

Shaftesbury Capital PLC merger effective

Ian Hawksworth, Chief Executive, commented:

"Today we are delighted to complete the merger, bringing together two highly complementary portfolios to create the leading central London mixed-use REIT, Shaftesbury Capital PLC. We look ahead with confidence, with an experienced and talented team, to deliver long-term economic and social value for stakeholders and contribute to the success of the West End."

The new, combined board of Capital & Counties Properties PLC ("Capco") (soon to be renamed Shaftesbury Capital PLC ("Shaftesbury Capital")) is pleased to announce the successful completion of the recommended all-share merger between Capco and Shaftesbury PLC ("Shaftesbury") to form Shaftesbury Capital (the "Combined Group") (the "Merger").

Shaftesbury Capital has an impossible to replicate portfolio located in some of the most iconic parts of London's West End primarily focused on Covent Garden including Seven Dials, the Opera Quarter and Coliseum; Carnaby including Soho; and Chinatown. The portfolio was independently valued at £4.9 billion as at 31 December 2022, comprising over 2.9 million square feet of lettable space across 670 predominantly freehold buildings with approximately 2,000 individual units.

This attractive and adaptable mixed-use portfolio benefits from diversified income streams with approximately 1.7 million square feet of hospitality, leisure and retail space, together with approximately 0.6 million square feet of office space and over 800 residential apartments.

The portfolio has significant revenue growth potential, to be delivered through incremental asset management opportunities, dynamic leasing and strategic consumer marketing strategies, enhanced connectivity of adjacencies, leveraging insights from its improved access to valuable data and cross-location marketing opportunities.

Shaftesbury Capital provides a rare opportunity in the listed real estate sector to invest in an exceptional mixed-use portfolio in the heart of central London. It will benefit from an enhanced profile in the global capital markets, a substantial free float and weighting in relevant benchmark indices.

The Merger brings together the forensic knowledge of the West End and the asset management skills of two creative teams, with experienced leadership taking a "best of both" approach to operations to deliver sustained long-term returns through growth in income, values and earnings with a progressive dividend.

Key areas of focus include:

- Integration of the talented teams, embracing an inclusive, innovative and entrepreneurial culture for employees to thrive, providing greater career development opportunities over time
- Placing customers at the heart of the business, targeting best-in-class service, providing differentiated destinations, curating an offering of complementary brands while enhancing the public realm to foster vibrant and thriving places
- Delivering merger benefits to create a stronger operational platform of scale and efficiency, including £12 million of pre-tax recurring cost synergies on an annual run-rate basis from the end of the second year post-completion
- Maintaining a strong balance sheet with access to significant liquidity
- Harnessing the skillsets of both companies, to deliver positive environmental and social outcomes through long-term responsible stewardship, sustainable re-use, refurbishment and repurposing of heritage and period properties to extend their useful lives and enhance their energy performance credentials, and engagement with local stakeholders

Summary of selected pro forma financial metrics:

- Portfolio valuation of £4.9 billion¹
- Annualised gross income of £178 million and ERV of £227 million²
- Pro forma NTA of £3.5 billion or 192 pence per share³
- Net debt of £1.5 billion⁴
- Loan to value ratio of 31 per cent

1. Portfolio valuations as per external valuations undertaken as at 31 December 2022
2. Annualised gross income and ERV as at 31 December 2022 for Capco and 30 September 2022 for Shaftesbury
3. 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
4. Combined Group net debt equals last reported balances as at 31 December 2022 less estimated remaining transaction costs

Listings and total voting rights

Following Admission of the New Capco Shares today, the revised issued share capital of the Company will consist of 1,953,170,495 ordinary shares of 25 pence each. This includes 128,350,793 ordinary shares held as security by group entities under the terms of the £275 million exchangeable bond and while held by group entities will not vote. Excluding such shares, the total number of shares currently in issue is 1,824,819,702.

Total issued share capital:	1,953,170,495 ¹
Ordinary shares held as security:	128,350,793 ²
Ordinary shares (excluding secured shares):	1,824,819,702

1. The Company holds no ordinary shares in treasury.
2. 128,350,793 ordinary shares held as security under the terms of the £275 million exchangeable bond with a current exchange price of 214p per share.

The above figure of 1,953,170,495 should be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest, in the Company under the FCA's Disclosure Guidance and Transparency Rules.

Name change

Capco has today applied to change its name to Shaftesbury Capital PLC. Trading in Capco's shares under the new name of Shaftesbury Capital PLC will take effect on the London Stock Exchange at 8.00 a.m. and on the Johannesburg Stock Exchange at 10.00 a.m. (each local time) on 7 March 2023 under TIDM (ticker symbol) "SHC". The New Capco Shares will trade under ISIN GB00B62G9D36.

General

Unless otherwise defined, capitalised terms used in this announcement shall have the meanings given to them in the circular posted to Capco Shareholders on 7 July 2022 in relation to the Merger (which is available on the Company's website).

Enquiries:

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Barclays, BNP Paribas and HSBC are original lenders under the Loan Facility Agreement and have provided financial advice to Capco in relation to the Merger. Java Capital is acting as South African sponsor to Capco.

Herbert Smith Freehills LLP is acting as legal adviser to Capco in connection with the Merger.

Hogan Lovells International LLP is acting as legal adviser to Shaftesbury in connection with the Merger.

Notes for Editors

About Shaftesbury Capital PLC:

Shaftesbury Capital PLC is the leading central London mixed-use REIT and is a constituent of the FTSE-250 Index. Our property portfolio, valued at £4.9 billion, extends to 2.9 million square feet of lettable space across the most vibrant areas of London's West End. With a diverse mix of restaurants, cafés, bars, shops, residential and offices, our destinations include the high footfall, thriving neighbourhoods of Covent Garden, Carnaby, Soho, and Chinatown, together with holdings in Fitzrovia. Our properties are close to the main West End Underground stations and transport hubs for the Elizabeth Line.

Shaftesbury Capital shares are listed on the London Stock Exchange and the Johannesburg Stock Exchange. www.shaftesburycapital.com

Our purpose

Our purpose is to invest in and curate vibrant and thriving destinations in London's West End where people work, live and visit, delivering long-term social and economic value.

Our strategy

Our strategy is to deliver long-term income and value growth from our unique portfolio of properties through investment, curation and responsible stewardship, benefitting all stakeholders and contributing to the success of the West End.

Further information

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 the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Any information contained in this press release on the price at which shares or other securities in the Company have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.