SHAFTESBURY 2022 HALF YEAR RESULTS

Growth in portfolio value, EPRA NTA, income, earnings and dividend

Strong recovery in footfall and spending; sustained occupier demand across all uses

Shaftesbury PLC, the Real Estate Investment Trust that owns a 16-acre portfolio in the heart of London's West End, today announces its results for the six months ended 31 March 2022.

Brian Bickell, Chief Executive, commented:

"The continuing strong rebound in the West End economy since the lifting of pandemic restrictions last summer has continued throughout the period. The patient, long-term stewardship of our high profile, centrally-located ownerships, and the actions we took to support our occupiers and stakeholders through the long period of pandemic challenges, have underpinned the welcome recovery we are now seeing in key operating metrics, EPRA earnings and net tangible assets.

Although Covid concerns are receding, new challenges are now coming to the fore, both in the UK and in many other economies, exacerbated by macroeconomic and political issues. Whilst London and the West End cannot be completely sheltered from these headwinds, their global status, appeal and broad-based, dynamic economies should provide a considerable degree of protection, which few other locations can match.

With the prospect of an extended period of uninterrupted trading as we enter the important summer season, further enhanced by the improving outlook for international leisure and business travel, the revival in confidence and growth we are now seeing is already providing a firm foundation for the return to long-term prosperity for the West End and our exceptional portfolio."

Offer update

On 7 May 2022, the Company made an announcement under rule 2.4 of the City Code on Takeovers and Mergers confirming that it was in advanced discussions regarding a possible all-share merger of the Company with Capco. These discussions are ongoing and the full terms of a possible merger have not been finalised. There can be no certainty that any offer will be made.

Overview

- Strong rebound in West End economy.
- Footfall continues to improve, building during the week, peaking at weekends; growing numbers of international tourists. Central section of the Elizabeth Line scheduled to open to passengers today, with a full service expected by Spring 2023.
- Occupiers reporting growing turnover; monthly sales now on average 7% ahead of pre-pandemic levels; hospitality and leisure: +9%, retail +4%.
- Recovery in key operating metrics, EPRA earnings and net tangible assets.

Strong demand across all uses driving growing income and rental values; vacancy trending towards pre-pandemic levels

- Leasing transactions with a rental value of £18.9m completed during the period:
  - Commercial lettings and renewals: £13.3m, concluded on average 6.3% ahead of 30.9.21 ERV.
  - Commercial rent reviews (£3.3m) concluded 17.9% above previous rents.
  - 81 residential lettings (£2.3m), 6.2% up on previous rents.
- Leasing momentum maintained since 1 April 2022.
- EPRA vacancy decreased to 4.7% of portfolio ERV (30.9.21: 6.0%):
  - Available to let: 2.6% across 48,000 sq. ft.
  - Under offer: 2.1% (40,000 sq. ft.).
  - Further decrease to 3.7% since period end.

- Rent collection continues to improve reflecting sustained recovery in trading conditions and good occupier demand for space:

    - 95% of invoiced rents for the period now collected.
    - Expect a continued improvement in collection rates and further recoveries against arrears.

Wholly-owned portfolio valuation: £3.26bn; 7.5% increase[2] over six months, largely driven by rental growth

- Valuation increases[2]: hospitality and leisure +7.8%; retail +7.1%; offices +8.6%; residential +6.4%.

- Equivalent yield: 3.86% (30.9.21: 3.92%).

- Over one third of the 26.6% decline in the portfolio valuation during the pandemic recovered over past 12 months. Valuation now 16.9% below September 2019 (like-for-like).

- Portfolio ERV up 6.4%[2] to £140.9m (30.9.21: £131.7m), with increases across all uses, reflecting letting activity and much-improved occupier market sentiment:

    - Hospitality: +6.4%
    - Retail: +5.9%
    - Offices: +4.0%
    - Residential: +11.1%

- Almost half of the 12.5% portfolio ERV decline suffered during the pandemic now recovered; overall, now, 6.9% below valuation at 30.9.2019, with both offices and residential ahead of pre-pandemic levels (like-for-like).

- Portfolio reversionary potential: £33.7m, 31.4% above annualised current income (30.9.21: £23.9m; 22.2%).

Longmartin joint venture valuation[3]: £172.8m; + 4.0% over six months[2]

- ERV growth: 4.0%; Long Acre retail rental values now stabilised.

- Equivalent yield stable at 4.0%.

Sustainability

- Commitment to become net zero carbon business by 2030, in line with our science-based target.

- Focus on re-use and repurposing buildings, prioritising retention of existing structures rather than demolition and rebuilding.

- Continuing commitment to support local communities, particularly focusing on young people.

Recovery in operating conditions has materially improved results for the period

		Six months ended		
Statement of Comprehensive Income		**31.3.2022**	31.3.2021	Change
Reported results				
Net property income	£m	**41.1**	26.5	+55.1%
Profit/(loss) after tax	£m	**247.6**	(338.5)	
Basic earnings/(loss) per share[5]	Pence	**64.4**	(92.7)	
Interim dividend per share	Pence	**4.8**	2.4	100.0%
EPRA results[1]				
Earnings	£m	**15.6**	2.1	+642.9%
Earnings per share	Pence	**4.1**	0.6	+583.3%
Covid-adjusted earnings/(loss)	£m	**18.4**	(10.6)	
Covid-adjusted earnings/(loss) per share	Pence	**4.8**	(2.9)	

Balance Sheet		31.3.2022	30.9.2021	Change
Reported net assets	£m	**2,605**	2,373	+9.8%
EPRA NTA per share[1]	£	**6.79**	6.19	+9.7%
Total Accounting Return	%	**10.3%** **(6 months)**	(14.6)% (12 months)	

- Net property income up 55.1% to £41.1m (31.3.21: £26.5m) reflecting improved occupancy, removal of occupier rental support and significant reduction in charges for impairments and expected credit losses as trading conditions improve:

  - 11.5% like-for-like increase in rental income.
  - Charges for expected credit losses and impairments of £2.2m (31.3.21: £10.6m).
  - Reduction in irrecoverable property costs and improved service charge recovery.

- Profit after tax: £247.6m (31.3.21: £338.5m loss). Increase primarily due to £232.9m of revaluation gains (31.3.21: £342.6m revaluation deficits) and improved net property income.

- EPRA earnings[1]: £15.6m, up 642.9% (31.3.21: £2.1m). EPRA earnings per share: 4.1p (31.3.21: 0.6p).

- Covid-adjusted EPRA earnings per share: 4.8p (31.3.21: loss per share, 2.9p).

- EPRA NTA[1]: £6.79 per share, up 9.7% over six months (30.9.21: £6.19) predominantly due to revaluation surpluses. NTA growth over 12 months to 31 March 2022: 16.5%.

- Total Accounting Return over six months: 10.3%, bringing total over 12 months to 31 March 2022 to 17.6%.

- Interim dividend: 4.8p, up 100% (31.3.21: 2.4p); to be paid as a PID on 1 July 2022. Dividend covered by Covid-adjusted EPRA earnings per share.

Portfolio investment: adapting and improving buildings; strategic acquisitions

- Now actively securing vacant space where we see opportunities to accelerate schemes, including those put on hold during the pandemic.

- Redevelopment and refurbishment schemes across 180,000 sq. ft. at 31 March 2022. Capital expenditure in the period: £16.6m.

- ERV of space under refurbishment: £13.1m, 9.3% of portfolio ERV (30.9.21: 8.9%).

- 72 Broadwick Street:

  - Scheme to complete imminently.
  - Letting of 17,500 sq. ft. office space now completed.
  - Equinox no longer in a position to complete its lease; once agreement for lease terminated, 32,750 sq. ft. space to be fitted out as offices.
  - 15 apartments being furnished before launch in June 2022.
  - Targeting BREEAM Excellent; scheme retained most of building's original structure and includes a number of sustainability features.

- Other schemes extending to 111,000 sq. ft. underway, including two grade A office-led projects in Carnaby.

- Five buildings acquired during the period in Seven Dials, Coliseum, Fitzrovia and Chinatown for £19.6m.

- Long leasehold interest at 92-104 Berwick Street acquired in May 2022 for £27.5m (excluding acquisition costs).

- Two non-core assets disposed in the period for gross proceeds of £11.4m, 9.6% above 30 September 2021 valuation.

Strong financial base, resources to continue to improve and grow our portfolio

- Available resources £303.9m; capital commitments: £27.8m.
- LTV[1,4]: 23.2% (30.9.21: 24.9%); decrease largely due to property valuation gains.
- Weighted average maturity of debt facilities: 7.5 years; earliest maturity: £100m facility in February 2023; refinancing discussions commenced.

1. Alternative performance measure ("APM"). The Group uses a number of measures to assess and explain its performance, some of which are considered to be APMs as they are not defined under IFRS. See page 44.
2. Like-for-like
3. Our 50% share
4. Based on net debt
5. The 31.3.2021 comparative per share data has been restated to adjust for the bonus element inherent in the equity issue in November 2020.

See Glossary of terms on pages 46 to 48.

There will be a presentation to equity analysts at the London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS at 9.30 am on Tuesday 24 May 2022. The presentation can also be accessed live via webcast or conference call. The live webcast will be available via the following link: https://brrmedia.news/SHB_HY22 or the Group's website www.shaftesbury.co.uk. A recording of the webcast will be available via these links later in the day. To join by phone, please dial in 5-10 minutes before the start time on +44 (0)330 165 4012 or 0800 279 6877 and quote the confirmation code 7682829. The presentation document is available on the Group's website.

The person responsible for arranging the release of this announcement is Desna Martin, Company Secretary.

24 May 2022

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Notes for Editors
Shaftesbury is a Real Estate Investment Trust which invests exclusively in the heart of London's West End. Focused on food, beverage, retail and leisure, our portfolio is clustered mainly in Carnaby, Seven Dials and Chinatown, but also includes substantial ownerships in East and West Covent Garden, Soho and Fitzrovia.

Extending to 16 acres, the portfolio comprises over 600 restaurants, cafés, pubs and shops, extending to 1.1 million sq. ft., 0.4 million sq. ft. of offices and 631 apartments. All our properties are close to the main West End Underground stations, and within ten minutes' walk of the two West End transport hubs for the Elizabeth Line, at Tottenham Court Road and Bond Street.

In addition, we have a 50% interest in the Longmartin joint venture, which has a long leasehold interest, extending to 1.9 acres, in St Martin's Courtyard in Covent Garden.

Our purpose
Our purpose is to contribute to the success of London's West End by curating lively and thriving villages where people live, work and visit. Our proven management strategy is to create and foster distinctive, attractive and prosperous locations. We have an experienced and innovative management team focused on delivering our long-term strategic objectives.

Our values
We have five core values that are fundamental to our behaviour, decision making and the delivery both of our purpose and strategic objectives: being human in how we operate, original in how we nurture talent and think, community minded in our approach to the West End, being responsible and long term in our approach to everything.

Our approach to sustainability
Our sustainability strategy encompasses our long-established approach of reducing the environmental impact of our operations through refurbishment, change of use and reconfiguration, working with, and supporting our local community, and using our knowledge and experience to influence and motivate, to achieve positive outcomes.

Forward-looking statements
This document, the latest Annual Report and Shaftesbury's website may contain certain "forward-looking statements" with respect to Shaftesbury PLC (the Company) and the Group's financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "could", "may", "should", "expects", "believes", "intends", "plans", "targets", "goal" or "estimates" or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Any forward-looking statements made by, or on behalf of, Shaftesbury PLC speak only as of the date they are made, and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except as required by its legal or statutory obligations, Shaftesbury PLC does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to Shaftesbury PLC or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance. Nothing contained in this document, the latest Annual Report or Shaftesbury's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

Ends.

Half year results

Overview

The continuing strong rebound in the West End economy since the lifting of pandemic restrictions last summer has continued throughout the period, with just a short period of disruption during December and January as some limited Covid restrictions were reintroduced. This robust performance reflects the West End's exceptional and enduring appeal and its inherent resilience. The patient, long-term stewardship of our high profile, centrally-located ownerships, and the actions we took to support our occupiers and stakeholders through the long period of pandemic challenges, have underpinned the welcome recovery we are now seeing in key operating metrics, EPRA earnings and net tangible assets.

In the six months ended 31 March 2022, net property income grew by 55% to £41.1 million (2021: £26.5 million), which contributed to an increase in EPRA earnings to £15.6 million (2021: £2.1 million). EPRA earnings per share rose 3.5p to 4.1p per share. Profit after tax for the period was £247.6 million (2021: loss of £338.5 million), largely due to revaluation surpluses of £232.9 million (2021: revaluation deficits of £342.6 million).

The Board has declared an interim dividend of 4.8 pence per share (31.3.2021: 2.4p), which is fully covered by Covid-adjusted EPRA earnings per share.

The valuation of our wholly-owned portfolio now stands at £3.3 billion, reflecting a like-for-like increase over six months of 7.5%. The return of tension between demand for, and availability of, space in our villages has driven a 6.4% recovery in rental values in the period, which was the main component of the valuation increase. Encouragingly, almost half of the ERV decline during the pandemic has now reversed, with both offices and residential uses now ahead of 2019 levels. Over the last twelve months, we have now recovered over one third of the valuation decline reported in the period from October 2019 to March 2021.

EPRA NTA increased over the period by 9.7% from £6.19 to £6.79 per share following revaluation surpluses in both the wholly-owned portfolio and Longmartin.

We continue to improve, reconfigure and repurpose our buildings to unlock latent value and enhance our exceptional portfolio's long-term income prospects. With strong occupier demand and limited vacancy, we are beginning to actively secure vacant space to deliver new value- and income-enhancing opportunities. At 31 March 2022, schemes underway extended to 180,000 sq. ft., over 9% of our portfolio's total area. Capital expenditure in the period totalled £16.6 million.

Our Balance Sheet remains robust. At 31 March 2022, available resources amounted to £303.9 million and our loan-to-value ratio was 23.2%. We are compliant with all financial covenants in our debt facilities and deposits linked to interest cover covenant waivers during the pandemic have now been returned.

The central section of the Elizabeth Line is scheduled to open to passengers today, with a full service expected by Spring 2023. Over the longer term, the West End is set to benefit from the material increase in visitor numbers and spending this line should bring. Our portfolio is well-placed to benefit, with all our ownerships a short walk from the new Tottenham Court Road and Bond Street interchanges.

Although Covid concerns are receding, new challenges are now coming to the fore, both in the UK and in many other economies, exacerbated by macroeconomic and political issues, including the war in Ukraine. Inflationary pressures, tax increases, rising cost of finance and supply chain disruption could weigh on the outlook for consumer confidence and spending. Along with continuing staff shortages and the cessation of Government Covid support, businesses are now having to deal with a complex range of operational challenges. Whilst London and the West End cannot be completely sheltered from these headwinds, their global status, appeal and broad-based, dynamic economies should provide a considerable degree of protection, which few other locations can match.

With the prospect of an extended period of uninterrupted trading as we enter the important summer season, further enhanced by the improving outlook for international leisure and business travel, the revival in confidence and growth we are now seeing is already providing a firm foundation for the return to long-term prosperity for the West End and our exceptional portfolio.

Operating environment

The previously reported recovery in confidence, footfall and sales across our villages continues. Whilst the Omicron Covid variant led to the Government reintroducing certain restrictions for seven weeks between December and January, the impact on activity was limited and short-lived, and, from the end of January, we saw a rapid rebound in our popular areas.

Footfall continues to improve, typically building through the working week and peaking at weekends. Whilst it has largely comprised domestic visitors, residents and workers, we are now seeing growing numbers of international tourists, a trend we expect will continue through the summer, further improving trading performance.

Hospitality, retail and leisure occupiers are reporting growing turnover. Where we have comparable data, monthly sales are now 7% ahead of pre-pandemic levels on average. With recovering operational conditions, rent collection continues to improve, with 95% of invoiced rent in respect of the six months to 31 March 2022 now collected.

Occupier demand, leasing and occupancy

With strong interest from potential occupiers across all uses, leasing momentum continues, and vacancy is trending towards pre-pandemic levels. During the period, we completed lettings, renewals and rent reviews with a rental value of £18.9 million, achieving healthy increases over September 2021 ERVs and previous rents.

Leasing transactions concluded in the six months ended 31 March 2022

	H1 2022		2021	
	Rental value £m		H1 £m	H2 £m
Commercial				
Lettings and lease renewals[1]	**13.3**	+6.3% vs 30.9.2021 ERV	7.9	12.7
Rent reviews	**3.3**	+17.9% vs previous rent	2.0	1.4
	16.6		9.9	14.1
Residential	**2.3**	+6.2% vs previous rent	4.1	5.8
	18.9		14.0	19.9

1. Includes estimated turnover rent where applicable.

Leasing momentum has continued since 1 April 2022 with commercial and residential lettings and renewals with a rental value of £5.7 million concluded (including £1.8 million at our 72 Broadwick Street scheme, see page 12) and further lettings have been put into solicitors' hands.

Occupancy

During the period, EPRA vacancy fell 1.3 percentage points to 4.7% (ERV: £6.7 million), of which 2.6% was available to let (ERV: £3.6 million) and 2.1% was under offer (ERV: £3.1 million)..

Available-to-let space at 31 March 2022

	Hospitality and leisure	**Retail**	**Offices**	**Residential**	**Total**
ERV[1] (£m)	**0.5**	**1.7**	**1.3**	**0.1**	**3.6**
% of portfolio ERV	**0.4%**	**1.2%**	**0.9%**	**0.1%**	**2.6%**
Area ('000 sq. ft.)	7	19	20	2	48
30.9.21					
% of portfolio ERV	*0.4%*	*1.5%*	*1.0%*	*-*	*2.9%*
Area ('000 sq. ft.)	*6*	*25*	*22*	*-*	*53*

1. Includes space let on temporary basis with an ERV of £0.8 million, 0.6% of portfolio ERV (30.9.21: £1.0 million; 0.8% of portfolio ERV).

Hospitality and leisure (322 restaurants, cafés, bars and pubs; 0.7 million sq. ft.; 38% of ERV)

Trading levels on average have recovered strongly across our villages and, in April 2022, were 9% above pre-pandemic levels. With a positive outlook in our busy, central locations, occupier demand remains strong. We have limited space to offer, with just seven restaurants and cafés available at 31 March 2022 (7,000 sq. ft.; ERV: £0.5 million).

During the period, we concluded lettings and renewals with a passing rent of £3.6 million, 7.6% above ERV at 30 September 2021. Rent reviews with a rental value of £2.3 million were agreed, 20.0% ahead of previous rents.

Retail (291 shops; 0.4 million sq. ft.; 28% of ERV)

Retail trading continued to improve throughout the period, albeit at a slower pace than we have seen for hospitality and leisure. However, sales data shows trade is now on average 4% ahead of pre-pandemic levels. Occupier demand is showing a similar recovery. We are seeing healthy numbers of enquiries and an improvement in letting terms, with leases now commonly structured based on a contracted rent that rises to ERV over the first two years of the lease, rather than being based on turnover.

Lettings and renewals with a rental value of £6.5 million were completed in the period, with rents achieved 6.8% ahead of September 2021 ERV. Rent reviews totalled £0.5 million, 2.1% ahead of previous rents. At 31 March 2022, 17 shops were available to let (ERV: £1.7 million, 19,000 sq. ft.), including nine units (ERV: £0.8 million) let on a temporary basis.

Offices (312 suites; 0.4 million sq. ft.; 21% of ERV)

Demand for office space in our villages continues to be strong, particularly for high quality suites. Encouragingly, as occupiers implement their post-pandemic workplace strategies, we are receiving an increasing number of enquiries from existing occupiers for additional or higher-specification space. Our “Assemble” fitted product continues to be popular and we are working on plans to improve amenities, such as further shared meeting room availability across our areas and a new cycle hub in Seven Dials, a feature which has proved popular in Carnaby.

During the period, we concluded lettings and renewals with a rental value of £3.2 million, 3.8% up on September 2021 ERV. Rent reviews with rental value of £0.5 million were completed, 26.9% ahead of previous rents. At 31 March 2022, 22 office suites (20,000 sq. ft.) were available to let (ERV: £1.3 million), which included 2,200 sq. ft. of space in recently completed refurbishment schemes.

Residential (631 apartments; 0.4 million sq. ft.; 13% of ERV)

With sustained demand for our apartments, and for residential accommodation generally across the West End, any space we get back typically goes under offer within days, and our rental levels have now recovered to pre-pandemic levels. We have now reinstated RPI-linked uplifts across our residential leases, having paused temporarily during the pandemic.

During the period, we completed 81 lettings. Overall, rents achieved were 6.2% above previous levels, although we have seen an acceleration in this performance during the period, with rents achieved in the second quarter up 11.5%. At 31 March 2022, just three apartments were available to let.

Space under offer

At 31 March 2022, space under offer extended to 40,000 sq. ft. and comprised six restaurants and cafés (ERV: £0.9 million), six shops (ERV: £1.0 million), 14,000 sq. ft. of office accommodation (ERV: £1.0 million) and six apartments (ERV: £0.2 million).

Rent collection

With the operating environment recovering strongly, our pandemic-related rental support ceased at the end of September 2021. Rent collection rates have continued to recover, reflecting the much-improved trading environment and the lifting of the Government's moratorium on landlords’ ability to recover commercial rent arrears in late March 2022. We have now collected 95% of invoiced rents for the period and expect both a continued improvement in collection rates and further recoveries of aged arrears.

Wholly-owned portfolio valuation

Valuation analysis at 31 March 2022

	Hospitality and leisure	**Retail**	**Offices**	**Residential**	**2022 Total**	30.9.2021 Total
Valuation (£m)	1,216	880	596	570	**3,262**	3,011
Annualised current income (£m)[1]	42.9	30.1	18.3	15.9	**107.2**	107.8
ERV (£m)	52.9	39.3	30.0	18.7	**140.9**	131.7
Topped up initial yield	3.7%	3.7%	3.1%	N/A	**3.3%**	3.5%
Reversionary yield	4.1%	4.2%	4.5%	2.4%	**3.9%**	3.9%
LfL movement[2,3]						
Valuation	7.8%	7.1%	8.6%	6.4%	**7.5%**	(5.4)%
ERV	6.4%	5.9%	4.0%	11.1%	**6.4%**	(6.4)%
Stats						
% of total fair value	37%	27%	18%	18%	**100%**	
% of ERV	38%	28%	21%	13%	**100%**	
Average ERV (£ psf)	76	89	67	49	**72**	67
WAULT (years)	7.9	3.2	2.4	Note 4		
Area (sq. ft. m)[5]	0.7	0.4	0.4	0.4	**1.9**	1.9

1. Including estimated turnover-related income; excluding income realised on expiry of rent-free periods and contractual rent increases.
2. 31 March 2022: 6-month change; 30 September 2021: 12-month change.
3. Like-for-like, taking into account acquisitions, disposals, capital expenditure and adjusting for reclassifications between categories.
4. Residential typically let on three-year assured shorthold tenancies with mutual rolling two-month break options after the first six months.
5. Excluding apartments which are sold off on long leases, covering approximately 0.2 million sq. ft.

At 31 March 2022, the external valuation of the wholly-owned portfolio was £3.26 billion (30.9.21: £3.01 billion). On a like-for-like basis, this represents an increase of 7.5% over the period and brings valuation growth over the past 12 months to 13.1%. Together with the 5.2% like-for-like increase in the second half of our last financial year, our portfolio has now recovered over a third of the 26.6% revaluation decline experienced during the eighteen months to 31 March 2021.

The valuation increase over the period was largely driven by like-for-like ERV growth of 6.4%, with increases across all uses, reflecting sustained occupier demand and low levels of vacancy, as footfall and trading in our locations continues to recover towards pre-pandemic levels.

The strength of our occupational market and improved investor sentiment has led to a tightening of the portfolio's equivalent yield of 6 basis points to 3.86% (30.9.21: 3.92%). This compares with 3.47% at 30 September 2019, prior to the pandemic.

Now that our pandemic rental support has ceased, the valuers have removed the remaining provision for Covid waivers, which totalled £10.6 million at 30 September 2021.

After allowing for acquisitions and capital expenditure, the revaluation surplus for the period was £226.7 million.

Rental growth

Estimated rental values have recovered during the period, reversing almost half the 12.5% decline experienced during the pandemic. At 31 March 2022, portfolio ERV was 6.9% below pre-pandemic levels (at 30 September 2019), with hospitality and leisure now just 6.4% lower and retail down 16.2% overall. Office and residential ERVs are now higher than those at 30 September 2019, with residential reversing all the pandemic decline in the current six-month period, reflecting the strength of occupational demand.

