

An aerial photograph of a park area. On the left is a large green lawn with several trees and a winding path. On the right is a wooden boardwalk with several wooden benches. A person is walking on the boardwalk. In the center, there is a small garden area with various plants and a black metal structure. The image is split vertically, with the left side showing the lawn and the right side showing the boardwalk and garden.

# 2021 FULL YEAR RESULTS INVESTOR PRESENTATION



CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC





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All information is as of 31 December 2021 unless otherwise indicated.

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## Presenters



**Becky Worthington**  
Chief Financial Officer

- 27 Years of financial experience
- Joined Canary Wharf Group in March 2021
- Former CFO of iQ Student Accommodation, Countryside and Quintain, and former NED of British Land; current NED and Chair of Audit Committee for Alstria
- Fellow of ICAEW and Honorary Fellow of the ACT



**Andrew King**  
Director of Investment

- 16 Years of financial experience
- Joined Canary Wharf Group in September 2013
- Former Director of FP&A and Head of Business Appraisal
- PhD in Chemistry from the University of Manchester



**Courtney Huggins**  
Director of Group Treasury

- 12 Years of financial experience
- Joined Canary Wharf Group in January 2022
- Former Group Treasurer at Logikor
- Fellow of the ACT (FCT)
- Vice President of ACT Council





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## KEY HIGHLIGHTS





# Canary Wharf Group at a Glance

Fully integrated sustainable developer, owner and operator of London's largest REIT portfolios

## 24/7 CITY WHERE PEOPLE LIVE, WORK AND THRIVE



**£8.5 billion**  
Portfolio Fair Value <sup>(1)</sup>



**£277 million**  
Net Development,  
Rental and Related  
Income



**95%**  
Occupancy <sup>(2)</sup>



**10.7 Years**  
WAULT <sup>(3)</sup>



**4.8%**  
Weighted Average  
Equivalent Yield <sup>(4)</sup>



**49.5%**  
Net LTV



**37**  
Properties  
Owned <sup>(1)</sup>



**8.7 million** sq. ft.  
NIA <sup>(5) (6)</sup>



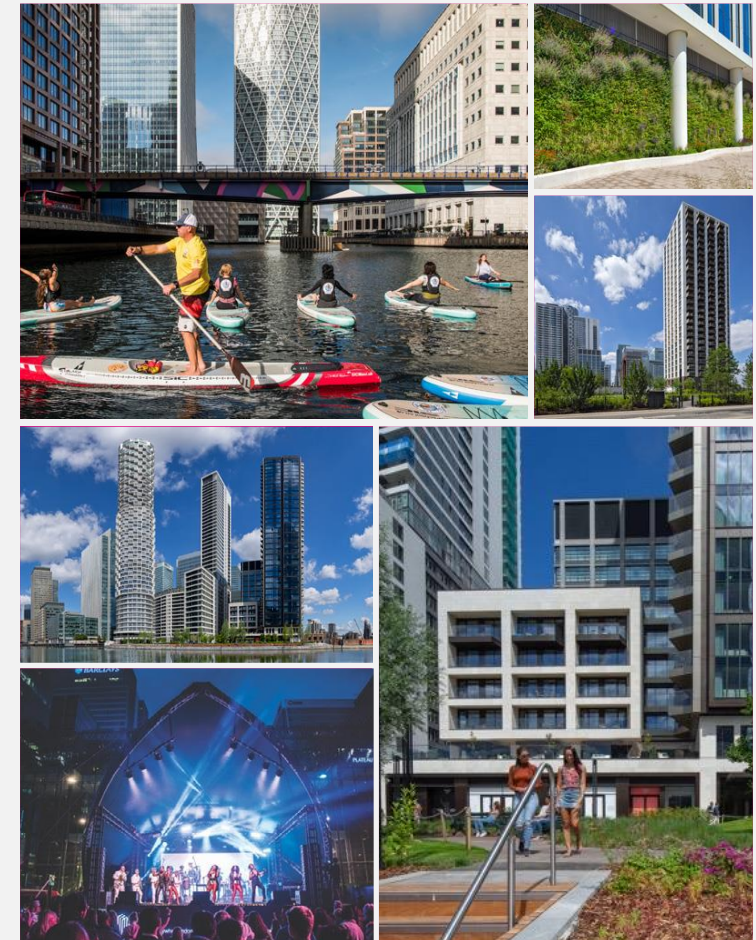
**5.7 million** sq. ft.  
Sustainable Space <sup>(6) (7)</sup>



**Top 5**  
Global Business District



**3 Newest**  
London TfL Lines



Data as at 31 December 2021 unless otherwise stated

1. Includes investments

2. Commercial portfolio based on NIA

3. Excluding break options

4. Office Portfolio

5. Represents investment properties

6. Includes share of joint ventures and associates

7. Includes buildings completed in 2021 for which sustainable certification is in progress





# Canary Wharf Group's Progress



Stable gross assets at £8.5 billion<sup>(1)</sup>



99% cash collection from offices



8 Buildings achieved practical completion for which sustainable certification is in progress



Positive outlook on retail, including:

