant revenue growth potential

Capital and cost discipline

Long-term responsible stewardship and ongoing community engagement






Despite the challenging macroeconomic backdrop, confident in rental growth prospects for our West End portfolio





Q&A

Portfolio summary by use

	Retail  34%	Hospitality & leisure  34%	Offices  18%	Residential  14%	Total  100% ¹
Valuation (£m)	1,651.1	1,650.8	897.7	696.9	4,896.5
Annualised gross income (£m)	64.3	71.4	30.1	22.5	188.3
ERV (£m)	78.2	79.3	51.3	25.9	234.7
ERV per sq. ft. (£)	103	79	73	58	80
Net initial yield	3.4%	4.0%	2.8%	2.3%	3.3%
Topped up net initial yield	3.9%	4.2%	3.5%	n/a	3.7%
Equivalent yield	4.2%	4.4%	4.7%	2.7%	4.2%
L-f-L valuation movement	+0.2%	+0.2%	+0.2%	-0.2%	+0.1%
L-f-L ERV movement	+2.8%	+3.9%	+2.7%	+4.3%	+3.3%
ERV vs Dec 19	-20%	-7%	+5%	+15%	-8%
WAULT (years) ³	4	9	4	1	5
Area (sq. ft. m)	0.8	1.0	0.7	0.4 ²	2.9
Units	410	405	382	710 ²	1,907
Transactions ⁴	37	18	34	131	220
New contracted rent (£m)	5.1	1.7	3.7	4.6	15.1
% above Dec 22 ERV	6%	4%	7%	5%	5%

1. Percentage of portfolio valuation

2. Excludes long-leasehold residential interests

3. Lease expiry profile based in the earlier of lease break and lease expiry

4. In addition, 41 commercial rent reviews, with a rental value of £7.7 million were concluded 7 per cent ahead of previous passing rents

Portfolio valuation summary by location

	Covent Garden 53%	Carnaby Soho 31%	Chinatown 14%	Fitzrovia 2%	Total 100% ¹
Valuation (£m)	2,572.4	1,514.4	691.6	118.1	4,896.5
Annualised gross income (£m)	96.8	56.4	30.1	5.0	188.3
ERV (£m)	122.3	75.1	31.5	5.8	234.7
Net initial yield	3.3%	3.2%	3.8%	3.5%	3.3%
Topped up net initial yield	3.7%	3.6%	3.9%	3.8%	3.7%
Equivalent yield	4.1%	4.3%	4.1%	4.2%	4.2%
L-f-L valuation movement	+0.2%	+0.4%	+0.5%	-6.8%	+0.1%
L-f-L ERV movement	+4.3%	+2.3%	+2.4%	+0.7%	+3.3%
WAULT (years) ²	5	4	6	5	5
Area (sq. ft. m) ³	1.5	0.9	0.4	0.1	2.9

Longmartin valuation (50%): £159m

- Like-for-like valuation decline: -1.1%
- ERV growth: +3.4%
- Equivalent Yield: 4.6%

Lillie Square valuation (50%): £72m

- Like-for-like valuation decline: -3.1%

1. Percentage of portfolio valuation
2. Lease expiry profile based in the earlier of lease break and lease expiry
3. Excludes long-leasehold residential interests

Available to let

	Retail	Hospitality & leisure	Offices	Residential	Total
ERV (£m)	2.4	0.6	2.2	0.1	5.3
% of portfolio	1.1%	0.3%	1.0%	0.1%	2.5%
Area ('000 sq. ft.)	26	9	29	2	66

