

2022 HALF YEAR RESULTS

➡ REFOCUSED ➡ REPOSITIONED ➡ RESET



CAPITAL &
REGIONAL
SUPPORTING COMMUNITY LIVING.

RESULTS AND MARKET OVERVIEW

Lawrence Hutchings
Chief Executive

C&R

CAPITAL &
REGIONAL

SUPPORTING COMMUNITY LIVING.

▶▶ REFOCUSED ▶▶ REPOSITIONED ▶▶ RESET

Focus on repositioning and operations following active 12 months



Refocus, restructure and recapitalise - delivered balance sheet stability



Valuations stabilising



Consumer demand for community retail and services



Invest in customer proposition



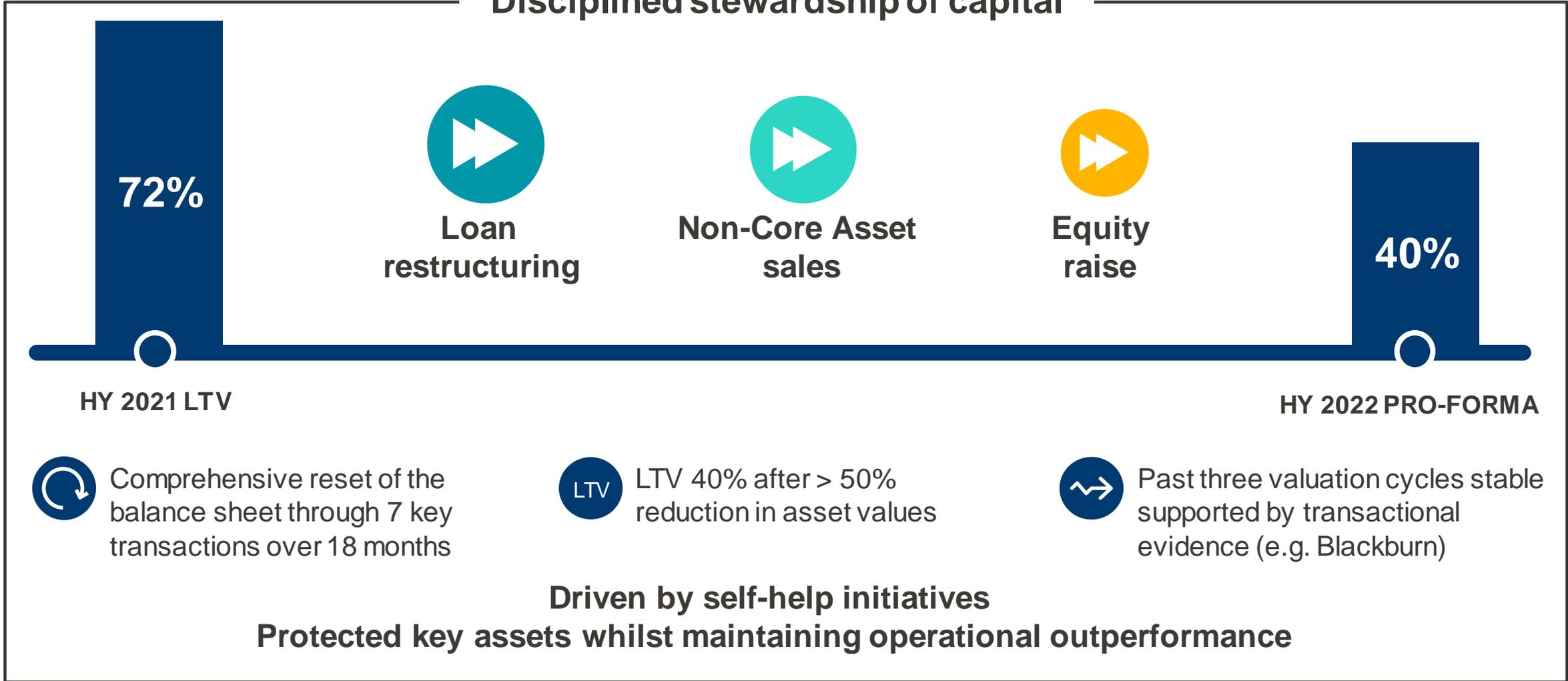
Refocus leading management platform



Deliver portfolio income and value growth

Transforming our Balance Sheet

Disciplined stewardship of capital



Resilient Operational Performance

Our ongoing focus on needs based, local retail and services remains relevant

29m

Footfall visits
(+58% vs 2021 YTD)
June +4% v national index

55

Leases signed H1 2022
+34.1% v previous passing
+17.8% v ERV
65 deals in pipeline

93.7%

Occupancy
30 June 2022
(92.8% Dec 2021)

97.3%

YTD 2022 rent collected
(82.6% for YTD 2021
at time of HY 2021 results)

£5.8M

Adjusted Profit
+87% on H1 2021

118p

NAV per share
+16p on Dec 2021

Dividend Reinstated

Interim Dividend 2.5p per share



**Committed capex
fully funded**



Protects REIT compliance



**Scrip dividend
option**

2022 INTERIM FINANCIAL RESULTS

Stuart Wetherly
Group Finance Director

C&R

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2022 Transactional Activity

▶ Loan restructuring

Hemel Hempstead – discounted debt buyback

- Paid £11.8m to settle £24.0m of loan liabilities (51% discount)
- Increased Group NAV by £12.3m
- Reclassified to Investment Asset