- 97.1% Retail occupancy, up from 94.8% in FY 2020
- 28 new lettings, 9 lease renewals, 11 temporary lettings totalling over 287,000 sq. ft.
- Highlights include Waitrose lease renewal of 102,000 sq. ft. as well as Amazon Fresh and Hawksmoor on Wood Wharf



Strong Vertus leasing in 2021

- 711 units let in FY 2021
- 8 Water Street & 10 George Street were 89% and 75% let, respectively
- Newfoundland achieved practical completion in Q2 2021 bringing 636 units to the market, being 48% let at year end





## MARKET OVERVIEW



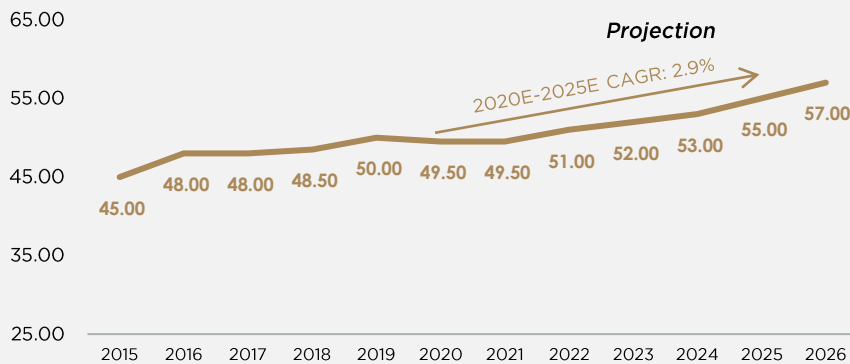


# Robust London Office Market Trends

## London Office Market Overview

### Strong Market Fundamentals

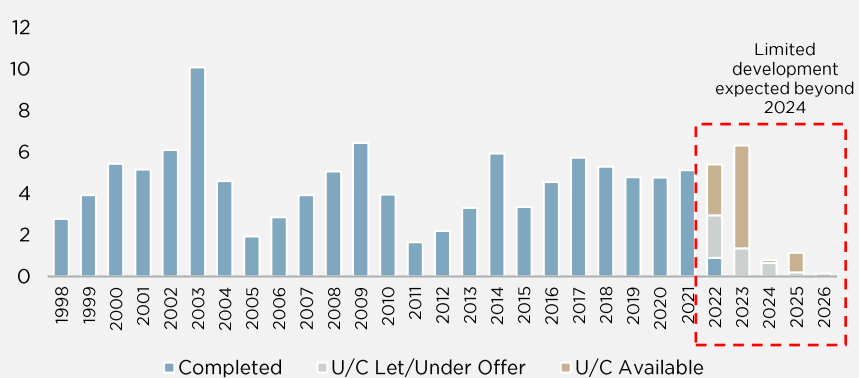
Docklands Rent (£ p.sq.ft, p.a) and Yield Evolution (%)



Source: CBRE EMEA forecasts, Feb 2022

### Limited London Development Pipeline

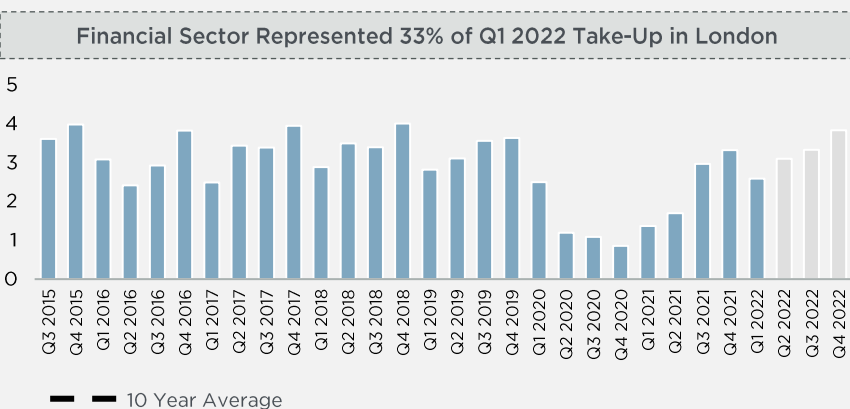
Central London Development Pipeline (MM sq ft)



