

**CAPITAL & REGIONAL PLC**

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("Capital & Regional" or "the Company" or "the Group")

**CAPITAL &  
REGIONAL**

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**ACQUISITION OF THE GYLE SHOPPING CENTRE AND LAUNCH OF OPEN OFFER**

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10 August 2023

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**CAPITAL & REGIONAL PLC**

("Capital & Regional" or the "Company" or the "Group")

**Acquisition of The Gyle Shopping Centre and Launch of Open Offer**

Capital & Regional (LSE: CAL), the UK focused REIT with a portfolio of in-town community shopping centres, is pleased to announce that it has entered into an agreement to acquire The Gyle Shopping Centre ("The Gyle" or the "Property") in Edinburgh for a total acquisition consideration of £40 million, excluding acquisition costs.

The consideration for the acquisition is to be financed through existing funds held by the Company, a new debt facility of £16 million and the approximately £25 million of gross proceeds to be received pursuant to a fully underwritten Open Offer, for which further detail is included below.

The acquisition is in line with the Group's ambition of seeking selective opportunities to grow the Company and further utilise its leading management expertise in delivering its tried and tested community centre strategy.

Lawrence Hutchings, Chief Executive Officer, comments

*"The strong operational results and continued valuation stabilisation we are reporting today give us considerable confidence in our own portfolio, platform and UK Community centres strategy, as well as the physical retail market where many of the structural changes are maturing.*

*"This confidence is also reflected in our announcement this morning of the acquisition of The Gyle Shopping Centre in Edinburgh, which marks the first step towards rescaling our business and fully leveraging our proven skills and management expertise. This acquisition allows us to capitalise on an opportunity to add an established dual supermarket anchored community centre in Scotland's capital city to our portfolio, in a transaction that will be part-funded by a £25 million equity raise available to all existing shareholders and fully underwritten by our majority shareholder, Growthpoint.*

*"The centre will be accretive to income from day one, with the agreed price representing a significant discount to the replacement cost and providing us with a highly attractive entry point from which we can create value. In addition, we have arranged terms with Morgan Stanley to staple debt to the acquisition at a 40% LTV capped at a cost of 6.5% fixed for 5 years.*

*"We have also identified a number of asset management opportunities to create value including refining the tenant mix, a renewed focus on leasing to improve occupancy and income, whilst enhancing the centre's appeal to the growing and affluent catchment in south western Edinburgh."*

#### **Key Highlights:**

##### ***A well-established community shopping centre with opportunities for short and medium-term value creation:***

- £40 million acquisition of The Gyle, a 415,000 square feet well-established and designed community shopping centre on a 50-acre site in Edinburgh.
- The Gyle is complementary to the Company's existing portfolio and provides an opportunity for Capital & Regional to apply its management capability and experience to improve the centre's retail and services offering, consistent with the Company's community shopping centre strategy which was launched in December 2017.
- The Property will require minimal immediate capital expenditure but the Company anticipates that there is a clear medium-term opportunity for significant value add initiatives from the Company's existing resources and from utilising the Group's expertise.
- The Gyle comprises 88 retail units and is anchored by a Marks & Spencer store and Morrisons supermarket as well.
- The Property's retail space is let at approximately £6.8 million and approximately £5.77 million of annual gross rent and net rental income, respectively, with strong rent collection and headline occupancy of 94 per cent. as well as a weighted average unexpired lease term of 2.1 years.
- The asset is being acquired at a net initial yield of 13.51% that is expected to rebase to around 12%.
- With a 2022 footfall of 8.6 million, the Property has 2,800 free car parking spaces and directly serves two large affluent residential areas, as well as the commercial areas of South Gyle and Edinburgh Park. It is also served by the tram system which links the nearby airport to Edinburgh City centre, further improving access and footfall.

##### ***First step in rescaling the Company following a period of restructuring and sectorial challenges:***

- The Board believes that the Company has now largely completed the balance sheet and corporate elements of its Refocus, Restructure and Recapitalise strategy and is now in a much stronger position, having delivered a good financial and operational performance over 2022 and for the first half of 2023.
- As such the Board believes the Company is well placed to deliver increased shareholder value through the ongoing remerchandising programmes across the existing portfolio, as well as through

selective investment in attractive opportunities and the utilisation of its scalable management platform.

**Summary of Transaction and Capital Raising:**

- Acquisition of The Gyle for a consideration of £40 million in cash on completion to be financed through existing funds held by the Company, a £16 million debt facility and the proceeds from a fully underwritten Open Offer.
- The Company is proposing to raise proceeds of approximately £23.4 million (net of fees, costs and expenses) by way of an open offer of 46,278,681 Open Offer Shares, with the Issue Price representing a 5.43 per cent. discount to the Closing Price of 57.1 pence per Ordinary Share as at the Latest Practicable Date.
- Qualifying Shareholders are being given an opportunity to apply for Open Offer Shares at the Issue Price on the following *pro rata* basis: 4 Open Offer Shares at 54 pence each for every 15 Existing Ordinary Shares held and registered in their name at the Record Date or the SA Record Date (as applicable).

**Description of the Property and Summary of Terms of the Acquisition**

The Company has entered into the Acquisition Agreement with Gyle Shopping Centre Trustee Limited (the “Seller”) to acquire The Gyle Shopping Centre in Edinburgh for a total acquisition consideration of £40 million, excluding acquisition costs.

The Acquisition will be funded by existing funds held by the Company, a £16 million debt facility, an Open Offer proposing to raise proceeds of approximately £23.4 million (net of fees, costs and expenses), and the Group’s existing cash resources.

The Gyle Shopping Centre is a well-established and designed community shopping centre anchored by a Marks & Spencer store incorporating a new 15,000 square foot food hall and Morrisons supermarket. The centre is located six miles west of Edinburgh city centre in a mixed-use area. The centre directly serves two large affluent residential areas which lie to the north and east of the Property as well as the commercial areas of South Gyle and Edinburgh Park which are to the south and west.

On 10 August 2023, the Company’s subsidiary, C&R Retail 1 Limited exchanged contracts with the Seller, for the acquisition of the Property in consideration for the payment of £40 million on completion (conditional upon completion of the Capital Raising). A non-refundable deposit of approximately £1 million (the “Deposit”) was paid on 10 August 2023. Failure to complete the Acquisition will result in forfeiture of the Deposit, unless the Seller does not fulfil its obligations under the Acquisition Agreement, in which case the Deposit will be returned in full to C&R Retail 1 Limited by the Seller.

The final payment due to the Seller on completion of the Acquisition will be the purchase price less the Deposit, being approximately £39 million.