Ilford – loan amendment and major leasing activity

- Signed package of loan amendments linked to NHS community centre and TK Maxx relocation lettings

Luton – proposed disposal

- Planned disposal of majority or all of The Mall, Luton remains in progress
- Deconsolidated from May 2022 resulting in NAV increase of £6.8m

▶ Asset sales

Walthamstow – residential receipt

- Completed in July 2022 with proceeds of £21.6m received
- First phase development will see 495 apartments built above the scheme

Blackburn – disposal

- £40m sale of The Mall, Blackburn completed in August 2022 at premium to December 2021 valuation
- Together the Walthamstow and Blackburn receipts reduce Net LTV by c 900 basis points

Balance Sheet Restructuring and Operational Recovery

	H1 2022	H1 2021	Difference
PROFITABILITY			
Net Rental Income (Investment Assets)	£12.2m	£9.9m	+£2.3m
Adjusted Profit ^{1, 2}	£5.8m	£3.1m	+£2.7m
Adjusted Earnings ^{1, 2}	3.5p	2.8p	+0.7p
IFRS Profit/(Loss) for the period	£26.8m	£(41.3)m	+£68.1m
Interim Dividend	2.5p	-	+2.5p

	30 June 2022	30 December 2021	Difference
NET ASSET VALUE			
Net Asset Value	£195.3m	£168.4m	+£26.9m
NAV per share	118p	102p	+16p
EPRANTA per share	116p	102p	+14p
GROUP DEBT			
Group net debt ³	£136.5m	£185.3m	-£48.8m
Net LTV ³	40%	49%	-9%
Average maturity ⁴	5.2 years	5.4 years	-0.2 years

1. Adjusted Profit incorporates profits from operating activities and excludes revaluation of properties and financial instruments, gains or losses on disposal, exceptional items and other defined terms.

2. Comparatives for H1 2021 have been restated to reflect the introduction of the Snozone EBITDA performance measure during 2021.

3. On a proforma basis, adjusted for the Walthamstow residential receipt and Blackburn disposal proceeds that were received post 30 June 2022.

4. Assuming extension options are triggered.

Recovery in Adjusted Profit: Business Rebounds from Covid-19

	H1 2022	H1 2021	Difference	Comment
PROFITABILITY				
Net Rental Income (Investment Assets)	£12.2m	£9.9m	+£2.3m	Improved Occupancy and Rent Collection c. £1m net credit from bad debt provisions no longer required
Interest Payable (Investment Assets)	£(4.7)m	£(5.5)m	+£0.8m	Impact of Nov 2021 debt restructuring
Contribution (Investment Assets)	£7.5m	£4.4m	+£3.1m	
Snozone (EBITDA)	£0.8m	£0.8m	-	2021 supported by £2.5m pandemic insurance receipt
External Management Fees	£1.7m	£1.2m	+£0.5m	Luton asset management fees recognised as external, likely to reduce
Central operating costs	£(3.5)m	£(3.3)m	+£0.2m	Costs in line with FY2021 pro-rata, trend to reduce in H2
Variable overhead	£(0.7)m	£(0.4)m	+£0.3m	
Managed Assets - Contribution	-	£0.4m	-£0.4m	No longer recognised after Held for Sale reclassification
Adjusted Profit ^{1, 2}	£5.8m	£3.1m	+£2.7m	
Adjusted Profit per share ^{1, 2}	3.5p	2.8p	+0.6p	

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Rent Collection back around Pre-Pandemic Levels

	Rent collected 6M TO 30 JUNE 2022	Rent collected YTD TO SEPTEMBER 2022
Rent collected	98.0%	97.3%
Outstanding	2.0%	2.7%
TOTAL BILLED	100%	100%



Business wide focus driven collections back in line with pre-pandemic levels



Rent collection for FY 2021 improved to 92.7% from 88.1% at the time of the 2021 Year End results