Source: CBRE, Q1 2022

### Take-Up Returning to Normal

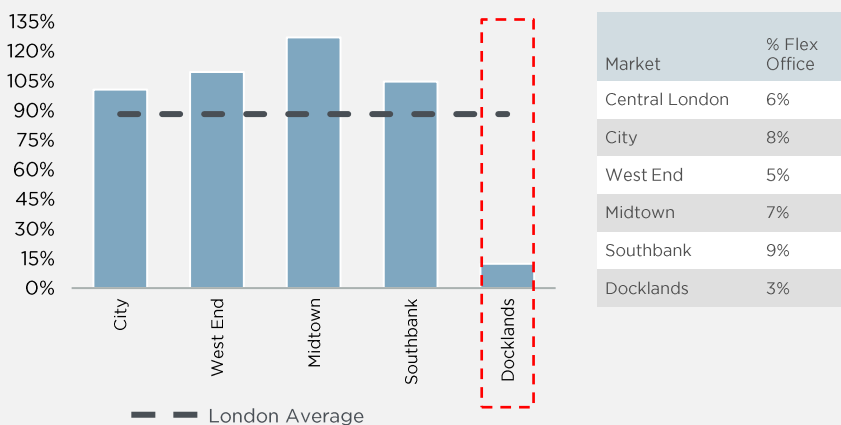
Historic and Projected Take-Up 2015-2022 (MM sq ft)



Source: CBRE, Q1 2022

### Canary Wharf Experienced the Lowest Increase in Availability

Increase in Availability in 2020 (%)