Like-for-like ERV growth/(decline)

	Decline	Recovery period		Net decline/
	18 months to 31.3.21	6 months to 30.9.21	6 months to 31.3.22	growth since 1.10.2019
Hospitality and leisure	-12.0%	-0.1%	+6.4%	-6.4%
Retail	-20.6%	-0.2%	+5.9%	-16.2%
Offices	-3.4%	1.9%	+4.0%	+2.4%
Residential	-6.4%	-2.8%	+11.1%	+1.0%
	-12.5%	**-0.1%**	**+6.4%**	**-6.9%**

Hospitality and leisure

The valuation of our hospitality and leisure space increased by 7.8% (like-for-like) during the period, largely driven by 6.4% ERV growth, reflecting the strength of occupational demand and low vacancy levels. Capitalisation rates have improved by thirteen basis points with positive occupier sentiment fuelled by the improved operational outlook.

The valuers continue to largely exclude the potential value from turnover-related rental top-ups. However, as the likelihood of returning to reliable revenue streams increases, they may then be reflected in the valuation.

Retail

Like-for-like retail valuation growth of 7.1% during the period, was largely due to 5.9% growth in rental values, reflecting leasing activity and a general improvement in retailer sentiment as trading volumes and footfall continue to recover. Growth was particularly strong in Carnaby Street, where rental tones increased 12.5% to £450 per sq. ft. (30.9.21: £400 per sq. ft.), although still 18% below pre-pandemic levels (30.9.19: £550 per sq. ft.). Capitalisation rates were broadly stable over the period.

Offices

The valuation of our offices increased by 8.6% (like-for-like) during the period, with ERVs increasing by 4.0% on the back of lettings and improved occupier demand for West End offices, and particularly for the best space in the best locations. Capitalisation rates have reduced by c. 21 basis points reflecting continued strong investor sentiment.

Residential

Our residential values increased by 6.4% in the period, reflecting the buoyancy of the West End residential investment market. The average capital value of our apartments is £1,500 per sq. ft. (30.9.21: £1,405 per sq. ft.).

Portfolio reversionary potential

At 31 March 2022, portfolio ERV was £140.9 million (30.9.21: £131.7 million), 31.4% ahead of annualised current income. The components of the reversionary potential are set out below:

	Total £m	How it will be realised
Annualised current income	**107.2**	
Contracted income	11.6	On expiry of rent-free periods, and contractual rent increases
EPRA vacancy	6.7	Letting of vacant space at 31 March 2022
Asset management schemes	13.1	Completion and letting of schemes in progress at 31 March 2022
Under-rented leases	2.3	Through normal cycle of rent reviews, lease renewals and lettings
ERV	**140.9**	

Cushman & Wakefield, independent valuer of our wholly-owned portfolio, has continued to note that:

- our portfolio is unusual in its substantial number of predominantly restaurant, leisure and retail properties in adjacent, or adjoining, locations in London's West End; and
- there is a long record of strong occupier demand for these uses in this location and, as a result, high occupancy levels, which underpin the long-term prospects for rental growth.

Consequently, they have reiterated to the Board that some prospective purchasers may recognise the rare and compelling opportunity to acquire, in a single transaction, substantial parts of the portfolio, or the portfolio in its entirety. Such parties may consider a combination of some, or all, parts of the portfolio to have a greater value than currently reflected in the valuation included in these results, which has been prepared in accordance with RICS guidelines.

Longmartin valuation

In the narrative below, all figures represent our 50% share.

At 31 March 2022, Longmartin's long leasehold property was valued at £172.8 million (30.9.21: £164.5 million). The like-for-like increase was 4.0%, reflecting ERV growth of 4.0%, with the overall equivalent yield stable at 4.0%. After allowing for capital expenditure and changes in lease incentives, the revaluation surplus was £6.2 million.

Growth/(decline) by use

		Like-for-like[1] growth		
	% of portfolio	**ERV**	**Valuation**	**Valuation £m**
Hospitality and leisure	24%	+0.1%	+4.5%	**40.8**
Retail	16%	-0.8%	+1.5%	**28.1**
Offices	43%	+4.4%	+4.1%	**74.3**
Residential	17%	+15.4%	+5.3%	**29.6**
	100%	+4.0%	+4.0%	**172.8**

1. After adjusting for reclassifications of space between uses.

As with the wholly-owned portfolio, all uses have delivered valuation growth in the period. Hospitality and leisure has increased by 4.5% with ERVs flat and yields reducing for the best space. Retail rental values have stabilised and yields are broadly unchanged. However, with letting progress during the period, the valuers' assumed vacancy has decreased, leading to a like-for-like valuation increase of 1.5%.

The value of offices has increased by 4.1%, with rental values up 4.4% during the period and yields stable. Residential rental values have rebounded, up 15.4% over six months and capital values have increased by 5.3% reflecting good investment market conditions.

Asset management

A key aspect of our management strategy is to continually improve and, where appropriate, repurpose buildings to ensure they meet ever-changing occupier requirements and their environmental performance is improved. Our initiatives unlock latent value and enhance our portfolio's long-term income prospects.

Our focus during the pandemic was to protect existing income and new schemes were put on hold, other than by exception. With the return of sustained occupier demand, and limited vacancy across our portfolio, we are now beginning to actively secure vacant possession of space where we see opportunities to accelerate schemes, including those put on hold during the pandemic.

At 31 March 2022, space held for, or under, refurbishment in the wholly-owned portfolio extended to 180,000 sq. ft., and represented 9.3% of total ERV, up 0.4% since 30 September 2021. Capital expenditure during the period totalled £16.6 million.

Space held for or undergoing refurbishment at 31 March 2022

	Hospitality and leisure	Retail	Offices	Residential	Total	% of portfolio ERV
ERV (£m)						
72 Broadwick Street						
31.3.2022	**-**	**-**	**5.2**	**0.7**	**5.9**	**4.2%**
30.9.2021	2.6	-	2.3	0.7	5.6	4.2%
Other schemes						
31.3.2022	**1.6**	**1.2**	**3.3**	**1.1**	**7.2**	**5.1%**
30.9.2021	0.8	1.1	3.6	0.7	6.2	4.7%
Total						
31.3.2022	**1.6**	**1.2**	**8.5**	**1.8**	**13.1**	**9.3%**
30.9.2021	3.4	1.1	5.9	1.4	11.8	8.9%
Area ('000 sq. ft.)						
31.3.2022	**21**	**18**	**110**	**31**	**180**	
30.9.2021	45	17	84	24	170	

72 Broadwick Street, Carnaby

- **Scheme status**

Our mixed-use scheme at 72 Broadwick Street will complete imminently. Capital expenditure during the period was £4.7 million and, at 31 March 2022, the remaining cost to complete this project was £3.1 million.

- **Letting update**

	Hospitality and leisure £m	Offices £m	Residential £m	Total £m	% of total ERV
ERV at 30 Sept 2021	2.6	2.3	0.7	5.6	4.2%
Change in ERV	-	0.3	-	0.3	
ERV at 31 March 2022	**2.6**	**2.6**	**0.7**	**5.9**	**4.2%**
Space to now be let as offices	(2.6)	2.6	-	-	
Pro-forma ERV at 31 March 2022	**-**	**5.2**	**0.7**	**5.9**	**4.2%**
Under offer[1] at 31 March 2022	-	1.8	-	1.8	1.3%
Available to let once completed	-	3.4	0.7	4.1	2.9%

1. Excluding leisure space now to be fitted out as offices.

We have now completed the letting of the 17,500 sq. ft. fourth floor office space, which was under offer at 31 March 2022 (1.3% of portfolio ERV). The first floor office space (9,000 sq. ft.) is being fitted out to enable an occupier to take immediate occupation.

Disappointingly, Equinox, the US gym operator, has now informed us it is no longer able to complete its lease of the second and third floors. Upon termination of the agreement for lease, the 32,750 sq. ft. it would have occupied will be fitted out and marketed for office use, following the successful letting of the fourth floor. Whilst this will result in incremental expenditure, estimated at £4.9 million, we expect increased rental income from the space.

Having taken handover of the residential accommodation in late April 2022, we are now furnishing the fifteen apartments, with a view to launching to the market in early June 2022.

- **Sustainability**

We are targeting BREEAM Excellent accreditation for this scheme, which has retained most of the building's original structure, in line with our sustainable building re-use strategy. The building incorporates a number of sustainability features including low carbon heat pumps, photovoltaic panels and integrated biodiversity including extensive planters, living walls and a green roof.

Other schemes

At 31 March 2022, other schemes extended to 111,000 sq. ft. (30.9.21: 101,000 sq. ft.) and represented 5.1% of portfolio ERV. Schemes underway included 21,000 sq. ft. of hospitality space, 18,000 sq. ft. of retail, 50,000 sq. ft. of office accommodation and 33 apartments.

During the period, we commenced new schemes with an ERV of £2.7 million, including £0.4 million in respect of recently acquired buildings, and completed projects with an ERV of £2.7 million. New projects include two grade A office-led schemes in Carnaby:

Scheme	Description	Estimated cost £m	Estimated completion
5-7 Carnaby Street	▪ Extension and refurbishment of 3rd floor office space, and construction of new 4th and 5th floor offices with terrace at 6th floor ▪ Sustainability features including living wall, terrace greening, improved energy rating ▪ Scheme ERV: £1.0m, c. 45% higher than pre-scheme ERV	£4.7m	Spring 2023
2-4 Kingly Street	▪ Combination and reconfiguration of three buildings, including one acquired during the pandemic, to provide four floors of offices with roof terrace, a bar (pre-let) and a new restaurant, both fronting Kingly Street and Kingly Court ▪ Retaining most of the original building structures ▪ Sustainability features including terrace greening, improved energy rating ▪ 3,200 sq. ft. newly configured bar pre let ▪ Scheme ERV: £1.2m, c. 33% higher than pre-scheme ERV	£8.1m	Summer 2023

In addition to 72 Broadwick Street, currently, we anticipate schemes with an ERV of £2.7 million will complete in the second half of this financial year, and whilst they will initially increase EPRA vacancy, they will provide opportunities to improve rental tones across our streets and deliver long-term enhancements to earnings. Importantly, we expect to complete the refurbishment of 27 apartments in the second half, which will deliver new stock into the current supply-constrained market.

Longmartin asset management

In the following narrative, all figures (except areas) represent our 50% share.

For the six months to 31 March 2022, 99% of invoiced rent has been collected to date. During the period, lettings, renewals and rent reviews with a rental value of £0.7 million were concluded. At 31 March 2022, our 50% share of the ERV of Longmartin's vacant space was £0.4 million (30.9.21: £0.7 million), of which £0.2 million was under offer. Space with an ERV of £0.9 million was under refurbishment (30.9.21: £0.6 million), the majority of which relates to two office suites (ERV: £0.7 million) which have now completed and of which nearly 60% of the space is now under offer.

Acquisitions and disposals

Acquisitions in the six months to 31 March 2022

During the six months to 31 March 2022, we acquired five buildings in Covent Garden, Chinatown and Fitzrovia for £19.6 million (including acquisition costs). These buildings further consolidate the holdings in our ownership clusters, bringing additional long-term value creation opportunities.

92-104 Berwick Street, Soho

In May 2022, we acquired a 200-year ungeared leasehold interest in the lower floors of 92-104 Berwick Street, Soho, for £27.5 million (excluding purchase costs). Purchased from the administrator of Berwick Street Securities LLP, the interest comprises c. 15,600 sq. ft. of retail accommodation and c. 3,600 sq. ft. which is suitable for restaurant uses. Importantly, this strategic acquisition takes our ownership to over 50% of active frontages on Berwick Street.

Of the total space, 5,400 sq. ft. is let to a supermarket, which is open and trading, and the remainder is vacant. Capital expenditure of £2.6 million is anticipated to put the vacant space in a market-standard lettable condition for occupiers.

Further opportunities

We continue to seek further opportunities to acquire assets which offer the potential for future rental and capital value growth, either individually or through combination with our existing ownerships. Inevitably, with the strong recovery in the West End's prospects firmly established, existing owners of the type of assets we seek to acquire may now be less keen to dispose of buildings, particularly where reinvestment opportunities are limited.

Disposals

During the period, we sold two non-core buildings for £11.4 million (gross), 9.6% above book value at 30 September 2021. Further disposals from a limited pool of buildings no longer core to our long-term strategy are currently being considered.

Sustainability

In November 2021, we launched our refreshed sustainability strategy, following an in-depth review of our most material issues. This refresh includes our commitment to become a net zero carbon business by 2030, in line with our science-based target. It enshrines our long-established strategy of focusing on re-use and repurposing of our buildings, prioritising retaining existing structures wherever possible and ambitious improvements to environmental performance, rather than demolition and re-building.

In addition to continually up-grading our properties, we are now stepping up engagement with our occupiers to reduce the carbon impact of their activities, to enable us to meet, and, where feasible, exceed our own carbon reduction targets and the more stringent energy performance standards being introduced by the Government.

We also re-iterated our continuing commitment to support local communities, particularly focusing on young people, and to use our practical experience to influence, motivate and collaborate with stakeholders to promote our sustainability agenda.

Financial results

The continued recovery in operating conditions has materially improved our results during the six months ended 31 March 2022, with an increase in net property income and growth in the valuation of investment properties.

Presentation of financial information

As is usual practice in our sector, we produce alternative measures for certain indicators, including earnings, earnings per share and NTA, making adjustments set out by EPRA in its Best Practices Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency and coherence of the sector. These, and other measures, such as Covid-adjusted earnings, are reconciled to IFRS in note 16 to the condensed consolidated half year financial statements ("the financial statements"). Further details on APMs used, and how they reconcile to IFRS, are set out on page 44.

Summary income statement

	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Rental income[1]	**54.5**	48.9	105.0
Charges for expected credit losses and impairments	**(2.2)**	(10.6)	(17.7)
Property costs[1]	**(11.2)**	(11.8)	(22.6)
Net property income	**41.1**	26.5	64.7
Administrative expenses	**(11.2)**	(9.3)	(21.6)
Valuation surplus/(deficits) and disposal profits	**227.5**	(331.4)	(196.8)
Operating profit/(loss)	**257.4**	(314.2)	(153.7)
Net finance costs	**(14.9)**	(15.3)	(30.2)
Share of Longmartin post-tax profit/(loss)	**5.1**	(9.0)	(11.0)
Profit/(loss) before tax	**247.6**	(338.5)	(194.9)
Tax	**-**	-	-
Reported profit/(loss) for the period	**247.6**	(338.5)	(194.9)
Basic earnings/(loss) per share[3]	**64.4p**	(92.7)p	(52.0)p
EPRA earnings[2]	**15.6**	2.1	13.3
EPRA earnings per share[2,3]	**4.1p**	0.6p	3.5p
Covid-adjusted EPRA earnings[2]	**18.4**	(10.6)	(7.4)
Covid-adjusted EPRA earnings per share[2]	**4.8p**	(2.9)p	(2.0)p

1. Net of recoverable service charge costs.
2. Alternative performance measure.
3. Earnings/(loss) per share for the period ended 31.3.2021 has been adjusted for the bonus element inherent in the equity raise in November 2020.

Profit after tax for the period of £247.6 million compares with a loss after tax for the six months ended 31 March 2021 of £338.5 million. The difference, amounting to £586.1 million, was predominantly due to investment property revaluation surpluses in both the wholly-owned portfolio and the Longmartin joint venture, which together amounted to £232.9 million, compared with deficits in the corresponding period last year of £342.6 million.

EPRA earnings

EPRA earnings are a measure of the level of underlying operating results and an indication of the extent to which dividends are supported by recurring earnings. In our case, EPRA earnings exclude portfolio valuation movements, profits on disposal of investment properties, and deferred tax arising in the Longmartin joint venture.

Under IFRS, income was accrued during the pandemic where rent waivers were granted to occupiers, the impact of which was that EPRA earnings were higher than the related cash flows. Over the coming years, this accrued income amortises as a non-cash charge to rental income, and consequently EPRA earnings will be lower than the related cash flows. Covid-adjusted EPRA earnings is an alternative performance measure which eliminates this non-cash impact, reporting EPRA earnings "as if" rent waivers granted to occupiers had been recognised immediately in the Income Statement rather than spread over the remaining terms of the underlying leases. This only applies to waivers where there were no value accretive associated lease modifications e.g. lease extensions. We consider that this provides useful supplementary information to assess earnings on a normalised basis, as well as under IFRS and is one measure the Board uses in considering dividends.

EPRA earnings[1]	£m	£m	Pence
Six months ended 31.3.2021		2.1	0.6
Movements:			
Rental income	5.6		
Expected credit losses and impairment charges	8.4		
Property costs	0.6		
Net property income		14.6	3.8
Administrative costs	(1.9)		
Net finance costs	0.4		
Longmartin	0.4		
		(1.1)	(0.3)
Six months ended 31.3.2022		**15.6**	**4.1**

1. Alternative performance measure.

EPRA earnings increased by £13.5 million to £15.6 million (31.3.2021: £2.1 million), largely due to improvements in rental income, with vacancy continuing to decline, together with significant decreases in charges for expected credit losses and impairments reflecting the improved operating environment. EPRA earnings per share amounted to 4.1p, compared with 0.6p for the same period last year, which was materially impacted by the consequences of pandemic restrictions.

Covid-adjusted EPRA earnings were £18.4 million (31.3.2021: £10.6 million loss), 17.9% ahead of EPRA earnings, reflecting non-cash charges to EPRA earnings from the amortisation of Covid waivers in the period. Covid-adjusted EPRA earnings per share amounted to 4.8p, 0.7p above EPRA earnings per share.

Operating profit before investment property disposals and valuation movements

Rental income increased by 11.5% to £54.5 million (31.3.2021: £48.9 million) and includes (non-cash) amortisation from lease incentives of £2.1 million (31.3.2021: £15.9 million accrued income). Like-for-like growth, excluding the impact of acquisitions and disposals, was 11.5%, which reflects improved occupancy across our portfolio and the cessation of rental support for occupiers.

With improving operating conditions for our occupiers, charges for expected credit losses and impairments have reduced by £8.4 million to £2.2 million.

Property charges, excluding recoverable service charge costs, decreased by £0.6 million to £11.2 million (31.3.2021: £11.8 million), predominantly due to lower irrecoverable costs, including a reduction in vacancy-related costs, and improved service charge recoveries. These savings were partly offset by increases in property management fees and marketing costs, with activity reverting to pre-pandemic levels. After irrecoverable costs and charges for expected credit losses and impairments, net property income for the period was £41.1 million, £14.6 million above the same period last year (31.3.2021: £26.5 million).

Administrative expenses totalled £11.2 million (31.3.2021: £9.3 million). The increase was largely due to higher total employee costs which amounted to £7.4 million (31.3.2021: £5.8 million). This reflects higher share option and bonus charges (£0.9 million), together with the impacts of the 2021 pay review and an increase in headcount last year, which added to the skills and resource in our team.

	Six months ended		Year ended
	31.3.2022	31.3.2021	30.9.2021
	£m	£m	£m
Total employee costs	**7.4**	5.8	14.7
Other administrative expenses	**3.8**	3.5	6.9
Total administrative expenses	**11.2**	9.3	21.6

Valuation deficit and disposal profits

Our wholly-owned portfolio's revaluation surplus was £226.7 million (31.3.2021: deficit of £331.4 million). This represented a like-for-like valuation increase of 7.5%, largely due to a 6.4% like-for-like increase in ERV and a reduction in the equivalent yield of six basis points. See pages 9 to 11.

During the period, we sold two properties, realising disposal profits, after sales costs, of £0.8 million. See page 14.

Net finance costs

Net finance costs decreased by £0.4 million to £14.9 million (31.3.2021: £15.3 million), largely reflecting savings in bank interest and loan issue cost amortisation following the equity raise in November 2020.

Share of Longmartin post-tax profit

Our share of Longmartin's post-tax profit was £5.1 million, which compares with a £9.0 million share of post-tax loss in the same period last year. The profit this year included a revaluation surplus, our share of which amounted to £6.2 million (31.3.2021: £11.2 million deficit). Excluding revaluation movements, and the related deferred tax impact, our share of EPRA earnings from Longmartin increased by £0.4 million to £0.6 million (31.3.2021: £0.2 million), largely due to improved net property income.

Tax

As a REIT, the Group's activities are largely exempt from corporation tax and, as a result, there is no tax charge in the period (31.3.2021: £nil).

Dividends

As a REIT, we are required to distribute a minimum of 90% of rental profits, calculated by reference to tax rather than accounting rules, as a PID. Notwithstanding this, our dividend policy is to maintain steady growth in dividends, reflecting the long-term trend in our income and Covid-adjusted EPRA earnings. To the extent that dividends for a year exceed the amount available to distribute as a PID, we pay the balance as ordinary dividends.

The Board has declared an interim dividend of 4.8p per share, an increase of 100% on last year's interim dividend of 2.4p, which was paid to fulfil the Group's REIT obligations for the year ended 30 September 2020. The distribution, totalling £18.4 million, will be paid as a PID on 1 July 2022. The dividend is covered by Covid-adjusted EPRA earnings.

Balance Sheet

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Investment properties[1]	**3,216.6**	2,808.7	2,964.1
Investment in joint venture[2]	**90.9**	87.8	85.8
Net debt	**(755.9)**	(722.6)	(748.5)
Other net assets	**53.2**	63.3	71.3
Net assets[3]	**2,604.8**	2,237.2	2,372.7
EPRA NTA per share[3,4]	**£6.79**	£5.83	£6.19
Total Accounting Return[4,5]	**10.3%**	(19.9)%	(14.6)%

1. Adjustments made to the fair value of the Group's investment properties to arrive at the book value of £3,216.6 million are set out in note 5 to the financial statements.
2. The net asset value of the Group's investment in the Longmartin joint venture of £90.9 million is set out in note 7 of the financial statements. Adjustments made to the fair value of Longmartin's investment properties to arrive at the book value at 31 March 2022 are also set out in note 7 of the financial statements.
3. Adjustments made to net assets of £2,604.8 million to calculate EPRA NTA of £2,615.9 million and EPRA NTA per share of £6.79 are set out in note 16 to the financial statements.
4. Alternative performance measure.
5. Total accounting return has been restated for 31.3.2021 by adjusting the number of shares to include the impact of the bonus element inherent in the equity raise in November 2020.

Net assets increased by £232.1 million in the period, largely due to the profit after tax for the period of £247.6 million, less the payment of the final dividend for 2021, which amounted to £15.4 million.

EPRA NTA

EPRA NTA makes adjustments to reported net assets to provide a measure of the fair value of net assets on a long-term basis. Assets and liabilities which are not expected to crystallise in normal circumstances are excluded. In our case, the calculation excludes deferred tax related to property valuation surpluses and deficits in the Longmartin joint venture.

Total accounting return measures shareholder value creation, taking into account the movement in EPRA NTA together with dividends paid.

EPRA NTA per share increased over six months by 60p (9.7%) to £6.79 (30.9.2021: £6.19), bringing growth over twelve months to 16.5%. With EPRA earnings of 4.1p per share being largely offset by the 2021 final dividend (4.0p per share), the growth in EPRA NTA over the six months ended 31 March 2022 was due to revaluation surpluses in the wholly-owned portfolio and Longmartin which added 60p per share. Total Accounting Return was 10.3% (six months) and 17.6% (twelve months).

EPRA NTA[1]	**Pence per share**
30 September 2021	619
Revaluation surpluses	60
EPRA earnings	4
2021 final dividend	(4)
31 March 2022	**679**

1. Alternative performance measure.

Liquidity

At 31 March 2022, available liquidity was £303.9 million (30.9.2021: £311.3 million) comprising £203.9 million of cash and our undrawn RCF (£100 million). Capital commitments to be funded from these resources totalled £27.8 million, excluding the acquisition of 92-104 Berwick Street (see page 14).

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Cash	**203.9**	237.2	211.3
Undrawn floating rate RCF	**100.0**	100.0	100.0
Available resources	**303.9**	337.2	311.3
Commitments	**(27.8)**	(25.2)	(18.8)
Pro-forma available resources	**276.1**	312.0	292.5

Net debt and cash flows

Net debt increased by £7.4 million to £755.9 million over the period:

Movement in net debt	**£m**
30 September 2021	748.5
Operating cash inflow	(22.0)
Net portfolio investment	16.0
Interest waiver deposits	(2.0)
Dividends paid	15.4
31 March 2022	**755.9**

Net cash inflow from operating activities was £22.0 million, which compares with a £3.2 million net cash outflow in the same period last year, reflecting the improvement in earnings through the pandemic recovery.

