**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 2023 AND AVAILABILITY OF ANNUAL REPORT

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 2023. The Company will also publish a copy of its Annual Report and Financial Statements for the year ended 30 December 2023 in the Investor Info section of its website at capreg.com.

**Highlights for the period**

- 5% increase in like-for-like Net Rental Income[1] ("NRI").
- 2.6% increase in like-for-like valuations over 2023.
- 86 new lettings and renewals, compared to 80 in 2022, at a combined average premium of 6.8% to previous rent[2] and 16.6% to expected rental value ("ERV")[2].
- In September, we acquired Gyle shopping centre, Edinburgh, for £40 million part funded through a £25 million equity raise, at a net initial yield of 13.5% expected to rebase to around 12%.
- 9.7% growth in Adjusted Earnings per share to 6.8p (December 2022: 6.2p).
- 7.3% increase in proposed final dividend of 2.95p per share, delivering a total dividend for the year of 5.70p per share (December 2022: 2.75p per share and 5.25p per share, respectively).

**Lawrence Hutchings, Chief Executive, comments:**

*"Our ongoing focus on delivering our proven community strategy and increasing our exposure to non-discretionary and needs based retail and services categories, continues to support our progress and has helped us deliver another positive set of results. Occupier demand coupled with our accretive capex programme has driven rental growth, underpinned a 9.7% increase in earnings and, with values also up slightly, given us the confidence to increase the dividend.*

*"The structural changes in retail continue to evolve, with online penetration now maturing and a continued return to the store by consumers meaning physical retail has cemented its position as a vital part of the distribution framework. This is especially evident in our core categories of value and non-discretionary merchandise. Retailers are continuing to focus on coupling the online platform with stores in a seamless guest experience.*

*"The rapid re-leasing of all three of our Wilko units to B&M in the first few months of 2024, further demonstrates the quality of our locations, the relevance of our strategy and our team's ability to capture demand from retailers for affordable space in urban locations. This backdrop, coupled with the improvement in our underlying operational business, and with the Company's balance sheet stable, gave us the confidence to proceed with the Gyle acquisition in September 2023. It marks our first step towards rebuilding the business through our continued capex programme and a disciplined approach to opportunities to buy well positioned retail led real estate at attractive entry points."*

**Operational metrics remain robust demonstrating the continued appeal of C&R's community centres**

- Footfall up 1.5% with 44.5 million shopper visits in 2023, representing 86.7% of the equivalent period for 2019.
- Occupancy steady at 93.4% (December 2022: 94.1%) with the marginal decline due to Wilko's administration.
- All three units vacated following Wilko's administration relet post year end, with B&M signing a portfolio deal in February 2024 and opening in May 2024, adding 140 basis points to occupancy. In the three months to the end of March 2024 we have completed 21 new lettings and renewals, at a combined annual rent of £1.4 million, representing an average premium to previous rent of 1.3% and to ERV of 5.9%[1].
- Rent collection 99.2% for 2023 (December 2022: 97.6% at the time of Year End results).