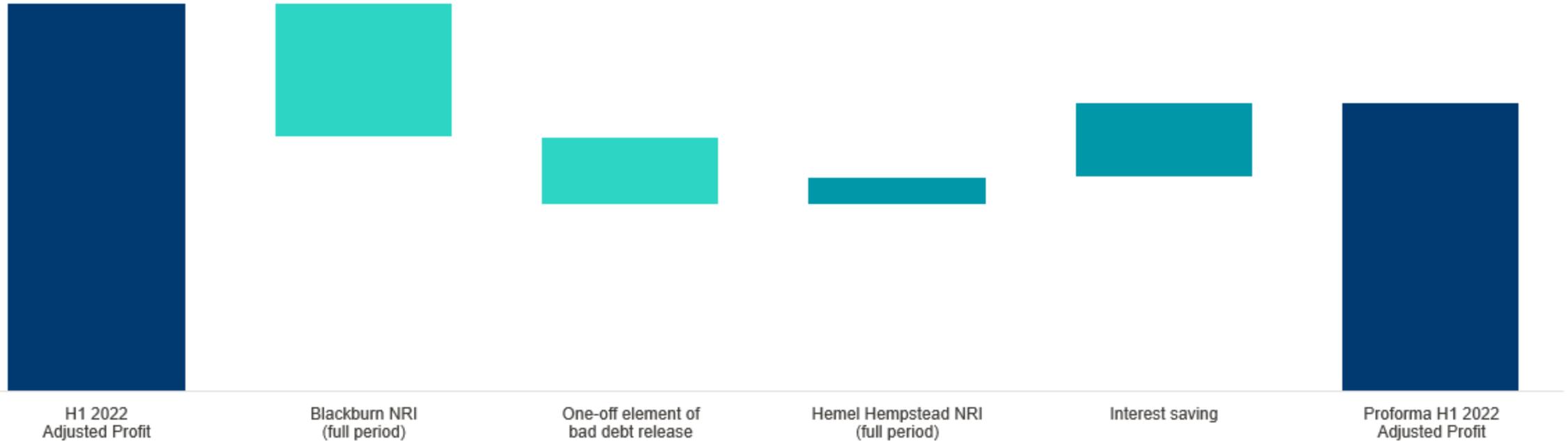


Progress has enabled release of net c £1m of December 2021 provisions

Group Adjusted Profit – Impact of Transactional Activity

H1 2022 Adjusted Profit

■ Increase ■ Decrease

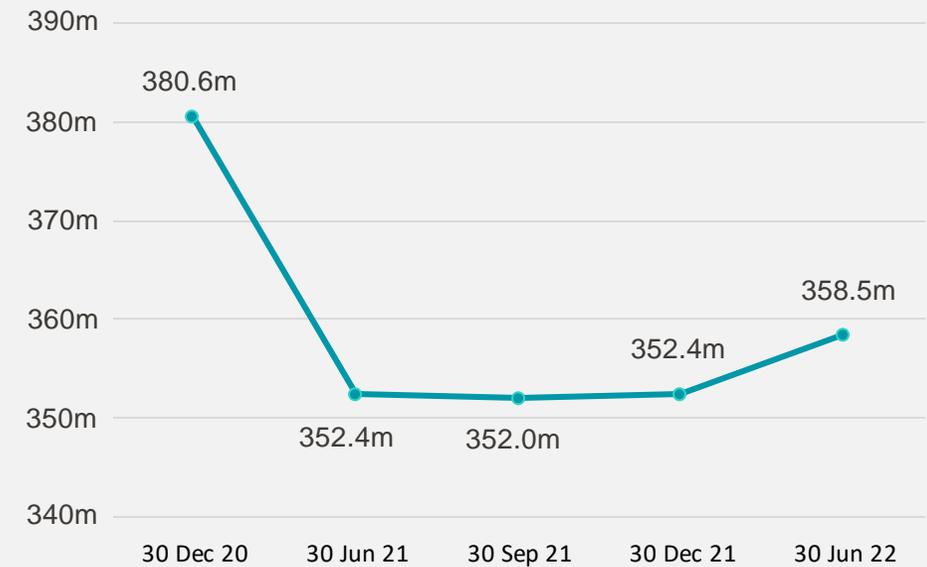


✓ In total there are net items of approximately £1.5m in H1 2022 Adjusted Profit that will not recur on an ongoing basis

Valuations Stable since June 2021

	30 June 2022			30 December 2021			Like for like variance (%)
	£m	NIY (%)	NEY (%)	£m	NIY (%)	NEY (%)	
Maidstone	36.2	9.98%	11.35%	36.2	10.44%	11.22%	-
Walthamstow	101.6	5.59%	6.51%	100.4	5.84%	6.55%	+1.2%
Wood Green	150.8	7.41%	6.88%	148.9	7.33%	6.88%	+1.3%
Hemel Hempstead	11.0	13.23%	17.43%	10.5	12.49%	18.20%	+4.8%
Ilford	58.9	4.64%	7.29%	56.4	5.86%	7.99%	+4.4%
INVESTMENT ASSETS	358.5	6.88%	8.09%	352.4	7.21%	8.29%	+1.7%
Blackburn	39.4	11.23%	12.86%	38.2	12.10%	13.24%	+3.1%
Luton	79.0	9.54%	11.18%	82.5	11.00%	11.05%	-4.2%
HELD FOR SALE/ OTHER ASSETS	118.4	10.09%	12.57%	120.7	11.21%	12.57%	-1.9%

Investment Assets



- ✓ Asset values have been stable since H1 2021 after four years of declines
- ✓ Investment Assets +1.7% for H2 2022