1. Includes 11 units let on a temporary basis (ERV £1.3m)

Under offer

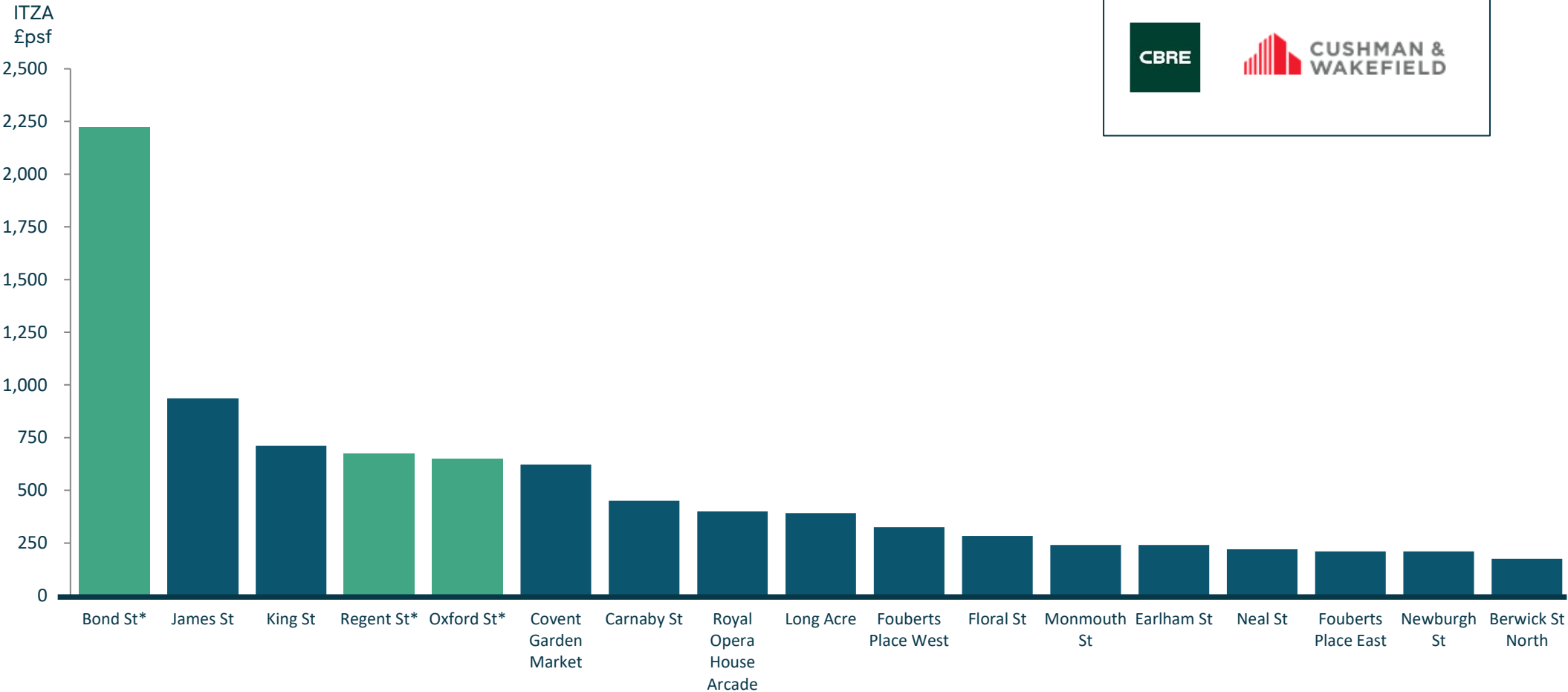
	Retail	Hospitality & leisure	Offices	Residential	Total
ERV (£m)	1.7	0.9	4.6	0.4	7.6
% of portfolio	0.8%	0.4%	2.1%	0.1%	3.4%
Area ('000 sq. ft.)	19	9	51	6	85

Under refurbishment

	Retail	Hospitality & leisure	Offices	Residential	Total
ERV (£m)	2.9	5.2	6.4	1.2	15.7
% of portfolio	1.3%	2.2%	2.7%	0.5%	6.7%
Area ('000 sq. ft.)	27	90	87	25	229

Retail ITZA rental tones by street

Significant opportunity to grow rents



* Shaftesbury Capital streets are based on 20ft Zone A. Old Bond Street, Oxford Street West and Regent Street are based on 30ft Zone A

A sustainable and responsible business

Benchmarks¹



**EPRA sustainability
reporting awards
Gold**



**Standing Investments Assessment
68/100 with 2 Green Stars.**



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



FTSE4Good

**FTSE4Good
68th percentile**



**Carbon Disclosure
Project: B**

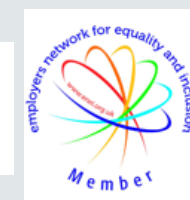


**ISS ESG Corporate Rating:
2nd Decile**

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

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

Memberships²



1. All benchmarks awarded to Shaftesbury Capital but based on legacy Capco data

2. All memberships are current

Our Environment, Sustainability and Community ('ESC') strategy

Four key pillars

Tackle climate change

- Commitment to become net zero carbon by 2030

Drive innovation and collaboration

- Support our customers to increase sustainability in their operations

Support local communities and our people

- Support West End community and charity initiatives
- Attract, reward and develop talent