The acquisition of The Gyle Shopping Centre is expected to deliver significant earnings enhancement in the first full year of ownership.

Under the FCA Listing Rules, the Acquisition constitutes a Class 2 transaction and, as such, this announcement is made in accordance with the Company’s disclosure obligations pursuant to Chapter 10 of the FCA Listing Rules.

**Capital Raising/Open Offer**

The Capital Raising is being implemented by way of an open offer. The Company is proposing to raise proceeds of approximately £23.4 million (net of fees, costs and expenses) by way of an open offer of 46,278,681 Open Offer Shares.

Qualifying Shareholders are being given an opportunity to apply for Open Offer Shares at the Issue Price on the following *pro rata* basis: 4 Open Offer Shares at 54 pence (converted to Rand at the Sterling exchange rate for SA Shareholders) each for every 15 Existing Ordinary Shares held and registered in their name at the Record Date.

**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 track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of tailored in-town community shopping centres.

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

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 [www.capreg.com](http://www.capreg.com).

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The Open Offer Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will not be any public offering of the Open Offer Shares in the United States.

Any forward-looking statements in this announcement reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. Potential investors should specifically consider the factors identified in this announcement which could cause actual results to differ before making an investment decision. A number of factors could cause results and developments of the Group to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in the sections headed “Risk Factors” of this announcement. Past performance of the Company is not necessarily indicative of future performance.

No statement in this Announcement is intended as a profit forecast or estimate for any period.

This Announcement has not been approved by the Financial Conduct Authority or the London Stock Exchange.

## **THE FOLLOWING IS AN EXTRACT FROM THE CHAIRMAN'S LETTER**

### **1. INTRODUCTION**

Capital & Regional announced today that C&R Retail 1 Limited, a wholly owned subsidiary of the Company, has entered into the Acquisition Agreement with the Seller to acquire The Gyle Shopping Centre in Edinburgh for a total acquisition consideration of £40 million, excluding acquisition costs. The purchase is in line with Capital & Regional's ambition of seeking selective opportunities to grow the Company and further utilise its leading management expertise and skills in delivering its tried and tested community centre strategy.

Under Chapter 10 of the UK Listing Rules, the acquisition of The Gyle Shopping Centre constitutes a Class 2 transaction. Accordingly, the Acquisition does not necessitate shareholder approval.

The consideration for the Acquisition is to be financed through existing funds held by the Company, a new debt facility of £16 million and the proceeds to be received pursuant to the fully underwritten Capital Raising, for which further detail is included below.

### **2. DESCRIPTION OF THE PROPERTY**

The Gyle Shopping Centre is a well-established and designed community shopping centre which is anchored by a Marks & Spencer store incorporating a new 15,000 square foot food hall and a Morrisons supermarket. The centre is located six miles west of Edinburgh city centre in a mixed-use area. The centre directly serves two large affluent residential areas which lie to the north and east of the Property as well as the commercial areas of South Gyle and Edinburgh Park which are to the south and west.

The Gyle Shopping Centre, which originally opened in 1993, contains 415,000 square feet of retail and ancillary floor space (205,455 square feet excluding the anchor stores). The Property will require minimal immediate capital expenditure but the Company believes that there is a clear medium term opportunity for significant value add initiatives from the Company's existing resources and from utilising the Group's expertise. Over the last full calendar year to December 2022 the shopping centre saw annual footfall of 8.6 million. The two anchor stores, occupied by Marks & Spencer (including the food hall) and Morrisons, extend to 129,751 square feet and 79,257 square feet respectively, have been let to the retailers on long-leaseholds at peppercorn rents.

The total site covers 50 acres which currently comprises the 88 retail units primarily across a single floor with a small upper food court, as well as 2,800 free car parking spaces. In addition, the centre is served by the tram system which links the nearby airport to Edinburgh City centre with a stop in the centre's car park, further improving access and footfall.

In addition to Marks & Spencer and Morrisons other key tenants include: Next, Boots, WH Smith, Bank of Scotland, Superdrug, Everything Everywhere, Beaverbrooks the Jewellers, Barrhead Travel Service, Chisholm Hunter Jewellers and River Island.

The retail space is let at an annual gross rent of circa £6.8 million and has a current annual net rental income of £5.77 million. The headline occupancy is currently 94 per cent. by floor area with average rent of £33 per square foot excluding the two anchor stores. Rent collection for the quarter to April 2023 stands at 93 per cent. The weighted average unexpired lease term at the Property is 2.1 years.

The centre provides an opportunity for Capital & Regional to apply its management capability and experience to improve the centre's retail and services offering consistent with the Company's community shopping centre strategy which was launched in December 2017.

### **3. SUMMARY OF TERMS OF THE ACQUISITION**

On 10 August 2023, the Company's subsidiary, C&R Retail 1 Limited exchanged contracts with the Seller, for the acquisition of the Property in consideration for the payment of £40 million in

cash on completion, (conditional upon completion of the Capital Raising). A non-refundable deposit of approximately £1 million (the “**Deposit**”) was paid on 10 August 2023. Failure to complete the Acquisition will result in forfeiture of the Deposit, unless the Seller does not fulfil its obligations under the Acquisition Agreement, in which case the Deposit will be returned in full to C&R Retail 1 Limited by the Seller. The final payment due to the Seller on completion of the Acquisition will be the purchase price less the Deposit, being approximately £39 million subject to certain adjustments relating to the Property that are customary for a transaction of this nature.

The Acquisition Agreement contains indemnities from C&R Retail 1 Limited to the Seller that are customary for a transaction of this nature. The Acquisition Agreement is conditional upon Admission occurring on or before 27 September 2023.

#### 4. **SUMMARY OF TERMS OF THE CAPITAL RAISING**

##### **Introduction**

The Capital Raising is being implemented by way of an open offer. The Company is proposing to raise proceeds of approximately £23.4 million (net of fees, costs and expenses) by way of an open offer of 46,278,681 Open Offer Shares.

Qualifying Shareholders are being given an opportunity to apply for Open Offer Shares at the Issue Price on the following *pro rata* basis: 4 Open Offer Shares at 54 pence each for every 15 Existing Ordinary Shares held and registered in their name at the Record Date or the SA Record Date (as applicable).

The Issue Price represents a 5.43 per cent. discount to the Closing Price of 57.1 pence per Ordinary Share as at the Latest Practicable Date.

The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the Open Offer Shares, save in respect of any dividend or distribution with a record date falling before the date of issue of the Open Offer Shares. The Open Offer shares will not qualify for the interim dividend of 2.75 pence per share declared on 10 August 2023. The Open Offer Shares will be denominated in Sterling.