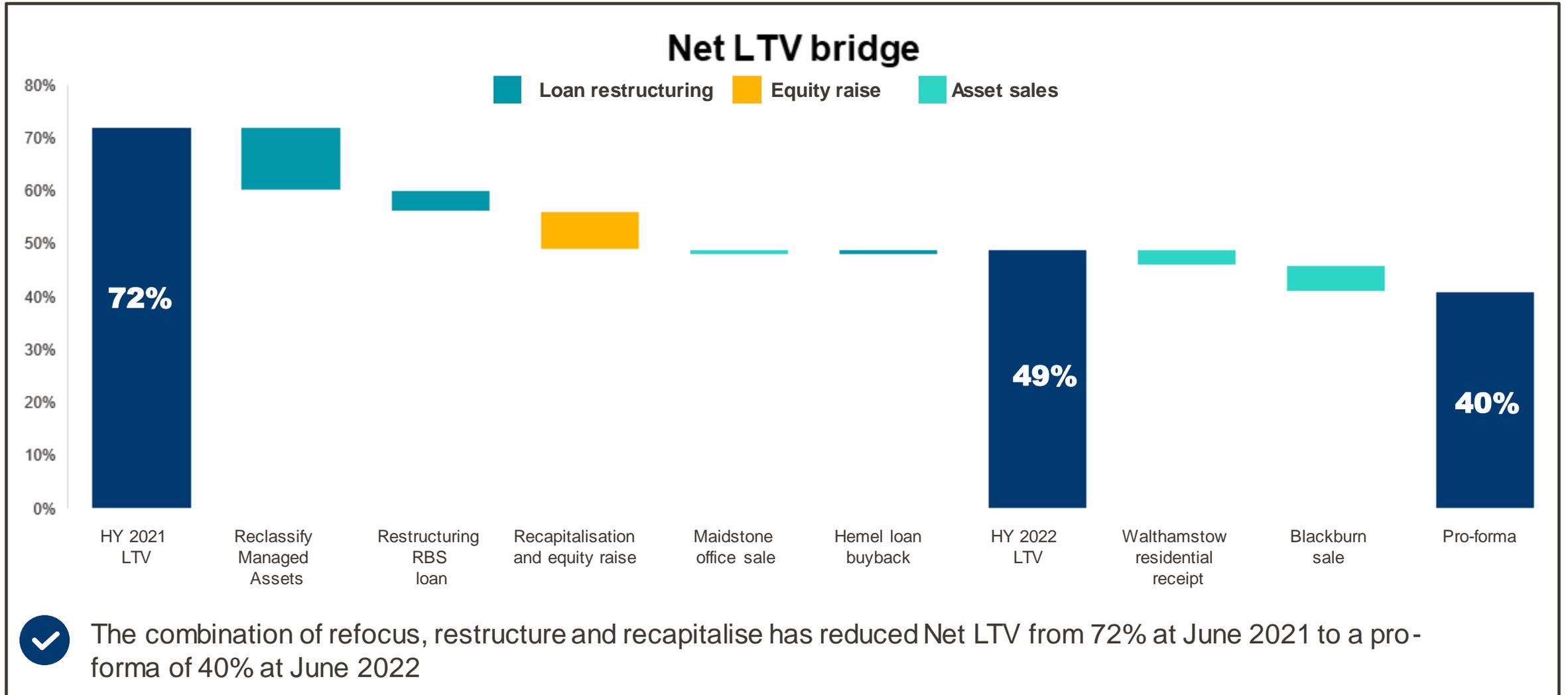
REFOCUSED



REPOSITIONED



RESET



Rebased Long Term Debt Position

	Debt £M	Cash £M	Net debt £M	LTV %	Net LTV %	LTV Covenant %	Interest %	Fixed %	Maturity	Status
Proforma at 30 June 2022										
The Mall - Maidstone, Walthamstow, Wood Green	140.0	(9.3)	130.7	52%	49%	70%	3.45%	100%	Jan 27 +12m	All covenants waived until Nov 2023 12m conditional extension option
Ilford	39.0	(8.4)	30.6	66%	52%	70%	3.51%	100%	Mar 24 +18m	All covenants waived until Jan 2023 18m conditional extension option
Hemel Hempstead	4.0	(1.4)	2.6	36%	24%	50%	6.92%	-	Jun 25	
Central cash (incl. Snozone)	-	(27.4)	(27.4)	-	-	-	-	-	-	
TOTAL	183.0	(46.5)	136.5	54%	40%		3.54%	98%		

- ✓ The Mall – loan reduced by £52.9m from Blackburn and Walthamstow residential receipts
- ✓ Ilford - amended loan agreement signed in May 2022 to support capital investment
- ✓ Hemel Hempstead – new loan drawn in July 2022 to part fund discounted debt buyback

Resumption of Dividend

Improved operational performance, valuation stability and restructuring activity have enabled reinstatement of the dividend

97.3%

YTD 2022
Rent Collection

+1.7%

H1 22
movement in
Investment
Assets

40%

Proforma Net
LTV

2.5p

Interim
Dividend

- ✓ Interim Dividend of 2.5p per share
- ✓ Dividend for second half expected to be around similar level
- ✓ Dividend policy to pay at least 90% of EPRA profits for total FY2022 dividend



Improved operating
performance and
stabilisation of values



Completed restructuring
of Balance Sheet



Reinstated Dividend

BUSINESS UPDATE

Lawrence Hutchings
Chief Executive



**CAPITAL &
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SUPPORTING COMMUNITY LIVING.

Community Strategy Driving Our Performance

Focus on needs-based retail and services – our vibrant trading places



Community strategy

Accelerate remerchandising, repositioning and rebranding into non-discretionary and services



Occupational costs

Affordable, sustainable rents and service charges



Repositioning

Delivering innovative, creative, relevant repositioning capex projects in support of repositioning and remerchandising



Customer proposition

Relentless focus on improving our interiors, merchandising, centre services store fitouts, ESG performance and community support

Footfall Recovering Towards 2019 Levels

Community strategy underpins benchmark outperformance

Footfall is recovering towards 2019 levels



YTD footfall performance vs 2019 keeps improving since Jan



Wood Green YTD footfall 4% higher than 2019



Signs of rebuilding footfall in Q1 2022, significant variance between stabilised and development impacted centres

