

CAPITAL & REGIONAL PLC (“Capital & Regional” or “the Group”)

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TRADING UPDATE SHOWS CONTINUED IMPROVEMENT IN OPERATING PERFORMANCE

Capital & Regional, the UK convenience and community focused shopping centre REIT, today provides an update on trading and rent collections ahead of the General Meeting scheduled for 2pm today in respect of the proposed Open Offer and Mall Debt Restructure and Reduction, details of which were provided within the announcement made on 14 October 2021.

Lawrence Hutchings, CEO of Capital & Regional said:

“We are continuing to see strong operational momentum across our business, demonstrated by the fact that we have now achieved a higher volume of leasing transactions in the first nine months of 2021 than for the whole of 2019, importantly at rental levels above previous rent and ERV. Footfall, occupancy and rent collection are also trending positively.

“Encouragingly, we have also seen evidence that our property values are stabilising, with our Investment Assets increasing in value by 0.5% over the three months to 30 September 2021.

“This, allied with the positive transformational impact of the proposed Open Offer and Mall Debt Restructure on the Group’s balance sheet, which if approved will result in the business being in a materially stronger position, provides us with increased optimism as the important Christmas period and New Year approaches.

“We understand that the past 18 months have been challenging for our shareholders and the successful conclusion of this transaction to ‘Refocus, Restructure and Recapitalise’ is a clear endorsement of the Company and The Community Centre Strategy. Our firm focus now, with the support of our stakeholders, is on continuing to reposition our centres, rebuilding our occupancy, income and footfall, and delivering on our ESG objectives.

“Finally, I would like to take this opportunity to offer a special thank you to our dedicated and hardworking team, without whom our continued operational outperformance would not be possible.”

Continued positive operational momentum

- Footfall has continued to outperform the national index by 5.4%, with 32.4 million visits across the portfolio in the nine months to September 2021. Encouragingly, September 2021 represented our best month on month comparison versus 2019, following the end of the government lockdown in April 2021.
- In total we have now received, have agreements or formalised payment plans representing 88% of the rent due for the year to date. This is encompassing the rent billed, based on the contractual obligations as set out in leases and licence agreements, on or since the 25 December 2020 quarter date up until 31 October 2021. We are confident rent collection will ultimately grow beyond the 90% of contracted rent we have collected or agreed payment plans for 2020. We are proud of the support we have provided to our retailers, particularly our smaller independents, with payment plans and concessions totalling circa 5% of total rent YTD.
- We have continued to see strong momentum driving our ongoing leasing activity. In the three months to the end of September 2021, we completed 57 new lettings and renewals for a combined value of £2.1 million, in aggregate above the previous rent and ERV. Retailers remain attracted to the merits of our strategy focused on tailored local community centres in vibrant high footfall neighbourhoods, as well as our affordable, sustainable rents at £12-£15 psf.
 - At Luton, the new Lidl supermarket and VFM furniture stores both opened in mid-October.
 - At Ilford, we continue to progress finalising the agreement for lease with the NHS for a new purpose-built community healthcare facility.
- This leasing activity has led to improved occupancy, which increased to 90.2%, at the end of September 2021. Looking forward, there are 41 new leases or lease renewals currently in solicitors’ hands or with

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