Subject to various conditions referred to below, Growthpoint, the Company’s major shareholder, has agreed to subscribe in cash at the Issue Price for its Open Offer Entitlements in full, being 28,865,018 Open Offer Shares. Growthpoint has also agreed to underwrite the Capital Raising by subscribing for such number of Open Offer Shares as are not taken up by Qualifying Shareholders under the Open Offer. Immediately following completion of the Capital Raising, and if no Open Offer Shares were taken up by Qualifying Shareholders under the Open Offer, Growthpoint would hold approximately 70.29 per cent. of the Enlarged Share Capital.

The aggregate net proceeds of the Capital Raising, after deduction of expenses, are expected to be approximately £23.4 million.

Applications will be made to: (i) the FCA for the Open Offer Shares to be admitted to listing on the premium segment of the Official List and an application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the Main Market and (ii) the JSE for the Open Offer Shares to be listed and traded on the Main Board of the JSE. It is expected that UK Admission will become effective and that dealings in the Open Offer Shares will commence on the Main Market at 8:00 a.m. (London time) on 4 September 2023 and that SA Admission will become effective and that dealings in the Open Offer Shares will commence on the Main Board of the JSE at 9:00 a.m. (South African time) on 4 September 2023.

The Open Offer Shares will be in registered form and from Admission will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). The Open Offer Shares will be admitted with the ISIN GB00BL6XZ716 and SEDOL (Stock Exchange Daily Official List) number BL6XZ71 and LEI 21380097W74N9OYF5Z25, being the same ISIN, SEDOL and LEI under which the Existing Ordinary Shares are admitted.



## **The Open Offer**

### ***Details of the Open Offer***

Under the Open Offer, 46,278,681 Open Offer Shares will be made available to Qualifying Shareholders at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares, on the terms and subject to the conditions of the Open Offer on the basis of:

#### **4 Open Offer Shares for every 15 Existing Ordinary Shares**

held and registered in their name at the Record Date or the SA Record Date (as applicable).

There is no excess application facility in respect of the Open Offer.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit of their Open Offer Entitlements. In the case of Qualifying Non-CREST Shareholders, the Open Offer Entitlements is equal to the number of Open Offer Entitlements as shown in Box 2 on their Application Forms, or in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock accounts in CREST.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11:00 a.m. on 24 August 2023. Valid applications under the Open Offer will be satisfied in full up to an applicant's Open Offer Entitlements (rounded down to the nearest whole number).

Details of the entitlements for Qualifying Shareholders on the SA Register are set out in the Supplementary Information Memorandum.

Not all Shareholders will be Qualifying Shareholders. In particular, Overseas Shareholders who are located in, or are citizens of, or have a registered office in an Excluded Territory will not qualify to participate in the Open Offer.

The terms and conditions of application under the Open Offer for Qualifying Shareholders on the UK Register are set out in Part 3 of the Prospectus and in the case of Qualifying Non-CREST Shareholders, the Application Form. The terms and conditions of application for Qualifying Shareholders on the SA Register are set out in the accompanying Supplementary Information Memorandum. These terms and conditions should be read carefully before an application is made. Shareholders who are in any doubt about the Open Offer arrangements should consult their stockbroker, bank manager, solicitor, accountant or other duly authorised appropriate financial adviser.

Applications under the Open Offer are not subject to any minimum subscription requirement.

To the extent that Open Offer Shares remain unallocated pursuant to the Open Offer, they will be subscribed for by Growthpoint subject to the terms and conditions set out in the Underwriting Agreement.

### **Underwriting Arrangements**

Subject to the terms and conditions of the Underwriting Agreement, Growthpoint has agreed to subscribe in cash for 28,865,018 Open Offer Shares at the Issue Price, being Growthpoint's full Open Offer Entitlements. Growthpoint has also agreed to underwrite the Capital Raising by subscribing at the Issue Price for such number of Open Offer Shares as are not taken up by Qualifying Shareholders under the Open Offer.

The obligations of Growthpoint under the Underwriting Agreement are subject to certain conditions, among others:

- (a) the despatch of the Prospectus to Shareholders (other than those who the Company determines are not entitled to receive copies);
- (b) an application being made to Euroclear UK & International to admit the Open Offer Shares to CREST;
- (c) Admission occurring;
- (d) the Government of South Africa or the South African Reserve Bank not imposing exchange controls which make it unlawful or impossible for Growthpoint to meet its obligations under the Underwriting Agreement or the Open Offer;
- (e) the Acquisition Agreement not having been terminated prior to Admission and having become unconditional in all respects prior to Admission, save with respect to any condition related to Admission; and
- (f) the Gyle Facility Agreement not having been terminated or rescinded prior to Admission, having become unconditional in all respects prior to Admission, save with respect to any condition related to Admission, and all conditions to drawdown under the Gyle Facility Agreement having been met.

No fee is payable by the Company to Growthpoint under the terms of the Underwriting Agreement in connection with the underwriting of the Open Offer by Growthpoint.

Growthpoint can also meet its subscription and underwriting obligations in whole or in part through Growthpoint Nominees. Immediately following completion of the Capital Raising, and if no Open Offer Shares were taken up by Qualifying Shareholders under the Open Offer, Growthpoint would hold approximately 70.29 per cent. of the Enlarged Share Capital.

A summary of the principal terms of the Underwriting Agreement is set out in paragraph 9.2 of Part 8 of the Prospectus.

#### **Further Information**

Further details of the terms and conditions of the Capital Raising, including the procedure for acceptance and payment, are set out in Part 3 of the Prospectus and, where relevant, the Application Form or Supplementary Information Memorandum.

## **5. BACKGROUND TO AND REASONS FOR THE PROPOSED TRANSACTION**

### **Strategic Progress**

Following the industry wide challenges which were materially exacerbated by the effects of the Covid-19 pandemic and which continued throughout 2020 and 2021, the Company undertook initiatives to strengthen its balance sheet and reduce debt. The Board believes the Company has now largely completed the balance sheet and corporate elements of its Refocus, Restructure and Recapitalise strategy reducing the Company's net LTV ratio from 72 per cent. as at 30 June 2021 to 44.8 per cent. at 30 June 2023. As such the Board believes the Company is well placed to deliver increased shareholder value through the ongoing remerchandising programmes across the existing portfolio as well as through selective investment in attractive opportunities.