Leasing Values and Volumes maintain Positive Trajectory

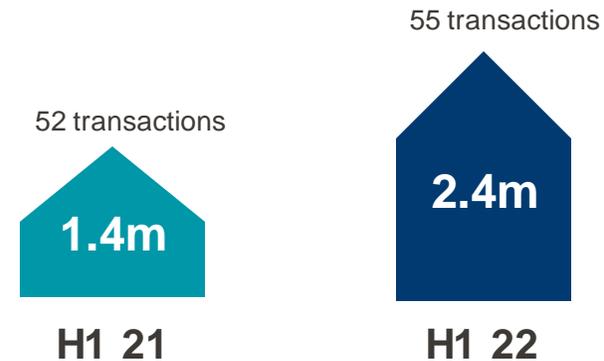
2022 PERFORMANCE (TO 30 JUNE 2022)

New lettings	41	£1.9m
Renewals settled	14	£0.5m
Total	55	£2.4m
Comparison to previous rent ¹		+34.1%
Comparison to ERV ¹		+17.8%
Weighted average lease length to expiry	6.5	years
Weighted average lease length to break	4.8	years

Leasing Spreads to ERV¹



Leasing Transactions - Volumes and Values



- ✓ 2022 H1 Transaction volumes is the highest since 2017
- ✓ 2022 H1 has similar leasing spreads as 2021 H1

¹ 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.

Robust Leasing Performance Rebuilding Occupancy

Retailer demand continues to recover in our key categories

New lettings & renewals

55

Signed

£2.4m

Headline rent

65

Lawyers instructed

£3.2m

Headline rent

19

Heads of Terms Agreed

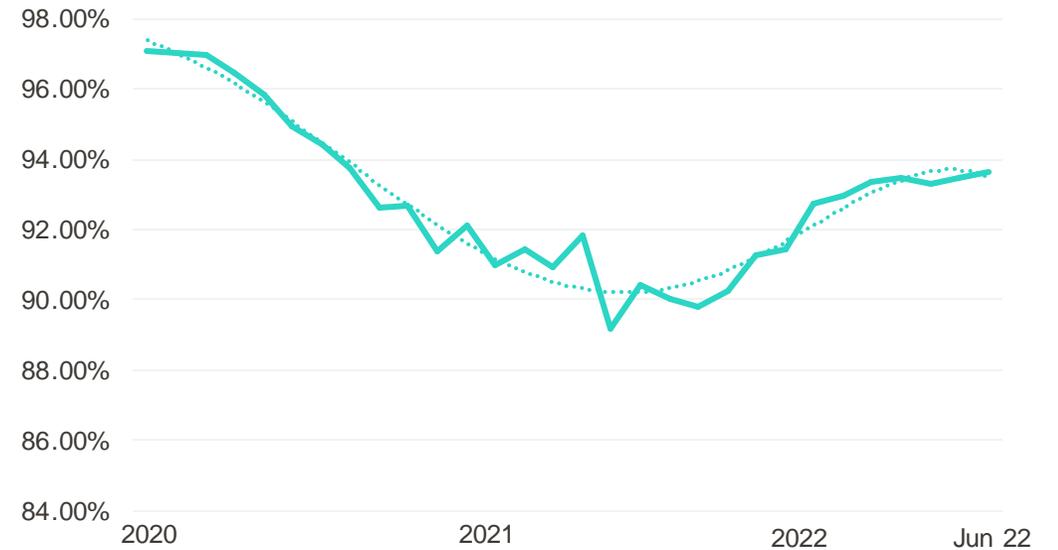
£1.2m

Headline rent

139

£6.8m

Occupancy in centres recovering from lows of early 2021

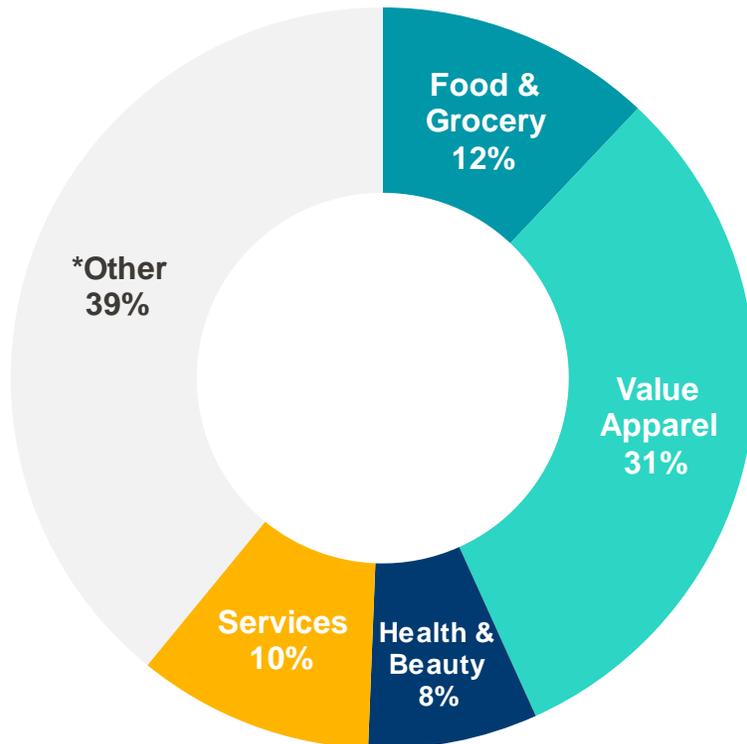


- ✓ Volumes and values enabling a rebuilding of occupancy above December 2020 levels
- ✓ Continued momentum in H1 2022 following productive H2 2021
- ✓ 22% of deals signed belong to Food & Grocery category