Net portfolio investment was £16.0 million (31.3.2021: £20.9 million), comprising capital expenditure of £15.4 million, acquisitions amounting to £11.8 million and disposals which generated £11.2 million.

During the period, a deposit of £2.0 million which had previously been made in respect of an interest cover covenant waiver was returned, now that the waiver period has ended and we are compliant with financial covenants. Since 1 April 2022, all remaining waiver deposits in respect of our wholly-owned group's debt facilities, amounting to £11.8 million, have been returned.

Our loan-to-value ratio decreased to 23.2% (30.9.2021: 24.9%), largely due to the portfolio revaluation gain in the period. At 31 March 2022, the weighted average maturity of debt facilities was 7.5 years with the earliest maturity being our £100 million RCF in February 2023. Initial discussions to refinance this facility have commenced. The blended cost of debt was unchanged over the period at 3.1% and the marginal cost of drawing on our RCF was 1.7% (30.9.2021: 1.1%).

Net debt summary[1]

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Debt	**959.8**	959.8	959.8
Cash	**(203.9)**	(237.2)	(211.3)
Net debt	**755.9**	722.6	748.5
Loan-to-value[2,3]	**23.2%**	25.4%	24.9%
Gearing[2,3,5]	**28.9%**	32.2%	31.4%
Interest cover[2,4]	**2.0x**	1.1x	1.4x
% drawn debt fixed	**100%**	100%	100%
Blended cost of debt[2,6]	**3.1%**	3.1%	3.1%
Marginal cost of undrawn floating rate facilities	**1.7%**	1.0%	1.1%
Weighted average maturity of debt facilities (years)	**7.5**	8.5	8.0
Sources of finance (fully drawn basis)			
Bonds	**54%**	54%	54%
Term loans	**36%**	36%	36%
Revolving credit facilities	**10%**	10%	10%

1. Data excludes our 50% share of Longmartin's non-recourse debt.
2. Alternative performance measure.
3. Based on net debt.
4. Ratio of operating profit before investment property disposals and valuation movements to net finance costs.
5. Based on EPRA net assets.
6. Including non-utilisation fees on undrawn bank facilities.

Debt maturity profile

Year of maturity	**Facility type**	**Total facility £m**
2023	Revolving credit facility[1]	100
2027	Bonds	290
2029	Term loan	135
2030	Term loan	130
2031	Bonds	285
2035	Term loan	120

1. Undrawn at 31 March 2022.

Longmartin finance

The figures below represent our 50% share.

The Longmartin joint venture has a £60 million fixed-rate term loan maturing in 2026, which is non-recourse to Shaftesbury.

At 31 March 2022, Longmartin's net debt was £57.5 million, representing a loan-to-value ratio of 33.3%, down from 34.9% at 30 September 2021, largely due to the property revaluation surplus in the period. Longmartin is compliant with its term loan financial covenants.

Offer update

On 7 May 2022, the Company made an announcement under rule 2.4 of the City Code on Takeovers and Mergers confirming that it was in advanced discussions regarding a possible all-share merger of the Company with Capco. These discussions are ongoing and the full terms of a possible merger have not been finalised. There can be no certainty that any offer will be made.

Principal Risks and Uncertainties

Successful management of risk is critical to the successful delivery of the Group's strategic priorities. Ultimate responsibility for risk rests with the Board but the effective day-to-day management of risk is integral to the way the Group does business and its culture. The Board sets the risk culture, determines the risk appetite and reviews principal and emerging risks. It is supported by the Audit Committee, which reviews the effectiveness of the risk management process and systems of internal controls. The Risk Committee formally reviews the risk landscape and emerging risks bi-annually (or more frequently, as required) and reports to the Audit Committee and the Board. On a day-to-day basis, operational risks are addressed as they arise and, where significant, are discussed more widely with the Strategy and Operations Executive. Issues that have arisen and how risks have changed are key inputs to the Risk Committee. Details of how we manage risk are set out on pages 86 to 87 of the 2021 Annual Report.

The Omicron Covid variant and associated restrictions had only a limited and short-term impact on operating environment and trading conditions have subsequently rebounded strongly. Consequently, our overall risk environment has improved throughout the period. However, the macroeconomic environment has changed, particularly following the start of the Ukraine war, which is exacerbating inflationary pressures and supply chain issues, which were already evident in the UK and other economies. Whilst this is likely to manifest in higher operating and refurbishment costs for us, it will increase operational challenges for our occupiers, who are also dealing with the cessation of Government Covid support, staff shortages and the potential impact on consumer confidence from a squeeze on disposable income, higher taxation and increases in finance rates.

Given the improving operational conditions, balanced against the headwinds noted above, the principal strategic risks and uncertainties facing the Group for the remaining six months of the financial year are unchanged from those set out on pages 88 to 92 in the 2021 Annual Report and fall into four categories: external factors, geographic concentration, market and consumer, and climate risk.

Unaudited Group Statement of Comprehensive Income

For the six months ended 31 March 2022

	Notes	**Six months ended 31.3.2022 £m**	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Revenue		**62.2**	53.2	112.7
Expected credit losses		**(1.9)**	(8.1)	(16.4)
Impairment charges		**(0.3)**	(2.5)	(1.3)
Property charges		**(18.9)**	(16.1)	(30.3)
Net property income	2	**41.1**	26.5	64.7
Administrative expenses		**(11.2)**	(9.3)	(21.6)
Operating profit before investment property disposals and valuation movements		**29.9**	17.2	43.1
Profit on disposal of investment properties		**0.8**	-	0.1
Net revaluation surplus/(deficit) on investment properties	5	**226.7**	(331.4)	(196.9)
Operating profit/(loss)		**257.4**	(314.2)	(153.7)
Finance income		**0.3**	0.4	0.7
Finance costs	3	**(15.2)**	(15.7)	(30.9)
Share of post-tax profit/(loss) from joint venture	7	**5.1**	(9.0)	(11.0)
Profit/(loss) before tax		**247.6**	(338.5)	(194.9)
Tax charge for the period	4	**-**	-	-
Profit/(loss) and total comprehensive income/(loss) for the period		**247.6**	(338.5)	(194.9)
Earnings/(loss) per share[1]:				
Basic	16	**64.4p**	(92.7)p	(52.0)p
Diluted	16	**64.3p**	(92.7)p	(52.0)p

1. The 31.3.2021 comparative per share data has been restated following the equity raise in November 2020 to adjust for the inherent bonus element. See notes 13 and 16 for further information.

Unaudited Group Balance Sheet

As at 31 March 2022

	Notes	**31.3.2022 £m**	31.3.2021 £m	30.9.2021 £m
Non-current assets				
Investment properties	5	**3,216.6**	2,808.7	2,964.1
Accrued income	6	**32.1**	25.6	34.1
Investment in joint venture	7	**90.9**	87.8	85.8
Property, plant and equipment		**0.9**	1.1	1.0
Trade and other receivables	8	**17.9**	3.7	15.9
		3,358.4	2,926.9	3,100.9
Current assets				
Trade and other receivables	8	**32.3**	46.5	44.4
Cash and cash equivalents	9	**203.9**	237.2	211.3
Total assets		**3,594.6**	3,210.6	3,356.6
Current liabilities				
Trade and other payables	10	**36.9**	21.6	31.6
Non-current liabilities				
Borrowings	11	**952.9**	951.8	952.3
Total liabilities		**989.8**	973.4	983.9
Net assets		**2,604.8**	2,237.2	2,372.7
Equity				
Share capital	13	**96.1**	96.1	96.1
Share premium		**653.8**	653.8	653.8
Share-based payments reserve		**1.6**	1.2	2.4
Retained earnings		**1,853.3**	1,486.1	1,620.4
Total equity		**2,604.8**	2,237.2	2,372.7

Unaudited Group Cash Flow Statement

For the six months ended 31 March 2022

	Notes	**Six months ended 31.3.2022 £m**	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Cash flows from operating activities				
Cash generated from operating activities	15	**36.6**	11.6	38.3
Interest received		**-**	0.1	0.2
Interest paid		**(14.6)**	(14.9)	(29.6)
Net cash from/(used in) operating activities		**22.0**	(3.2)	8.9
Cash flows from investing activities				
Investment property acquisitions		**(11.8)**	(3.6)	(19.1)
Investment property disposals		**11.2**	-	5.2
Capital expenditure on investment properties		**(15.4)**	(17.3)	(34.9)
Purchase of property, plant and equipment		**-**	-	(0.1)
Increase in cash held in restricted accounts		**-**	(5.4)	(5.4)
Decrease in cash held in restricted accounts		**2.0**	0.3	0.3
Increase in loans to joint venture		**-**	(0.8)	(1.5)
Net cash used in investing activities		**(14.0)**	(26.8)	(55.5)
Cash flows from financing activities				
Proceeds from share issue	13	**-**	307.0	307.0
Share issue costs	13	**-**	(12.6)	(12.6)
Repayment of borrowings		**-**	(100.0)	(100.0)
Equity dividends paid	14	**(15.4)**	-	(9.3)
Net cash (used in)/from financing activities		**(15.4)**	194.4	185.1
Net change in cash and cash equivalents		**(7.4)**	164.4	138.5
Cash and cash equivalents at the beginning of the period	9	**211.3**	72.8	72.8
Cash and cash equivalents at the end of the period	9	**203.9**	237.2	211.3

Unaudited Group Statement of Changes in Equity

For the six months ended 31 March 2022

	Notes	Share capital £m	Share premium £m	Share-based payments reserve £m	Retained earnings £m	Total equity £m
At 1 October 2021		**96.1**	**653.8**	**2.4**	**1,620.4**	**2,372.7**
Profit and total comprehensive income for the period		**-**	**-**	**-**	**247.6**	**247.6**
Dividends paid	14	**-**	**-**	**-**	**(15.4)**	**(15.4)**
Share-based payments		**-**	**-**	**(0.1)**	**-**	**(0.1)**
Release on exercise of share options		**-**	**-**	**(0.7)**	**0.7**	**-**
At 31 March 2022		**96.1**	**653.8**	**1.6**	**1,853.3**	**2,604.8**
At 1 October 2020		76.9	378.6	1.3	1,823.8	2,280.6
Loss and total comprehensive loss for the period		-	-	-	(338.5)	(338.5)
Share-based payments		-	-	0.7	-	0.7
Release on exercise of share options		-	-	(0.8)	0.8	-
Share issue	13	19.2	275.2	-	-	294.4
At 31 March 2021		96.1	653.8	1.2	1,486.1	2,237.2
At 1 October 2020		76.9	378.6	1.3	1,823.8	2,280.6
Loss and total comprehensive loss for the year		-	-	-	(194.9)	(194.9)
Dividends paid	14	-	-	-	(9.3)	(9.3)
Share-based payments		-	-	1.9	-	1.9
Release on exercise of share options		-	-	(0.8)	0.8	-
Share issue	13	19.2	275.2	-	-	294.4
At 30 September 2021		96.1	653.8	2.4	1,620.4	2,372.7

Notes to the half year results

For the six months ended 31 March 2022

1. Accounting policies

Basis of preparation

The Group's condensed consolidated half year financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and in accordance with UK adopted IAS 34 'Interim Financial Reporting'. They should be read in conjunction with the annual financial statements for the year ended 30 September 2021, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Group's financial statements were prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Group's annual financial statements for the year ending 30 September 2022 will be prepared in accordance with UK-adopted International Accounting Standards.

The financial information in these condensed consolidated half year financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information presented for the year ended 30 September 2021 is derived from the statutory accounts for that year. Statutory accounts for the year ended 30 September 2021 were approved by the Board on 29 November 2021 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated half year financial statements have been reviewed, not audited.

Going concern

The economic environment in which the Group operates has continued to improve in the period as the significant uncertainties resulting from the impact of Covid-19 on the economic environment have continued to recede and footfall and occupier confidence have continued to recover in our villages. However, new challenges are now coming to the fore both in the UK and in many other economies. Macro-economic and political issues, including the war in Ukraine, are exacerbating the risks and impact of inflation, tax increases and supply chain disruption, particularly on the outlook for consumer confidence and spending.

In adopting the going concern basis in preparing the condensed consolidated financial statements for the six months ended 31 March 2022, the Board has considered the Group's business activities, and its principal risks and uncertainties in this wider economic context.

The Group's going concern assessment covers the period from the date of authorisation of these condensed consolidated financial statements to 30 June 2023 (the "going concern period").

Key assumptions in forecasts and debt covenant compliance

In preparing the assessment of going concern, the Board has considered forecasts of the Group's available liquidity, committed expenditure, likely ongoing levels of costs, cash flows, income, debt covenants and other performance measures in a severe-but-plausible downside scenario which envisages an economic shock, possibly a re-emergence of a Covid-19 variant and associated government restrictions, or a similar interruption to trade, leading to falling consumer and occupier confidence, impacting rent collection, vacancy levels and rental growth. While there are other risks faced by the Group, an economic shock or interruption to trade of this nature allows us to model the simultaneous confluence of the impact of the Group's principal risks in a single near-term scenario.

Relative to our base forecast, this scenario envisages an immediate decline in the Group's rent collection by 25% of contracted rents for a period of 12 months; increases in our total vacancy of approximately 5% of ERV throughout the going concern period, a reduction in assumed ERV growth of 5-10 percentage points over the going concern period and an additional 3 percentage point increase in general inflation affecting all expenditure. It is also assumed that there would be an immediate increase in property costs as a result of increased vacancy.

Under this severe-but-plausible downside scenario, the Group anticipates that within and immediately following the going concern period, the interest cover covenants on one of its term loans would be breached. The interest cover covenants on its other debt facilities would come under pressure but are not expected to be breached. For the affected term loan, throughout the going concern period and the anticipated subsequent breaches, the Group can make up income shortfalls using cash deposits or additional assets with sufficient contractual income from its pool of unsecured properties. The number of occasions on which cash cure rights may be used is limited but the Board expect to have sufficient use-rights throughout the going concern period. The Group has sufficient reserves of liquidity and uncharged assets to meet either eventuality.

The near-term impact of climate change risks within the going concern period is expected to be immaterial. Interruptions to trade from severe weather events are possible but would be consistent with impacts considered in the severe-but-plausible downside scenario. The Group's forecasts assume an increase in capital expenditure to enable us to meet our net zero carbon targets and evolving minimum energy efficiency standards.

At 31 March 2022, the Group's loan-to-value ratio was 23.2%. It is the Group's expectation that it will remain in compliance with the loan-to-value covenants of its individual debt arrangements even under the severe-but-plausible downside scenario. However, were these covenants to come under pressure they can be managed through the addition of security from the Group's pool of unsecured assets. Through charging these unsecured properties, the Group estimates that it could withstand a circa 45% decrease in valuations before reaching the limit of its loan-to-value covenants. If it were to cancel the undrawn revolving credit facility and release its assets to be charged against other loans, this tolerance would increase to circa 51%. The Board considers the likelihood of a decline of this magnitude to be remote in view of the prime nature of the assets in the portfolio and the 26.6% decline already experienced in the eighteen months ended 31 March 2021, which was largely as a result of the Covid-19 pandemic, and the subsequent 13.1% recovery in values in the twelve months ended 31 March 2022.

The undrawn revolving credit facility expires in February 2023, but the Group does not expect to rely on it for liquidity in its severe-but-plausible downside scenario. There are no other debt maturities until 2027.

Going concern statement

Prior to available mitigations, the severe-but-plausible downside scenario would present significant challenges over the going concern period. However, the Board's assessment is that, in view of the Group's cash reserves, its expected covenant compliance and cure rights, and the reverse stress testing set out above, but before considering the possible all-share merger of the Company and Capital & Counties Properties PLC ("Capco") (the "Possible Merger") set out in note 18, it has a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period.

Impact of the Possible Merger on going concern

As set out in note 18, on 7 May 2022 the Company made an announcement under rule 2.4 of the Takeover Code (the "Rule 2.4 Announcement") regarding a possible all-share merger of the Company and Capco. Discussions are ongoing and the full terms of the Possible Merger have not been agreed. Subject to agreement of such terms, it is currently envisaged that the Possible Merger will be structured as an acquisition of the Company by Capco.

There can be no certainty that an offer will be made. Were an offer for the Company to be made and a transaction were to complete before 30 June 2023, this would be within the going concern period, and could trigger the change of control clauses in certain of the Group's debt facilities that may, at the relevant debt providers' discretion, require repayment in part or in full.

It would then be the responsibility of Capco to secure the necessary future financing arrangements of the combined group, including the liquidity requirements to satisfy possible repayments of the Group's debt noted above. As set out in the Rule 2.4 Announcement, following completion of the Possible Merger, the Board will contain strong non-executive representation from both companies, with Jonathan Nicholls as Chairman and Richard Akers as the Senior Independent Director. An executive committee, containing equal representation from the existing Shaftesbury and Capco leadership teams, will be responsible for the day-to-day management and operation of the combined company.

In assessing any firm offer that may be made for the Company, the availability of sufficient liquidity to fund potential debt repayments and the ability of the combined group to remain compliant with its financing arrangements and meet its financial obligations as they fall due over the going concern period will be key considerations for the Board.

Prior to any decision by the Board to support the Possible Merger and as to the nature of any recommendation to shareholders in connection with it, the Board will consider, amongst other things, the above factors, due diligence and the advice it receives, to gain confidence that the combined group is able to meet its financial obligations as they fall due. Based on its proposed structure, the Board would not expect to recommend the

Possible Merger to Shaftesbury Shareholders without an appropriate level of confidence that the Possible Merger would not create a material risk to the Company's ability to continue as a going concern. On this basis, the Board has continued to adopt the going concern basis in preparing the condensed consolidated financial statements.

Changes in accounting policies

The accounting policies and methods of computation used are consistent with those of the previous financial year, with the exception of amendments to standards which became effective in the financial period from 1 October 2021, as set out below.

New standards adopted during the period

The following amendments to existing standards were relevant to the Group, adopted from 1 October 2021, and did not have a significant impact on the financial statements:

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments) – Interest rate benchmark reform Phase 2

Standards relevant to the Group but not yet effective

The following amendments to existing standards were relevant to the Group, are not yet effective, and have not been adopted early. They are not expected to have a significant impact on the financial statements:

- IAS 1 (amendments) – Classification of liabilities as current or non-current; Disclosure of Accounting Policies
- IAS 8 (amendments) – Definition of Accounting Estimates
- IAS 12 (amendments)– Deferred taxes related to assets and liabilities arising from a single transaction
- IAS 16 (amendments) – Proceeds before intended use
- IAS 37 (amendments) – Onerous contract; Cost of fulfilling a contract
- IFRS 3 (amendments) – Reference to the Conceptual Framework

Significant judgements, assumptions and key estimates

The preparation of the financial statements in accordance with IFRS requires the directors to make judgements and estimates about the carrying amounts of assets and liabilities, in applying the Group's accounting policies. The judgements and estimates are based on historical experience and other relevant factors, including expectations of future events, and are reviewed on a continual basis. Although the estimates are made using the directors' best knowledge of the amount, event or actions, actual results may differ from the original estimates.

The directors did not make any significant judgements in the preparation of these financial statements, which is consistent with the financial statements for the prior year.

Significant areas of estimation uncertainty

The key estimates made in these financial statements are the valuation of investment property and the provision for expected credit losses for trade receivables and the impairment of lease incentives and deferred letting costs. This is consistent with the prior year.

Investment property valuation

The investment property portfolio is valued by independent third party valuers. Cushman & Wakefield value the properties owned by the Group, and Knight Frank LLP value the properties owned by the Longmartin joint venture.

Valuations are inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income. As a result, the valuations the Group places on its property portfolio require estimates to be made, including, but not limited to, market yields, ERVs and void periods. These estimates are based on assumptions made by the valuers. The most significant assumptions are those in respect of market yields and ERVs, which are summarised on page 9 and are in accordance with the RICS Valuation - Global Standards. Given the inherent subjectivity, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. This may mean that the value of the Group's properties differs from their valuation reported in the financial statements, which could have a material effect on the Group's financial position.

Further information on the approach taken by the valuers in valuing the portfolio and a sensitivity analysis on equivalent yields and ERV, which are the most significant assumptions impacting the fair values, is set out in note 5 to the financial statements.

Provisions for expected credit losses and impairment of lease incentives and deferred letting costs

In preparing the financial statements, estimates are made in assessing expected credit losses in respect of trade receivables, lease incentives and deferred letting costs. These estimates draw on historical information as well as forecast information, taking into account expectations about trading levels, footfall and tenants' ability to pay arrears, and, with respect to lease incentives and deferred letting costs, whether it is likely tenants will serve out the remainder of the contractual terms of their leases. In assessing provisions, the Group identifies risk factors associated with each use (hospitality and leisure, retail, office and residential).

The Group assesses the likely recovery of trade receivables for potential provisions, which are estimated using a forward-looking expected credit loss model for each receivable from an occupier. In determining the provision, the Group considers both recent payment history and future expectations of occupiers' ability to pay or possible default in order to recognise a lifetime expected credit loss allowance. Expected credit losses totalling £1.9 million (31.3.2021: £8.1 million; 30.9.2021: £16.4 million) were charged to the Income Statement in the period.

At 31 March 2022, the gross trade receivables balance subject to estimation uncertainty was £14.5 million and the provision for expected credit losses totalled £8.5 million. An increase of 5% to the provision percentage applied would increase the provision by £0.3 million. A decrease of 5% to the provision percentage applied would decrease the provision by £0.6 million. Whilst occupiers' trading has improved, the prospect of recovering material amounts of arrears that built up during periods of Government restrictions still remains uncertain, which is reflected in the Group's provisions for expected credit losses.

Accrued income from lease incentives and deferred letting costs are subject to impairment review at each period end. In determining the impairment provision, the Group reviews leases on an individual basis, making a provision based on an expected credit loss model, using information available about the likelihood of a lease terminating earlier than the date of contractual break option or expiry. With trading conditions improving, the risk of tenant default has lessened, which has led to reduced impairment provisions against lease incentive and deferred letting cost balances.

At 31 March 2022, the gross accrued income balance from lease incentives subject to estimation uncertainty was £44.0 million and the provision for expected credit losses totalled £2.6 million. An increase of 1% to the provision percentage applied would increase the provision by £0.3 million. A decrease of 1% to the provision percentage applied would decrease the provision by £0.7 million. The gross deferred letting costs balance which is subject to estimation uncertainty was £3.7 million and the provision for expected credit losses totalled £nil.

The Group has no significant concentrations of credit risk. The trade receivables balance is spread across a large number of different tenants with no single debtor representing more than 4% of the total balance due (30.9.2021: 2%).

See note 2 for further information on expected credit losses and impairment charges.

Segmental information

IFRS 8 requires operating segments to be reported in a manner consistent with the internal financial reporting reviewed by the chief operating decision maker. The chief operating decision maker of the Group is the Board. The Board is responsible for reviewing the Group's internal reporting in order to assess performance.

The information reviewed by the Board is prepared on a basis consistent with these financial statements. That is, it is provided at a Group level and includes both the IFRS reported results and Alternative Performance Measures (APMs), including EPRA measures. See page 44 for an explanation of the APMs used in these financial statements).

The Group's properties are all located in London's West End and are all of a similar type. The properties are typically mixed-use buildings with hospitality, leisure and retail on the lower floors and offices and apartments on the upper floors. As the properties share similar economic characteristics the Board considers them to be one operating segment. As such, no segmental financial information is presented.

2. Net property income

	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Rental income (excluding lease incentives)	**56.6**	33.0	82.0
Adjustment for lease incentives	**(2.1)**	15.9	23.0
Rental income	**54.5**	48.9	105.0
Service charge income	**7.7**	4.3	7.7
Revenue	**62.2**	53.2	112.7
Expected credit losses	**(1.9)**	(8.1)	(16.4)
Impairment charges	**(0.3)**	(2.5)	(1.3)
	60.0	42.6	95.0
Service charge expenses	**(7.7)**	(4.3)	(7.7)
Other property charges	**(11.2)**	(11.8)	(22.6)
Property charges	**(18.9)**	(16.1)	(30.3)
	41.1	26.5	64.7

Impairment charges of £0.3 million (31.3.2021: £2.5 million; 30.9.2021: £1.3 million) include £0.3 million for tenant lease incentive balances (31.3.2021: £2.8 million; 30.9.2021: £1.7 million) and £nil (31.3.2021: £0.3 million credit; 30.9.2021: £0.4 million credit) for deferred letting cost balances.