The Company is now in a much stronger position and delivered a good financial performance over 2022 and for the first half of 2023. The Company's strengthened financial position and improved profitability supported a resumption of the dividend for 2022 and the first half of 2023. With footfall trending back close to 2019 levels, rent collection much improved, retail failures significantly lower and a slowdown in the growth of online retail, the Company is optimistic that its business model is well positioned for growth and can utilise the scalability of its management platform to deliver enhanced returns for shareholders.

### **Market Backdrop**

After the significant challenges of 2020 and 2021, the retail environment facing the Company currently is more nuanced. On the positive side, during 2022 we saw an end to the pandemic restrictions imposed by the UK Government, with all traders open for business and footfall trending back upwards towards 2019 levels. Although the Group is aware that on 3 August 2023

Wilko filed a notice of intention to appoint an administrator, on the whole retail failures in the last 12 months have been down on the previous 5 years, rent collection levels have much improved and valuations have stabilised. Counteracting these positive trends, the UK economy has faced increasing difficulties from low growth, high inflation and a sharp end to over a decade of very low interest rates accompanying a fall in consumer confidence.

Despite fears that retailer trading would be materially affected by these factors, retail sales have generally been robust, albeit with volumes slightly below 2019 levels. Footfall in the Company's centres for the first six months of 2023 was 5.1 per cent. ahead of 2022 and reached 86.7 per cent. of 2019 levels.

Another notable positive is the maturing of online retail after two years of acceleration in the long cycle structural shift from the pure traditional physical retail distribution channel to digital and online distribution. The high costs associated with online retailing have forced many online retailers to increase costs, introduce delivery charges and place levies on customer returns in order to address profitability. This is especially evident in the low margin, low price point categories including grocery and pharmacy as well as the volume and value home and apparel markets where the Company's community strategy is focussed. This has been evident in the recovery in footfall and occupancy across the Company's centres over the past 12 months and the stability the Group is seeing in valuations despite increases in gilt rates that are typically highly correlated to commercial property values.

Based on these trends, the Company is optimistic that its business model of investing in Community centres which meet the non-discretionary goods and services needs of the local population, is well placed to benefit from a steady recovery in physical retail and weather the current economic headwinds.

### **Investment Opportunity**

The Company identified The Gyle Shopping Centre as an attractive acquisition opportunity and has agreed to acquire the asset via an off-market process. The asset is being acquired at a net initial yield of 13.51 per cent. that is expected to rebase to around 12%. The acquisition price of £40 million equates to a capital value of approximately £100 per square foot which is approximately a 60% discount to replacement cost. The £40 million also represents a more than 80% reduction to the peak valuation.

The Acquisition will strengthen the Company's shopping centre portfolio and continues its strategy of investing in community shopping-centres that provide needs-based, non-discretionary and value-orientated retail goods and services, in line with the Company's ambition of seeking selective opportunities to grow the Company. The Board believes that the continued growth of the Company depends on the acquisition of new value-accretive schemes. The Acquisition will substantially increase the size of the Group's property portfolio and represents a significant advance in the Company's development as a UK-focused retail property REIT, as well as providing a degree of geographical diversification in comparison to the Group's existing portfolio. The acquisition of The Gyle Shopping Centre is expected to deliver significant earnings enhancement in the first full year of ownership.

The Company's existing property portfolio is weighted to London and the South East. The Gyle Shopping Centre offers geographical diversification yet shares similar characteristics to the Company's other assets, given its close proximity to one of the largest city centres in the UK and a capital city. Edinburgh is a top 10 city in the UK by population and viewed as one of the major UK city economies outside of London.

The Gyle Shopping Centre is aligned to the Company's community shopping centre approach. The centre is an important part of the local community, centrally located with strong transport links and high density of surrounding residential property. The retailer mix is also attractive and brings increased diversification to the Group's portfolio, with greater exposure to grocery.

The scalability of the Company's management platform means that management of the asset can be undertaken with no significant addition to the Group's central overhead.

### **Asset Potential**

The centre is modern, well designed and laid out in the classic "dumbbell" shape with anchors at either end of the Property, which helps to drive footfall to the speciality stores where the majority

of income is derived. Whilst the Company will benefit from the centre's well established position in an affluent and growing trade area, as well as its good operational performance, the Company's management has identified a number of areas of further potential to create value as follows:

- Driving rental growth and improving the 2.1 years' weighted average unexpired lease term, through leasing up vacant space, as well as lease regears and extensions
- Immediately utilising their well established skills in repositioning and improving tenancy mix through intensive operational management and leasing to improve relevance of the centre to its catchment, aligning closely with their tried and tested community centre strategy
- The Property will require minimal immediate capital expenditure. The Company anticipates that there is a clear medium term opportunity for significant value add initiatives from the Company's existing resources and from utilising the Group's expertise, including:
  - Refreshing the trading environment through selective expenditure on reconfiguring units and developing under leased space; and
  - Improving the centre's services and its car parking access and experience.

Over the longer term the Company has identified a number of potential opportunities to work with the two anchor tenants to unlock development potential through better utilisation of their store footprints and land site development.

### **Environmental, Social and Governance Considerations**

It is the Company's intention to adopt a comprehensive approach to ESG across the centre, applying the same rigour to the centre as for the Group's existing assets. This would include a range of initiatives including:

- analysis of the pathway to net-zero carbon emissions using the Carbon Risk Real Estate Monitor benchmarks to identify the required interventions to reduce the energy unit intensity;
- launching the energy performance certification management plan;
- using the Group's Community Wheel of Support, an initiative which actively assists locally led projects to improve the communities the Group serves, to support the social aspect of ESG;
- completing ESG training with the on-site team and complete tenant engagement; and
- adding the centre to the TCFD audit covering climate risk.

## **6. INFORMATION ON CAPITAL & REGIONAL**

The Company is a UK focused retail property REIT specialising in community shopping centres that serve the non discretionary and value-orientated needs of their local communities, across a portfolio currently comprising five properties with a total portfolio value of approximately £329.7 million, as at 30 June 2023. The principal activity of the Company is the generation of rental income and capital growth from its role as a property owner, operator and asset manager. The Company is listed on the main market of the London Stock Exchange and has a secondary listing on the JSE.

The Group owns five shopping centres in Hemel Hempstead, Ilford, Maidstone, Walthamstow and Wood Green. The Company manages these assets through its in-house property and asset

management platform. In addition, the Group owns Snozone, the largest indoor ski slope operator in the UK. The Group also operates the indoor ski resort at the Xanadu Centre in Madrid.

The Group's business is focused on acquiring, enhancing and managing community shopping centres. The Group aims to generate sustainable income and capital value growth by combining active asset management with operational excellence.

Further details on Capital & Regional are set out in Part 2, Part 5 and Part 8 of the Prospectus.

