CAPITAL & REGIONAL PLC
(Incorporated in the United Kingdom)
(UK company number 01399411)
LSE share code: CAL JSE share code: CRP
LEI: 21380097W74N9OYF5Z25
ISIN: GB0001741544
("**Capital & Regional**" or "**the Company**" or "**the Group**")

SHORT FORM ANNOUNCEMENT: YEAR END RESULTS TO 30 DECEMBER 2020

Capital & Regional (LSE: CAL), the UK focused REIT with a portfolio of dominant in-town community shopping centres, today announces its full year results to 30 December 2020.

Lawrence Hutchings, Chief Executive, comments:
"The last 12 months have been the most extraordinary in living memory. Few could have foreseen the scale, devastating impact, or duration of the Covid-19 pandemic which is both a humanitarian and economic crisis. Like the majority of businesses in the sector, all aspects of the Company's operations were materially impacted by the measures put in place by the Government to manage the pandemic. This has put significant pressure on our income, valuations and therefore leverage and we have been appreciative of the support and flexibility provided by our lenders in waiving covenants that would otherwise have breached. Covid-19 has also had the impact of accelerating the underlying long-cycle structural shift in the sector and, in some cases, distorting the balance between physical and online retailing. However, we believe that the combination of our community centre strategy, which had clear sight of the structural changes, and our focus on local destinations providing non-discretionary goods and services has never been more relevant, as evidenced by our relative performance on the areas within our control. The quality and performance of our management platform is recognised by our major shareholders and our lenders and has inherent value which transcends the recent market challenges. Combined with the non-recourse nature of our debt and our central cash we believe this provides a sound base for navigating the short to medium term.

"The plans announced by the Government on 22 February 2021 provide a roadmap for an easing of restrictions including, most critically for our business, the prospect of non-essential retailers being able to re-open in mid-April. We have seen an encouraging bounce-back in trading at those times during the last year when restrictions were eased. This coupled with having achieved leasing volumes in 2020 equivalent to those in 2019 and at average premiums to passing rent and ERV, together with our strong levels of rent collection further reinforces our confidence in our community centre strategy. We look forward to the return to a more normalised trading environment when we will be able to better assess the retail landscape and the needs of the business. This in turn will allow us to determine the best approach for addressing debt levels and shaping the Group's future to capitalise on its strengths as an owner and manager of community shopping centres providing our retailer customers well-located local physical stores on our sustainable £12-15 psf rents whilst acknowledging the critical role they continue to play in an omni channel retailing environment.

"The approach we adopted across our business throughout 2020 and into this year has been focused on preserving value for our shareholders whilst reaffirming our responsibility to our teams and the communities we serve. Our efforts to collect rent and service charge from larger well capitalised and profitable retailers have enabled us to support smaller and independent retailers whilst meeting our own obligations. I would like to thank all our team members for their dedication, focus, commitment and contribution to our values and culture during an extraordinary year of uncertainty, disruption and challenge. Our customer-facing employees deserve special mention. They have worked tirelessly to ensure our guests are able to access essential services across our centres, whilst ensuring our environments are safe places for communities to visit - in accordance with the Government regulations."

Operational impact of Covid-19 mitigated by community centre strategy

- Our strategic shift to focus on providing non-discretionary goods and services ensured that all seven of the Company's community shopping centres remained open throughout the entirety of 2020, with approximately 30% of retailers able to trade throughout the year
- 98% of units were back up and trading in mid-December when new tier restrictions took effect requiring the closure of non-essential retail. Approximately 30% of units are currently trading
- Footfall significantly impacted by Covid-19, but 44.7 million visits across the portfolio outperformed the national index by 3.7%, with strong momentum towards normal levels during periods of eased restrictions
- 80% of rent has so far been collected for the 2020 Financial Year. Rent collection for Q1 2021 is currently running at approximately 60% with deals agreed that would improve this by a further 10%
- 63 new lettings and renewals during the year in line with prior year volume of deals and transacted at an average 22.1% above previous passing rent and 5.6% above ERV
- Occupancy has remained resilient at 92% (December 2019: 97.2%)
- Net Rental Income (NRI) down £15.2 million to £34.1 million (December 2019: £49.3 million), largely as a result of Covid-19, driving reduction in Adjusted Profit[1] to £10.3 million (December 2019: £27.4 million)
- IFRS Loss for the period of £203.4 million due primarily to a 27.5% fall in property valuations (December 2019: Loss of £121.0 million)
- Exchanged conditional contracts with Long Harbour who will deliver 495 Build to Rent residential units at Walthamstow, where a Resolution to Grant detailed planning consent was secured in January 2021, with full planning expected in the next few months
- Negotiations advancing to lease the entirety of the Debenhams unit in Ilford to a major international retailer. Discussions progressing with the NHS for a new purpose-built community healthcare facility also at Ilford
- Agreement signed with REEF Technology, first of its kind in the UK, to generate additional income streams by introducing new uses and greater efficiency into shopping centre car parks
- Snozone awarded contract for operating the established ski slope at the Xanadu centre in Madrid