3. Finance costs

	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Mortgage bond interest	**6.9**	6.9	13.9
Bank and other interest	**7.7**	8.0	15.7
Loan issue cost amortisation	**0.6**	0.8	1.3
	15.2	15.7	30.9

4. Tax charge for the period

The Group's wholly-owned business is subject to taxation as a REIT. Under the REIT regime, income from its rental business (calculated by reference to tax rather than accounting rules) and chargeable gains from the sale of its investment properties are exempt from corporation tax.

5. Investment properties

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
At 1 October	**2,964.1**	3,115.5	3,115.5
Acquisitions	**19.6**	5.6	13.2
Disposals	**(10.4)**	-	(5.1)
Refurbishment and other capital expenditure	**16.6**	19.0	37.4
Net revaluation surplus/(deficit) on investment properties	**226.7**	(331.4)	(196.9)
Book value at end of period	**3,216.6**	2,808.7	2,964.1
Fair value at end of period:			
Properties valued by Cushman & Wakefield	**3,261.7**	2,844.0	3,010.5
Lease incentives and costs included in receivables	**(45.1)**	(35.3)	(46.4)
Book value at end of period	**3,216.6**	2,808.7	2,964.1

The investment properties valuation comprises:

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Freehold properties	**3,049.3**	2,652.1	2,805.7
Leasehold properties	**212.4**	191.9	204.8
	3,261.7	2,844.0	3,010.5

The Group's investment properties (other than its interest in the Longmartin joint venture) were valued at 31 March 2022 by professionally qualified external valuers, Cushman & Wakefield, who are members of the Royal Institution of Chartered Surveyors (RICS). Disclosures relating to the valuation of investment properties owned by the Longmartin joint venture are set out in note 7.

Adjustments are made to the fair value of the Group's investment properties to arrive at the book value at 31 March 2022, as set out above. The valuation prepared by Cushman & Wakefield at 31 March 2022 is appended to these interim results, in accordance with the requirements of Rule 29 of the Takeover Code.

For the purposes of Rule 29.5 of the Takeover Code, the Directors confirm that Cushman & Wakefield have confirmed to them that the valuation of the Group's investment properties (other than its interest in the Longmartin joint venture) as at the date of these interim statements would not be materially different from the valuation provided by Cushman & Wakefield as at 31 March 2022 and contained in Cushman & Wakefield's valuation report which is appended to these interim statements.

For the purposes of Rule 29.6 of the Takeover Code, the Directors confirm that in the event that the Group's investment properties (other than its interest in the Longmartin joint venture) were sold at an amount represented by the valuation at 31 March 2022, any gains arising from the disposal of investment properties used for the purposes of the Group's property rental business would not be chargeable to tax under UK REIT legislation. Any disposal gains on assets not connected with the Group's rental business would be chargeable to corporation tax but would be fully offset by available brought forward tax losses so no tax liability would arise.

Disclosures in respect of the Group's interest in the Longmartin joint venture, in accordance with Rules 29.5 and 29.6 of the Takeover Code, are set out in note 7.

All properties were valued on the basis of fair value and highest and best use, in accordance with IFRS 13 and the RICS Valuation - Global Standards, which incorporate the International Valuation Standards and the Valuation UK National Supplement (the "RICS Red Book") edition current at the valuation date. When considering a property's highest and best use, the valuer considers its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer considers the use a market participant would have in mind when formulating the price it would bid and reflects the cost and likelihood of achieving that use.

The fair value of the Group's investment properties has primarily been determined using a market approach, which provides an indication of value by comparing the subject asset with similar assets for which price information is available. The external valuer uses information provided by the Group, such as tenancy information and capital expenditure expectations. In deriving fair value, the valuer also makes a series of assumptions, using professional judgement and market observations. These assumptions include, but are not limited to, market yields, ERVs and void periods.

The key assumptions are the equivalent yields and estimated future rental income (ERVs), as set out in the valuation analysis on page 9. Equivalent yields are based on current market prices, depending on, inter alia, the location and use of the properties. ERVs are calculated using a number of factors which include current rental income, market comparatives and occupancy levels. Whilst there is market evidence for the key inputs, and recent transaction prices for similar properties, there is still a significant element of estimation and judgement. As a result of adjustments made to market observable data, these significant inputs are deemed unobservable.

Since the key inputs to the valuation are unobservable, the Group considers all its investment properties fall within Level 3 of the fair value hierarchy in IFRS 13. The Group's policy is to recognise transfers between hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There have been no transfers during the period (31.3.2021: none; 30.9.2021: none).

The major inputs to the external valuation are reviewed by the senior management team. In addition, the valuer discusses the valuation with the external auditor and the Audit Committee.

Sensitivity analysis

As noted in the significant judgements, assumptions and key estimates section in note 1, the valuation of the Group's investment property is inherently subjective. As a result, the valuations the Group places on its investment property are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. The sensitivity analysis below illustrates the impact on the fair value of the Group's investment properties, from changes in the key assumptions.

	Change in ERV			
	-10% **£m**	**-5%** **£m**	**+5%** **£m**	**+10%** **£m**
(Decrease)/increase in the fair value	(282.6)	(141.7)	145.3	292.4

	Change in Yield			
	-0.5% **£m**	**-0.25%** **£m**	**+0.25%** **£m**	**+0.5%** **£m**
Increase/(decrease) in the fair value	549.7	251.9	(216.4)	(405.4)

These key unobservable inputs are inter-dependent. All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation of a property, and an increase in the ERV would increase the capital value, and vice versa.

At 31 March 2022, the Group had capital commitments of £27.8 million (31.3.2021: £25.2 million; 30.9.2021: £18.8 million). This included £24.1 million relating to future capital expenditure for the enhancement of the Group's investment properties (31.3.2021: £25.2 million; 30.9.2021: £15.1 million) and £3.7 million for an investment property acquisition, conditional on certain requirements being met (31.3.2021: £nil; 30.9.2021: £3.7 million).

See pages 9 to 14 for a discussion of the valuations at 31 March 2022 and the Group's property activity during the period.

6. Accrued income

	31.3.2022 **£m**	31.3.2021 £m	30.9.2021 £m
Accrued income in respect of lease incentives	**41.4**	33.7	43.9
Less: included in trade and other receivables (note 8)	**(9.3)**	(8.1)	(9.8)
	32.1	25.6	34.1

At 31 March 2022, the Group held impairment provisions totalling £2.6 million (31.3.2021: £5.1 million; 30.9.2021: £2.6 million) against lease incentive balances. See note 1 for further information.

7. Investment in joint venture

	31.3.2022 **£m**	31.3.2021 £m	30.9.2021 £m
At 1 October	**85.8**	96.8	96.8
Share of profits/(losses)	**5.1**	(9.0)	(11.0)
Book value at end of period	**90.9**	87.8	85.8

At 31 March 2022, the joint venture had capital commitments of £1.2 million (31.3.2021: £0.1 million; 30.9.2021: £3.6 million) relating to future capital expenditure for the enhancement of its investment properties, of which, the Group's share is 50%.

The summarised Statement of Comprehensive Income and Balance Sheet used for Group purposes are presented below:

	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Statement of Comprehensive Income			
Rental income	**6.9**	7.3	14.1
Service charge income	**1.0**	0.6	1.3
Revenue	**7.9**	7.9	15.4
Expected credit losses	**(0.1)**	(0.9)	(2.1)
Impairment reversal/(charges)	**0.1**	(0.7)	(0.4)
Other property charges	**(1.7)**	(1.3)	(2.7)
Service charge expenses	**(1.0)**	(0.6)	(1.3)
Net property income	**5.2**	4.4	8.9
Administrative expenses	**(0.1)**	(0.2)	(0.3)
Operating profit before investment property valuation movements	**5.1**	4.2	8.6
Net revaluation surplus/(deficit) on investment properties	**12.4**	(22.4)	(22.6)
Operating profit/(loss)	**17.5**	(18.2)	(14.0)
Finance costs	**(3.5)**	(3.5)	(7.2)
Profit/(loss) before tax	**14.0**	(21.7)	(21.2)
Current tax	**(0.4)**	(0.2)	(0.4)
Deferred tax	**(3.5)**	3.9	(0.3)
Profit/(loss) and total comprehensive income/(loss) for the period	**10.1**	(18.0)	(21.9)
Profit/(loss) attributable to the Group	**5.1**	(9.0)	(11.0)

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Balance Sheet			
Non-current assets			
Investment properties at book value	**351.9**	335.4	336.4
Accrued income	**3.1**	2.1	2.4
Other receivables	**1.3**	1.3	1.3
	356.3	338.8	340.1
Cash and cash equivalents	**4.9**	2.4	5.1
Other current assets	**8.4**	7.5	8.5
Total assets	**369.6**	348.7	353.7
Current liabilities	**36.3**	29.4	34.1
Non-current liabilities			
Secured term loan	**120.0**	120.0	120.0
Other non-current liabilities	**31.5**	23.7	28.0
Total liabilities	**187.8**	173.1	182.1
Net assets	**181.8**	175.6	171.6
Net assets attributable to the Group	**90.9**	87.8	85.8

Investment properties

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Fair value at end of period:			
Properties valued by Knight Frank LLP	**345.5**	327.5	329.0
Finance lease asset	**11.2**	11.2	11.2
Lease incentives and costs included in receivables	**(4.8)**	(3.3)	(3.8)
Book value at end of period	**351.9**	335.4	336.4

Investment properties owned by the Longmartin joint venture (in which the Group has a 50% interest) have been valued at 31 March 2022 by professionally qualified external valuers, Knight Frank LLP, who are members of the Royal Institution of Chartered Surveyors (RICS). Adjustments are made to the fair value of Longmartin's investment properties to arrive at the book value at 31 March 2022, as set out above. The valuation prepared by Knight Frank LLP at 31 March 2022 is appended to these interim results, in accordance with the requirements of Rule 29 of the Takeover Code.

For the purposes of Rule 29.5 of the Takeover Code, the Directors confirm that Knight Frank LLP have confirmed to them that the valuation of Longmartin's investment properties as at the date of these interim statements would not be materially different from the valuation provided by Knight Frank LLP as at 31 March 2022 and contained in Knight Frank's valuation report which is appended to these interim statements.

For the purposes of Rule 29.6 of the Takeover Code, the Directors would expect an immaterial tax liability to arise on the sale of the Group's investment in the Longmartin joint venture at the carrying value of that investment in the Group's Balance Sheet. This tax liability would be fully offset by available brought forward tax losses such that no tax liability would arise. In accordance with IFRS, Longmartin's Balance Sheet includes a provision for deferred tax that would crystallise only on a disposal of the Longmartin properties. As a result, the net asset value of the interest in the Longmartin joint venture reported in the Group's financial statements includes a provision for the estimated tax liability should a disposal of the Longmartin properties occur.

8. Trade and other receivables

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Trade receivables	**14.5**	24.0	20.8
Provision for expected credit losses[1]	**(8.5)**	(19.3)	(14.1)
	6.0	4.7	6.7
Accrued income in respect of lease incentives (note 6)	**9.3**	8.1	9.8
Amount due from joint venture	**-**	12.9	1.7
Other taxation	**-**	3.5	0.9
Prepayments	**4.4**	3.5	11.3
Other receivables	**12.6**	13.8	14.0
Total current trade and other receivables	**32.3**	46.5	44.4
Non-current trade and other receivables			
Amounts due from joint venture	**14.2**	-	12.2
Other receivables	**3.7**	3.7	3.7
Total non-current trade and other receivables	**17.9**	3.7	15.9

1. See significant judgements, assumptions and key estimates in note 1.

Trade receivables represent amounts due from tenants. Within this balance is £3.3 million (31.3.2021: £5.6 million; 30.9.2021: £3.9 million) owed for service charges.

At 31 March 2022, cash deposits totalling £14.0 million (31.3.2021: £10.8 million; 30.9.2021: £8.3 million) were held against tenants' rent payment obligations. The deposits are held in bank accounts administered by the Group's managing agents and are not included within the Group Balance Sheet.

Amounts due from joint venture are classified as non-current when the Group has the expectation that the amounts will be settled more than one year from the Balance Sheet date.

9. Cash and cash equivalents

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Cash at bank	**203.9**	237.2	211.3
Restricted cash (included in other receivables in note 8):			
Non-current other receivables	**3.7**	3.7	3.7
Current other receivables	**11.8**	13.8	13.8
	15.5	17.5	17.5

Restricted cash relates to cash held on deposit as security for certain secured term loans and secured bank facilities, and where there are certain conditions restricting their use. Since 31 March 2022, cash deposits totalling £11.8 million (included in current other receivables) have been returned to the Group.

10. Trade and other payables

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Deferred rental income	**5.5**	3.1	3.1
Accruals and deferred service charge income	**1.9**	2.2	3.3
	7.4	5.3	6.4
Trade payables and accruals in respect of capital expenditure	**8.5**	6.5	7.3
Other taxation and social security	**4.4**	0.7	1.2
Other payables and accruals	**16.6**	9.1	16.7
	36.9	21.6	31.6

All deferred service charge income of the prior period was recognised as income in the current period.

11. Borrowings

	Nominal value £m	**Unamortised issue costs £m**	**Book value 31.3.2022 £m**	Book value 31.3.2021 £m	Book value 30.9.2021 £m
Mortgage bonds	**575.0**	**(3.7)**	**571.3**	570.8	571.1
Secured bank facility	**-**	**(0.3)**	**(0.3)**	(0.6)	(0.4)
Secured term loans	**384.8**	**(2.9)**	**381.9**	381.6	381.6
Total borrowings	**959.8**	**(6.9)**	**952.9**	951.8	952.3

At 31 March 2022, there were no drawings against the Group's secured bank facility. Unamortised issue costs continued to be carried in the Balance Sheet. Details of the Group's current financial position are discussed on pages 18 to 19.

The Group's borrowings are secured by fixed charges over certain investment properties held by subsidiaries, with a carrying value of £2,653.0 million (31.3.2021: £2,308.1 million; 30.9.2021: £2,444.1 million), and by floating charges over the assets of the Company and/or certain subsidiaries. To the extent there is a fixed charge over a property, consent is needed from the relevant lender for the fixed charge to be removed, for example, in the case of a disposal of that property.

There are currently no restrictions on the remittance of income from investment properties.

Net debt reconciliation

	1.10.2021 £m	Cash flows Inflows £m	Outflows £m	Non-cash items £m	31.3.2022 £m
Non-current borrowings					
Mortgage bonds	**575.0**	**-**	**-**	**-**	**575.0**
Secured term loans	**384.8**	**-**	**-**	**-**	**384.8**
Loan issue costs	**(7.5)**	**-**	**-**	**0.6**	**(6.9)**
	952.3	**-**	**-**	**0.6**	**952.9**
Loan issue costs[1]	**7.5**	**-**	**-**	**(0.6)**	**6.9**
Cash & cash equivalents (note 9)	**(211.3)**	**(49.8)**	**57.2**	**-**	**(203.9)**
Net debt at 31 March 2022	**748.5**	**(49.8)**	**57.2**	**-**	**755.9**
Net debt at 31 March 2021	987.0	(319.0)	54.6	-	722.6
Net debt at 30 September 2021	987.0	(351.0)	112.5	-	748.5

1. Loan issue costs are eliminated in the calculation of net debt.

Availability and maturity of borrowings

	Committed £m	Drawn £m	Undrawn £m
Repayable within 1 year	**100.0**	**-**	**100.0**
Repayable between 5 and 10 years	**839.8**	**839.8**	**-**
Repayable after 10 years	**120.0**	**120.0**	**-**
At 31 March 2022	**1,059.8**	**959.8**	**100.0**
At 31 March 2021	1,059.8	959.8	100.0
At 30 September 2021	1,059.8	959.8	100.0

The Group has no obligation to repay its mortgage bonds or secured term loans in advance of their maturities between 2027 and 2035. The Group's undrawn secured bank facility matures in 2023.

Interest rate profile of interest bearing borrowings

	31.3.2022		31.3.2021		30.9.2021	
	Debt £m	**Interest rate**	Debt £m	Interest rate	Debt £m	Interest rate
Secured term loans	**384.8**	**3.85%**	384.8	3.85%	384.8	3.85%
Mortgage bonds 2027	**290.0**	**2.35%**	290.0	2.35%	290.0	2.35%
Mortgage bonds 2031	**285.0**	**2.49%**	285.0	2.49%	285.0	2.49%
Weighted average cost of drawn borrowings		**2.99%**		2.99%		2.99%

The Group also incurs non-utilisation fees of 0.64% on its undrawn £100 million bank facility. The credit margin on this bank facility is 1.60%.

12. Financial instruments

The Group's mortgage bonds and secured term loans are held at amortised cost in the Balance Sheet. The fair value of these financial instruments is £956.0 million (31.3.2021: £976.2 million; 30.9.2021: £1,005.1 million). The difference between the fair value and the book value is not recognised in the reported results for the period. The fair values have been calculated based on a discounted cash flow model using the relevant reference gilt yield and appropriate market spread. The valuation technique falls within Level 2 of the fair value hierarchy in IFRS 13.

The fair values of the Group's cash and cash equivalents, and those financial instruments included within trade and other receivables, interest bearing borrowings, (excluding the mortgage bonds and the secured term loans), and trade and other payables are not materially different from the values at which they are carried in the financial statements.

13. Share capital

	Number of shares million	Share capital £m
Allotted and fully paid (ordinary 25p shares)		
At 1 October 2021 and 31 March 2022	**384.2**	**96.1**
At 31 March 2021	384.2	96.1
At 30 September 2021	384.2	96.1

On 18 November 2020, the Company issued 76.75 million shares, representing approximately 25% of its issued share capital, at £4 per share. After issue costs of £12.6 million, the net proceeds were £294.4 million. Issue costs directly attributable to the transaction were accounted for as a deduction from share premium. Following the share issue, the Company's issued share capital was 384,167,537.

In accordance with IFRS, the discount element inherent in the equity raise has been accounted for as a bonus issue of 6.7 million shares. Earnings per share information (see note 16) has been restated for the period ended 31 March 2021, by adjusting the weighted average number of shares to include the impact of the bonus shares.

In respect of the equity issue, Capital & Counties Properties PLC ("Capco") and Norges Bank ("Norges") were related parties of Shaftesbury PLC for the purposes of the Listing Rules and participated in the equity issue in respect of 16,250,000 and 19,245,032 shares respectively, for a total consideration of approximately £65 million and £77 million respectively. In respect of Capco, this transaction was disclosed via the Regulatory News Service on 22 October 2020, in accordance with LR11.1.10R. In respect of Norges, the issue of shares was a transaction of sufficient size to require shareholder approval under chapter 11 of the Listing Rules as announced via the Regulatory News Service on 22 October 2020. This approval was granted at the Extraordinary General Meeting on 17 November 2020. Shaftesbury PLC received written confirmation from its sponsor that the terms of the transactions were fair and reasonable as far as Shaftesbury PLC's shareholders were concerned.

There were no shares issued during the period under the Group's LTIP scheme (31.3.2021: 47,323 shares; 30.9.2021: 47,323 shares).

14. Dividends

	Pence per share		**Six months ended 31.3.2022**	Six months ended 31.3.2021	Year ended 30.9.2021
	PID	Ordinary	**£m**	£m	£m
Final dividend for:					
Year ended 30 September 2021	2.75p	1.25p	**15.4**	-	-
Interim dividend for:					
Year ended 30 September 2021	2.4p	-	**-**	-	9.3
Dividends for the period			**15.4**	-	9.3

An interim dividend of 4.8p per share was declared by the Board on 23 May 2022. The interim dividend will be paid as a PID on 1 July 2022 to shareholders on the register on 10 June 2022. The dividend will be accounted for as an appropriation of revenue reserves in the year ending 30 September 2022.

15. Cash flows from operating activities

Operating activities	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Profit/(loss) before tax	**247.6**	(338.5)	(194.9)
Adjusted for:			
Lease incentives recognised net of impairment (note 2)	**2.4**	(13.1)	(21.3)
Share-based payments	**(0.1)**	0.7	1.9
Depreciation	**0.1**	0.1	0.3
Net revaluation (surplus)/deficit on investment properties (note 5)	**(226.7)**	331.4	196.9
Profit on disposal of investment properties	**(0.8)**	-	(0.1)
Net finance costs	**14.9**	15.3	30.2
Share of post-tax (profit)/loss from joint venture (note 7)	**(5.1)**	9.0	11.0
Cash flows from operations before changes in working capital	**32.3**	4.9	24.0
Changes in working capital:			
Change in trade and other receivables	**0.1**	6.6	6.4
Change in trade and other payables	**4.2**	0.1	7.9
Cash generated from operating activities	**36.6**	11.6	38.3

16. Performance measures

Basic and diluted earnings per share

	31.3.2022		31.3.2021 (as restated)[1]		30.9.2021	
	Profit after tax £m	**Earnings per share pence**	Loss after tax £m	Loss per share pence	Loss after tax £m	Loss per share pence
Basic	**247.6**	**64.4**	(338.5)	(92.7)	(194.9)	(52.0)
Dilutive effect of share options	**-**	**(0.1)**	-	-	-	-
Diluted	**247.6**	**64.3**	(338.5)	(92.7)	(194.9)	(52.0)
Number of shares for Basic and EPRA EPS (million)[2]		**384.2**		365.3		374.8
Number of shares for Diluted EPS (million)[2]		**385.0**		365.3		374.8

1. Earnings per share information has been restated for 31.3.2021 by adjusting the weighted average number of shares to include the impact of the equity issue (see note 13). The discount element inherent in the equity raise has been accounted for as a bonus issue of 6.7 million shares in 2020.
2. Weighted average number of shares. In the periods ended 31 March 2021 and 30 September 2021, potential ordinary shares are excluded from the weighted average diluted number of shares when calculating diluted loss per share, in accordance with IFRS.

EPRA earnings per share

	31.3.2022		31.3.2021 (as restated)[1]		30.9.2021	
	Earnings £m	**Earnings per share pence**	Earnings £m	Earnings per share pence	Earnings £m	Earnings per share pence
Basic	**247.6**	**64.4**	(338.5)	(92.7)	(194.9)	(52.0)
EPRA adjustments:						
Investment property valuation (surplus)/deficit (note 5)	**(226.7)**	**(59.0)**	331.4	90.7	196.9	52.5
Profit on disposal of investment properties	**(0.8)**	**(0.2)**	-	-	(0.1)	-
Adjustments in respect of the joint venture:						
Investment property valuation (surplus)/deficit	**(6.2)**	**(1.6)**	11.2	3.1	11.3	3.0
Deferred tax	**1.7**	**0.5**	(2.0)	(0.5)	0.1	-
EPRA earnings	**15.6**	**4.1**	2.1	0.6	13.3	3.5

Covid-adjusted EPRA earnings/(loss) per share

	31.3.2022		31.3.2021 (as restated)[1]		30.9.2021	
	Profit after tax £m	**Earnings per share pence**	Loss after tax £m	Loss per share pence	Loss after tax £m	Loss per share pence
EPRA earnings	**15.6**	**4.1**	2.1	0.6	13.3	3.5
Amortisation/(income) recognised for tenant waivers	**3.2**	**0.8**	(15.6)	(4.3)	(22.4)	(6.0)
Movement in associated impairment provisions & write-offs	**(0.4)**	**(0.1)**	2.9	0.8	1.7	0.5
Covid-adjusted EPRA earnings/(loss)	**18.4**	**4.8**	(10.6)	(2.9)	(7.4)	(2.0)

1. Earnings per share information has been restated for 31.3.2021 by adjusting the weighted average number of shares to include the impact of the equity issue (see note 13). The discount element inherent in the equity raise has been accounted for as a bonus issue of 6.7 million shares in 2020.