Source: CBRE, Q1 2022

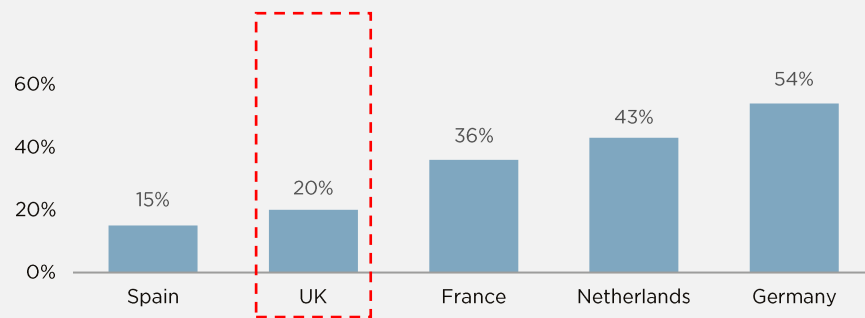




# UK PRS: Increasing Demand for Rental Supply

## Lower Proportion of PRS in UK Especially Those Institutionally Owned

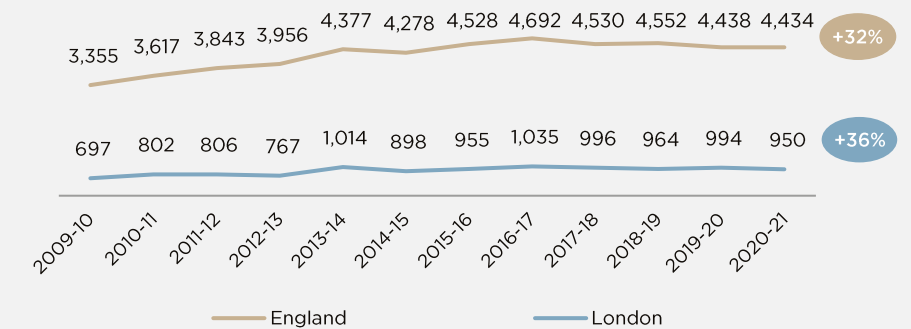
PRS Household as % of Total Household



Source: CBRE European Multi-family Housing Report 2021

## Stability in PRS Households in England

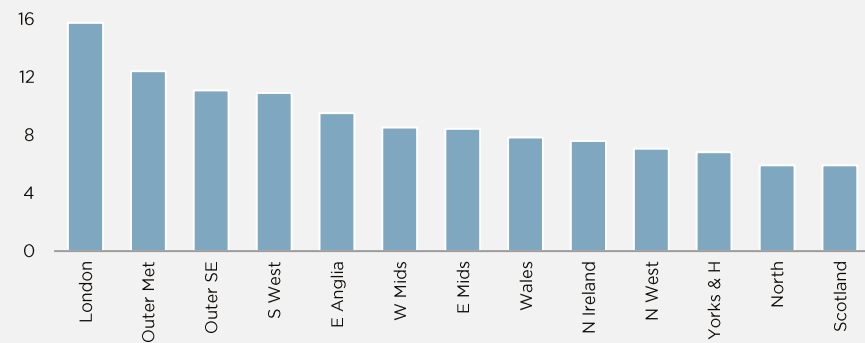
000's of Households



Source: English Housing Survey

## Ownership Affordability Stretched Especially in London...

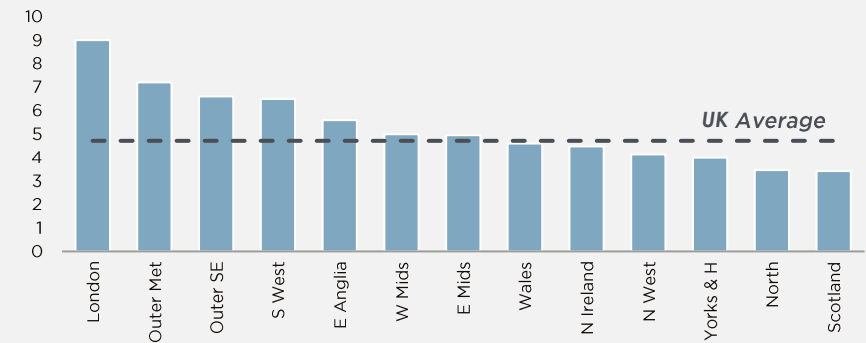
Years Taken to Save 20% Deposit



Source: Nationwide, ONS

## ...With First Time Buyer House Price Earnings Ratio the Highest in London

FTB House Price Earnings Ratios



Source: Nationwide, ONS

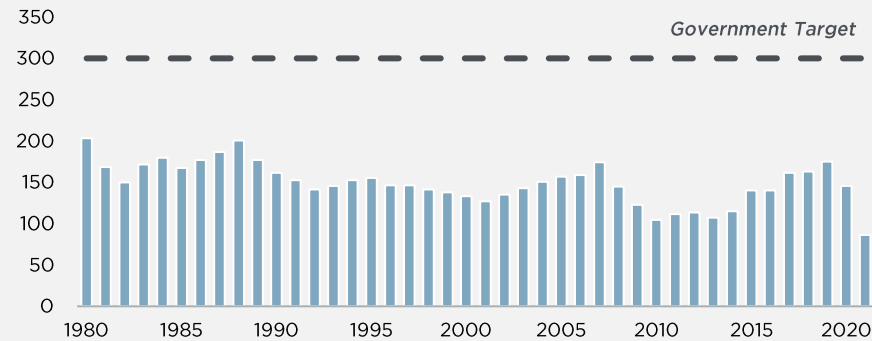




# UK PRS: Rents Expecting to Grow with Undersupply Supports Pricing

## Undersupply Supports Pricing

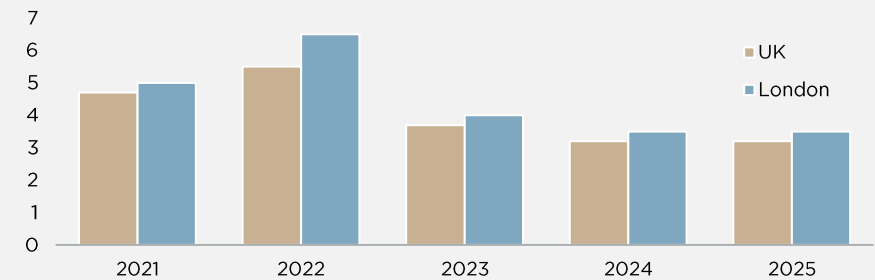
New Build Completions in England (000's)



Source: Department for Levelling Up, Housing and Communities

## Rents are Expected to Continue to Grow

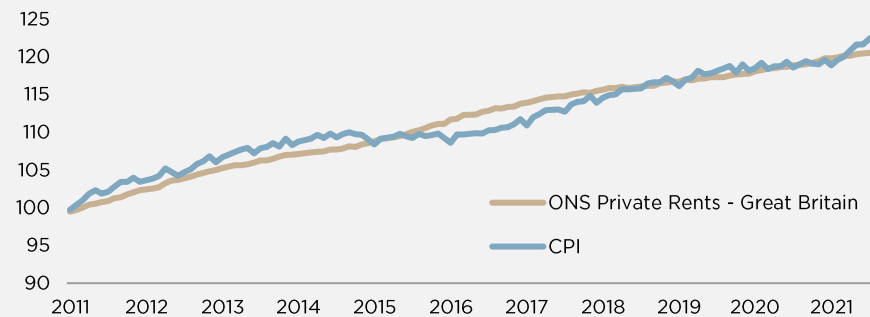
Rental Growth (%)



Source: Savills, Oxford Economics

## Historical Rental Growth has Tracked General Cost

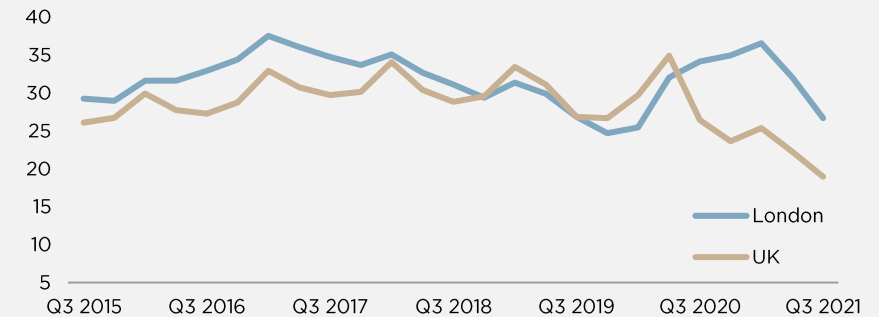
Rental Growth vs. Inflation (Index Jan 2011 = 100)