## **7. CURRENT TRADING, TRENDS AND PROSPECTS**

Since 30 June 2023, Capital & Regional has traded in line with the Directors' expectations.

In the Interim Results Statement issued on 10 August 2023, the Company noted that valuations have continued to stabilise alongside income which, together with a maturing of the structural changes that have impacted physical retailing over the past five years, have reinforced the Group's confidence in its portfolio, platform and UK community centres.

### **Outlook**

The Company is confident that the strong operational performance and defensive nature of the Company's assets, allied to the actions taken over the last two years to reposition the Company and its balance sheet, leave the Group well placed to continue to perform, despite some of the current broader economic uncertainties.

The Directors will also continue to explore selective opportunities (such as the Acquisition) to grow the business and further utilise the Company's leading management expertise and skills in delivering its tried and tested community centre strategy.

The Interim Results Statement is incorporated by reference into the Prospectus, as detailed in Part 9 of the Prospectus.

## **8. USE OF PROCEEDS OF THE CAPITAL RAISING**

The Capital Raising will deliver proceeds of approximately £25 million (before costs) and net proceeds of approximately £23.4 million to the Company. The Group intends to utilise the net proceeds of the Capital Raising to fund the Acquisition as described above.

Approximately £1.6 million of the proceeds from the Capital Raising will be used to pay fees and expenses incurred in connection with the Proposed Transaction.

## **9. EFFECTS OF THE CAPITAL RAISING AND THE ACQUISITION**

### **Dilutionary impact of the Capital Raising**

If a Qualifying Shareholder does not take up any of its Open Offer Entitlements, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share Capital, will be diluted by 21.05 per cent. as a result of the Capital Raising.

Subject to certain limited exceptions, shareholders in Excluded Territories will not be able to participate in the Open Offer and will therefore experience dilution as a result of the Capital Raising.

Shareholders who are otherwise not Qualifying Shareholders will not be able to participate in the Open Offer and will therefore experience dilution as a result of the Capital Raising.

## **10. ADMISSION TO TRADING OF OPEN OFFER SHARES**

Subject to the Capital Raising becoming unconditional, applications will be made to: (i) the FCA for the Open Offer Shares to be admitted to listing on the premium segment of the Official List (ii) to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the Main Market and (iii) the JSE for the Open Offer Shares to be listed and traded on the Main Board of the JSE.

It is expected that UK Admission of the Open Offer Shares will become effective and dealings would commence by 8:00 a.m. (London time) on 4 September 2023 and SA Admission of the

Open Offer Shares will become effective and dealings will commence by 9:00 a.m. (South African time) on 4 September 2023 whereupon an announcement will be made by the Company through a RIS and on SENS.

The Open Offer Shares will be issued by the Company free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

**11. DIVIDEND POLICY**

The Company's dividend policy is to distribute across the full financial year a dividend of at least 90 per cent. of the Company's EPRA Earnings.

For the year ended 30 December 2022, the Company has paid or declared aggregate dividends of 5.25 pence per share. For the six-month period ended 30 June 2023, the Company declared an interim dividend of 2.75 pence per share. The Open Offer shares will not qualify for the interim dividend.

**12. ACTION TO BE TAKEN IN RESPECT OF THE OPEN OFFER**

**Qualifying Non-CREST Shareholders**

Qualifying Non-CREST Shareholders have been sent Application Forms giving details of their Open Offer Entitlements.

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares must complete the Application Form, in accordance with the instructions set out in paragraph 4 of Part 3 of the Prospectus and in the Application Form and return it with the appropriate payment in the envelope addressed to Equiniti by post to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible and, in any event, not later than 11:00 a.m. (London time) on 24 August 2023.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form.

Persons that have sold or otherwise transferred all of their Ordinary Shares should forward the Prospectus, together with any Application Form, if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations including, but not limited to, the Excluded Territories. Any Shareholder that has sold or otherwise transferred only some of their Ordinary Shares held in certificated form before 8:00 a.m. (London time) on 10 August 2023 should refer to the instruction regarding split applications in the Terms and Conditions of the Open Offer at paragraph 4.1.2 of Part 3 of the Prospectus and the Application Form.

**Qualifying CREST shareholders**

Qualifying CREST Shareholders have not been sent an Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements as soon as practicable after 8:00 a.m. (London time) on 4 September 2023.

In the case of any Qualifying Shareholder that has sold or otherwise transferred only part of their holding of Open Offer Shares held in uncertificated form on or before 8:00 a.m. (London time) on 4 September 2023, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate Open Offer Entitlements to the purchaser or transferee.

The ISIN of the Open Offer Entitlements is GB00BQB6FG92 and the SEDOL is BQB6FG9 .

**Qualifying Shareholders on the SA Register**

Qualifying Shareholders on the SA Register should read and follow the instructions set out in the accompanying Supplementary Information Memorandum.

## **General**

The latest time for acceptance by Qualifying Shareholders under the Open Offer is expected to be 11:00 a.m. (London time) on 24 August 2023, unless otherwise announced by the Company.

Further details of the terms and conditions of the Open Offer, including the procedure for acceptance and payment and the procedure in respect of Open Offer Entitlements, are set out in Part 3 (Terms and Conditions of the Open Offer) of the Prospectus and, where relevant, in the Application Form and the Supplementary Information Memorandum.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the FSMA if you are resident in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

### **13. IRREVOCABLE UNDERTAKINGS**

The Company has received irrevocable undertakings from the following directors in their capacity as Shareholders to take up, or procure the take up of, their full entitlements under the Open Offer to subscribe for in aggregate 73,117 Open Offer Shares: David Hunter, Ian Krieger, Laura Whyte, Lawrence Hutchings, Norbert Sasse and Stuart Wetherly.

In addition, Growthpoint has undertaken in the Underwriting Agreement to take up its full entitlement under the Open Offer to subscribe for 28,865,018 Open Offer Shares.

### **14. SUMMARY**

The Board considers the Capital Raising will promote the success of the Company, and is in the best interests of the Company and its Shareholders as a whole.