Like-for-like rental growth

	Six months ended 31.3.2022 £m	Six months ended 31.3.2021 £m	Year ended 30.9.2021 £m
Rental income in current year	**54.5**	48.9	105.0
Adjusted for impact of:			
Impact of acquisitions	**(0.3)**	(0.2)	(0.3)
Impact of disposals	**(0.1)**	-	(0.2)
Like-for-like rental income in current year (A)	**54.1**	48.7	104.5
Rental income in previous year	**48.9**	60.4	114.4
Adjusted for impact of:			
Impact of disposals	**(0.4)**	-	(0.2)
Like-for-like rental income in previous year (B)	**48.5**	60.4	114.2
Like-for-like growth/(decline) in rental income (A/B-1)	**11.5%**	(19.4)%	(8.5)%

EPRA net asset value measures

		31.3.2022	
	EPRA NRV £m	**EPRA NTA £m**	**EPRA NDV £m**
IFRS net assets	**2,604.8**	**2,604.8**	**2,604.8**
Dilutive effect of share options[1]	**0.7**	**0.7**	**0.7**
Deferred tax[2]	**10.4**	**10.4**	**-**
Difference between fair value and carrying value of debt:			
Secured term loans[3]	**-**	**-**	**(27.4)**
Mortgage bonds	**-**	**-**	**26.7**
Investment property purchasers' costs	**230.9**	**-**	**-**
Total	**2,846.8**	**2,615.9**	**2,604.8**
Number of diluted shares (million)	**385.4**	**385.4**	**385.4**
Diluted net assets per share (£)	**7.39**	**6.79**	**6.76**

		31.3.2021			30.09.2021	
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS net assets	2,237.2	2,237.2	2,237.2	2,372.7	2,372.7	2,372.7
Dilutive effect of share options[1]	0.7	0.7	0.7	0.8	0.8	0.8
Deferred tax[2]	6.5	6.5	-	8.6	8.6	-
Difference between fair value and carrying value of debt:						
Secured term loans[3]	-	-	(35.1)	-	-	(51.5)
Mortgage bonds	-	-	12.2	-	-	(1.1)
Investment property purchasers' costs	202.0	-	-	213.3	-	-
Total	2,446.4	2,244.4	2,215.0	2,595.4	2,382.1	2,320.9
Number of diluted shares (million)	385.0	385.0	385.0	385.0	385.0	385.0
Diluted net assets per share (£)	6.35	5.83	5.75	6.74	6.19	6.03

1. Increase in shareholders' equity, which would arise on the exercise of share options.
2. Our 50% share of deferred tax in the joint venture.
3. Includes the wholly-owned Group's secured term loans and our 50% share of secured term loans in the joint venture.

Total accounting return (TAR)

	31.3.2022 Pence	As restated[1] 31.3.2021 Pence	30.9.2021 Pence
Opening EPRA NTA per share (A)	**619.0**	728.0	728.0
Closing EPRA NTA per share	**679.0**	583.0	619.0
Increase/(decrease) in the period	**60.0**	(145.0)	(109.0)
Dividends paid in the period per share	**4.0**	-	2.4
TAR (B)	**64.0**	(145.0)	(106.6)
TAR % (B/A)	**10.3%**	(19.9)%	(14.6)%

1. Net asset per share information has been restated for the comparative period presented by adjusting the number of shares to include the impact of the equity issue (see note 13). The discount element inherent in the equity raise has been accounted for as a bonus issue of 6.7 million shares in 2020.

Financing ratios

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Loan-to-value and gearing			
Nominal value of debt	**959.8**	959.8	959.8
Cash and cash equivalents	**(203.9)**	(237.2)	(211.3)
Net debt (A)	**755.9**	722.6	748.5
Fair value of investment properties (B)	**3,261.7**	2,844.0	3,010.5
Loan-to-value (A/B)	**23.2%**	25.4%	24.9%
EPRA net assets (C)	**2,615.9**	2,244.4	2,382.1
Gearing (A/C)	**28.9%**	32.2%	31.4%
Interest cover			
Operating profit before investment property disposals & valuation movements (A)	**29.9**	17.2	43.1
Finance costs	**15.2**	15.7	30.9
Finance income	**(0.3)**	(0.4)	(0.7)
Net finance costs (B)	**14.9**	15.3	30.2
Interest cover (A/B)	**2.0x**	1.1x	1.4x
Cost of debt			
Blended cost of drawn borrowings	**3.0%**	3.0%	3.0%
Commitment fees on undrawn bank facilities	**0.6%**	0.6%	0.6%
Blended cost of debt (including commitment fees on undrawn facilities)	**3.1%**	3.1%	3.1%

17. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. See note 13 for disclosure of related party transactions regarding the share issue in the prior year.

Transactions and balances between the Company and its joint venture, which have not been eliminated on consolidation are summarised below:

	31.3.2022 £m	31.3.2021 £m	30.9.2021 £m
Transactions with joint venture:			
Administrative fees receivable	**0.1**	0.1	0.1
Loans advanced to the joint venture	**-**	0.8	1.5
Interest receivable	**0.3**	0.3	0.6

Amounts due from the joint venture are disclosed in note 8. All amounts are unsecured, repayable on demand and bear a market rate of interest. These balances have been assessed for expected credit losses under IFRS 9.

18. Post Balance Sheet events

In May 2022, the Group completed the acquisition of a 200-year ungeared leasehold interest in the lower floors of 92-104 Berwick Street for £27.5 million (excluding purchase costs). See page 14.

In accordance with Rule 2.4 of the Takeover Code, on 7 May 2022, the Boards of Shaftesbury PLC and Capital & Counties Properties PLC (“Capco”) announced that they are in advanced discussions regarding a possible all-share merger of the two companies (the “Possible Merger”). Under the terms of the Possible Merger, it is envisaged that Shaftesbury shareholders, excluding the Shaftesbury shareholding owned by Capco, will own 53% of the combined company and Capco shareholders will own 47% of the combined company.

Discussions are ongoing and the full terms of a Possible Merger have not been finalised. There can be no certainty that an offer will be made. The announcement of a firm intention to make an offer remains subject to the satisfaction or waiver of a number of customary pre-conditions including, inter alia, completion of reciprocal confirmatory due diligence.

In accordance with Rule 2.6(a) of the Takeover Code, Capco is required, by not later than 5.00 p.m. on 4 June 2022, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer. This deadline can be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Takeover Code.

Responsibility Statement

The directors confirm that the condensed consolidated half year financial statements have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting' Union and that the half year management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- important events that have occurred during the first six months ended 31 March 2022 and their impact on the condensed set of half year financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months ended 31 March 2022 and a fair review of any material changes in the related party transactions described in the last Annual Report.

The maintenance and integrity of the Shaftesbury website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

The directors of Shaftesbury PLC are listed in its Annual Report for the year ended 30 September 2021.

A list of current directors is maintained on the Shaftesbury PLC website: www.shaftesbury.co.uk.

On behalf of the Board

Brian Bickell
Chief Executive

Chris Ward
Chief Financial Officer

23 May 2022

Independent Review Report to Shaftesbury PLC

Conclusion
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 which comprises the Unaudited Group Statement of Comprehensive Income, the Unaudited Group Balance Sheet, the Unaudited Group Cash Flow Statement, the Unaudited Group Statement of Changes in Equity and the related notes to the financial statements 1 to 18. We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Responsibilities of the directors
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
23 May 2022

Other information

Alternative Performance Measures (APMs)

The Group has applied the European Securities and Markets Authority (ESMA) guidelines on alternative performance measures in this interim statement. An APM is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS. APMs provide supplementary information which we consider to be useful to the users of the interim statement but should not be viewed in isolation.

Set out below is a summary of APMs used in this interim statement. EPRA performance measures are a set of standard disclosures for the property sector as set out in EPRA's in its Best Practices Recommendations (BPR). The recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency and coherence of the sector. Except for EPRA measures, APMs may not be comparable with similarly titled measures presented by other companies.

APM	Nearest IFRS measure	Explanation and reconciliation
EPRA earnings and earnings per share	Profit and total comprehensive income for the period Basic earnings per share	Note 16 and Financial Results (pages 14 to 16)
Covid-adjusted EPRA earnings and earnings per share	Profit and total comprehensive income for the period and earnings per share	Note 16 and Financial Results (pages 15 to 16)
Like-for-like growth/decline in rental income	Revenue	Note 16 and Financial Results (page 16)
EPRA net tangible assets (NTA) and NTA per share	Net assets	Note 16 and Balance Sheet (pages 17 to 18)
EPRA net disposal value (NDV) and NDV per share	Net assets	Note 16
EPRA net reinstatement value (NRV) and NRV per share	Net assets	Note 16
Total Accounting Return	N/A	Note 16 and Balance Sheet (pages 17 to 18)
Valuation growth/decline	Net surplus on revaluation of investment properties	Wholly-owned portfolio valuation (pages 9 to 11)
Net debt	Borrowings less cash and cash equivalents	Note 16 and Net debt and cash flows (pages 18 to 19)
Loan-to-value	N/A	Note 16 and Net debt and cash flows (pages 18 to 19)
Gearing	N/A	Note 16 and Net debt summary (page 19)
Blended cost of debt	N/A	Note 16 and Net debt summary (page 19)
Interest cover	N/A	Note 16 and Net debt summary (page 19)

Covid-adjusted EPRA earnings, is used by the Board as a benchmark in making dividend decisions. It removes the impact of rent waivers (where there were no associated lease modifications, such as lease extensions) granted during the pandemic from EPRA earnings.

Where this report uses like-for-like comparisons, these are defined within the Glossary.

Shareholder Information

Corporate Timetable

Financial Calendar	
Annual results	November 2022
Annual General Meeting and AGM statement	February 2023
Dividend and bond interest	
Proposed 2022 interim dividend:	
Ex-dividend	9 June 2022
Record date	10 June 2022
Payment date	1 July 2022
Bond interest	30 September/31 March

Shareholder enquiries
All enquiries relating to holdings of shares or bonds in Shaftesbury PLC, including notification of change of address, queries regarding dividends and interest payments, or the loss of a certificate, should be addressed to the Company's registrar. Contact details for the registrar are outlined below. Other enquiries should be sent to: investor.relations@shaftesbury.co.uk

Company website
The Company has a corporate website, which maintains a digital version of the most recent Annual Report and financial statements, as well as other information. Other information includes announcements made by the Company and the current share price of the Company. The site can be found at www.shaftesbury.co.uk

Effect of REIT status on payment of dividends
As a REIT, we do not pay UK corporation tax in respect of rental profits and chargeable gains relating to our property rental business. However, we are required to distribute at least 90% of the qualifying income (broadly calculated using the UK tax rules) as a PID.

Certain categories of shareholder may be able to receive the PID element of their dividends gross, without deduction of withholding tax. Categories which may claim this exemption include: UK companies, charities, local authorities, UK pension schemes and managers of PEPs, ISAs and Child Trust Funds.

Further information and the forms for completion to apply for PIDs to be paid gross are available on our website or from the registrar. Where we pay an ordinary dividend this will be treated in the same way as dividends from non-REIT companies.

Registrar
Equiniti Limited
Aspect House, Spencer Road
Lancing
West Sussex, BN99 6DA

Telephone 0371 384 2294 (International +44 121 415 7047). Lines open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales). Equiniti can also be contacted by email. Emails should be sent to customer@equiniti.com

Shareholder accounts may be accessed online through www.shareview.co.uk. This gives secure access to account information instructions. There is also a Shareview dealing service which is a simple and convenient way to buy or sell shares in the Company.

Secretary and registered office
Desna Martin, BCom, FCS(Aust), ACIS
22 Ganton Street, Carnaby
London W1F 7FD

Glossary of terms

Alternative Performance Measure (APM)
A financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

Annualised current income
Total annualised actual and 'estimated income' reserved by leases at a valuation date. No rent is attributed to leases which were subject to rent-free periods at that date. It does not reflect any ground rents, head rents nor rent charges and estimated irrecoverable outgoings at the valuation date. 'Estimated income' refers to gross ERVs in respect of rent reviews outstanding at the valuation date and, where appropriate, ERV in respect of lease renewals outstanding at the valuation date where the fair value reflects terms for a renewed lease.

Like-for-like growth in annualised current income is the change during a period, adjusted to remove the impact of acquisitions and disposals, expressed as a percentage of annualised current income at the start of the period.

Best Practices Recommendations (BPR)
Standards set out by EPRA to provide comparable reporting between investment property companies.

Blended cost of debt
Weighted average cost of drawn borrowings, plus non-utilisation fees on undrawn borrowings.

Building Research Establishment Environmental Assessment Method (BREEAM)
An environmental impact assessment method for commercial buildings. Performance is measured across a series of ratings: Pass, Very Good, Excellent and Outstanding.

Covid-adjusted EPRA earnings/earnings per share
EPRA earnings/earnings per share adjusted to remove the impact of rent waivers (where there were no associated lease modifications, such as lease extensions) granted during the pandemic.

EPRA
European Public Real Estate Association.

EPRA adjustments
Standard adjustments to calculate EPRA measures, in accordance with its BPR.

EPRA earnings
The level of recurring income arising from core operational activities. It excludes all items which are not relevant to the underlying and recurring portfolio performance.

EPRA earnings per share
EPRA earnings divided by the weighted average number of shares in issue during a reporting period.

EPRA net assets
Net assets adjusted for items that are not expected to crystallise in normal circumstances, such as deferred tax on property valuation surpluses. It includes additional equity if all vested share options were exercised.

EPRA Net Disposal Value (NDV)
The value of net tangible assets, assuming an orderly sale of the business' assets, achieving fair values as reported in the Balance Sheet. It includes deductions for liabilities that would crystallise in this scenario, including deferred tax and the difference between the fair value and carrying value of financial liabilities. When presented as a per share figure, it takes into account the potentially dilutive effect of outstanding options granted over ordinary shares.

EPRA Net Reinstatement Value (NRV)
The value of net assets on a long-term basis, assuming no disposals. Assets and liabilities that are not expected to crystallise in normal circumstances, such as deferred taxes on property valuation surpluses, are excluded. It is a reflection of what would be needed to recreate the company. Purchasers' costs which have been deducted in arriving at the fair value of investment properties are added back. When presented as a per share figure, it takes into account the potentially dilutive effect of outstanding options granted over ordinary shares.

EPRA Net Tangible Assets (NTA)
A measure of net assets which recognises that companies buy and sell assets and therefore takes into account deferred tax liabilities on sales, unless there is no intention to sell in the long run. When presented as a per share figure, it takes into account the potentially dilutive effect of outstanding options granted over ordinary shares.

EPRA vacancy
The rental value of vacant property available (excluding property held for, or undergoing, refurbishment), expressed as a percentage of ERV of the total portfolio.

Equivalent yield
Equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent, and such items as voids and non-recoverable expenditure but disregarding potential changes in market rents.

Estimated Rental Value (ERV)
The market rental value of properties, estimated by the Group's Valuers. Like-for-like ERV growth is the change in ERV during a period, adjusted to remove the impact of acquisitions and disposals, expressed as a percentage of ERV at the start of the period.

Fair value
The amount at which an asset or liability could be exchanged between two knowledgeable, willing and unconnected parties in an arm's length transaction at the valuation date.

FCA
Financial Conduct Authority

Gearing
Nominal value of Group borrowings expressed as a percentage of EPRA net assets.

IFRS
International Financial Reporting Standards.

Interest cover ratio (ICR)
Operating profit before investment property disposals and valuation movements, divided by finance costs net of finance income.

Leasing activity
The rental value secured across the wholly-owned property portfolio of the Group from lettings, rent reviews and lease renewals during a period.

Like-for-like growth in rental income
The increase in rental income during an accounting period, adjusted to remove the impact of acquisitions, disposals and changes as a result of larger refurbishment schemes, expressed as a percentage of rents receivable in the corresponding previous accounting period.

Loan-to-value (LTV)
Net debt expressed as a percentage of the fair value of property assets.

Long Term Incentive Plan (LTIP)
An arrangement under which an employee is awarded options in the Company at nil cost, subject to a period of continued employment and the attainment of performance targets over a three-year vesting period.

Net debt
The nominal value of the Group's borrowings less cash and cash equivalents.

Net initial yield
Net initial income at the date of valuation expressed as a percentage of the gross valuation. Yields reflect net income after deduction of any ground rents, head rents, rent charges and estimated irrecoverable outgoings.

Net Zero Carbon
When relevant GHG emissions attributable to operations of the business are minimised and outstanding emissions are balanced by removing an equivalent amount from the atmosphere.

Property Income Distribution (PID)
A PID is a distribution by a REIT to its shareholders paid out of qualifying profits. A REIT is required to distribute at least 90% of its qualifying profits as a PID to its shareholders.

Real Estate Investment Trust (REIT)
A REIT is a tax designation for an entity or group investing in real estate that reduces or eliminates corporation tax on rental profits and chargeable gains relating to the rental business, providing certain criteria obligations set out in tax legislation are met.

Reversionary potential
The amount by which ERV exceeds annualised current income, measured at a valuation date.

Reversionary yield
The anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

Science-based target
A carbon emissions target that is in line with the scale of reductions determined to be required to prevent the worst effects of climate change.

Sharesave or SAYE (Save-As-You-Earn)
A savings-related share option scheme. Employees are granted options to acquire shares at the end of a three or five-year vesting period using savings accumulated through salary sacrifice.

Topped-up net initial yield
Net initial yield at the valuation date as if the contracted rent in respect of leases which are subject to contractual rent free periods is payable from the valuation date and as if any future stepped rental uplifts under leases had occurred.

Total Accounting Return (TAR)
The change in EPRA NTA per ordinary share plus dividends paid per ordinary share during the period of calculation, expressed as a percentage of the EPRA NTA per share at the beginning of the period.

Valuation growth/decline
The valuation movement and realised surpluses or deficits arising from the Group's investment property portfolio expressed as a percentage return on the valuation at the beginning of the period adjusted, on a time weighted basis, for acquisitions, disposals and capital expenditure. When measured on a like-for-like basis, the calculation excludes those properties acquired or sold during the period.

WAULT
Weighted average unexpired lease term, assuming tenant break options are exercised.

Portfolio Valuation

Prepared for:

Shaftesbury PLC

Valuation Date:

31 March 2022

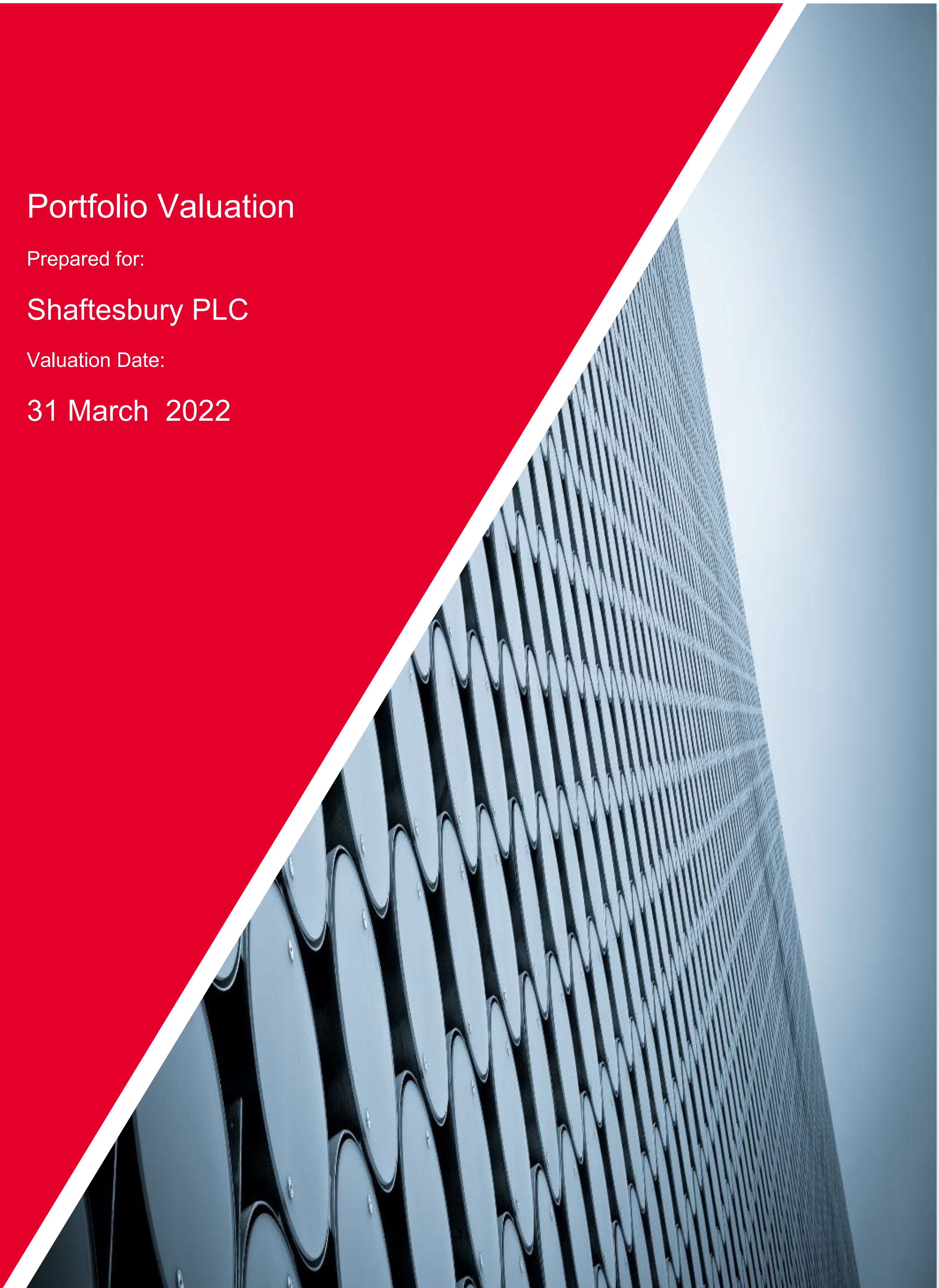

TABLE OF CONTENTS

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London W1H 6LY
Tel +44 (0) 20 3296 3000

www.cushmanwakefield.com

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VALUATION RECORD

To:	The Directors of Shaftesbury PLC ("Shaftesbury") (the "**Company**" or "you") 22 Ganton Street Carnaby London W1F 7FD Evercore Partners International LLP 15 Stanhope Gate LONDON W1K 1LN (in its capacity as financial adviser to the Company) (collectively referred to as the "**Addressees**")
Property:	A portfolio of investment properties, the address, tenure and property type of which is included in Appendix A (the "**Properties**" and each a "**Property**").
Report date:	23 May 2022
Valuation date:	31 March 2022 ("**Valuation Date**")

1. Instructions

1.1. Appointment

We are pleased to submit our report and valuation (the "**Valuation Report**"), which has been prepared in accordance with the engagement letter entered into between us dated 23 May 2022 (the "**Engagement Letter**"). This Engagement Letter and the terms set out therein, together with our Terms of Business, which were sent to you with our Engagement Letter, constitute the "**Engagement**", which forms an integral part of this Valuation Report.

Included in the Engagement Letter is the Valuation Services Schedule, which is included as Appendix A ("**VSS**"). It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule (which forms part of the Engagement). Where

Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an "assumption" or "assumptions". Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement.

You have informed us that the Properties are categorised as investments.

We have valued the property interests in the above Property as at the Valuation Date. A list of the addresses of each of the properties in the portfolio, together with a note of their tenure, is included in Appendix 1 in the VSS.

1.2. Compliance with RICS Valuation – Global Standards

We confirm that the valuation and Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"), edition current at the Valuation Date. It follows that the valuations are compliant with IVS.

1.3. Compliance with the City Code on Takeovers and Mergers (the "Code")

The valuation and the Valuation Report comply with Rule 29 of the Code.

1.4. Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. The Valuation is the responsibility of Charles Smith MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased Valuation, and who will act as "**External Valuer**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W have current involvement with the Properties in that they are the incumbent valuers to the Company and provide biannual valuations for inclusion in the Company's accounts. C&W undertake various instructions in providing property advice to the Company. We therefore confirm that C&W have current, anticipated and previous recent involvement with the Properties. The advice includes regular valuations of the Properties for accounts purposes as well as ongoing agency, development and other advice in respect of the Properties. We refer to paragraph 1.6 regarding the level of fees received from the Company.

In September 2020, we undertook a valuation of the Properties on behalf of the Company for inclusion in a combined prospectus and circular in connection with a proposed firm placing, placing and open offer and offer for subscription of new ordinary shares of the Company.

C&W acted on behalf of the vendor of the property at 47-49 Charing Cross Road when the Company acquired the property in 2017 and have also acted for Longmartin Properties Limited, a joint venture company owned in equal shares by Shaftesbury PLC and the Mercers' Company. C&W are currently instructed as retail letting agents by the Company in respect of all its retail properties.