Source: ONS

## Leasing Market Strengthening Rapidly

Rightmove time-to-let-days



Source: Rightmove





## OPERATING PERFORMANCE



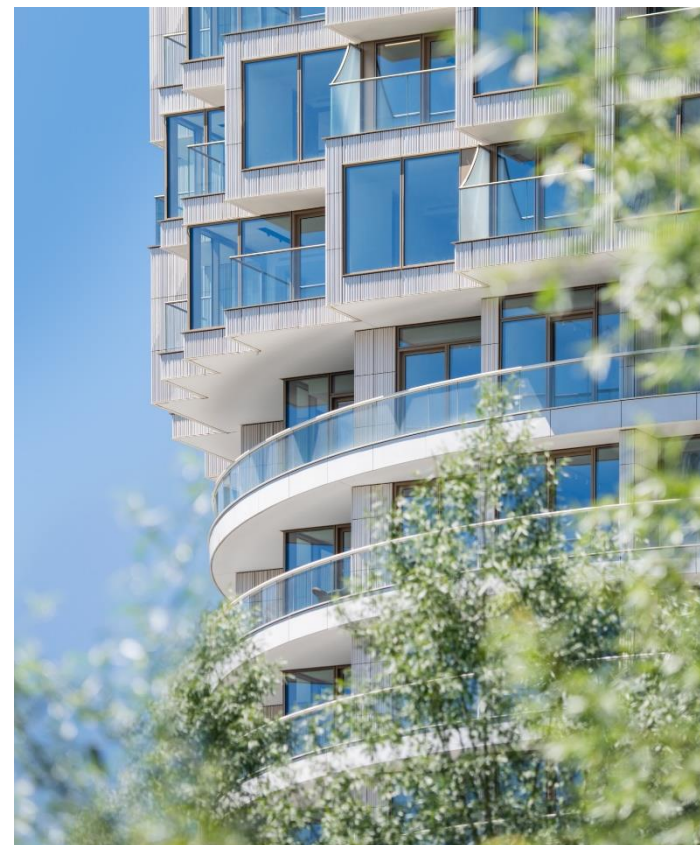




## Financial Review

Robust operating performance for the year, despite the economic impact caused by the COVID-19 pandemic

£8,470m	Fair value of the portfolio <sup>(1)</sup> , up from £8,374m at Q4 2020
£3,793m	Net assets, up from £3,691m
£4,163m	Adjusted NAV <sup>(2)</sup> decreased from £4,223m
49.5%	Net LTV increased from 47.4%
£277m	Net Income, down from £291m in 2020
£230m	Underlying operating profit, down from £243m
£52m	Underlying profit before tax, down from £84m



Data as at 31 December 2021 unless otherwise stated

1. Includes CWGIH's net asset value share of joint ventures and equity investments

2. Adjusted NAV excludes deferred tax and fair value adjustments on derivatives at both balance sheet dates. Adjusted NAV also excludes the cash element of the capital contributions received in April 2015 totalling £153.0m and subsequent distributions



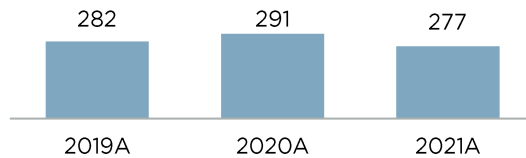


# Proven Track Record of Delivering Solid Financial Performance

## KEY PERFORMANCE HIGHLIGHTS

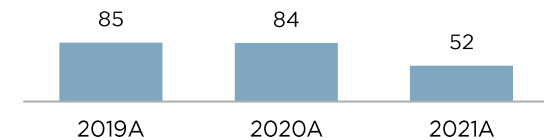
### NRI

(£m)



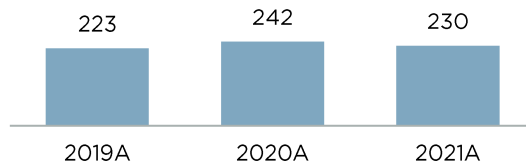
### Underlying PBT

(£m)



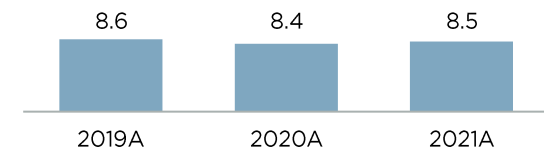
### EBITDA

(£m)