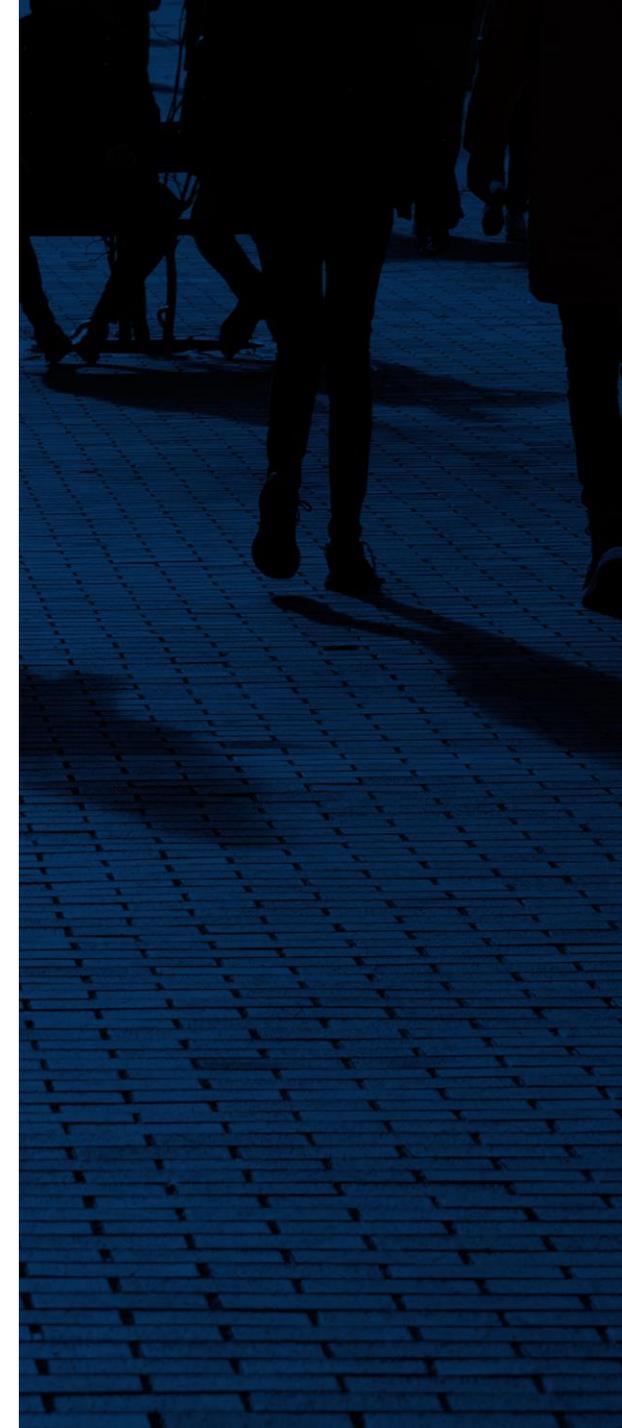
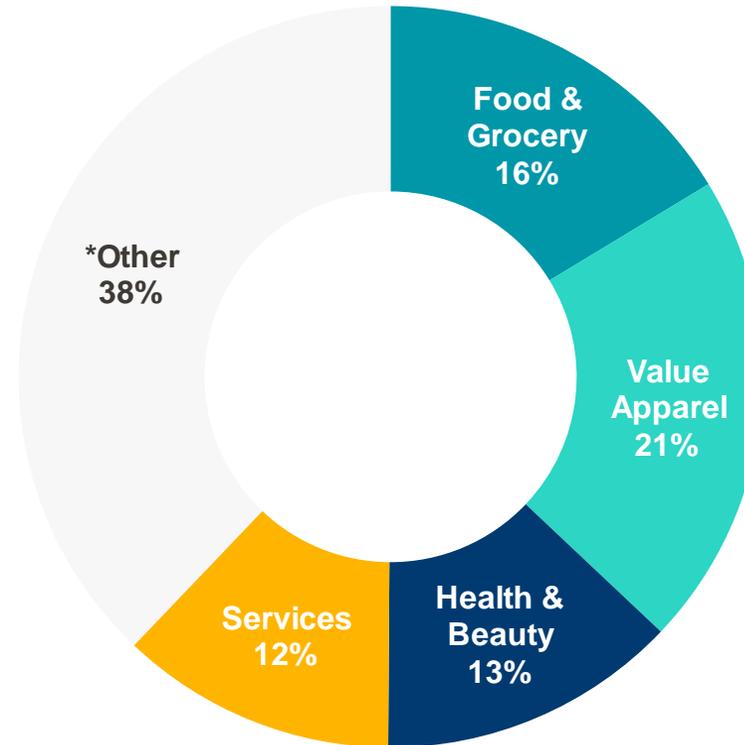
Delivering Significant Remerchandising Progress

Increase in store and income representation in key community categories including: Grocery, Pharmacy and Services