Improve air quality

- Prioritise pedestrians and enhance green spaces across our areas



Primary accounting implications of merger

Accounting implications:

Fair value of property resulting in derecognition of Shaftesbury PLC tenant lease incentives

Fair value of debt

Gain on bargain purchase

Alignment of accounting policies:

Amortisation of tenant lease incentives

Deferred letting fees adjusted from market value of investment property

Impact:

-£42m (NTA neutral)

NTA reflects market value rather than carrying value.
Results in lower amortisation through underlying income, which will increase over time in line with leasing activity

+£47.6m (NTA impact +2.6p)

Results in unwind through non-underlying finance costs over life of debt
LTV calculated using nominal value of debt

+£804m (NTA neutral)

Recognised in statement of comprehensive income (non-underlying)



Impact:

-£5.1m (Non-underlying NRI reduction) (NTA neutral)

Alignment of methodology to amortise to the earlier of break date or lease expiry

-£4.1m (NTA impact -0.2p)

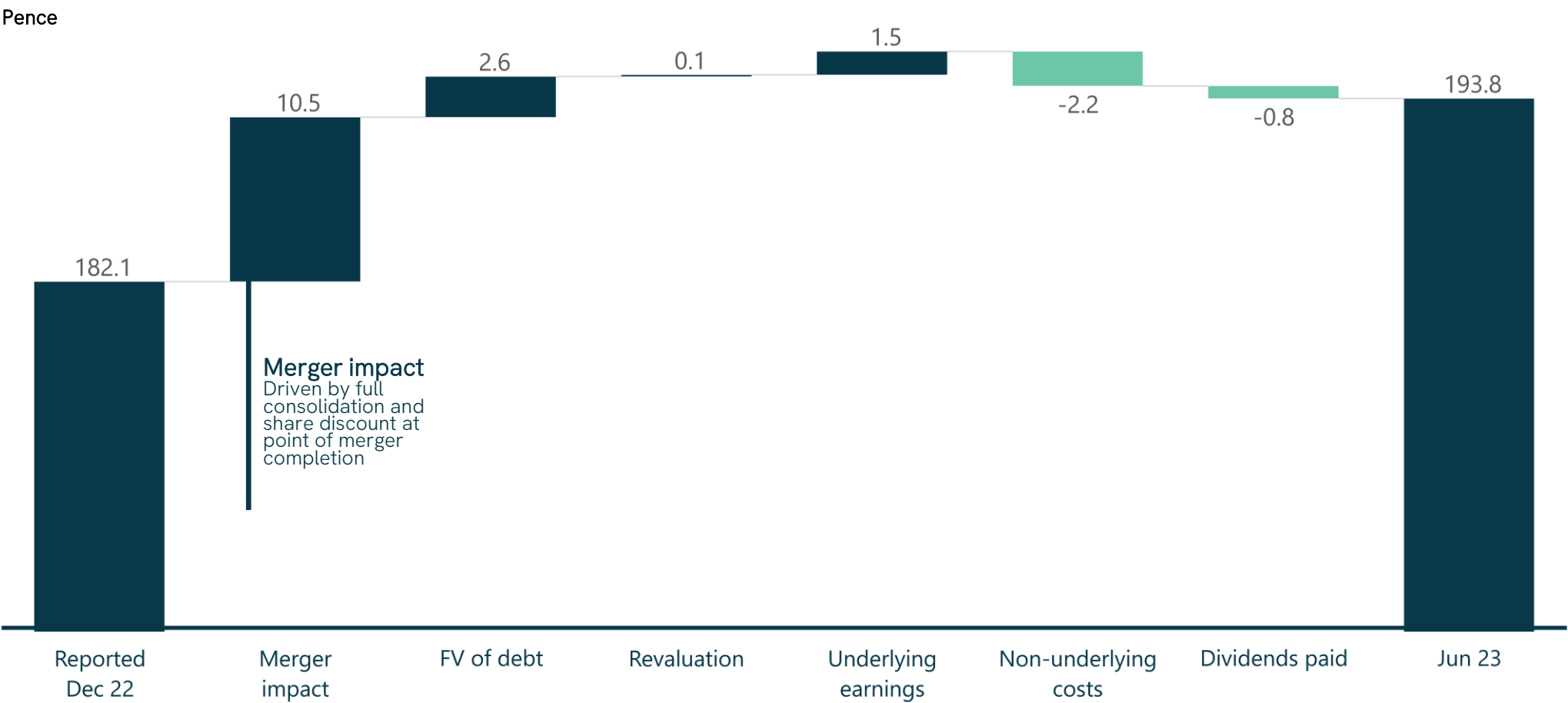
Valuation movement in the period



From an accounting perspective Capco was the deemed acquirer. The carrying value of Shaftesbury PLC net assets has been fair valued on completion
Refer to page 12 of the 2023 Interim Results for further information

★ One off 2023 adjustment

EPRA NTA per share movement



Revaluation reflects the movement from 1 Jan 23 – 30 Jun 23
Underlying earnings 1.5 pence based on 1.8 billion shares or 1.9 pence based on weighted average number of shares 1.47 billion shares

Per share metrics

Number of shares

Per share metric	No. of shares (million)
H1 23 Underlying earnings (June 2023) <i>Weighted average number of shares</i>	1,473
FY 23 Underlying earnings (Dec 2023) <i>Estimated weighted average number of shares</i>	1,653
Dividends <i>Total ordinary shares in issue¹</i>	1,822
EPRA NTA, NDV, NRV <i>Adjusted, diluted number of shares</i>	1,827

1. Total ordinary shares in issue net of 128 million shares held as security under the terms of the exchangeable bond and 3 million shares held by the approved employee benefit trust

Diversified sources of funding

Drawn debt maturity profile



Loan Facility can be extended for a further six months to June 2025 subject to lender consent
Undrawn £300m RCF matures in 2025 and has a 1-year extension option subject to lender consent

Debt covenants

	Nominal Value	Average interest rate	Test Frequency	ICR Measure	LTV Measure
Secured term loans	£385m	3.8%	Quarterly	1.4x - 1.5x	60% - 70%