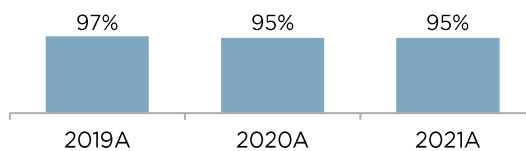
### GAV<sup>(1)</sup>

(£b)



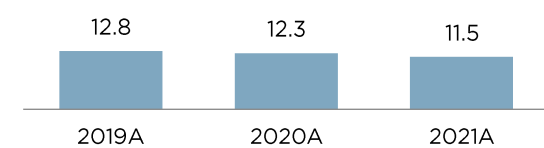
### Occupancy

(%)



### WAULT<sup>(2)</sup>

(years)



#### Notes:

1. Proportionally consolidated, including 10% of Upper Bank Street, 50% of 10 George Street and 50% of 8 Water Street
2. For offices







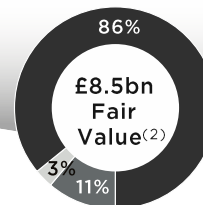
# Largest Exclusively London-Focused REIT

The largest sustainable developer in the UK, working to transform our urban space into an extraordinary environment for people to live, work and thrive

Office	
	
Number of Properties <sup>(1)</sup>	12
Total NIA (m sq. ft.) <sup>(1)</sup>	6.9
Fair Value of Investment Properties <sup>(2)</sup>	£5,625m
Occupancy	94%
Rental Income	£241m
WAULT <sup>(5)</sup>	11.5 years
<b>79% of NIA<sup>(3)</sup> / 81% of Rental Income</b>	

Retail	
	
Number of Properties <sup>(1)</sup>	16
Total NIA (m sq. ft.)	0.9
Fair Value	£852m
Occupancy	97%
Rental Income	£55m
WAULT <sup>(5)</sup>	8.7 years
<b>10% of NIA<sup>(3)</sup> / 18% of Rental Income</b>	

Residential	
	
Number of Properties <sup>(1)</sup>	7
Number of Flats <sup>(4)</sup>	1,473
Total NIA (m sq. ft.) <sup>(1)</sup>	0.9
Fair Value <sup>(2)</sup>	£757m
Rental Income	£3.4m
<b>11% of NIA<sup>(3)</sup> / 1% of Rental Income</b>	



■ Investment Properties

■ Properties Under Construction

■ Properties Held for Development

Data as at 31 December 2021 unless otherwise stated

1. Includes share of joint ventures and associates; excludes school and East Wintergarden as sit outside these categories

2. Includes CWGIH's net asset value share of joint ventures and equity investments

3. NIA for investment properties, not including properties under construction and properties held for development

4. Includes 100% of 10 George Street and 8 Water Street, of which CWGIH owns 50%

5. Excluding break options





# Largest Exclusively London-Focused REIT

2021 saw continued strong results in leasing activity and occupancy across office, retail and residential



## COMMERCIAL OCCUPANCY

- 95% (Retail 97% / Office 94%)



## OFFICE LEASING <sup>(2)</sup>

- Over 223,000 sqft of office space leased



## RETAIL LEASING

- 48 deals exchanged
- 19 in solicitors hands
- 370,000 sqft of leasing



## RENT COLLECTION <sup>(1)</sup>

- 99% Office rent collection
- 70% Retail rent collection
- 99% Residential rent collection

Data as at 31 December 2021 unless otherwise stated

1. After concessions granted in the period  
2. Including renewals





## CAPITAL STRUCTURE







## Capital Structure

An increasingly diversified debt portfolio, supported by the capital markets and strong lender relationships