Balance sheet supported by high cash reserve levels

- As at 30 December 2020 the Group had total cash on balance sheet of over £80 million, of which £60 million was maintained centrally and without any restriction, equivalent to more than one year's gross rental income
- In light of the current level of uncertainty and desire to maximise cash flexibility, the Group has not declared a Final Dividend and will maintain this position until market circumstances improve
- Net Asset Value per share and EPRA NTA per share, at 150p and 158p respectively (December 2019: 361p and 364p respectively)
- Net LTV of 65% (December 2019: 46%)
- Waivers obtained on all facilities for Q1 2021 income covenants. Discussions ongoing over agreements on longer term covenant relaxation on core facilities

	2020	2019	+/-	+/-%
Net Rental Income	**£34.1m**	£49.3m	-£15.2m	-30.8%
Adjusted Profit[1]	**£10.3m**	£27.4m	-£17.1m	-62.4%
Adjusted Earnings per share[1, 2]	**9.5p**	36.7p	-27.2p	-74.1%
IFRS Loss for the period	**£(203.4)m**	£(121.0)m	-£82.4m	-68.1%
Basic Earnings per share[2]	**(188.3)p**	(162.3)p	-26.0p	-16.0%
Basic Headline Earnings per share[2]	**4.6p**	28.7p	-24.1p	-84.0%
Total dividend per share[2]	**-**	21p	-21p	
Net Asset Value (NAV) per share[2]	**150p**	361p	-211p	-58.4%
EPRA NTA per share[2]	**158p**	364p	-206p	-56.6%
Group net debt	**£345.1m**	£336.9m	£8.2m	+2.4%
Net debt to property value	**65%**	46%	-19 pps	

Use of Alternative Performance Measures (APMs)
Throughout the results statement we use a range of financial and non-financial measures to assess our performance. A number of the financial measures, including Adjusted Profit, Adjusted Earnings per share and the industry best practice EPRA (European Public Real Estate Association) performance measures are not defined under IFRS, so they are termed APMs. In October 2019, EPRA issued new best practice recommendations for financial disclosures by listed real estate companies introducing three new measures of net asset value: EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV). We have adopted these guidelines in the year ended 30 December 2020 and consider EPRA NTA to be the most relevant measure for our business. Management use these measures to monitor the Group's financial performance alongside IFRS measures because they help illustrate the underlying performance and position of the Group. All APMs are defined in the Glossary and further detail on their use is provided within the Financial Review.

Notes
[1] Adjusted Profit and Adjusted Earnings per share are as defined in the Glossary. Adjusted Profit incorporates profits from operating activities and excludes revaluation of properties and financial instruments, gains or losses on disposal, and other non-operational items. A reconciliation to the equivalent EPRA and statutory measures is provided in Note 5 to the condensed financial statements.
[2] Per share amounts have been restated to reflect the impact of the 10 for 1 share consolidation that completed on 15 January 2020.

About this announcement:
This short-form announcement is the responsibility of the Directors of the Company. It is only a summary of the information contained in the full Year End Results to 30 December 2020 announcement and does not contain full or complete details.

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement published on SENS, available on the Company's website at https://capreg.com/media/3277/2020-full-year-results-press-release.pdf and on the JSE website at: https://senspdf.jse.co.za/documents/2021/jse/isse/crpe/FY2020.pdf

Copies of the full announcement may be requested by emailing capinfo@capreg.com.

By order of the Board,

L. Hutchings
Chief Executive

S. Wetherly
Group Finance Director

9 March 2021

JSE sponsor

Java Capital

Notes to editors:

About Capital & Regional plc

Capital & Regional is a UK focused retail property REIT specialising in shopping centres that dominate their catchment, serving the non-discretionary and value orientated needs of the local communities. It has a strong track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of in-town shopping centres.

Capital & Regional owns seven shopping centres in Blackburn, Hemel Hempstead, Ilford, Luton, Maidstone, Walthamstow and Wood Green. Capital & Regional manages these assets through its in-house expert property and asset management platform.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE)

For further information see capreg.com/