## CAPITAL RAISING STATISTICS

Closing Price as at the Latest Practicable Date of the Existing Ordinary Shares	57.1 pence
Issue Price for each Open Offer Share	54 pence
Discount of Issue Price to the Closing Price as at the Latest Practicable Date	5.43 per cent.
Number of Existing Ordinary Shares in issue as at the Latest Practicable Date	173,545,054
Basis of Open Offer	4 Open Offer Shares for every 15 Existing Ordinary Shares
Number of Open Offer Shares to be issued pursuant to the Open Offer	46,278,681
Number of Ordinary Shares in issue immediately following completion of the Capital Raising*	219,823,735
Open Offer Shares as a percentage of the Enlarged Share Capital of the Company immediately following completion of the Capital Raising*	21.05 per cent.
Estimated expenses in connection with the Capital Raising	£1.6 million
Estimated net proceeds receivable by the Company from the Capital Raising (after deduction of fees and expenses)	£23.4 million
ISIN of the Open Offer Shares	GB00BL6XZ716
SEDOL of the Open Offer Shares	BL6XZ71
ISIN of the Open Offer Entitlements	GB00BQB6FG92
SEDOL of the Open Offer Entitlements	BQB6FG9
LSE code for the Ordinary Shares	CAL
JSE code for the Ordinary Shares	CRP

### *Notes:*

- \* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission becoming effective other than pursuant to the Open Offer.



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2023

Record Date for Open Offer Entitlements	close of business on 8 August
Publication of interim results including declaration of interim dividend	7.00 a.m. on 10 August
<b>Capital Raising, entry into the Acquisition Agreement and Open Offer, GBP/ZAR exchange rate announced through a Regulatory Information Service and SENS</b>	<b>7:00 a.m. on 10 August</b>
Ex-Entitlements Time for the Open Offer	8:00 a.m. on 10 August
<b>Publication and posting of this Prospectus, the Supplementary Information Memorandum and the Application Forms (to Qualifying Non-CREST Shareholders only)</b>	<b>10 August</b>
Record date to appear in the SA Register in order to receive the Prospectus and the Supplementary Information Memorandum	close of business on 10 August
Publication of Notice of the Open Offer in the London Gazette	10 August
<b>Open Offer opens</b>	<b>8:00 a.m. on 11 August</b>
Open Offer Entitlements enabled in CREST and credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8:00 a.m. on 11 August
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST <sup>(3)</sup>	4:30 p.m. on 18 August
Latest time and date for depositing Open Offer Entitlements into CREST <sup>(4)</sup>	3:00 p.m. on 21 August
Confirmation of ZAR equivalent and scrip dividend pricing and announcement of the GBP/ZAR exchange rate through a Regulatory Information Service and SENS	11:00 a.m. (South African time) on 22 August
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 22 August
Latest time and date for receipt of completed Application Forms and payments in full and settlement of CREST instructions (as appropriate)	11:00 a.m. on 24 August
Latest time and date for receipt of completed Application Forms and payments in full on the SA Register (as appropriate)	12:00 p.m. (South African time) on 24 August
Open Offer closes	11:00a.m. on 24 August
Results of Open Offer announced through a Regulatory Information Service and SENS	25 August

Last date to trade to appear in the SA Register in order to participate in the Scrip Dividend Scheme	5:00 p.m. on 29 August
Ex-dividend date on JSE	30 August
Ex-dividend date on LSE	31 August
Dividend record date for LSE and JSE and date for last election to participate in the Scrip Dividend Scheme	1 September
Results of Scrip Dividend Scheme announced through a Regulatory Information Service and SENS	8:00 a.m. on 4 September
<b>UK Admission of and commencement of dealings in Open Offer Shares</b>	<b>8:00 a.m. on 4 September</b>
<b>SA Admission of and commencement of dealings in Open Offer Shares</b>	<b>9:00 a.m. (South African time) on 4 September</b>
Open Offer Shares issued and credited to CREST accounts	on or soon after 8:00 a.m. on 4 September
Where applicable, expected date for despatch of definitive share certificates for Open Offer Shares in certificated form	within 10 Business Days of Admission
<b>Completion of the Acquisition</b>	<b>6 September</b>
Dividend payment and Shares issued pursuant to the Scrip Dividend Scheme	22 September

***References to times in this timetable are to British Summer Time (“BST”), unless otherwise stated.***

**Notes:**

- (1) The times set out in the expected timetable of principal events above and mentioned throughout this announcement are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of Panmure and Numis, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange, the JSE and, where appropriate, Shareholders.
- (2) These dates and times given are indicative only and are based on the Company’s current expectations and may be subject to change (including as a result of changes to the regulatory timetable). If any of the times and/or dates above change, the revised times and/ or dates will be notified to Shareholders by announcement through a Regulatory Information Service and SENS.
- (3) If your Open Offer Entitlements are in CREST and you wish to convert them to certificated form.
- (4) If your Open Offer Entitlements are represented by an Application Form and you wish to convert them to uncertificated form.

If you have any queries in relation to this announcement or the timetable please call the relevant Shareholder helpline as follows:

- Equiniti Shareholder Helpline for Shareholders registered on the UK Register, on 0371 384 2050 or, if telephoning from outside the UK, on +44 (0)371 384 2050 between 8:30 a.m. and 5:30 p.m. (London time) Monday to Friday (except public holidays in England and Wales). Calls to the Shareholder Helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Capital Raising nor give any financial, legal or tax advice.

- JSE Investor Services Helpline for Shareholders registered on the SA Register, on 0861 472 644 if calling from within South Africa (or +27 11 029 0112 for Shareholders registered on the SA Register calling from outside South Africa) between 8:00 a.m. and 4:00 p.m. (South African time) from Monday to Friday, excluding public holidays in South Africa. Calls made from within South Africa will be charged at the standard geographic rate and will vary by provider. Calls made from outside of South Africa will be charged at the applicable international rates. Lines are open between 8:00 a.m. and 4:00 p.m. (South African standard time) Monday to Friday (except South African public holidays).

## Appendix

In this announcement the following expressions have the meaning ascribed to them unless the context otherwise requires:

<b>17&amp;Central Walthamstow</b>	the shopping centre owned by the Group as more particularly described in paragraph 3.1 of Part 2 of the Prospectus
<b>Acquisition</b>	the acquisition by C&R Retail 1 Limited of The Gyle Shopping Centre, Edinburgh on the terms and subject to the conditions set out in the Acquisition Agreement
<b>Acquisition Agreement</b>	the agreement entered into between C&R Retail 1 Limited and the Seller dated 10 August 2023, as further described in paragraph 9.3 of Part 8 of the Prospectus
<b>Admission</b>	together, the UK Admission and SA Admission
<b>Admission and Disclosure Standards</b>	the “Admission and Disclosure Standards” of the London Stock Exchange containing among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities
<b>Application Form</b>	the application form accompanying the Prospectus on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
<b>Articles</b>	the articles of association of the Company
<b>Board</b>	the Directors of Capital & Regional
<b>Business Day</b>	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London for the transaction of normal banking business
<b>Capital Raising</b>	the Open Offer
<b>CBRE</b>	CBRE Limited
<b>Central Cash</b>	cash held centrally by the Group that is unencumbered and over which the Group’s lenders have no security
<b>certificated or in certificated form</b>	in relation to a share or other security, a share or other security which is not in uncertificated form
<b>Closing Price</b>	the closing middle market quotation in Pounds Sterling of an Existing Ordinary Share as derived from the Daily Official List of the London Stock Exchange on a particular day
<b>Code</b>	the US Internal Revenue Code of 1986, as amended
<b>Companies Act</b>	the Companies Act 2006 as amended
<b>Company or Capital &amp; Regional</b>	Capital & Regional PLC, a public limited company incorporated in England and Wales with registered number 01399411
<b>Contribution</b>	net rent less net interest, including unhedged foreign exchange movements