Private placements	£475m	2.7%	Half yearly	1.2x	60%
RCF	£300m	Undrawn	Half yearly	1.2x	60%
Exchangeable bond ¹	£275m	2.0%	N/A	N/A	N/A
Loan Facility ^{2,3}	£576m	SONIA plus 1.75%	Half yearly	1.0x	60%

1. Exchangeable bond has no financial covenants

2. Loan Facility has an additional requirement that Group unencumbered assets are equal to or exceed 1.5x Group unsecured debt

3. Interest rate protection in place. £500m of SONIA exposure capped at 2.7% (2023) and £350m at 2.3% (2024)

Taxation summary

Tax on income and gains

The total tax charge for the period is nil.

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 is expected to satisfy all REIT requirements needed to maintain REIT status throughout 2023.

Income and gains arising from non-qualifying REIT activities (e.g. trading operations) are subject to UK corporation tax (23.5%).

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 £0.3 million (23.5% of £1.2 million).



Joint ventures

We own 50 per cent of the Lillie Square and Longmartin joint ventures, all figures represent our 50 per cent share

Lillie Square

Continuing to progress sales

- 3 units sold during the period representing £2.7m

Valuation¹

- 3% decline (like-for-like) to £74m

Funding

- Cash position £7.5m

Longmartin

Valuation

1.1% (like-for-like) capital value decline to £159m

- ERV growth +3.4% to £9m
- Equivalent yield (+34 bps) to 4.6%
- Annualised gross income £7.3m
- Net debt £57m and loan to value of 36%

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



Lillie Square



Lillie Square



Longmartin



Longmartin

Important notices

This presentation contains “forward-looking statements” regarding the belief or current expectations of Shaftesbury Capital PLC, its Directors and other members of its senior management about Shaftesbury Capital PLC’s businesses, financial performance and results of operations. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Shaftesbury Capital PLC and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied by the forward-looking statements. These forward-looking statements speak only as at the date of this presentation. Except as required by applicable law, Shaftesbury Capital PLC makes no representation or warranty in relation to them and expressly disclaims any obligation to update or revise any forward-looking statements contained herein to reflect any change in Shaftesbury Capital PLC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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