

02 February 2021

CAPITAL & COUNTIES PROPERTIES PLC (“CAPCO”)

UPDATE ON RENT COLLECTION, VALUATION AND BALANCE SHEET

Capco today publishes an update on rent collection, the Covent Garden property valuation and year end balance sheet position. Capco intends to release its preliminary results for the year ended 31 December 2020 on Tuesday 9 March 2021.

Ian Hawsworth, Chief Executive of Capco, commented:

“Whilst there are significant near-term challenges to trading and an uncertain economic outlook due to the impact of the pandemic, we are encouraged by the enduring appeal of Covent Garden for customers as evidenced by recovery in footfall and trade following easing measures in the second half of 2020. Capco is in a strong financial position and we remain confident in the long-term prospects for Covent Garden and the West End.”

Rent collection

As a result of recent and ongoing Government restrictions to trading activity, support continues to be provided to our customers as appropriate on a case by case basis. Capco’s support to its customers and the broader Covent Garden community will position the business to benefit from a recovery and prosper over time. As at 28 January 2021, 42 per cent of December rents (in respect of Q1 2021) have been collected, which is broadly in line with collection rates at the same point in the previous quarter. Rent collection levels for previous periods have continued to increase, with collections at 50 per cent, 44 per cent and 51 per cent for Q2 to Q4 2020.

	Gross rents £m	Received £m	Collected %	Alternative arrangements %	Outstanding %
Q1	16.2	15.9	98%	-	2%
Q2	16.9	8.4	50%	47%	3%
H1 2020	33.1	24.3	73%	24%	3%
Q3	17.9	7.9	44%	52%	4%
Q4	16.8	8.6	51%	44%	5%
H2 2020	34.7	16.5	48%	48%	4%
FY 2020	67.8	40.8	60%	36%	4%
Q1 2021	17.1	7.1	42%	52%	6%

Numbers shown in the table relate to rents due on quarterly terms.

Covent Garden property valuation

As at 31 December 2020, the independent property valuation for the Covent Garden estate was £1.8 billion, representing a decline of 13 per cent in the second half (30 June 2020: £2.2 billion) and 27 per cent for the full year (31 December 2019: £2.6 billion) on a like-for-like basis.

The majority of the valuation movement relates to the retail, leisure and F&B (food and beverage) portfolio which represents 75 per cent of total property value. The main contributors were a 22 per cent like-for-like decline in

rental values (ERV of £80.8 million), expansion of 28 basis points to 3.91 per cent in the equivalent yield over the year and other movements including the valuer's assumption on loss of income over the next six to 12 months.

Strong balance sheet with significant financial flexibility

Following the issuance of £275 million of exchangeable bonds, in December 2020 Capco completed a three-year loan of £125 million secured against shares in Shaftesbury PLC, at an interest rate broadly in line with the Group's weighted average cost of debt.

Proceeds from these financings, together with disposal proceeds received from the sale of the Wellington block of £76.5 million and the further payment of £105 million from the Earls Court disposal, have been used to reduce borrowings under the Covent Garden revolving credit facility.

As a result, at the year end the net debt and loan to value ratio of Covent Garden have been reduced significantly to £352 million and 19 per cent respectively (30 June 2020: £779 million and 36 per cent). Group net debt at the year end was £710 million resulting in a net debt to gross assets ratio of 28 per cent (30 June 2020: £721 million and 26 per cent).

There is substantial headroom against the Covent Garden loan to value covenant, with the ability for property values to fall by a further 68 per cent. Waivers have been agreed with the Covent Garden lenders in relation to the interest cover covenant for the six months ending 30 June 2021 and the 12 months ending 31 December 2021. The Group has access to total undrawn facilities and cash of £1 billion (30 June 2020: £616 million).

Note: this announcement includes unaudited financial information in relation to the year ended 31 December 2020.

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About Capital & Counties Properties PLC ("Capco")

Capital & Counties Properties PLC is one of the largest listed property investment companies in central London and is a constituent of the FTSE-250 Index. Capco's landmark estate at Covent Garden was valued at £1.8 billion (as at 31 December 2020) where its ownership comprises over 1.1 million square feet of lettable space. As at the date hereof, Capco owns a 25.2 per cent shareholding in Shaftesbury PLC. Capco shares are listed on the London Stock Exchange and the Johannesburg Stock Exchange. www.capitalandcounties.com

This press release includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Capital & Counties Properties PLC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by applicable law, Capital & Counties Properties PLC undertakes no obligation to update the forward-looking statements, whether as a result of new information, future developments or otherwise.