This involvement has been discussed with the C&W compliance officer and the Company, who have provided written confirmation that, and notwithstanding our previous involvement, we may proceed with the Valuation.

Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

1.5. Purpose of Valuation

The purpose of the Valuation Report ("**Purpose of Valuation**") is:

a) for inclusion in the interim results announcement for the period ended 31 March 2022, to be issued by the Company (the "**Interim Results Announcement**"); and

b) to establish whether a material change has occurred in the Valuation of the Properties since the Valuation Date and the date of the relevant Transaction Document.

Therefore, in accordance with PS 2.5 and UK VPS 3, we have made certain disclosures in connection with this valuation instruction and our relationship with you. These are included in item 1.6 below.

For the purposes of this Valuation Report, the Interim Results Announcement shall be referred to as the "**Transaction Documentation**" and "**Transaction Document**" shall mean any such document.

1.6. Disclosures required under the provisions of PS 2.5 and UK VPS 3

Signatories

Charles Smith MRICS has been the signatory of Valuation Reports provided to the Company in respect of the Properties for the purpose of inclusion in the Company's report and accounts, for a continuous period since 2013. This is the first time that Adam Patterson has been a signatory to a report addressed to the Company.

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years. C&W's policy in this regard is explained in the Engagement.

Fee income from the Client

C&W's financial year end is 31 December. We confirm that the proportion of fees payable by the Client to C&W in the financial year to 2021 was less than 5%. We anticipate that the proportion of fees for the financial year to 31 December 2022 will remain at less than 5%.

C&W's relationship with the Company and involvement in the Properties

C&W has been undertaking various instructions for the Company for a number of years and we confirm that we have current, anticipated and previous recent involvement with certain of the Properties. We confirm that this factor has been discussed with the Company who has agreed for C&W to act in such capacities.

C&W have not received an introductory fee or negotiated a purchase of any of the Properties within the last 12 months.

1.7. Inspection

The Properties were subject to internal or external inspection, by Chartered Surveyors who are qualified for the purposes of this instruction, between 1 April 2021 and 31 March 2022. We undertake a rolling inspection programme whereby each Property is subject to internal inspection at least once every five years.

The Properties have been revalued for the purpose of this Report without internal inspection of the majority of the Properties.

The Company has confirmed that no material changes to the physical attributes of the Properties or the nature of their location have occurred since our inspection, our valuation as at the Valuation Date and the date of this Report.

1.8. Departures

We have made no Departures from the RICS Red Book.

1.9. Limitations

The valuation is not subject to any limitations.

1.10. Floor Areas

Unless specified otherwise, floor areas and analysis in this report are based on the following bases of measurement, as defined in RICS Property Measurement and RICS Code of Measuring Practice (the edition current at the Valuation Date):

Retail	NIA
Restaurant	GIA
Office	NIA
Residential	GIA

1.11. Measurement

We have adopted floor areas as provided to us by the Company.

1.12. Accommodation

Source of Floor Areas

The Company or its advisers have provided us with the floor areas of the Properties that are relevant to our valuation. As instructed, we have relied on these areas and have not checked them on site. We have made an Assumption that the floor areas supplied to us have been calculated in accordance with the RICS Property Measurement (the edition current at the Valuation Date).

1.13. Sustainability and ESG

Sustainability is an increasingly important factor in the UK real estate market. The UK has committed to net zero carbon by 2050, with legislation already in place to reduce CO2 emissions from buildings. We consider it likely that further legislation and regulations will be introduced in coming years. Alongside this, occupiers and investors in some sectors are becoming more particular in the sustainability aspects of the buildings they choose to occupy or purchase.

The existence of a green premium for the more sustainable buildings is a matter of ongoing market monitoring, investigation and debate. Appropriate levels of market evidence have yet to be established to demonstrate fully whether additional value can be ascribed to such buildings.

However, it should be noted that the market is evolving due to the focus from both occupiers and investors on a property's sustainability credentials. We expect that awareness of sustainability matters will increase throughout all sectors of the property market.

1.14. Sources of Information

In addition to information established by us, we have relied on the information obtained from you and others listed in this Valuation Report, and in particular in Appendix B, Sources of Information.

Having taken reasonable care to ensure that, in our professional opinion, the information provided is likely to be reliable, we have made the Assumption that the information provided by you and your respective professional advisers in respect of the Properties we have valued is both full and correct.

We have made the further Assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

We confirm that the valuation has been undertaken bringing the required levels of independence and objectivity to bear on the instruction, applying professional scepticism to information and data where it is provided and relied on as evidence.

1.15. General Comment

A high proportion of the total value of the Properties is accounted for by properties situated in adjacent and/or adjoining locations in four specific areas of the West End of London: Carnaby Street and its environs, Chinatown and the adjoining area immediately west of Wardour Street (south of its junction with Shaftesbury Avenue), and the areas around Seven Dials in the western part of Covent Garden and a block of properties to the east of the Central Covent Garden Piazza with its main frontage to Wellington Street. These areas are all dominated by retail and restaurant uses.

In our opinion, at the Valuation Date, this particular unusual confluence of ownership and use characteristics may cause some prospective purchasers to regard parts of the portfolio when combined as having a greater value than the aggregate of the individual values of the combined properties which make up those parts.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Properties are given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

2. Taxation and costs

The opinion of value which C&W will attribute to the Properties will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development, of the Properties, nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Properties will be that receivable by a willing seller excluding VAT, if applicable.

3. VAT

The valuations and rents included in this Valuation Report are net of value added tax at the prevailing rate.

4. Property Information

4.1. Enquiries

We have undertaken and completed the various matters referred to in the "Scope of Services" section of the VSS in Appendix A. Save as referred to below, the results of our enquiries and inspections do not contradict the Assumptions which we have made and are referred to in the Engagement.

5. Basis of Valuation

The basis of value for this Valuation Report as required by the Code is Market Value. These valuations have, therefore, been prepared on a Market Value basis.

Market Value

The value of the Properties has been assessed in accordance with the relevant parts of the current RICS Red Book. In particular, we have assessed Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation - Global Standards which incorporate the International Valuation Standards (**"IVS"**) and the RICS UK national supplement (the **"RICS Red Book"**), and applying the conceptual framework which is set out in IVS104:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Code requires that the basis of valuation should be Market Value. Our valuation as at 31 March 2022, addressed to the Company for financial reporting purposes, was on the basis of Fair Value – IFRS (the definition of which is reproduced in Appendix 2 to the Valuation Services Schedule attached at Appendix A). However, the references in the IFRS 13 definition to market participants and a sale make it clear that, for most practical purposes, the concept of Fair Value is consistent with that of Market Value, and so there would be no difference between them in terms of the valuation figure reported.

Our Valuation has been undertaken in accordance with the relevant provisions of the Code and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards (being independent experts for the purposes of the Code). The Properties are held as investments and we have, therefore, used the appropriate property investment valuation methodology to calculate the Market Values.

In accordance with the requirements of the Code, we have also reported the Estimated Net Annual Rent Receivable which represents the total income receivable from all tenancies and licences, (including deemed income on outstanding rent reviews and any deemed income on tenancies that are holding over), less any non-recoverable revenue costs. The deemed income on outstanding rent reviews is our opinion of rental value assessed in accordance with our understanding of the terms of the occupational lease review provisions. Non-recoverable revenue costs include, but are not limited to, such items as any non-recoverable service charge, empty rates, insurance, marketing contribution or ground rent payable by the landlord.

6. Assumptions and Special Assumptions

The Glossary in the RICS Red Book refers to an Assumption as a "supposition taken to be true". In this context, Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. A Special Assumption is referred to in the Glossary in the RICS Red Book as an Assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date". We confirm that no special assumptions have been made in undertaking our valuation.

7. Valuation Approach and Reasoning

Our opinion of the Market Value of the Property has been primarily derived using comparable recent rental and investment market transactions on arm's length terms. We have adopted an investment method of valuation based on an income approach and adopted a suitable market capitalisation rate.

For a property in the course of refurbishment/reconfiguration, the Market Value will reflect the investment value of the completed property, assuming that it had been completed at the valuation date, less the anticipated costs to complete.

Other than as stated below, each Property has been valued individually and we have excluded any addition or deduction that might arise if a sale as a portfolio were contemplated. We have assumed that each of the Properties had been marketed in an orderly way and not placed on the market at the same time.

In accordance with VPS1 Item 3.2 d) and VPGA 9 of the current edition of the RICS Valuation – Global Standards, in undertaking our valuations we have lotted together certain individual properties to form a separate property (each referred to as a "Property", collectively as the “Properties”) in the manner we consider to be most likely to be adopted in the case of an actual sale. We consider that lotting the properties together on the basis reflected in our valuations would allow a purchaser to capitalise on the estate management advantages and opportunities available from such comprehensive ownership.

8. Valuation

Having regard to the foregoing, we are of the opinion that the aggregate of the Market Values (“**Aggregate Value**”), as at the Valuation Date, of the freehold and leasehold interests in the Properties owned by the Company, subject to the Assumptions and comments in our Valuation Report and the Appendices, was:

Valuation		
Total Aggregate	**£3,261,650,000**	**(Three billion, two hundred and sixty-one million, six hundred and fifty thousand pounds)**

The apportioned values, as at the Valuation Date, of the freehold, long leasehold and part freehold/leasehold elements were as follows:

Freehold	£742,850,000	(Seven hundred and forty-two million, eight hundred and fifty thousand pounds)
Part freehold, part long leasehold	£2,485,700,000*	(Two billion, four hundred and eighty-five million, seven hundred thousand pounds)

Long Leasehold	£33,100,000**	(Thirty-three million, one hundred thousand pounds)
Total	**£3,261,650,000**	**(Three billion, two hundred and sixty-one million, six hundred and fifty thousand pounds)**

* Within this sum are five properties (each a "Lotted Property") which are the result of the lotting together of several smaller properties. The majority of each Lotted Property is held freehold but includes properties which are held on long leases. Also included is 23/27 New Row which is held part freehold and part leasehold, the majority of the value being in the leasehold element. For details of the tenure of each property, please refer to the Property Schedule in Appendix 1 to Appendix A. We have undertaken a notional apportionment of the Fair Value between the freehold and long leasehold elements of each Lotted Property below. The individual freehold and long leasehold figures above do not themselves represent the Fair Value of the two elements.

** Long leasehold is defined as an interest with an unexpired term of more than 50 years.

Property	Freehold	Long Leasehold	Total
Carnaby Main Block	£1,165,750,000 (One billion, one hundred and sixty-five million, seven hundred and fifty thousand pounds)	£24,650,000 (Twenty-four million, six hundred and fifty thousand pounds)	£1,190,400,000 (One billion, one hundred and ninety million, four hundred thousand pounds)
Chinatown Central	£383,700,000 (Three hundred and eighty-three million, seven hundred thousand pounds)	£119,150,000 (One hundred and nineteen million, one hundred and fifty thousand pounds)	£502,850,000 (Five hundred and two million, eight hundred and fifty thousand pounds)
Chinatown Western	£213,700,000 (Two hundred and thirteen million, seven hundred thousand pounds)	£9,250,000 (Nine million, two hundred and fifty thousand pounds)	£222,950,000 (Two hundred and twenty-two million, nine hundred and fifty thousand pounds)
Soho – Berwick Street Lot	£120,975,000 (One hundred and twenty million, nine hundred and seventy-five thousand pounds)	£8,675,000 (Eight million, six hundred and seventy-five thousand pounds)	£129,650,000 (One hundred and twenty-nine million, six hundred and fifty thousand pounds)

Property	Freehold	Long Leasehold	Total
Covent Garden – Single Lot	£421,330,000 (Four hundred and twenty-one million, three hundred and thirty thousand pounds)	£13,770,000 (Thirteen million, seven hundred and seventy thousand pounds)	£435,100,000 (Four hundred and thirty-five million, one hundred thousand pounds)
23/27 New Row	£900,000 (Nine hundred thousand pounds)	£3,850,000 (Three million, eight hundred and fifty thousand pounds)	£4,750,000 (Four million, seven hundred and fifty thousand pounds)
Total	**£2,306,355,000** **(Two billion, three hundred and six million, three hundred and fifty-five thousand pounds)**	**£179,345,000** **(One hundred and seventy-nine million, three hundred and forty-five thousand pounds)**	**£2,485,700,000** **(Two billion, four hundred and eighty-five million, seven hundred thousand pounds)**

The figures quoted above are aggregated figures of the individual Market Values for each property interest in the portfolio. If the portfolio were to be sold as a single lot or in groups of properties, the total values could differ significantly.

In arriving at our opinion of Market Value of the aggregate of the interests of the above Properties, we have valued each property individually. We have assumed that the Properties would be marketed in an orderly way and not all placed on the market at the same time.

Estimated Net Annual Rent Receivable

The Estimated Net Annual Rent Receivable, which represents the total income receivable from all tenancies and licences, (including deemed income on outstanding rent reviews and any deemed income on tenancies that are holding over), less any non-recoverable revenue costs as at the Valuation Date, was:

£101,131,173 per annum (One hundred and one million, one hundred and thirty-one thousand, one hundred and seventy-three pounds per annum)

Properties with an individual value of more than 5% of the Company's total aggregate valuation

We have set out below the Properties included in the Aggregate Value where the Company owns a property with a value of more than 5% of the Company's total aggregate valuation.

Property	Description, Age and Tenure	Terms of Existing Tenancies	Market Value
Covent Garden Single Lot, London	Primarily centered around the Seven Dials Monument in Covent Garden the "Single Lot" comprises a mix of retail, restaurant, office and residential accommodation. The single lot comprises buildings of various size and ages, including the recently refurbished Thomas Neals Centre. The bulk of the properties are situated on Earlham Street, Monmouth Street, Neal Street and in Neals Yard. The Single Lot is predominantly held freehold albeit there are six commercial long leasehold elements.	The commercial elements of the property are subject to around 120 commercial leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 10 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.	£435,100,000
Carnaby Estate, Main Block, London W1	A primarily retail and restaurant mixed use estate located in London's West End comprising approximately 685,000 sq ft. The property is centred on Carnaby Street and its surrounding streets. We understand that the buildings in the block predominantly date from the 18th to 20th centuries. The majority of the property is freehold with five long leasehold elements on long leases at an aggregate of £23 per annum	The commercial elements of the property are subject to around 275 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.	£1,190,400,000

Central Chinatown Block, London W1	Centred on Gerrard Street and its neighbouring streets to the east of Wardour Street, the property comprises a mixed use block of approximately 215,000 sq ft, primarily in restaurant and retail uses. We understand that the buildings in the block predominantly date from the 18th to 20th centuries. The majority of the property is freehold; there are 15 leasehold interests (11 of which relate to residential flats) at aggregate ground rents of £110 per annum.	The commercial elements of the property are subject to around 90 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.	£502,850,000
Western Chinatown Block, London W1	Centred on the west side of Wardour Street and its neighbouring streets, the property comprises a mixed use block of approximately 130,000 sq ft, primarily in restaurant and retail uses. The property is freehold. We understand that the buildings in the block predominantly date from the 18th to 20th centuries.	The commercial elements of the property are subject to around 45 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.	£222,950,000

Property Disposals

There have been no property disposals since the Valuation Date.

9. Disclosures in accordance with the Code

It is confirmed that the Valuation Report is issued solely for (i) inclusion in the Interim Results Announcement and (ii) for publication on the websites as required by the Code.

Material Difference

For the purposes of Rule 29.5 of the Code, we confirm that, in our opinion, there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of the Interim Results Announcement.

Consent

C&W has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Interim Results Announcement in the form and context in which it is included.

Responsibility

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that, to the best of our knowledge, (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its content for the purposes of Rule 29 of the Code.

10. Disclosure

Except in connection with the Purpose of the Valuation set out above, or as expressly contemplated in the Engagement Letter, you must not disclose the contents of this Valuation Report to a third party in any way, including where we are not referred to by name or if the Valuation Report is to be combined with other reports, documents or information, without first obtaining our written approval to the form and context of the proposed disclosure in accordance with the terms of the Engagement. We will not approve any disclosure that does not refer adequately to the terms of the Engagement and any Special Assumptions or Departures that we have made.

This Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. To the extent permitted by law, we hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out in the terms of the Engagement.

We consent to the publication and reproduction of this Valuation Report as required by Rules 26 and 29 of the Code, as issued by The Takeover Panel.

11. Reliance

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose, other than in connection with the Purpose of Valuation.

Save for any responsibility to any person arising under the Code, and to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any person other than the Addressees (save as otherwise provided for in the terms of the Engagement) for any loss suffered by any such other person as a result of, arising out of, or in connection with this Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29 of the Code.

This Valuation Report may be relied upon only in connection with the Purpose of Valuation stated and only by:

(i) the Addressees;

(ii) the shareholders and prospective shareholders of the Company; and

(iii) by such other parties who have signed a Reliance Letter.

Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited

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APPENDIX A: ENGAGEMENT

Services Schedule – Valuation & Advisory

1. Property Details

Appendix 1 includes the address, tenure and property type of each of the properties (**"Properties"**, and each a **"Property"**) to be valued (**"Property Schedule"**).

The Properties are held by various subsidiary companies of Shaftesbury PLC (Shaftesbury PLC and its subsidiary companies are collectively referred to as the **"Client"**).

It is important to note that, where the Company holds a proportion of the ownership in an individual property via a shareholding in a separate holding vehicle, our valuation will be of the 100% legal property interest held by the holding vehicle. In respect of the properties held in joint ventures or by associates, the Valuation Report will include apportionments of the Market Values of the property interests based on the Company's share of the proportionate interests in the joint ventures or associates.

2. Client

Shaftesbury PLC ("**Client**"). For the avoidance of doubt Evercore (as defined below) will not constitute a "Client" for the purposes of the Terms of Business.

3. Addressees

The Valuation Report will be addressed to the directors of Shaftesbury PLC and Evercore Partners International LLP (in its capacity as financial adviser and Rule 3 adviser to the Client) (together, the "**Addressees**"), and will also be publicly available when included in the Interim Results Announcement.

The Addressees shall be entitled to rely on and enforce the terms of the Engagement as set out in the Engagement Letter and on the Valuation Report subject in each case to the terms of the Engagement.

By relying on the Valuation Report, Evercore shall be deemed to acknowledge and agree that C&W's duties and obligations to Evercore under and in connection with the Valuation Report shall be no different or greater and of no longer duration than the duties and obligations which C&W owes to the Client under the Engagement.

C&W shall have no greater liability to the Addressees by virtue of such reliance, either in nature, extent, or in time, than C&W has to the Client under the Engagement and C&W shall be entitled to rely on any limitation in the Engagement and to raise the equivalent rights in defence of liability or indemnity to the Addressees (both jointly and severally) as are available to C&W against the Client under the Engagement.

C&W's limit of liability under this Engagement represents the maximum total liability to Evercore and to all other parties permitted to rely on the Valuation Report in the aggregate.

Nothing in this Agreement excludes or limits C&W's liability to the extent that such liability may not be excluded or limited as a matter of applicable law or the requirements of the Financial Conduct Authority or the London Stock Exchange.

4. Client Instructions

The Client has instructed C&W to:

a. undertake a valuation of the legal interests in the Properties described in the Property Schedule (**"Valuation"**) as at 31 March 2022 (the **"Valuation Date"**);

b. provide a valuation report in the format referred to in the 'Scope of Services' section below (**"Valuation Report"**) for the following purposes of valuation (**"Purposes of Valuation"**). For inclusion in:

1. the interim results announcement for the period ended 31 March 2022 to be issued by Shaftesbury (the "**Interim Results Announcement**"); and

2. for publication on any websites as required pursuant to the Code.

For the purposes of this letter, the Interim Results Announcement shall be referred to as the "**Transaction Documentation**" and "**Transaction Document**" shall mean any such document;

c. Establish whether a material change has occurred in the Valuation of the Properties since the Valuation Date and the date of the relevant Transaction Document;

d. Provide a consent letter, among other things, consenting to the inclusion of the Valuation Report in the Transaction Documentation;

e. Provide a correct extraction letter in relation to information included in any Transaction Document extracted from the Valuation Report; and

f. Provide a bring down comfort letter dated the date of publication and/or release of the relevant Transaction Document.

5. Timetable

C&W will provide: (a) a preliminary draft Valuation Report; and (b) a final Valuation Report.

A timetable covering the delivery of the draft and final Valuation Report will be drawn up and agreed with the Client prior to the commencement of the work.

C&W's work will be dependent upon receiving full co-operation from the Client and timely disclosure of all information, as we may need for the purposes of our work.

6. Basis of Valuation

The basis of valuation for the Valuation Report as required by the Code is Market Value and therefore the valuations have been prepared on a Market Value basis.

In accordance with the Client's instructions, C&W will undertake the Valuation on the following basis:

6.1 Market Value

Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation - Global Standards which incorporate the International Valuation Standards (**"IVS"**) and the RICS UK national supplement (the **"RICS Red Book"**), and applying the conceptual framework which is set out in IVS104:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"

6.2 Special Assumptions

The Glossary of the RICS Red Book states that an Assumption "*that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date"* is a **"Special Assumption"**.

As instructed, we will not make any Special Assumptions.

7. Scope of Services

Included in the Services are:

7.1 Valuation Report

Providing a Valuation Report that will be prepared in English. C&W will provide one electronic copy of the Valuation Report and, if requested, one signed hard copy. Where the Valuation Report is required to contain site plans these will be based on extracts of the Ordnance Survey or other maps showing, for identification purposes only, C&W's understanding of the extent of title based on site inspections or copy title plans supplied to C&W. The Client should not rely on C&W's plans to define boundaries.

As agreed, C&W will not provide full details of the valuation approach and reasoning in the Valuation Report. We will provide a summary property schedule for Properties with a value of over 5% of the aggregate valuation.

7.2 Currency

Providing a Valuation in UK Pounds Sterling (£).

7.3 Inspections

Inspections are undertaken in accordance with the Valuers Brief, set out in the letter of appointment from the Company to C&W in respect of undertaking the biannual valuations for inclusion in Company Accounts.

7.4 Floor Areas

Adopting floor areas provided to C&W for the purpose of the Valuation, (subject to the provisions of section 12.2 of the Assumptions).

7.5 Tenancies & Leasing

Relying on tenancy information provided by the Client, subject to the provisions of section 12.3 of the Assumptions. For the avoidance of doubt, C&W will not read copy leases.

7.6 Environmental Matters (including Flooding)

Reviewing the relevant Local Authority websites regarding environmental matters, including contamination and flooding and reviewing (subject to the provisions of section 0 of the Assumptions). For the avoidance of doubt, C&W will not undertake an environmental assessment or prepare a land quality statement, which would be the responsibility of an environmental consultant or chartered environmental surveyor. In this respect, C&W will have regard to any environmental reports provided to C&W (subject to the provisions of section 12.4 of the Assumptions).

7.7 Title

Reading a Certificate of Title where this is provided to C&W and C&W will reflect its contents in the Valuation (subject to the provisions of section 12.6 of the Assumptions).

C&W will not inspect the title deeds of the Properties.

Unless agreed in writing in advance with the Client, C&W will not obtain information from the Land Registry.

7.8 Condition of Structure & Services, Deleterious Materials and Ground Conditions

Taking into account the general condition of each Property as observed from the inspections undertaken for the purposes of the valuations for accounts purposes as at 31 March 2022 (subject to section 12.7 of the Assumptions). Where a separate condition or structural survey has been undertaken and made available to C&W, C&W will reflect the contents of the survey or condition report in the Valuation Report, but may need to discuss the survey or condition report with the originating surveyor.

7.9 Statutory Requirements and Planning

As previously instructed by the Client, C&W will not make enquiries of the relevant planning authorities in respect of each Property. C&W will make verbal enquiries of the Client's planning advisers as appropriate as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. C&W will also seek to ascertain whether any outstanding planning applications exist which may affect any Property, and whether any Property is listed or included in a Conservation Area. C&W will also attempt to verify the existing permitted use of each Property, and endeavour to have sight of any copies of planning permissions. For the avoidance of doubt, C&W will not undertake formal searches.

7.10 Exclusion

Where C&W is engaged to prepare a Valuation Report in connection with a proposed transaction in respect of the Properties, expressly excluded from the Services is the provision of any recommendation or otherwise by C&W as to whether to proceed with such a proposed transaction. Accordingly, the Client must not in any circumstances construe the Valuation Report as a recommendation whether or not to proceed with such a proposed transaction.