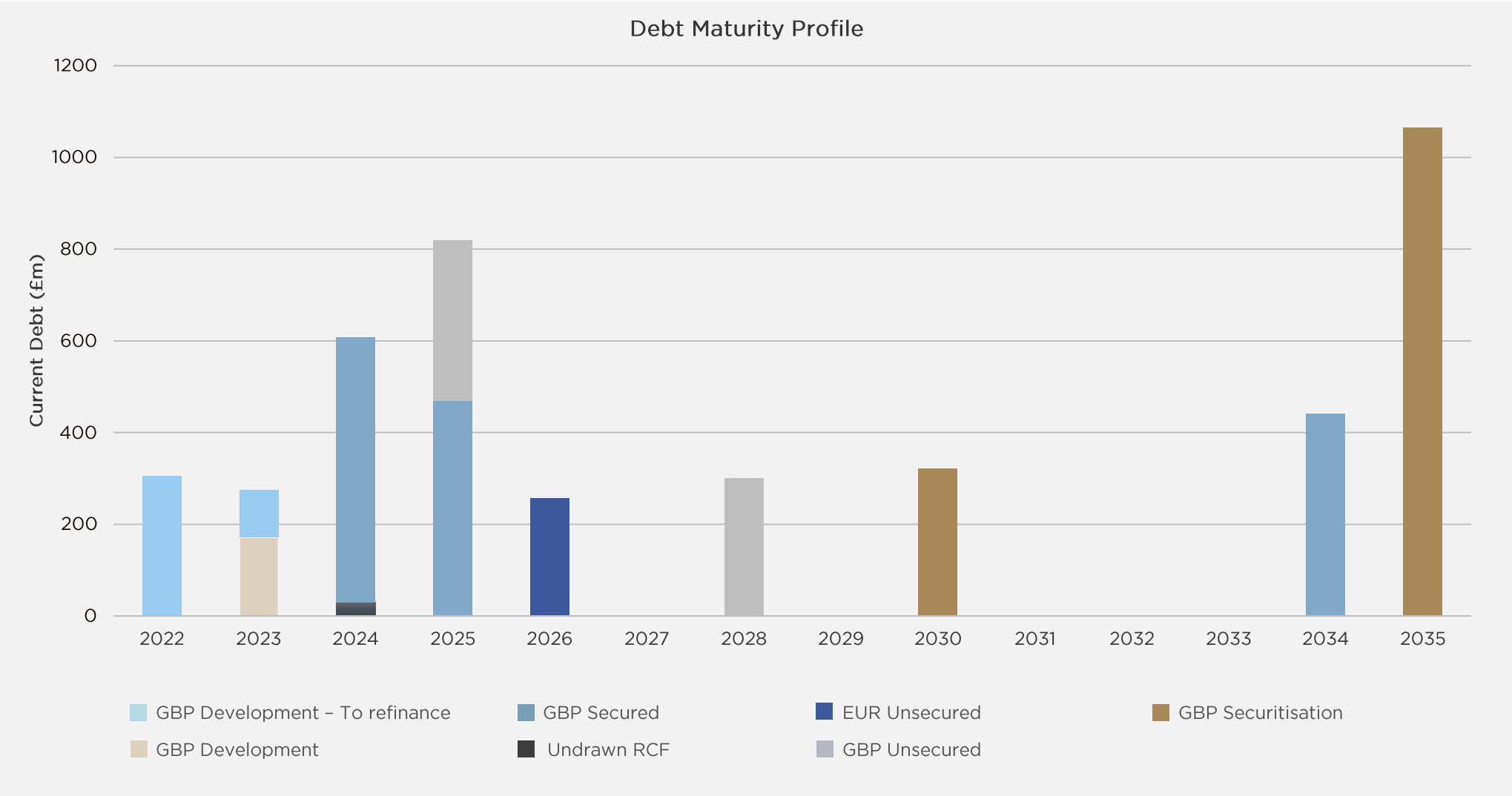
49.5%	Net LTV
79%	Secured debt as % of total debt
6.3 Years	Weighted average maturity
4.1%	Weighted average cost of debt
82%	Fixed & capped debt





# Debt Maturity Profile

Continued intention to extend and smooth our maturity profile, while maintaining a diversified debt portfolio



Data as at 31 December 2021 unless otherwise stated  
1. Excludes Joint Ventures  
2. Excludes amortisation





# Financial Policy Framework

Robust financial policy to support business requirements whilst reducing unnecessary financial risk

1	Leverage Policy	<ul style="list-style-type: none"><li>• Target LTV of below 50%</li><li>• Expected operating range below this threshold, with any temporary increases to be remedied</li></ul>
2	Liquidity	<ul style="list-style-type: none"><li>• Maintain sufficient short term liquidity through cash retention and revolving credit facilities</li><li>• Best-in-class shareholders who provide consistent support</li></ul>
3	Funding Mix	<ul style="list-style-type: none"><li>• Robust capital structure with an increasingly diversified debt portfolio, supported by the capital markets and strong lender relationships</li></ul>
4	Maturity Profile	<ul style="list-style-type: none"><li>• Proactively address approaching maturities</li><li>• Extend and stagger maturity profile to reduce refinancing risk</li></ul>
5	Interest and FX Risk Hedging	<ul style="list-style-type: none"><li>• Ensure a majority of borrowing is fixed or capped to reduce exposure to rising interest rates</li><li>• Foreign currency debt to be fully hedged</li></ul>
6	Dividend Policy	<ul style="list-style-type: none"><li>• Remain focused on value creation through cash generation and developments</li><li>• Dividend policy in line with UK REIT regulations</li></ul>





## DEVELOPMENT






# Development Update

We are the largest sustainable developer in the UK with over 20 million sq. ft. of sustainable certified buildings.

