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**")

C&R CAPITAL & REGIONAL

SHORT FORM ANNOUNCEMENT: YEAR END RESULTS TO 30 DECEMBER 2021

Capital & Regional (LSE: CAL), the UK focused REIT with a portfolio of in-town community shopping centres, today announces its full year results to 30 December 2021.

Lawrence Hutchings, Chief Executive, comments:
"The completion of our Refocus, Restructure and Recapitalisation at the end of 2021 brought some hard-fought stability to our business following a challenging period where we, and the wider retail industry, faced the combined impact of the pandemic and the restrictions that came with it, as well as the associated acceleration of structural changes impacting physical retailing.

"With the UK beginning to emerge from the shadow of Covid, we are able to look forward with confidence in the prospects for our community centres, with their focus on the provision of "needs" or "essential" retail and services. The strong levels of leasing we have achieved throughout the year, with more leases agreed than in the previous two years combined, on average above ERV, are a strong indication that retailers, as well as our customers, continue to recognise that affordable, well located, designed and managed local physical retail is an essential part of local infrastructure. With this in mind, we believe that our community centre strategy is as relevant today as it was when we first announced this change of direction in 2017.

"I would like to thank our major shareholder, Growthpoint, for its unwavering support as well as our dedicated, talented team in our support office and, in particular, our front-line centre-based teams who have performed exceptionally during this difficult period.

"For the first time in four years, we have had six months of stable valuations and this, supported by a marked increase in investment market activity as investors return to the sector, coupled with our robust income and occupancy performance, is cause for further optimism."

Operational impact of Covid-19 mitigated by community centre strategy

- Our strategic shift in 2017 to focus on providing non-discretionary goods and services ensured that all seven of the Company's community shopping centres remained open to some degree throughout the entirety of 2021, which included a full national lockdown from 6 January 2021 to 12 April 2021.
- 143 new lettings and renewals achieved during the year at a combined average premium of 7.3% to previous rent[3] and 15.6% to ERV[3], more than in 2020 and 2019 combined (63 and 66 respectively). New lettings completed in the period include a 15 year lease agreement with Whittington Health NHS Trust to open a Community Diagnostics Centre at The Mall, Wood Green.
- Occupancy has begun to recover, standing at 93%, up from 90% at 30 June 2021 (December 2020: 92%).
- Footfall outperformed the national index by 5.7%, with 47.7 million visits across the portfolio in 2021.
- 93% of 2021 rent collected, including 5% on agreed formal payment plans, with 95% of Q1 2022 already collected.
- Net Rental Income[1] (NRI) was £29.0 million (December 2020: £34.1 million), with the £5.1 million reduction primarily attributable to a £4.0 million surrender premium secured in 2020, as well as the continued impact of Covid-19. This flowed through to a fall in Adjusted Profit[1,2] to £8.1 million (December 2020: £11.0 million).
- IFRS Loss for the period narrowed to £26.4 million due to H1 2021 valuation decline, partially offset by the gain from the discounted purchase of the Mall debt facility (December 2020: Loss of £203.9 million)
- In process of completing final contractual milestones on our Walthamstow residential project, including unit vacant possessions and site facilitation works. Expecting to secure unconditionality with Long Harbour and payment of c. £20 million capital receipt in Q2 2022. Commencement of works to deliver the 495 build to rent apartments expected to start shortly after.

- Snozone's EBITDA[1] for the year of £0.8 million (2020: EBITDA loss of £1.7 million) impacted by enforced closure of UK operations until 12 April 2021. Results supported by £2.5 million recovery under pandemic insurance policy. Ski slope operation at Xanadu, Madrid fully integrated and rebranded as Snozone following February 2021 acquisition. Snozone IFRS loss for the year £0.3 million (2020: loss of £2.4 million)

Refocus, Restructure and Recapitalise

- Hemel Hempstead and Luton reclassified as Held for Sale 'Managed Assets' reflecting substance of Group's ongoing involvement and expectation of a disposal.
- Restructure of £100 million Mall debt facility completed in November 2021, debt acquired for £81 million funded by new £35 million facility, £30 million equity raise and existing cash resources.
- Proceeds from sale of Maidstone House office building for £7.1 million in December 2021 used to reduce the £35 million facility in early January 2022.
- Combination of above actions have reduced Group Net LTV to 49% from 72% at June 2021 and 65% at December 2020. Walthamstow capital receipt will further reduce Group Net LTV by more than 200 basis points.
- As at 30 December 2021, the Group had total cash on balance sheet of £58.5 million, of which more than £30 million was maintained centrally and without any restriction.
- Property valuations stabilised in second half of 2021 with the Investment Assets portfolio marginally increasing in value to £380.1 million at year end (30 June 2021: £377.2 million) after 6.4% decrease in H1 2021.
- Net Asset Value per share and EPRA NTA per share, at 102p (December 2020: 150p and 157p respectively[2]) reflecting the H1 2021 valuation decline and the impact of equity raise, net of the benefit of discounted Mall debt repurchase.
- To further mitigate debt levels the Group has not declared a final dividend. The Group plans to resume dividend payments from the announcement of its Interim Results in the second half of 2022. in line with its previous dividend policy to distribute at least 90% of the Company's EPRA earnings.

	2021	2020[2]
Revenue	**£70.0m**	£72.7m
Net Rental Income[1]	**£29.0m**	£34.1m
Adjusted Profit[1]	**£8.1m**	£11.0m
Adjusted Earnings per share[1]	**6.8p**	10.2p
Headline Earnings per share	**7.8p**	3.9p
IFRS Loss for the period	**£(26.4)m**	£(203.9)m
Basic Earnings per share	**(22.0)p**	(188.8)p
Total dividend per share	**-**	-
Net Asset Value	**£168.4m**	£167.1m
Net Asset Value (NAV) per share[2]	**102p**	150p
EPRA NTA per share[2]	**102p**	157p
Group net debt[1]	**£185.3m**	£345.1m
Net debt to property value	**49%**	65%

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 Net Rental Income, Adjusted Profit, Adjusted Earnings per share, Net Debt and the industry best practice EPRA (European Public Real Estate Association) performance measures are not defined under IFRS, so they are termed APMs. APMs are not considered superior to the relevant IFRS measures, rather Management use them alongside IFRS measures to monitor the Group's financial performance because they help illustrate the trading 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, Adjusted Earnings per share, Net Rental Income, Net Debt and the new Snozone EBITDA metric 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] 2020 results have been restated for a prior year adjustment of £0.5m in respect to the treatment of Software as a Service (SaaS) configuration costs as explained in Note 1. 2020 Adjusted Profit has also been restated to reflect the introduction of the new Snozone EBITDA performance measure.

[3] For lettings and renewals (excluding development deals and CVA variations) with a term of 5 years or longer which do not include turnover rent or service charge restrictions.

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 2021 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 capreg.com and on the JSE website at: https://senspdf.jse.co.za/documents/2022/jse/isse/crpe/FY2021.pdf

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

By order of the Board,

L. Hutchings	S. Wetherly
Chief Executive	Group Finance Director

8 March 2022

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

Using its in-house expert property and asset management platform Capital & Regional owns and / or manages eight shopping centres in Blackburn, Hemel Hempstead, Ilford, Luton, Maidstone, Redditch, Walthamstow and Wood Green.

For further information see capreg.com.