<b>Covid-19</b>	the Coronavirus Disease 2019 as designated by the World Health Organisation
<b>CREST</b>	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations)
<b>CREST Manual</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, CREST Courier and Sorting Service Operations Manual and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
<b>CREST Member</b>	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
<b>CREST Participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended
<b>CREST Sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor (as defined in the CREST Regulations)
<b>CREST Sponsored Member</b>	a CREST Member admitted to CREST as a sponsored member
<b>CSDP</b>	a Central Securities Depository Recipient accepted as a participant under the South African Financial Markets Act, 2012, appointed by a Shareholder in South Africa for the purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of such Shareholder
<b>CTA 2010</b>	the Corporation Tax Act 2010
<b>CVA</b>	a company voluntary arrangement, a legally binding agreement with a company's creditors to restructure its liabilities
<b>Daily Official List</b>	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
<b>Directors</b>	the executive directors and non-executive directors of the Company, whose names appear on page 31 of the Prospectus
<b>Disclosure Guidance and Transparency Rules</b>	the rules relating to the disclosure of information made in accordance with section 73A(3) of FSMA
<b>Discontinued Operations</b>	has the same meaning given to the term "classification as discontinuing" as defined in the IFRS
<b>EEA</b>	the European Economic Area
<b>Enlarged Share Capital</b>	the Company's ordinary issued share capital following completion of the Capital Raising
<b>EPRA Earnings</b>	measures established by the European Public Real Estate Association for the calculation of earnings per share, being profit / (loss) after tax excluding gains on asset disposals and

revaluations, movements in the fair value of financial instruments, intangible asset movements and the capital allowance effects of IAS 12 “Income Taxes” where applicable, less tax arising on these items, divided by the weighted average number of shares in issue during the year excluding own shares held

<b>Equiniti</b>	Equiniti Limited
<b>ERISA</b>	the US Employee Retirement Income Security Act of 1974, as amended
<b>ERISA Entity</b>	any person that is: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Code; or any governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code whose purchase, holding, and disposition of the Open Offer Shares could constitute or result in a non-exempt violation of any such substantially similar law
<b>ESG</b>	environmental, social and governance
<b>EU</b>	the European Union
<b>EU Prospectus Regulation</b>	the EU Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
<b>Euroclear</b>	Euroclear UK & International Limited, the operator of CREST
<b>EUWA</b>	the European Union (Withdrawal) Act 2018
<b>Ex-Entitlements Time</b>	the time at which the Existing Ordinary Shares are marked ex-entitlement, being 8:00 a.m. (London time) on 10 August 2023
<b>Exchange, Ilford</b>	the shopping centre owned by the Group as more particularly described in paragraph 3.1 of Part 2 of the Prospectus
<b>Excluded Territories</b>	Australia, Canada, Japan, New Zealand, the United States of America and any other jurisdiction where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would breach any applicable law or regulation and “Excluded Territory” shall mean any of them
<b>Existing Ordinary Shares</b>	the 173,545,054 Ordinary Shares in issue as at the Latest Practicable Date
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority of the United Kingdom
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended

<b>Group</b>		the Company and each of its subsidiaries and subsidiary undertakings from time to time
<b>Growthpoint</b>		Growthpoint Properties Limited and/or any Growthpoint Nominee (as the case may be)
<b>Growthpoint Nominee</b>		any one or more wholly-owned subsidiaries of Growthpoint Properties Limited or partnerships in which Growthpoint Properties Limited holds (directly or indirectly) all or substantially all of the economic rights, together with any person (including a general partner) who holds Ordinary Shares on behalf of any such person or partnership
<b>Growthpoint Agreement</b>	<b>Relationship</b>	has the meaning given in paragraph 9.8 of Part 8 of the Prospectus
<b>HMRC</b>		HM Revenue & Customs
<b>IFRS</b>		International Financial Reporting Standards as issued by the International Accounting Standards Board and, for the purposes of the Prospectus, as adopted by the United Kingdom
<b>Interim Results</b>		the interim unaudited financial statements for the period beginning 31 December 2022 and ended on 30 June 2023
<b>Interim Results Statement</b>		the interim financial statements of the Group for the six months ended 30 June 2023
<b>IPD</b>		interest payment date
<b>ISIN</b>		International Securities Identification Number
<b>Issue Price</b>		54 pence per Open Offer Share
<b>JSE</b>		the exchange operated by JSE Limited (registration number 2005/022939/06), licensed as an exchange under the South African Financial Markets Act, 2012, as amended, and a public company incorporated in terms of the laws of South Africa
<b>JSE Sponsor or Java</b>		Java Capital Trustees and Sponsors Proprietary Limited, in its capacity as South African sponsor to the Company
<b>Knight Frank</b>		Knight Frank LLP
<b>Latest Practicable Date</b>		the latest practicable date prior to the publication of the Prospectus, being 9 August 2023
<b>Listing Rules</b>		the Listing Rules made by the FCA under Part VI of FSMA
<b>London Gazette</b>		the daily publication issued in London with such name
<b>London Stock Exchange</b>		London Stock Exchange PLC
<b>LTV</b>		loan-to-value
<b>Main Board</b>		the Main Board of the list of securities admitted to listing on the JSE
<b>Main Market</b>		the London Stock Exchange's main market for listed securities

<b>Mall Blackburn</b>	the shopping centre disposed of by the Group pursuant to a sale agreement as more particularly described in paragraph 9.5 of Part 8 of the Prospectus
<b>Mall Luton</b>	the shopping centre disposed of by the Group pursuant to a sale agreement as more particularly described in paragraph 9.6 of Part 8 of the Prospectus
<b>Mall LP</b>	the Mall LP, being a limited partnership which is wholly owned by the Group
<b>Mall Maidstone</b>	the shopping centre owned by the Group as more particularly described in paragraph 3.1 of Part 2 of the Prospectus
<b>Mall Wood Green</b>	the shopping centre owned by the Group as more particularly described in paragraph 3.1 of Part 2 of the Prospectus
<b>Market Abuse Regulation or MAR</b>	the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the EUWA
<b>Marlowes Hemel Hempstead</b>	the shopping centre owned by the Group as more particularly described in paragraph 3.1 of Part 2 of the Prospectus
<b>Member State</b>	a sovereign state which is a member of the European Union
<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
<b>NatWest</b>	National Westminster Bank plc
<b>Net Asset Value or NAV</b>	the net asset value
<b>Net Rental Income or NRI</b>	the Group's share of the rental income, less property and management costs (excluding performance fees) of the Group
<b>NIY</b>	net initial yield
<b>Non-PID Dividend</b>	any dividend of the Company other than a PID
<b>Numis</b>	Numis Securities Limited
<b>Official List</b>	the Official List of the Financial Conduct Authority pursuant to Part VI of FSMA
<b>Open Offer</b>	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
<b>Open Offer Entitlements</b>	the <i>pro rata</i> entitlements of Qualifying Shareholders to subscribe for 4 Open Offer Shares for every 15 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
<b>Open Offer Shares</b>	the 46,278,681 new Ordinary Shares to be offered to Qualifying Shareholders pursuant to the Open Offer
<b>Ordinary Shares or Shares</b>	ordinary shares of £0.10 each in the share capital of the Company



<b>Overseas Shareholders</b>	Shareholders with registered addresses outside the United Kingdom and South Africa or who are citizens or residents of countries outside the United Kingdom and South Africa
<b>Panel</b>	The Panel on Takeovers and Mergers
<b>Panmure</b>	Panmure Gordon (UK) Limited
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
<b>PID</b>	property income distribution
<b>Pounds Sterling, Sterling or £</b>	the lawful currency of the United Kingdom
<b>PR Regulation</b>	the UK version of Regulation (EU) 2019/980 of the European Commission, which is part of UK law by virtue of EUWA
<b>Property Valuation Reports</b>	the property valuation reports prepared by the relevant Property Valuer and set out in Part 6 of the Prospectus
<b>Property Valuers</b>	CBRE and Knight Frank
<b>Proposed Transaction</b>	the Capital Raising and Acquisition
<b>Prospectus Regulation</b>	the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC which is part of UK law by virtue of the EUWA
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules published by the FCA under Section 73A of FSMA in accordance with the Prospectus Regulation
<b>Qualifying Shareholders</b>	<b>CREST</b> Qualifying Shareholders holding Ordinary Shares on the UK Register in uncertificated form on the Record Date
<b>Qualifying Shareholders</b>	<b>Non-CREST</b> Qualifying Shareholders holding Ordinary Shares in certificated form on the Record Date or the SA Record Date (as applicable)
<b>Qualifying Shareholders</b>	holders of Ordinary Shares who are entered on the UK Register on or before the Record Date and/or the SA Register on the SA Record Date and remain on such register at the Record Date and/or the SA Record Date with the exclusion of Overseas Shareholders with a registered address in or who are resident in any Excluded Territory
<b>RBS</b>	The Royal Bank of Scotland plc
<b>Record Date</b>	8 August 2023
<b>Receiving Agent</b>	Equiniti
<b>Regulation S</b>	Regulation S under the US Securities Act

<b>Regulatory Service or RIS</b>	<b>Information</b>	one of the regulatory information services authorised by the Financial Conduct Authority to receive, process and disseminate regulatory information in respect of listed companies
<b>REIT</b>		Real Estate Investment Trust
<b>Remuneration Committee</b>		the remuneration committee of the Company
<b>RICS Valuation – Global Standards</b>		the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards (effective from 31 January 2022)
<b>SA Admission</b>		the admission of the Open Offer Shares to listing and trading on the Main Board
<b>SA Record Date</b>		10 August 2023
<b>SA Register</b>		the share register maintained on behalf of the Company by JSE Investor Services
<b>SA Transfer Secretaries or JSE Investor Services</b>		JSE Investor Services (Pty) Limited
<b>Scrip Dividend Scheme</b>		the scrip dividend scheme operated by the Company in terms of which Shareholders may be offered the option to receive new Ordinary Shares instead of a cash dividend
<b>SDRT</b>		stamp duty reserve tax
<b>Seller</b>		Gyle Shopping Centre Trustee Limited as Trustee of the Gyle Shopping Centre Unit Trust
<b>SENS</b>		the Stock Exchange News Service of the JSE
<b>Shareholder</b>		a holder of Ordinary Shares from time to time
<b>SONIA</b>		the SONIA (sterling overnight index average) reference rate administered by the Bank of England (or any other person which takes over the administration of that rate) and if that rate is less than zero, SONIA shall be deemed to be zero
<b>Sponsor</b>		Panmure, acting in its capacity as sponsor to the Company pursuant to Chapter 8 of the Listing Rules
<b>Sponsor and Open Offer Agreement</b>		the sponsor and open offer agreement between the Company, Panmure and Numis, as further described in paragraph 9.1 of Part 8 of the Prospectus
<b>stock account</b>		an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
<b>Supplementary Memorandum</b>	<b>Information</b>	the supplementary information memorandum sent with the Prospectus to Qualifying Shareholders on the SA Register
<b>Takeover Code</b>		the City Code on Takeovers and Mergers
<b>TCFD</b>		Task Force on Climate-related Financial Disclosures

<b>The Gyle Shopping Centre or the Property</b>	The shopping centre located at South Gyle Broadway, Edinburgh EH12 9JY
<b>TIAA</b>	Teachers Insurance and Annuity Association of America
<b>UK Admission</b>	the admission of the Open Offer Shares (i) to the premium listing segment of the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities
<b>UK Register</b>	the share register maintained on behalf of the Company by Equiniti
<b>UK REIT</b>	a real estate investment trust established in the United Kingdom to which Part 12 of the CTA 2010 applies
<b>uncertificated or uncertificated form</b>	<b>in</b> recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>Underwriting Agreement</b>	the underwriting agreement between the Company and Growthpoint, as further described in paragraph 9.2 of Part 8 of the Prospectus
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>US Person</b>	a "U.S. person" as defined in Regulation S
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended
<b>Valid Applications</b>	a duly completed Application Form and payment in full for Open Offer Shares received by the Company which complies in all respects with the terms of the Open Offer and with the terms set out in the Application Form
<b>VAT</b>	value added tax