NEWFOUNDLAND




Residential

Q2-21  
Completion Date

636  
Units

100%  
Ownership

AFFORDABLE HOUSING



Affordable  
Housing

Q1-21  
Completion Date

143  
Units

100%  
Ownership

30 HARBORD SQUARE



Intermediate  
Housing


Q2-21  
Completion Date

176  
Units

100%  
Ownership

Completed in 2021

20 WATER STREET




Office

Q1-22  
Completion Date

239  
NIA (ksq ft)

100%  
Ownership

15 WATER STREET



Commercial/  
Mixed Use

Q2-22  
Completion Date

186  
NIA (ksq ft)

100%  
Ownership

CHARTER STREET  
5/8 HARBORD SQUARE  
10 BRANNAN STREET / 45 CHARTER STREET

Under  
Construction

WOOD WHARF PHASE 3

Under  
Construction  
JV's

NORTH QUAY  
PARK PLACE  
WOOD WHARF

Planning





SUSTAINABILITY





# Industry Leading Sustainability Efforts and Long-Standing Commitment to Sustainable Properties

## Sustainability is at the Core of CWGIH's Strategy



**£5.0B**

One of the largest sustainable portfolios in the UK



**Net Zero Carbon**

Targeting net zero carbon by 2030



**100%**

All commercial buildings achieved BREEAM accreditations since 1998



**BREEAM OUTSTANDING**

3 buildings achieved or are expected to achieve BREEAM Outstanding



**Continued Improvement**

7 Westferry Circus: BREEAM Excellent for refurbishment



**100%**

Electricity purchased from renewable resources since 2012



**Zero Waste**

To landfill from managed areas since 2009



**49%**

Reduction in Scope 1 & 2 emissions since 2012



First Commercial centre to achieve Plastic Free Communities status and first commercial district to set a collective Science Based Target



**9 Million**

Single-use plastic items eliminated and recycled



Data as at 31 December 2021 unless otherwise stated  
1. BREEAM Certification under application





# Industry Leading Sustainability Efforts and Long-Standing Commitment to Sustainable Properties

## Eden Project

In 2022, CWG announced it is partnering with the Eden Project to make Canary Wharf a place where people can live and work in harmony with nature

## The Climate Pledge

CWG was one of the first developers to sign The Climate Pledge, targeting net zero carbon ten years ahead of the Paris Agreement.

## Greening the Estate

The first phase of Greening the Estate was carried out in Q3 2021 and saw the installation of over 10,000 new plants across living walls, living pillars and green steps. The next phase will feature a revitalisation of the Middle Dock with the aim of creating a 'green spine' through the centre of Canary Wharf and connecting people with water.

## Certified Sustainable

CWG has now completed over 20m sq ft of sustainability certified space.







## APPENDIX





# Summary Financial Statements

## Income Statement

	FY 2021 £m	FY 2020 £m
Gross development, rental and related income	420	427
Cost of sales	(143)	(136)
Net development, rental and related income	277	291
Share of associates and joint ventures after tax	0	(1)
Administrative expenses	(55)	(58)
Other income	8	11
Operating profit/(loss)	230	243
Net financing costs		
– investment revenues	0	1
– financing costs	(178)	(160)
Underlying Profit before Tax	52	84
Change in Fair Value of Property Assets	(94)	(513)
Change in Fair Value of Derivative Financial Instruments	141	(71)
Share of Associates and Joint Ventures after Tax - Capital	6	(3)
Tax	(11)	(8)
Net Profit	94	(511)





## Summary Financial Statements

### Balance Sheet

	31 December 2021	31 December 2020
	£m	£m
Investment properties	6,871	6,317
Properties under construction	258	744
Development properties	982	1,026
Plant and equipment	9	8
Investments	132	118
Lease incentives and deferred negotiation costs	258	232
<b>Total non-current assets</b>	<b>8,510</b>	<b>8,445</b>
Properties held for sale	31	-
Trade and other receivables	231	182
Monetary deposits	2	2
Cash and cash equivalents	241	404
<b>Total current assets</b>	<b>505</b>	<b>588</b>
<b>Total assets</b>	<b>9,015</b>	<b>9,033</b>

	31 December 2021	31 December 2020
	£m	£m
Current portion of long term borrowings	(387)	(1,125)
Derivative financial instruments	-	(7)
Corporation tax	(47)	(35)
Trade and other payables	(241)	(256)
<b>Current Liabilities</b>	<b>(675)</b>	<b>(1,423)</b>
Borrowings	(3,985)	(3,197)
Derivative financial instruments	(491)	(639)
Other non current liabilities	(62)	(62)
Deferred tax liabilities	(7)	(19)
Provisions	(2)	(2)
<b>Non-current liabilities</b>	<b>(4,547)</b>	<b>(3,919)</b>
<b>Total liabilities</b>	<b>(5,222)</b>	<b>(5,342)</b>
<b>Net assets</b>	<b>3,793</b>	<b>3,691</b>
Share capital	74	74
Other reserves	1,216	1,204
Retained earnings	2,503	2,413
<b>Total equity attributable to members of the Company</b>	<b>3,793</b>	<b>3,691</b>





CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC