



UPDATE ON TRADING AND RENT RECEIPTS

Capital & Regional today provides an update on trading and rent collections following the 25 March 2021 quarter date and April monthly collection cycles and the re-opening of non-essential retail from 12 April 2021.

Lawrence Hutchings, CEO of Capital & Regional said:

"We are pleased to see 95% of our retailers back open for trading. Footfall is recovering to some of the strongest levels we have seen since the start of the pandemic, running at approximately 80% against the corresponding weeks of 2019. Whilst we remain in the early stages of the government's roadmap out of lockdown, initial feedback is encouraging with retailers indicating higher average transaction values reflecting pent up demand and support for physical retailing. This underpins our continued confidence in the appeal for consumers of physical retail and the important role our centres play in supporting their local communities. Thank you to our teams for all the hard work in ensuring our retailer customers stores and our centres reopened quickly and safely to serve our local communities. The re-opening of non-essential retail is a critical milestone on the pathway back to a stabilised trading environment and provides the first step towards unwinding the significant levels of uncertainty impacting the physical retail industry."

Operations

Positive operational momentum following reopening of non-essential retail

- 95% of our units, comprising 602 stores, have re-opened and trading across the Group's seven shopping centres.
- Footfall in the two weeks since the re-opening of non-essential retail on 12 April 2021 has been up 126% on the prior two weeks, equivalent to approximately 80% of the corresponding weeks of 2019.
- Occupancy remains strong at 90.9% at 31 March 2021.
- Of the quarterly rent due on or since the 25 March 2021, we have received 53%. In total we have received 59% of the rent due for the year to date, encompassing the rent due on or since the 25 December 2020 quarter date.
- Leasing progress has been encouraging following the re-opening on 12 April 2021. Retailers continue to be attracted to our community centres and strategy in vibrant neighbourhoods and our affordable, sustainable rents at £12-£15 psf.

Continued good progress on key strategic initiatives.

- At Luton we are due to hand over a new unit to Lidl in the course of the next month to facilitate the planned opening at the end of the summer.
- Pure Gym was finally able to start trading from its new unit at Maidstone following the easing of restrictions and has enjoyed a successful opening.
- At Ilford we are entering the final approval stage with the NHS for the new purpose-built community healthcare facility.
- In line with the agreement signed earlier in the year REEF Technology are now operating at Luton and Wood Green generating additional income streams by introducing new uses and greater efficiency into shopping centre car parks
- The three Debenhams units in our portfolio have re-opened for trading although we expect them to permanently close in the course of the next month. We are continuing to see demand for this space with strong interest on all three stores.

- We are close to finalising the Section 106 planning obligations package with the local authority and Transport for London in relation to the Walthamstow residential development, which will then move to the Greater London Authority for approval. This maintains momentum on clearing the remaining contractual pre-conditions and for a start on site towards the end of the year, at which point the potential land payment of approximately £20 million would crystallise.
- The Group's three UK Snozone operations recommenced trading on 12 April 2021, strictly adhering to current government guidelines, which reduces current slope capacity to approximately half. The Madrid operation has been able to trade throughout the first quarter of 2021 although remains subject to similar social distancing restrictions that impact upon most of the services that can be provided.

Liquidity

- As at 31 March 2021, the Group had total cash on balance sheet of over £75 million, which is equivalent to more than one year's gross revenue. Of this approximately £57.6 million was held centrally, outside of the collateral of any of the debt facilities.
- The Group's four drawn debt facilities are all non-recourse, with no cross-default clauses. The earliest contractual maturity on any of the Group's property loan facilities is February 2023.
- On The Mall facility we have agreed a further extension of the existing covenant waivers until the end of May 2021 while we remain in discussions with the two lenders seeking to agree a modification of the terms of these debt facilities.
- On Ilford the income covenants are waived until July 2021 and we have reached an outline agreement for longer term relaxation linked to finalising the agreement for lease on the proposed healthcare facility project which, if it proceeds, the Group will partially fund from central cash.
- On Hemel Hempstead, the planned disposal of the Edmonds Parade block of assets adjacent to the scheme for a price of £4.65 million is expected to complete around the end of May 2021. The net proceeds of this disposal will primarily be set against the outstanding £26.9 million of debt. We are working in close co-operation with the lender to assess all options for this facility and the asset.
- On Luton we have again renewed the existing waiver of income covenants for a further three months until the interest payment date at the end of July 2021.

Our overriding priority remains the health, safety and protection of our colleagues, guests and customers and throughout the pandemic we have been implementing the latest official government guidelines and advice across our portfolio.

28 April 2021

JSE sponsor



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 its 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/