2017 Customer Proposition



2022 Customer Proposition



Diversified Income Lead By Well Capitalised Retailers

TOP 10 OCCUPIERS BY CONTRACTED RENT	% OF RENT	STORES
	4.45%	3
	3.97%	14
	3.58%	5
	3.50%	3
	3.28%	3
	3.25%	3
	2.65%	7
	2.35%	1
	2.19%	2
	2.14%	1



Pharmacy and Health growing categories



Significant shift in quality of income exposure by retailer



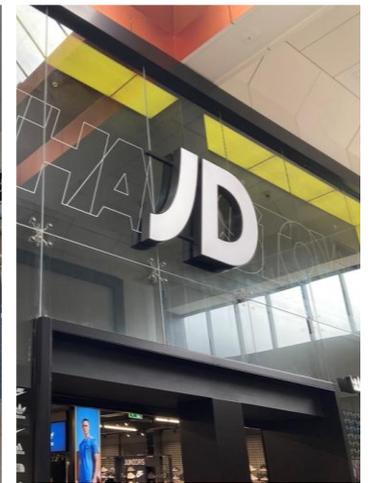
Strong focus on value and essential retailers – cost-of-living crisis



NHS post Ilford and Wood Green will join Top 10 Occupiers

New Speciality Store Formats And Fitouts

Combination of leading national and local operators





- Continued recovery in operating performance
- Madrid fully integrated and profitable following Covid disruption
- H1 EBITDA £0.8m (2021 £0.8m supported by £2.5m insurance receipt)
- Forward bookings for peak winter season indicate further recovery in EBITDA
- Sector leading in ESG:
 - Planted over 7,000 trees
 - Venues removed use of disposable plastic
 - Utility consumption -8% v 2019

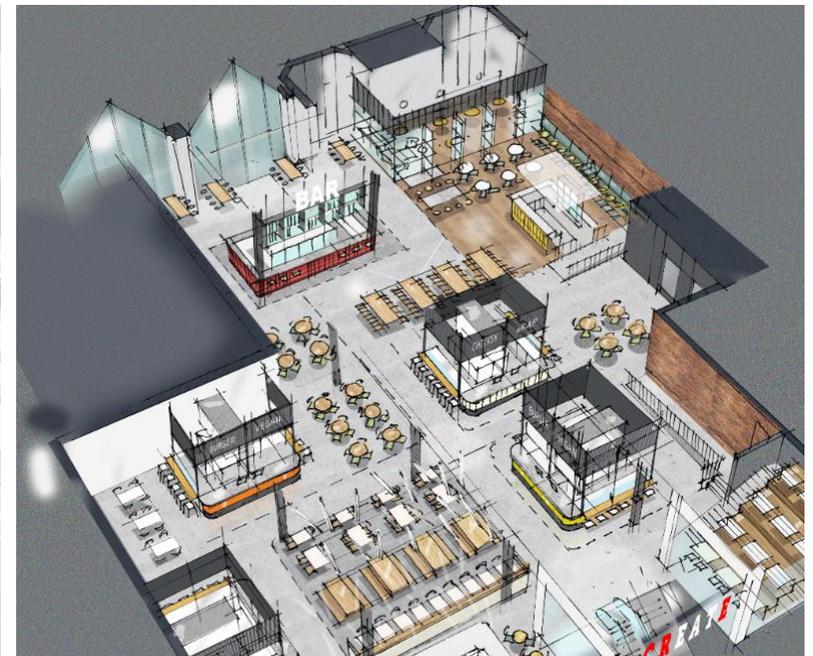


Food Catering

Redefining food service delivery in community centres

Walthamstow Food Hall

- Heads of Terms now agreed with Crate
- 16,000 sq ft 7 street eats operators alongside an in-house bar and coffee kiosk
- Crate are leading local operators with an established existing facility nearby
- Sub lease kiosks to leading food operators
- Community event spaces, mother and infant classes to exhibitions and live events
- Leisure offering and comedy / live music offering
- Outdoor terrace
- Supporting Council's investment in creating an evening economy



Food Catering

Redefining food service delivery in Community centres

Wood Green express food

- Development of under-utilised bridge link space to create 6 street-eats style kiosk units totalling approx. 1,200 sq ft
- 50% pre-let, before marketing externally
- Operators include a café, Asian noodle bar and Indian cuisine. Targeting other street-eat F&B offers to bring unique local offers to the upper mall
- Area includes communal seating
- Addressing demand for food catering
- Innovation in concepts, design and leasing

**Further major food initiatives
under development for Ilford and Hemel**



Health Care and Medical Services

Primary care and diagnostics facilities supporting the NHS to deliver accessible local health services

Wood Green

- First diagnostic facility in a UK shopping centre opening in Q3 2022
- Lease Exchanged for Phase 1 – 15-year term to the NHS for ground floor unit (circa 5,000 sq ft)
- Progressing on Phase 2 – basement space

Ilford

- New anchor: Modern primary care healthcare facility (20,000 sq ft).
- Agreement for lease exchanged. Planning application lodged
- Top floor location driving traffic to and throughout the centre
- Creates further ancillary use potential in adjoining units – e.g. health hub
- 25-year lease with indexation to NHS Trust
- Start on site November 22 for June 24 completion

