

01 November 2022

CAPITAL & COUNTIES PROPERTIES PLC (“Capco”)

TRADING UPDATE

Capco today releases a trading update in relation to the period from 30 June 2022 to 31 October 2022.

Ian Hawksworth, Chief Executive of Capco, commented:

“Trading activity at Covent Garden remains resilient with strong leasing demand across all uses, and positive footfall and sales metrics. The volatile macroeconomic environment is having an impact on asset valuations, however we are encouraged to continue to see rental growth in our portfolio.

Preparations continue on bringing together two exceptional West End property portfolios to create a leading central London mixed-use REIT, Shaftesbury Capital PLC. Although the broader economic outlook is uncertain we are well positioned with a strong balance sheet and are confident in the long-term resilience of and prospects for the West End.”

Summary

- 35 new leases and renewals representing £3.0 million of contracted income signed 6.2 per cent ahead of 30 June 2022 ERV
- Covent Garden valuation as at 30 September 2022 of £1,785 million, representing a decline of 2.0 percent like-for-like versus 30 June 2022 driven by a 1.5 per cent increase in ERV and a 12 basis point outward movement in the equivalent yield to 3.94 per cent
- Strong customer line up and new brands introduced to the estate including Mejuri and Hoka
- High occupancy levels maintained with 3 per cent EPRA vacancy and positive footfall and sales metrics
- Launch of extensive Christmas programme including a partnership with Dolce & Gabbana
- Access to liquidity of £421 million comprising cash of £121 million and £300 of million undrawn facilities (30 June 2022: £439 million)
- Extension of £300 million unsecured revolving credit facility by one year to September 2025

Strong operational indicators

Trading performance at Covent Garden remains resilient with positive operational indicators on footfall and sales. 35 new leases and renewals were signed since June, securing £3.0 million of contracted income, 6.2 per cent ahead of 30 June 2022 ERV. There is strong leasing demand ahead of ERV across all uses with a further £2.0 million of rent under offer or under negotiation. Since the beginning of the year, Capco has secured 60 leasing transactions representing £6.9 million of contracted income, 10.4 per cent ahead of 31 December 2021 ERV.

Recent signings include jewellery brand Mejuri, fragrance concept Creed, premium sportswear brand Hoka and eyewear concept Izipizi. A number of new brands have opened including Shackleton, Vuori and Maje further strengthening the quality of the offer. Luxury watch brand Tudor and late night music venue Stereo, from the Experimental Group, are set to open ahead of Christmas, with Uniqlo expected to open its flagship store in spring next year. There has been significant interest in recently refurbished office space and the residential portfolio is fully occupied.

EPRA vacancy is approximately 3 per cent at 30 September 2022 (30 June 2022: 2 per cent). A further 5.5 per cent of ERV is in or is held for development or refurbishment (30 June 2022: 6.7 per cent). Rent collection in relation to

the fourth quarter of 2022, invoiced in September and including monthly payment plans of 4 per cent, is currently 97 per cent.

Covent Garden is well-positioned for the important Christmas trading period, offering unique customer experiences and an extensive Christmas programme of activities. These include a brand partnership with Dolce & Gabbana, which will take over the East Piazza with an Italian food market and exclusive products. There will be live performances on the Piazza from the cast of Elf the musical and the London International Gospel Choir. Covent Garden's sought after restaurants and bars continue to offer all-year round al fresco dining options, with over 1,000 outdoor dining seats across 55 restaurants in a pedestrianised environment.

Portfolio valuation

As at 30 September 2022, the independent property valuation of Covent Garden was £1,785 million, representing a like-for-like decrease of 2.0 per cent since 30 June 2022. The movement was driven by an increase of 1.5 per cent in ERV on a like-for-like basis to £80.4 million, and an outward movement in the equivalent yield of 12 basis points to 3.94 per cent. The valuation of Covent Garden remains 25 per cent below and ERV 20 per cent below 31 December 2019 levels on a like-for-like basis.

Capco's investment in Shaftesbury PLC shares was valued at £357 million based on a share price of 368 pence per share on 30 September 2022 (30 June 2022: £506 million based on a price of 522 pence per share).

The valuation of Capco's interests in Lillie Square was £80.9 million, representing a like-for-like decrease of 3.6 per cent since June 2022 (30 June 2022: £84 million).

Resilient and flexible capital structure

Capco has a strong balance sheet and access to significant liquidity of £421 million, comprising £121 million of cash and £300 million of undrawn facilities (30 June 2022: £439 million).

During the period, Capco exercised a one-year extension option on its £300 million unsecured revolving credit facility for Covent Garden, taking the maturity to September 2025. The facility is undrawn and has an additional one-year extension option, subject to lender consent.

Net debt within Covent Garden of £371 million resulted in a loan to value ratio of 21 per cent. Group net debt was £623 million resulting in a net debt to gross assets ratio of 27 per cent.

Update on proposed merger

As set out in the announcement on 26 October 2022, the proposed merger of Capco with Shaftesbury is expected, subject to clearance by the CMA, to become effective during the first quarter of 2023.

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Our purpose:

Our purpose is to invest in and create world-class places, focusing on central London. Using our vision, long-term approach and responsible stewardship, we deliver economic and social value and generate benefits for our stakeholders.

About Capital & Counties Properties PLC:

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 30 September 2022). 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

About Covent Garden:

Covent Garden is a leading retail and dining destination and is one of the most vibrant estates in the heart of central London. The area is home to a wide variety of British, global and independent brands including Chanel, Tom Ford, Tag Heuer, Vashi, Glossier, Peloton, Ave Mario, Balthazar and SUSHISAMBA, with upcoming openings from Tudor and the Experimental Group.

www.coventgarden.london

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