8. Basis of Appointment

C&W confirms that:

1. The Valuation and Valuation Report will be undertaken in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"). In this context "current edition" means the version in force at the Valuation Date.
2. The Valuation Report will comply with the requirements of Rule 29 of the Code.

The Valuation will be the responsibility of Charles Smith MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased Valuation. The Valuation will be undertaken by suitably qualified valuers, who have the knowledge, skills and understanding to undertake the Valuation competently and who will act as "**External Valuers** " (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W does not (and any affiliates of C&W do not) act as external valuers as defined under the Alternative Investment Fund Manager's Directive (**"AIFMD"**) legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing in advance by C&W. C&W have current involvement with the Properties in that they are the incumbent valuers to the Company and provide biannual valuations for inclusion in the Company’s accounts. C&W undertake various instructions in providing property advice to the Company. We therefore confirm that C&W have current, anticipated and previous recent involvement with the Properties. The advice includes regular valuations of the Properties for accounts purposes as well as ongoing agency, development and other advice.

Most recently, in September 2020, we undertook a valuation for inclusion in a combined prospectus and circular in connection with a proposed firm placing, placing and open offer and offer for subscription of new ordinary shares of the Company.

C&W acted on behalf of the vendor of the property at 47-49 Charing Cross Road and have also acted for Longmartin Properties Limited, a joint venture company owned in equal shares by Shaftesbury PLC and the Mercers’ Company. C&W are currently instructed as retail letting agents by the Client.

This involvement has been discussed with the C&W compliance officer and the Company, who have provided written confirmation that, and notwithstanding our previous involvement, we may proceed with the Valuation.

C&W confirms that we have had no previous material interest in the Company or material connection or involvement with any of the Properties other than as set out above, and that copies of our conflict of interest checks have been retained within the working papers.

Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

The proposed Valuation is a "**Regulated Purpose Valuation**" (as defined in RICS UK national supplement ("**UKNS**") UK VPS 3. C&W confirms that the Properties do not include any interests which have been acquired by the Client within the 12 months preceding the Valuation Date and in respect of which C&W has either received an introductory fee or negotiated that purchase on behalf of the Client.

In accordance with the provisions of UK VPS 3.1, in terms of any future acquisitions, C&W would be unable to undertake a valuation of a property acquired by a C&W client within the twelve months preceding the Valuation Date if, in relation to that property, C&W received an introductory fee or negotiated the purchase on behalf of that client unless another firm, unconnected with C&W, has provided a valuation of that property for the client at the time of or since the transaction was agreed.

In accordance with PS 2.5 of the RICS Red Book and UK VPS 3, the Valuation Report will set out the length of time Charles Smith MRICS has been the signatory to valuations provided to the Client for the same purpose as the Valuation Report, the length of time C&W has continuously been carrying out that valuation instruction for the Client, the extent and duration of C&W's relationship with the Client and the proportion of C&W's total fee income made up by the fees payable by the Client (to the nearest five percentage points). C&W will require these disclosures to be made in any published references to the Valuation Report.

C&W must seek to ensure there will be no potential conflicts of interest arising not only from C&W's involvement with the Properties and with the Client but also any related parties to the Client. Accordingly, the Client must advise C&W of any relevant parties connected to the Client's organisation.

In accordance with PS 2 5 of the RICS Red Book, C&W confirm our policy on rotation of the valuer accepting responsibility for Regulated Purpose Valuations and a statement of the quality control procedures that C&W has in place, as follows:

"*C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals of not more than seven years, unless there are overriding circumstances to the contrary. C&W discusses the method of rotation of the signatory to Regulated Purpose Valuation reports with its clients.*

C&W operates internal quality control procedures throughout its valuation practice including a system whereby the valuation of property meeting certain criteria requires the approval of an internal Value Committee."

9. Inclusion in the Transaction Documentation

The Valuation Report is required for inclusion in the Interim Results Announcement.

C&W will, therefore, provide a final copy of the Valuation Report to be incorporated into the Interim Results Announcement, together with a consent letter addressed to each of the Addressees by which C&W consents to:

1. the inclusion of the Valuation Report within the Interim Results Announcement in the form and context in which it is included in the Interim Results Announcement; and
2. the Valuation Report being published on any websites as required pursuant to the Code,

provided that: (i) C&W has first approved the form in which the Valuation Report is to appear within the Interim Results Announcement; and

(ii) the consent letter is factually correct.

In addition, upon the date of publication of the Interim Results Announcement, to the extent that the Valuation Report is dated prior to the date of publication of any such document, C&W will deliver a letter to the Addressees and address it to the Addressees and any person who we have allowed to rely on the Valuation Report for the Purpose of the Valuation (excluding members of the general public).

C&W will include the following confirmations in the Valuation Report in compliance with the requirements of the Code:

1. *"For the purposes of Rule 29.5 of the Code there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of [Interim Results Announcement]."*

2. *"C&W has given and has not withdrawn its consent to the inclusion of this Valuation Report in the [Interim Results Announcement] published by Shaftesbury dated [●] 2022 in the form and context in which it is included."*

3. *"For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with the Code. We authorise its content for the purposes of Rule 29 of the Takeover Code."*

If C&W is unable to make such a statement(s), C&W shall produce a valuation report with an effective valuation date as at the date of the Interim Results Announcement.

In addition to reproduction of the full text, the Interim Results Announcement may contain certain information extracted or derived from the Valuation Report. If so, C&W will confirm in a letter, addressed to each of the Addressees and dated the date of publication of the Interim Results Announcement, whether such information has been properly and accurately extracted or computed from the Valuation Report .

Additionally, in accordance with Rule 29.4 of the Takeover Code, the Valuation Report will state the effective date at which the assets were valued and the professional qualifications and address of the valuer.

C&W also understands that the Client intends to distribute and publish announcements, presentations and other documents in connection with the Interim Results Announcement, both before and after the publication of the final Transaction Documentation, which may include information extracted from the Valuation Report. Accordingly, we confirm that such information may be included in such announcements, presentations and other documents without our prior written consent, save that, where such announcements, presentation or other documents refers to C&W, the information may be included only with C&W's prior written consent (which may be by way of email) and with agreed non reliance disclaimer, which consent will not be unreasonably withheld or delayed.

C&W will, where requested: (i) circulate drafts of our Valuation Report and comfort letters, and liaise with the Addressees and their respective legal advisers, (ii) provide comments and mark-ups to the draft Transaction Documentation in relation to the property valuation sections and (iii) discuss with the Client, the Addressees and their respective legal advisers, any matters and issues relating to the Valuation as they arise prior to issuing the final form Valuation Report.

C&W acknowledges that Shaftesbury shareholders or prospective shareholders may, inter alia, rely on the Valuation Report in the form that it is included in any Transaction Document.

Except for any responsibility arising under Rule 29 of the Code, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person (save as otherwise set out in this Engagement Letter) for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statements set out above required by and given solely for the purposes of complying with Rule 29 of the Code.

10. Special and Additional Terms

10.1 Use of Valuation Report

The Valuation Report may be used only for the Purpose of Valuation referred to in item (b) of 'Client Instructions' in this Services Schedule.

10.2 Areas

The areas C&W report will be appropriate for the Purpose of the Valuation, but should not be relied upon for any other purpose.

10.3 Group of Properties / Lotting

Unless C&W has confirmed otherwise in this Services Schedule, each property will be valued individually; in the case of a portfolio, C&W will assume that each of the Properties would be marketed in an orderly way and not placed on the market at the same time.

In accordance with VPS1 Item 3 d) and VPGA 9 of the current edition of the RICS Valuation – Global Standards, in undertaking our valuations we will lot together certain individual properties to form a separate property in the manner we consider to be most likely to be adopted in the case of an actual sale. We consider that lotting the properties together on the basis reflected in our valuations would allow a purchaser to capitalise on the estate management advantages and opportunities available from such comprehensive ownership.

10.4 Limitations

There are no limitations.

10.5 Form of the Valuation Report

The Valuation Report will be drawn up to comply with mandatory requirements of the RICS Red Book, the requirements of the relevant provisions of the rules made by the Code (in particular Rule 29). .

10.6 Disclosure

We acknowledge that the Valuation Report will be published on a website in accordance with Rule 26 of the Code. C&W will not consent to publication or disclosure of the Valuation Report unless, where relevant, it incorporates adequate reference to the Special Assumptions and/or Departures from the RICS Red Book referred to in this Services Schedule. Where adequate reference to such Special Assumptions and/or Departures are made, such consent will not be unreasonably withheld or delayed

C&W acknowledges that the Valuation Report may be included in the Transaction Documentation and also in draft versions of the Transaction Documentation in accordance with section 10 above.

In addition, C&W agrees to the Client and Addressees disclosing the Valuation Report, strictly on a non-reliance and no-duty basis:

1. to each of their affiliates; and its, and their respective affiliates, professional advisers, insurers, auditors or bankers;
2. where required by law, order, rule (including the rules of any applicable stock exchange or any other applicable supervisory or regulatory authority having jurisdiction over it or any of its affiliates) or regulation, or a court of competent jurisdiction;
3. in seeking to establish any defence in any legal or regulatory proceeding or investigation relating to the matters set out herein; or
4. in connection with any actual or potential dispute or claim to which it may be a party and which relates to the matters set out herein

10.7 Age of Building

If C&W states the age of a building in the Valuation Report, this will be an estimate and for guidance only.

10.8 Condition of Structure, Foundations, Soil & Services

It is a condition of C&W or any related entity, or any qualified employee, providing advice and opinions as to value, that the Client and/or third parties (whether notified to C&W or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

10.9 Plant & Machinery

No allowance will be made by C&W for any items of plant or machinery not forming part of the service installations of the buildings. C&W will specifically exclude all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. C&W will also exclude furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools, except where such items would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

10.10 Goodwill

No account will be taken by C&W in the Valuation of any business goodwill that may arise from the present occupation of the Properties, except where such business goodwill (excluding any personal goodwill) would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

10.11 Statutory Requirements & Planning

Please note the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. Where a Client needs to rely upon the information given about town planning matters, the Client's legal advisers must be instructed to institute such formal searches. C&W recommends that the Client requests C&W to review its comments and Valuation in light of any resultant findings.

10.12 Defective Premises Act 1972

No allowance will be made by C&W for rights, obligations or liabilities arising under the Defective Premises Act 1972.

10.13 Legal Issues

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. No responsibility or liability will be accepted by C&W for the true interpretation of the legal position of the Client or any other parties in respect of the Valuation. Where C&W expresses an opinion on legal issues affecting the Valuation, then such opinion is subject to verification by the Client with a suitable qualified legal adviser.

10.14 Deduction of Notional Purchaser's Costs

The opinion of value which C&W will attribute to the Property will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

Furthermore, the Client's attention is drawn to the fact that when assessing Market Value, for balance sheet purposes, C&W will not include directly attributable acquisition or disposal costs in the Valuation. Where C&W is requested to reflect these costs, they will be stated separately.

10.15 Taxation & Disposal Costs

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development of the Property nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Property will be that receivable by a willing seller excluding VAT, if applicable.

10.16 Monitoring

The compliance of the valuations undertaken in accordance with the RICS Red Book may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

10.17 Valuation Components

The components of C&W's valuation calculations (such as future rental values, cost allowances, or void periods) may only be appropriate as part of the valuation calculations and should not be taken as a forecast or prediction of a future outcome. The Client should not rely on any component of the valuation calculations for any other purpose.

10.18 Properties to be Developed or in the Course of Development or Requiring Repair/Refurbishment and Recently Completed Developments

Unless specifically agreed in writing to the contrary, C&W's fee assumes that C&W will be provided with information relating to construction and associated costs in respect of both the work completed and the work necessary for completion, together with a completion date. Normally such figures will be provided by the Client's professional advisers involved in the construction programme. Unless specifically instructed to the contrary in writing, C&W will rely on such figures, dates and information and the Client should make this fact known to such advisers. Alternatively, on request, C&W can arrange for independent quantity surveyors to provide an assessment of costs and dates at an additional fee charge.

11. Assumptions

The RICS Red Book contains a glossary that defines various terms used in the RICS Red Book that have a special or restricted meaning. One such term is an assumption which is defined as "A supposition taken to be true" ("**Assumption**"). Accordingly in this context, C&W will make certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, the Valuation that C&W will not verify as part of the valuation process but rather, in accordance with the definition in the RICS Red Book, will treat as true because it is agreed that specific investigation by C&W is not required. In the event that any of these Assumptions prove to be incorrect then the Valuation will need to be reviewed.

11.1 Confirmation of Assumptions

The Client's counter-signature of the Engagement Letter represents confirmation that all of the Assumptions, referenced within the Assumptions section, are correct.

The Client must promptly notify C&W in writing if any of the Assumptions are incorrect. Should any amendment to the Assumptions set out in the Services Schedule result in an increase in the scope of the Engagement this may result in an appropriate increase in C&W's fees and expenses due under the Engagement.

Where the Properties are subject to a revaluation without re-inspection, unless the Client advises C&W in writing in advance, C&W will make an Assumption that no material changes to the physical attributes of the Properties and the areas in which the Properties are situated have occurred since the Properties were last inspected by C&W.

11.2 Areas

Where C&W is provided with floor areas, C&W will make an Assumption that the areas have been measured and calculated in accordance with the current edition of RICS Professional Statement RICS Property Measurement.

11.3 Tenancies and Leasing

C&W's opinion of the Market Value will be subject to existing leases of which the Client or its advisors have made C&W aware but otherwise will reflect an Assumption of vacant possession. Where C&W has undertaken to read the leases and related documents provided to it, C&W will make an Assumption that copies of all relevant documents will be sent to C&W and that they are complete and up to date.

Where C&W relies on tenancy and lease information provided to it, unless such information reveals otherwise, C&W will make the Assumption that all occupational leases are on full repairing and insuring terms, with no unusual or onerous provisions or covenants that would affect value.

C&W will make an Assumption that vacant possession can be given of all accommodation which is unlet or occupied by the entity or its employees on service tenancies. C&W will not take account of any leases between subsidiaries unless C&W states otherwise in the Services Schedule.

C&W will not undertake investigations into the financial strength of any tenants unless otherwise referred to in the Valuation Report. Unless C&W has become aware by general knowledge, or has been specifically advised to the contrary, C&W will make an Assumption that:

a. where a Property is occupied under leases, then the tenants are financially in a position to meet their obligations, and

b. there are no material arrears of rent or service charges, breaches of covenant, current or anticipated tenant disputes.

However, the Valuation will reflect a potential purchaser's likely opinion of the credit worthiness of the type of tenants actually in occupation, or responsible for meeting lease commitments, or likely to be in occupation.

C&W will take into account any information the Client or its advisors provide concerning tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, C&W will make an Assumption that the relevant Property was let with all alterations and improvements evident during C&W's inspection (or, in the case of a Valuation without internal inspection, as described within the information provided by the Client).

C&W will also make an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary changes, all notices have been served validly within the appropriate time limits.

11.4 Environmental Matters

If C&W's enquiries or any reports supplied to C&W indicate the existence of environmental problems without providing method statements and costings for remedial works, then C&W may not be able to issue a Valuation Report except on the Special Assumption that the Properties are assumed NOT to be affected by such environmental matters. In certain circumstances, the making of such a Special Assumption may be unrealistic and may be a Departure from the requirements of the RICS Red Book. In these circumstances, the Valuation Report may include a recommendation that an investigation should be undertaken to quantify the costs and that subsequently the Valuation should be reviewed.

Where C&W's enquiries lead C&W to believe that the Properties are unaffected by contamination or other adverse environmental problems, including but not limited to the risk of flooding, mining or quarrying, radon gas, and the proximity of high voltage electrical equipment then, unless the Client instructs C&W otherwise, the Valuation will be based on an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value.

If any of the Properties lie within or close to a flood plain, or have a history of flooding, C&W will make the Assumption that building insurance is in place and available to be renewed to the current or any subsequent owner of the relevant Property, without payment of an excessive premium or excess.

In the absence of any information to the contrary, C&W will make the assumption that invasive species such as Japanese Knotweed are not present at the Properties.

Depending on the nature of the investigations made and the information revealed, the Valuation Report may include a statement that, in practice, a purchaser might undertake further investigations and that if these revealed contamination or other adverse environmental problems, then this might reduce the value reported.

11.5 Mineral Rights

C&W will make an Assumption that any mineral rights are excluded from the Properties.

11.6 Title

Save as disclosed either in any Certificate of Title, or unless specifically advised to the contrary by the Client or its legal advisers and as referred to in the Valuation Report, C&W will make the Assumption that there is good and marketable title in all cases and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. C&W will also make an assumption that the Properties are free from mortgages, charges or other encumbrances.

If verification of the accuracy of any site plans contained in the Valuation Report is required, the matter must be referred to the Client's legal advisers.

C&W will make the Assumption that roads and sewers serving the Properties have been adopted and that the Properties have all necessary rights of access over common estate roads, paths, corridors and stairways, and rights to use common parking areas, loading areas and other facilities.

11.7 Condition of Structure and Services, Deleterious Materials and Ground Conditions

Due regard will be paid by C&W to the apparent general state of repair and condition of each Property, but a condition or structural survey will not be undertaken, nor will woodwork or other parts of the structure which are covered, unexposed or inaccessible, be inspected. Therefore, C&W will be unable to report that each Property is structurally sound or is free from any defects. C&W will make an Assumption that each Property is free from any rot, infestation, adverse toxic chemical treatments, and structural, design or any other defects other than such as may be mentioned in the Valuation Report.

The current versions of the BRE publication *"List of excluded materials – a change in practice"* and British Council for Offices publication *"Good Practice in the Selection of Construction Materials"* make recommendations for good building practice and whether construction materials are considered to be deleterious, hazardous or harmful ("**Prohibited Materials**"). C&W will not arrange for investigations to be made to determine whether any Prohibited Materials have been used in the construction or any alterations of the Properties. C&W will not be able to confirm that each Property is free from risk to health and safety or the fitness for purpose (suitability and durability) of any construction works, nor will C&W be able to confirm that the nature or application of any materials do not contravene any relevant British Standard or EU equivalent. For the purposes of the Valuation, C&W will make an Assumption that each Property has been constructed in accordance with good building practice and any investigation of each of the Properties by a Chartered Building Surveyor would not reveal the presence of Prohibited Materials in any adverse condition.

C&W will not carry out an asbestos inspection and will not act as an asbestos inspector in completing the valuation inspection of each Property that may fall within the Control of the Asbestos at Work Regulations 2012. C&W will not make an enquiry of the duty holder (as defined in the Control of Asbestos of Work Regulations 2012), of an existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, C&W will make an Assumption that there is a duty holder, as defined in the Control of Asbestos of Work Regulations 2012 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. C&W recommends that such enquiries be undertaken by the Client's legal advisers during normal pre-contract or pre-loan enquiries.

No mining, geological or other investigations will be undertaken by C&W to certify that the sites are free from any defect as to foundations. C&W will make an Assumption that all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual or adverse effect on building costs, property values or viability of any development or existing buildings.

C&W will make the Assumptions that there are no services on, or crossing, the site in a position which would inhibit development or make it unduly expensive, and that the site has no archaeological significance, which might adversely affect the present or future occupation, development or value of each Property.

No tests will be carried out by C&W as to electrical, electronic, heating, plant and machinery equipment or any other services nor will the drains be tested. However, C&W will make an Assumption that all building services (including, but not limited to lifts, electrical, electronic, gas, plumbing, heating, drainage, sprinklers, ventilation, air conditioning and security systems) and property services (such as incoming mains, waste, drains, utility supplies etc.) are in good working order and without any defect whatsoever.

11.8 Statutory Requirements and Planning

Save as disclosed in a Certificate of Title, or unless otherwise advised, C&W shall make the Assumption that all of the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary, they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, C&W shall also make the Assumption that the Properties are not subject to any outstanding statutory notices as to construction, use or occupation and that all existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

C&W shall make the Assumption that the Properties comply with all relevant statutory requirements.

Energy Performance Certificates (**"EPC"**) must be made available for all properties, when bought or sold, subject to certain exemptions. If the Properties are not exempt from the requirements of this Directive C&W shall make an Assumption that an EPC is made available, free of charge, to a purchaser of all the interests which are the subject of the Valuation.

In addition, in England and Wales the Minimum Energy Efficiency Standards Regulations are effective from 1 April 2018. The regulations prohibit the granting of a new tenancy or lease renewal of privately rented residential or business premises which do not have an EPC rating of 'E' or above. C&W will ask the Client or its advisors for information relating to the EPC ratings of the Properties if the Properties are not exempt from these requirements. In any instance where C&W is not provided with an up to date EPC rating C&W will make the Assumption that the Properties meet the minimum requirements to enable it to be let.

In any instance where C&W is to value Properties with the benefit of a recently granted planning consent, or on the Special Assumption that planning consent is granted, C&W will make an Assumption that it will not be challenged under Judicial Review. Such a challenge can be brought by anyone (even those with only a tenuous connection with the Properties, or the area in which it is located) within a period of three months of the granting of a planning consent. When a planning consent is granted subject to a Section 106 Agreement, the three month period commences when the Section 106 Agreement is signed by all parties.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

11.9 Information

Notwithstanding the Terms of Business, C&W will make an Assumption that the information provided by the Client and/or its professional advisers in respect of each Property to be valued is both full and correct. C&W will make an Assumption that details of all matters relevant to value within their collective knowledge, including but not limited to matters such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to it, and that such information is up to date.

If the Valuation is required for the purpose of purchase, loan security or other financial transaction, the Client accepts that full investigation of the legal title and any leases is the responsibility of its legal advisers.

Where comparable evidence is included in the Valuation Report, this information is often based on C&W's verbal enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where C&W had reason to believe its general accuracy or where it was in accordance with expectation. It is unlikely that C&W will have inspected comparable properties.

11.10 Landlord and Tenant Act 1987

The Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, C&W will make an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposal into the open market is unrestricted.

11.11 Leasehold Reform Housing and Urban Development Act 1993 and Leasehold Reform Act 1967

If C&W value the freehold or leasehold interest in either blocks of flats or in houses, the following will apply. The Leasehold Reform Housing and Urban Development Act 1993, as amended by the Commonhold and Leasehold Reform Act 2002, or The Leasehold Reform Act 1967 (collectively the "Act") give certain rights to residential tenants to acquire either the freehold/leasehold interest in any building which qualifies under the Act, or the right to lease extension. If this is applicable, C&W shall make an Assumption that no residential tenants have elected under the provisions of that Act to acquire the freehold or head leasehold interests, nor have they elected to acquire a lease extension, unless the Client and/or its advisers specifically inform C&W to the contrary.

11.12 Properties to be developed or in the course of development or requiring repair/refurbishment and recently completed developments

Where C&W undertake a Valuation of the completed Properties this will be based on an Assumption that all works of construction have been satisfactorily carried out in accordance with the building contract and specification, current British Standards and any relevant codes of practice. C&W will also make an Assumption that a duty of care and all appropriate warranties will be available from the professional team and contractors, which will be assignable to third parties.

12. Information requested from Client

Please provide the following information:

- Tenancy schedules
- Service charge details
- Irrecoverable outgoings information
- Details of current negotiations such as rent reviews / lettings / lease renewals / dilapidation claims
- Development costs to be expended/dates of practical completion/ specifications
- Any available information regarding potential EPC capital expenditure

C&W believes that reliance on this information will not render our Valuation Report unreliable.