**Occupier led demand driving rental and earnings growth and underpinning dividend increase**

- NRI of £23.9 million (December 2022: £23.5 million) reflecting net impacts of the Gyle acquisition and sale of Blackburn in August 2022. Statutory revenue broadly in line with the prior year at £59.0 million (December 2022: £56.8 million).
- Snozone's EBITDA[1] increased by 64% to £2.3 million (December 2022: £1.4 million) reflecting the first full year unimpacted by Covid since 2019 and improved profitability from Snozone Madrid driven by the actions undertaken since the acquisition in 2021.
- 23% increase in Adjusted Profit[1] to £12.7 million (December 2022: £10.3 million).
- IFRS Profit for the period of £3.7 million (December 2022: Profit of £12.1 million). The prior year included one-off gains of £12.5 million and £6.8 million from the discounted purchase of the Hemel Hempstead debt facility and deconsolidation of Luton, respectively.
- Net £16.0 million invested during the year expected to produce a yield on cost in line with the Company's target of 8% to 9%. At Ilford, the new TK Maxx anchor store successfully opened in November 2023 and a new NHS community healthcare centre has been handed over and is expected to open in Spring 2024.
- The first phase of the Walthamstow residential development undertaken by Long Harbour, creating 495 Build to Rent apartments in two residential towers and providing a new captive audience of shoppers for our Walthamstow centre, is progressing rapidly. The development is due to complete in early 2025.
- 2.6% increase in like-for-like valuations over 2023, with a 4.0% increase in Gyle since purchase, primarily as a result of the completion of six new lettings and renewals. 15.5% increase in portfolio valuation to £372.8 million (December 2022: £322.8 million) including the addition of Gyle.
- Net Asset Value ("NAV") increased 12.8% to £202.0 million (December 2022: £179.1 million).
- NAV per share and EPRA NTA per share at 90p and 88p respectively (December 2022: 106p and 103p, respectively) due to the increased number of shares in issue following the £25 million equity raise in September 2023.

**Long term secure debt position**

- Long debt maturity profile of 4.1 years with low average cost of debt of 4.25%. Approximately 80% hedged for the next three years.
- New five-year £16 million vendor loan arranged by Morgan Stanley drawn in September 2023 to part finance the Gyle acquisition.
- Group Net Loan to Value has increased to 43.6% from 40.6% at 30 December 2022 from investing cash into capital expenditure and part funding of the Gyle acquisition from central cash.
- Ilford loan extension agreed to September 2025 with further conditional options to extend term to end of 2027.

**Further progress in delivering energy efficiency driving forward our net zero carbon pathways**

- EPC ratings of three centres improved from a 'D' to 'B' rating.
- 72% reduction in Scope 1 natural gas, and 15% in Scope 2 electricity consumption since 2019.
- 100% renewable and Renewable Energy Guarantees of Origin certified electricity at all shopping centres and Snozone venues.

| | **Year to Dec 2023** | Year to Dec 2022 |
|---|---|---|
| Revenue | **£59.0m** | £56.8m[5] |
| Net Rental Income | **£23.9m** | £23.5m |
| Adjusted Profit [1] | **£12.7m** | £10.3m |
| Adjusted Earnings per share [1] | **6.8p** | 6.2p |
| Headline Earnings per share (Basic) | **6.4p** | 6.0p |
| IFRS Profit for the period | **£3.7m** | £12.1m |
| Basic earnings per share | **2.0p** | 7.3p |
| Total dividend per share [3] | **5.70p** | 5.25p |
| | | |
| Net Asset Value | **£202.0m** | £179.1m |
| Net Asset Value (NAV) per share | **90p** | 106p |
| EPRA NTA per share | **88p** | 103p |
| | | |
| Group net debt | **£162.7m** | £130.9m |
| Net debt to property value | **43.6%** | 40.6% |

*Notes*

[1] Adjusted Profit, Adjusted Earnings per share, Net Rental Income, Net Debt and the Snozone EBITDA metric are as defined in the Use of Performance Measures section of the full Year End Results announcement. 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] For lettings and renewals (excluding development deals and CVA variations) with a term of 1 year or longer which do not include turnover rent, like-for-like, excludes Gyle. Comparative numbers for 2022 are on a like-for-like basis.

[3] Includes dividends declared post period end but related to the period in question.

[4] Weighted average, debt maturity assumes exercise of extension options.

[5] 2022 comparative figure has been restated for a prior year adjustment to service charge income and expenditure recognised in the period. There is no change to Profit.

*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.

*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 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 Year End Results 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/2024/jse/isse/crpe/FY2023.pdf

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

By order of the Board,

L. Hutchings<br>Chief Executive

S. Wetherly<br>Group Finance Director

30 April 2024

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

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

For further information see capreg.com.