Appendix 1 - Property Schedule (all properties have been inspected externally between 31 March 2021 and 31 March 2022 and internally in accordance with the rolling programme referred to in 7.3 above)

PROPERTY	INTEREST	PROPERTY TYPE
CARNABY		
The Carnaby Estate Main Block which comprises the following: South Block, Carnaby Estate, London W1: 44-57 Carnaby Street; 1-17 Kingly Street; 15-23 (odd) Ganton Street; 17-25 (odd) Beak Street and Kingly Court; North Block, Carnaby Estate, London W1: 32-43 Carnaby Street, 6-22 Foubert's Place (even), 19-30 Kingly Street, 14-22 Ganton Street and 26 Ganton Street; Foubert's Place East, Carnaby Estate, London W1: 23-43 (odd) Foubert's Place * and 30/31 Great Marlborough Street; 37/39 Great Marlborough Street, Carnaby Estate, London W1 & 31-35 (odd numbers) Beak Street and 2-4 (inclusive) Carnaby Street, 37, 41*, 43*, 45*, 47 Beak Street, 61-69 Broadwick Street, 5-7 (inclusive) 5a, 8, 9, 10-20 Carnaby Street & 74 Broadwick Street*, 21, 22, 23, 24, 25, 26-27, 28-28a, 29, 30, 31 Carnaby Street, 9-11 (odd numbers), 13-15 (odd numbers), 17, 19, 21, 30-32 (even numbers) Fouberts Place, 2, 4-6 (even numbers), 8, 10, 12, 13, Ganton Street, 27/28 & 35/36 Great Marlborough Street, Lasenby House, Kingly Street, 31 Kingly Street (inc 5 and 7 Fouberts Place), 2 Lowndes Court (inc 12a Newburgh Street), 3 Lowndes Court, 1, 2 Marlborough Court, 33, 34, 35, 36, 37, 47, 49, 51 Marshall Street, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 Newburgh Street, 13-15 (inclusive) Newburgh Street (inc 3, 4 Marlborough Court, 5, 6 Lowndes Court), 16, 17 Newburgh Street, London W1.	All properties are freehold except where marked with an asterisk (within 23-43 Foubert's Place, 23-27 Foubert's Place are held leasehold)	Investment
20 Beak Street & 6 Upper John Street, London, W1	Freehold	Investment
46-48 Beak Street, London W1	Freehold	Investment
61-63 Beak Street, London W1	Freehold	Investment
1 & 2 Marshall Street, London W1	Freehold	Investment
57 Broadwick Street, London W1	Freehold	Investment
37-38 Golden Square, 5-6 Upper James Street & 36 Beak Street, London W1	Leasehold	Investment
SOHO		
The Berwick Street Single Lot which comprises the following: 1-4 Berwick Street & 4 Peter Street*, 8, 11, 12, 17, 18, 19, 20, 22, 24, 26, 27-29 (inclusive), 30 Berwick Street & 13 Wardour Mews,	Freehold with the exception of properties marked with an asterisk	Investment

PROPERTY	INTEREST	PROPERTY TYPE
32, 36, 37, 40, 45, 46 Berwick Street & 6a Noel Street, 52, 60, 61, 68, 75, 79, 80, 81, 90 Berwick Street, 18 Broadwick Street, 29 D'Arblay Street, London W1*		
15/35 Brewer Street, London W1	Freehold	Investment
26/28 Brewer Street, London W1	Freehold	Investment
49 Brewer Street, London W1*	Leasehold	Investment
58 Brewer Street, London W1	Freehold	Investment
60 Brewer Street, London W1	Freehold	Investment
8-12 Broadwick Street, London W1	Freehold	Investment
19-25 Broadwick Street, London W1	Freehold	Investment
46 Broadwick Street, London W1	Freehold	Investment
103 Charing Cross Road, London WC2	Freehold	Investment
2/4 Denman Street, London W1	Freehold	Investment
12/14 Denman Street.	Freehold	Investment
15 Denman Street, London W1	Freehold	Investment
50 Frith Street, London W1	Freehold	Investment
41 Lexington Street, London W1	Freehold	Investment
48 Lexington Street, London W1	Freehold	Investment
49 Lexington Street, London W1	Freehold	Investment
53 Lexington Street, London W1	Freehold	Investment
14/14a Old Compton Street, London W1	Freehold	Investment
16 Old Compton Street, London W1	Freehold	Investment
61 Old Compton Street, London W1	Freehold	Investment
23 Romilly Street, London W1	Freehold	Investment
1-2 Silver Place and Flat 3, London W1	Freehold	Investment
CHINATOWN		

PROPERTY	INTEREST	PROPERTY TYPE
The Central Chinatown Block, which comprises the following: 64-92 (even nos.) 96 & 98 Shaftesbury Avenue and Macclesfield Chambers, 3, 4, 5, 6, 7-11, 13-23, 36, 37, 38, 39 & 48 Gerrard Street, 1/2a Gerrard Place, 1/3, 4 & 8 Horse & Dolphin Yard, 32-32A, 34 & 36 Wardour Street, 2-7 Dansey Place and 2-5, 12 & 13 Macclesfield Street, London W1, 14, 15, 18, 19, 20, 21, 26/27* & 28-30 Lisle Street, 1 & 11-13 Newport Place, 7, 8, 9, 12-13 & 15 Little Newport Street, 21-24a Newport Court, London WC2; Parts of 100-124 Shaftesbury Avenue, London W1* which comprise the following: at ground floor and basement level 100, 102, 104 (no basement), 108, 110, 112, 114, 118, 120 and 124 Shaftesbury Avenue. 7 and 8 Egmont House on the first floor of 116 Shaftesbury Avenue and 5 Egmont House on the second floor. 5 and 7 Nassau House on the first floor and 8 Nassau House on the second floor of 122 Shaftesbury Avenue. Flats 1, 3, 4, 5, 6 and 8 Exeter Mansions on the first, second and fourth floors of 106 Shaftesbury Avenue. Flats 1, 2, 3 and 4 Egmont House on the third and fourth floors of 116 Shaftesbury Avenue. Flat 3 on the fourth floor of Nassau House, 122 Shaftesbury Avenue, London W1; 47-49 Charing Cross Road, London WC2; Central Cross, London WC2* which comprises 51-59 (odd) Charing Cross Road, 28-35 Newport Court and 10-18 (even) Newport Place.	Freehold with the exception of properties marked with an asterisk	Investment
The Western Chinatown Block, which comprises properties at 9, 11, 20, 21, 22/22A & 24, 25, 27, 31, 33/37 & 39 Wardour Street; 29 Wardour Street & 1-4 Rupert Court; 5-8 Rupert Court; 13/21 Wardour Street & 14/16 Rupert Street; 16a, 20, 24, 26, 28, 30, 34, 36/40 & 42 Rupert Street; 50/56, 58/60 & 62 Shaftesbury Avenue; 5 Lisle Street*, London W1	All properties are freehold with the exception of 5 Lisle Street	Investment
4 Leicester Street, London W1	Freehold	Investment
FITZROVIA		
8 Charlotte Street, London W1	Freehold	Investment
10 Charlotte Street, London W1	Freehold	Investment
11/13 Charlotte Street, London W1	Freehold	Investment
18 Charlotte Street, London W1	Freehold	Investment
19/23 Charlotte Street, London W1	Freehold	Investment
22 Charlotte Street, London W1	Freehold	Investment
28 Charlotte Street, London W1*	Leasehold	Investment
30 Charlotte Street, London W1	Freehold	Investment

PROPERTY	INTEREST	PROPERTY TYPE
1 Charlotte Place, London W1	Freehold	Investment
2 Charlotte Place, London W1	Freehold	Investment
5 Charlotte Place, London W1	Freehold	Investment
6 Rathbone Place, London W1	Freehold	Investment
25 Rathbone Place, London W1	Freehold	Investment
29/30/31 Rathbone Place, London W1	Freehold	Investment
47 Rathbone Street, London W1	Freehold	Investment
23 Rathbone Street, London W1	Freehold	Investment
36-39 Newman Street, London W1*	Leasehold	Investment
48 Newman Street, London W1	Freehold	Investment
22 Goodge Street, London W1	Freehold	Investment
27 Goodge Street, London W1	Freehold	Investment
32/34 Goodge Street, London W1	Freehold	Investment
43 Goodge Street, London W1	Freehold	Investment
47 Goodge Street, London W1	Freehold	Investment
49 Goodge Street, London W1	Freehold	Investment
62/64 Goodge Street, London W1	Freehold	Investment
62/63 Tottenham Court Road, 1-7 & 11-13 Goodge Street*	Leasehold	Investment
OPERA QUARTER		
The Opera Quarter, which comprises properties at 20/26a, 30/40 & 44 Wellington Street, 1-3 Russell Street, 15/17 & 21/33 Catherine Street and 13/21 & 34/42 Tavistock Street, London WC2	Freehold	Investment
Bow Street, London WC2	Freehold	Investment
SEVEN DIALS		
The Covent Garden Single Lot which comprises the following: 1/1A, 3, 5, 7, 8, 9, 10,15-23, 36, 38/39 & 43 Earlham Street, 1/1A, 3, 4, 14-18, 23, 29-39, 42, 44, 46, 48, 50/52, 53, 55, 57/59, 61, 63, 65/67, 69/71 & 73 Monmouth Street, 5/7, 9-11, 13-16, 20-23	Freehold (except 7/7A Neals Yard, 8 & 36/38 Earlham Street	Investment

PROPERTY	INTEREST	PROPERTY TYPE
Shorts Gardens, 148, 150, 154/6, 178, 180, 184, 186/8 Shaftesbury Avenue, 22, 25A, 27/27A, 29, 30-32, 31, 33, 35/7, 39, 41/45, 47-51, 50, 52, 53A, 54, 55-59, 56, 58, 62, 64, 66, 68-70, 72 & 74 Neal Street, 1-2/2A, 3-7, 8/10, 11/13, 14/15, 16 & 17 Neals Yard, 21 Tower Street,1, 5, 11-13, 15/17, 19 & 25 Shelton Street, 33-34 Mercer Street, Thomas Neals Centre, London WC2	and Flat 5, 148 Shaftesbury Avenue which are Leasehold)	
140 Cambridge Circus WC2	Freehold	Investment
15/21 Endell Street & 45 Shelton Street, London WC2	Freehold	Investment
18 Endell Street, London WC2	Freehold	Investment
31 Endell Street, London, WC2	Freehold	Investment
37 Endell Street, London, WC2	Freehold	Investment
24 Litchfield Street, London WC2	Freehold	Investment
25 Litchfield Street, London, WC2	Freehold	Investment
27/29 Shorts Gardens, London WC2	Leasehold	Investment
4-10 Tower Street, London WC2	Freehold	Investment
2-4 Upper St Martins Lane, London WC2	Freehold	Investment
7a Upper St Martins Lane, London WC2	Freehold	Investment
36/38 West Street & 142 Shaftesbury Avenue, London, London WC2	Freehold	Investment
COLISEUM		
4 Bedfordbury, London, WC2	Freehold	Investment
60/61 Chandos Place, London WC2	Freehold	Investment
William IV Street & Chandos Place Lot, London WC2	Freehold	Investment
32/34 Cranbourn Street & 77 St Martins Lane, London WC2	Freehold	Investment
44a & 44b Floral Street, London WC2	Freehold	Investment
23/25 Garrick Street, London, WC2	Freehold	Investment
39 King Street, London, WC2	Freehold	Investment
11 Long Acre, London, WC2	Freehold	Investment

PROPERTY	INTEREST	PROPERTY TYPE
4 New Row, London WC2	Freehold	Investment
7-8 New Row, London WC2	Freehold	Investment
12 New Row, London WC2	Freehold	Investment
13 New Row, London WC2	Freehold	Investment
19 New Row, London WC2	Freehold	Investment
21-22 New Row, London W1	Freehold	Investment
23-27 New Row, London WC2	Leasehold	Investment
36/36a St Martins Lane, London WC2	Freehold	Investment
37/39 St Martins Lane, London WC2	Freehold	Investment
55/58 St Martins Lane, London WC2	Freehold	Investment

APPENDIX B: SOURCES OF INFORMATION

In addition to information established by us, we have relied on the information as listed below:

Information
Floor areas
Leasing information
Floor areas
Details of planning uses and relevant planning consents
Service charge information
Details of irrecoverable outgoings
Details of current negotiations in hand, including rent reviews, dilapidation claims, details of any CPOs, highway schemes, outstanding requirements under legislation or similar
Details of recent, current or proposed marketing of the Property and offers received
Costs, timetables and specification details relating to properties in the course of refurbishment / development or to be refurbished / developed in the future
Potential EPC capital expenditure

Valuation Report.

Longmartin Properties Limited

Prepared for Shaftesbury directors and Evercore
Valuation date: 31 March 2022

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

The Directors
Shaftesbury PLC ("Shaftesbury")
22 Ganton Street
Carnaby
London W1F 7FD

For the attention of Shaftesbury PLC

And

Evercore Partners International LLP ("Evercore")
15 Stanhope Gate
London W1K 1LN

Date of issue: 23 May 2022
Our Ref: I:1093115

Valuation Report - Longmartin Properties Limited

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above properties. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank LLP

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This report has been reviewed, but not undertaken, by:

Andrew Low MRICS
RICS Registered Valuer
Partner, Valuation & Advisory

Contents

Executive summary

Properties to be valued in London WC2 (the "Properties”):

- 1124/138 Long Acre
- 1/5 (odd) Mercer Street
- 10/12 Upper St. Martin’s Lane
- Slingsby Place
- 13/14 Upper St. Martin’s Lane
- 15-17 Mercer Street & Wellington House
- 6/9 Upper St. Martin’s Lane
- Wellington Court
- 2/8 (even) Shelton Street and 7/13 (odd) Mercer Street
- 16/19 Upper St. Martin’s Lane
- 139/142 Long Acre, Sussex House and the Sussex Public House, 143 Long Acre
- 20 Upper St. Martin’s Lane

1. Terms of engagement

Engagement of Knight Frank LLP

1.1 This valuation report (the "Valuation Report") has been prepared in accordance with our Terms of Engagement letter dated 23 May 2022 and our General Terms of Business for Valuation Services (together the "Agreement").

1.2 We now report to you formally our valuation of properties held in the Longmartin Properties Limited joint venture between Shaftesbury PLC and the Mercers' Company ("The Parties") (the "Valuation"). The Properties have been valued free and clear of the joint venture agreement and the figure reported represents 100% of the Market Value of the Properties.

Client

1.3 Our client for this instruction is Shaftesbury PLC (the "Client", "you", "your"). We agree that our Valuation Report will be addressed to you, Shaftesbury directors and Evercore (together the "Addressees").

1.4 The Addressees shall be entitled to rely on and enforce the terms of the Engagement as set out in the Engagement Letter and on the Valuation Report subject in each case to the terms of the Engagement.

Valuation standards

1.5 This valuation has been undertaken in accordance with the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below. In this context "current edition" means the version in force at the Valuation Date.

1.6 The valuation and the Valuation Report will comply with Rule 29 of the City Code on Takeovers and Mergers (the "Code") as issued by The Takeover Panel (the "Panel").

Independence and expertise

Regulated Purpose Valuations (RPVs)

1.7 This valuation is a Regulated Purpose Valuation within the meaning of the Red Book, which requires us to make the following disclosures:

- It is our policy to rotate persons responsible for valuations and the signatory to valuations on a seven yearly basis, unless specifically agreed otherwise. In relation to our preceding financial year, the total fees payable by you as a percentage of our total fee income was less than 5%.
- We have acted for the Client for eighteen years. Please note that this relates to any service, not necessarily to valuation services.
- We have been undertaking this valuation role for eighteen years.
- The Lead Valuer (as defined below) has been the signatory to this report for three years. Simon Gillespie has been responsible for this instruction since 2019 and Anthony Dunnett since 2009.

Disclosure of any conflicts of interest.

We confirm that we do have a material connection or involvement giving rise to a potential conflict of interest, as set out below:

- We have valued the Properties for the Client within the last 2 years for accounts purposes and for the inclusion in the prospectus for the offering of the Company's securities, known as Project Cooper.

1.8 We have previously disclosed this to you and you have confirmed that notwithstanding this matter, you are content for us to proceed with this instruction. We confirm that we have had no previous material interest in Shaftesbury PLC or material connection or involvement with any of the Properties other than as set out above, and accordingly, are in a position to provide an objective and unbiased valuation.

1.9 Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

Valuer and expertise

1.10 The valuers, on behalf of Knight Frank LLP, with the responsibility for this report are Simon Gillespie MRICS and Anthony Dunnett MRICS, RICS Registered Valuers. We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.11 For the purposes of the Red Book, we are acting as External Valuers, as defined therein and by regulations made by the Financial Conduct Authority.

1.12 We are appointed as your valuation advisors; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.13 For the avoidance of doubt, we are not acting as an "External Valuer" for the purposes of Directive 2011/61/EU and/or any implementing legislation, laws or regulations thereof (including, but not limited to, the Alternative Investment Fund Manager's Regulations 2013) ("AIFMD"). We shall not perform the valuation function referred to in Article 19 of AIFMD for the Fund, and, we are not responsible for making the final determination of the value of the Properties nor for the calculation of the Net Asset Value of the Fund.

1.14 By entering into this Agreement and instructing us you represent that no notice purporting to appoint or to have appointed us, or any member, employee, partner or consultant of Knight Frank LLP, as your 'external valuer' under AIFMD (or in any respect to have any meaning other than that defined by the Red Book) has been or will be sent to any regulatory body, nor will any announcement or communication of any nature to similar effect be made or sent to your investors. If we are determined to be or reasonably consider that we are at risk of being determined to be an 'external valuer' within the meaning of AIFMD then we reserve the right to terminate this Agreement immediately.

1.15 This report has been vetted as part of Knight Frank LLP's quality assurance procedures.

Use of this Valuation

Purpose of valuation

1.16 The Valuation is provided solely for the purpose (the "Purpose") of inclusion in the interim results announcement for the period ended 31 March 2022 to be issued by Shaftesbury (the "**Interim Results Announcement**").

The Valuation may not be used for any other purpose (other than the Purpose set out in this letter), without our express written consent.

For the purposes of this Agreement, the Interim Results Announcement shall be referred to as the "**Transaction Documentation**" and "**Transaction Document**" shall mean any such document.

Third party reliance and liability

1.17 Save for: (a) the Addressees; and (b) the shareholders of the Company in respect of any Transaction Documentation as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29 of the Code.

1.18 We acknowledge that shareholders or prospective shareholders of Shaftesbury may rely on the Valuation Report in the form it is included in any Transaction Document.

1.19 The Client agrees and acknowledges that we shall have no liability for any error, omission or inaccuracy in the Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Client unless such use was negligent, reckless or in bad faith or unless otherwise stated.

Disclosure

1.20 Clauses 4.3 to 4.6 of the General Terms limit disclosure and generally prohibits publication of the Valuation and the Valuation Report. As stated therein, the Valuation is confidential to you and the Addressees and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.

1.21 Notwithstanding this, the Valuation Report may be disclosed in accordance with the terms of the Agreement, for the Purpose and as set out below.

1.22 Our final Valuation Report will be included in the Interim Results Announcement to be published by Shaftesbury, and you agree to not publish the Interim Results Announcement containing the Valuation Report until you have received a Consent Letter from us. We also acknowledge that the Valuation Report will be published on a website in accordance with Rule 26 of the Code. We consent to the publication and reproduction of this Valuation Report as required by Rule 26 and 29 of the Code as issued by The Panel.

1.23 For the purposes of Rule 29.5 of the Code, we confirm that, in our opinion, the current valuation on the Property as at the date of this Valuation Report would not be materially different from the valuation of the property as at the Valuation Date.

Limitations on liability

1.24 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.

1.25 We confirm that we hold adequate and appropriate PII cover for this instruction.

1.26 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.

1.27 Nothing in this Agreement excludes or limits our liability to the extent that such liability may not be excluded or limited as a matter of applicable law or the requirements of the Financial Conduct Authority or the London Stock Exchange.

Scope of work

Information provided to us which we have relied upon

1.28 In this report we have been provided with the following information by you, your advisors or other third parties and we have relied upon this information as being materially correct in all aspects.

1.29 In particular, we detail the following:

- Tenancy Schedules provided by Shaftesbury PLC & CBRE
- Reports on title produced by Herbert Smith LLP on behalf of the Mercers' Company and by Lovells on behalf of Shaftesbury PLC
- Headleases and occupational leases produced by Shaftesbury PLC

1.30 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

Investigations carried out by us

1.31 We have not made planning enquiries of the Local Authority, but have relied upon information provided Shaftesbury PLC.

Responsibility

1.32 For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

1.33 The valuation and Valuation Report comply with Rule 29.4 of the Code.

Consent to publication

1.34 Knight Frank has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Interim Results Announcement published by Shaftesbury dated 24 May 2022 in the form and context in which it is included.

2. The Properties

Interests held in the Joint Venture

2.1 The head-leasehold interest held by Longmartin Properties Limited in 124/138 Long Acre, 1/5 (odd) Mercer street, 10/12 Upper St. Martin's Lane and Slingsby Place, London WC2, dated 1 February 2005, subject to the existing occupational leases.

2.2 The head-leasehold interest held by Longmartin Properties Limited in 13/14 Upper St. Martin's Lane, 17 Mercer Street and Wellington House, 6/9 Upper St. Martin's Lane, Wellington Court, 2/8 (even) Shelton Street and 7/13 (odd) Mercer Street, and 15 Mercer Street (basement), London WC2, dated 15 March 2005, subject to the existing occupational leases.

2.3 The head-leasehold interest held by Longmartin Properties Limited in 16/19 Upper St. Martin's Lane and 139/142 Long Acre, London WC2 dated 24 May 2005, subject to the existing occupational lease.

2.4 The head-leasehold interest held by Longmartin Properties Limited in Sussex House and the Sussex Public House at 143 Long Acre and 20 Upper St. Martin's Lane, London WC2 dated 8 November 2005, subject to the existing occupational leases.

2.5 Summary of property information:

Table 1:

Property	Description, Age & Tenure	Terms of Existing Tenancies
124-143 Long Acre, 6-19 Upper St Martin's Lane, 2-8 Shelton Street and 1-11 & 15/17 Mercer Street, London WC2	A mixed-use scheme, completed is 2010, comprises retail, restaurants, offices and residential uses. The total area is c.266,000 sq ft. **Tenure:** Held leasehold under 4 head-leases with lease expiries between March 2125 and March 2180. 3 of the leases are subject to paying 7.50% of the net rents, with the 4th lease subject to a peppercorn rent.	The property is multi-let on approximately 94 commercial and residential lease. The commercial leases are mostly on effectively full repairing and insuring terms, including rent review. The residential units are predominantly let on Assured Shorthold terms with the landlord responsible for the maintenance and insurance. There are 10 vacant commercial units and 20 residential units representing c. 13% of the total estimated rental value of the property. The WAULT to break/expiry is c 4.3 years, 4.9 years excluding the residential element.

Scope of inspection

2.6 We were instructed to inspect the Properties externally and we will internally inspect selected parts as part of our ongoing bi-annual inspections of the Estate.

2.7 In accordance with instructions from the Parties, we have relied on full measurements provided to us by both parties.

2.8 We have not undertaken either structure or condition surveys on the Properties and are, therefore, unable to report that The Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. No tests were carried out on the technical services and we have not investigated ground conditions. In the course of our inspections, due regard has been paid to the apparent state of repair and condition of the Properties. We have had regard to these factors in arriving at our valuation.

Environmental considerations

Contamination

2.9 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

2.10 Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the property is unaffected.

Legal title

2.11 We have assumed there to be a good and marketable title to the Properties. We have taken account of comments, as far as we are aware, of unusual outgoings, planning proposals, onerous restrictions or local authority intentions which affect the Properties. We confirm that we have taken account of the limited guarantee with which the Mercers Lease is transferred by Mercers Reconstructions.

2.12 We have previously been provided with Reports on Title prepared by Herbert Smith LLP on behalf of The Mercers' Company and Hogan Lovells International LLP on behalf of Shaftesbury PLC and confirm that we have had regard to their contents in carrying out our valuations.

2.13 We recommend that our understanding of all legal title issues is referred to your legal advisers. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

2.14 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

Statutory licences & certificates

2.15 We have assumed that the premises comply with all necessary statutory requirements including fire and building regulations.

Fire safety

2.16 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. These requirements, which were introduced in 2006 replace the previous requirement for a Fire Certificate. We have not viewed any such documents relating to the property and have assumed for the purposes of our valuation that the relevant requirements have been fully complied with.

Taxation and costs

2.17 We have made no allowances in our valuations for expenses of realisation or for taxation which may arise in the event of development or disposals and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.

2.18 We have made deductions in our valuations to reflect purchaser's acquisition costs.

3. Valuation

Methodology

3.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment method

3.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

Valuation bases

Market Rent

3.3 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation - Global Standards as:

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value

3.4 The Properties have been valued on the basis of Market Value which is defined within RICS Valuation - Global Standards as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Valuation date

Valuation date

3.5 The valuation date is 31 March 2022.

Market Value

Market Value

3.6 We are of the opinion that the Market Value of the long leasehold interest in the property, at the valuation date is:

£345,500,000 Three Hundred and Forty Five Million Five Hundred Thousand Pounds).

3.7 The Market Value of the Client's apportioned share of the Client's interest in the long leasehold interest in The Properties, at the valuation date is:

£172,750,000 (One Hundred and Seventy Two Million Seven Hundred and Fifty Thousand Pounds)