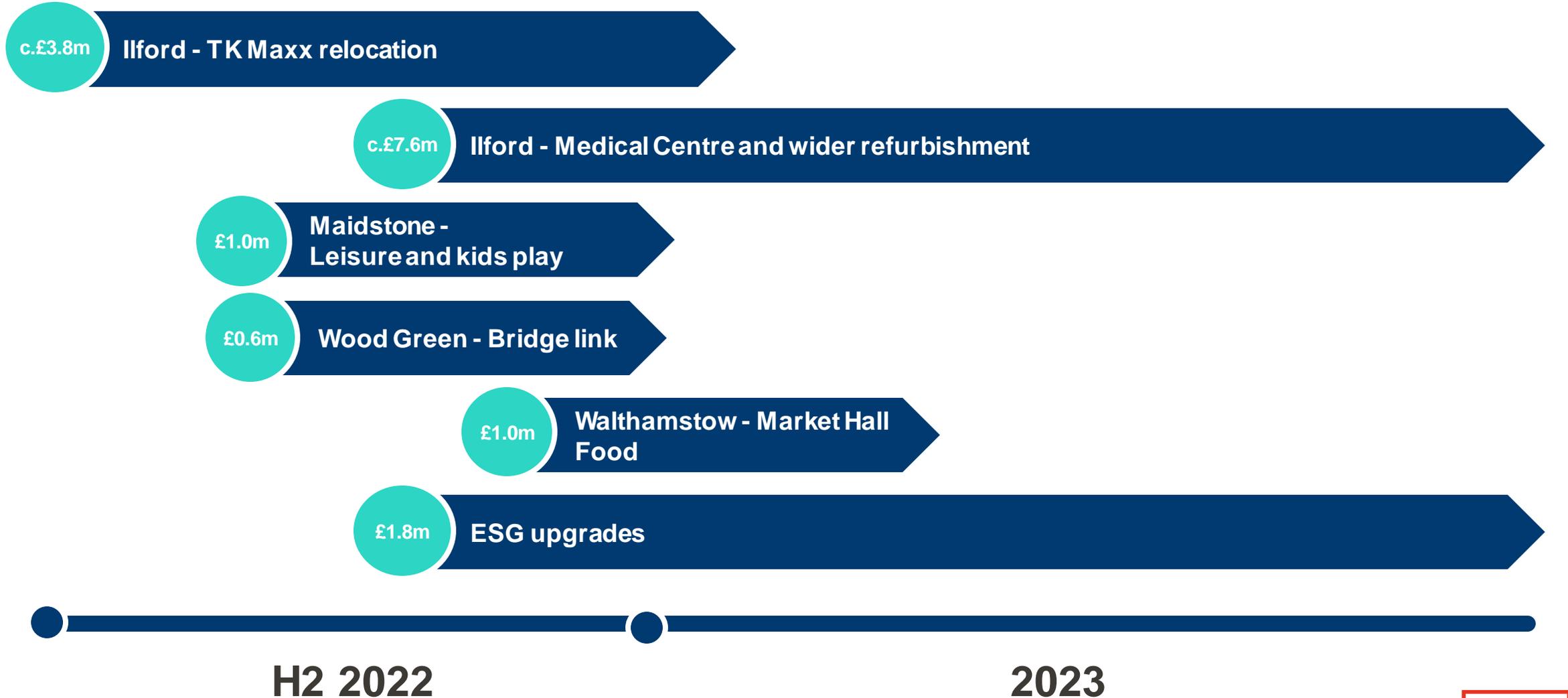
Portfolio

- Further Diagnostics and Primary care facilities in advanced discussion



Repositioning Capex Programme

Pipeline of transformational accretive repositioning projects driving income and value growth



Repositioning and Value Creation

Continued focus on unlocking mixed use value potential building on Walthamstow success

Walthamstow Mixed Use

- Phase 1: Twin Tower, 495 residential apartments
- Deal completed with Long Harbour
- £21.65m land receipt
- Site set-up commenced
- Construction commence in late summer

Future Phases

- Planning consent in place
- 40,000 sq ft additional retail
- 43 residential apartments
- New entrance to Victoria Line station

Future Residential Projects

- Architects appointed with FEC on three assets to establish further residential projects
- Increasing density on both existing and adjoining sites
- Residential, Hotel, serviced apartments and offices
- Early-stage engagement with local authorities
- Initial focus on existing portfolio



ESG Strategy Progress

Our Environmental Impact

- ➡ Established Net Zero Pathway
- ➡ Better Buildings Partnership (BBP)
- ➡ Committed first phase projects - allocated capex funding for delivery 2022/23
- ➡ Increased focus and energy throughout our business
- ➡ Supporters of TCFD



Engagement and Connectivity

- ➡ Supported 239 charities and community groups
- ➡ RoSPA President's (11 consecutive annual Golds) Award
- ➡ Supporting Purple 365, a certified disability training and development resource for all employees
- ➡ 719 volunteering hours in H1



Total Emissions
-41% vs 2019



Total Energy Consumption
-26% vs 2019



Scope 1 H1: Natural Gas Consumption
-42% vs 2019



Scope 2 H1: Electricity Consumption
-21% vs 2019



RESET



Balance Sheet Stability



Operational Resilience



REFOCUS



Dividend Reinstated



Accelerate Community Strategy



Refocus Management Platform



REPOSITION

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Forward Looking Statement

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties.

Actual future results may differ materially from those expressed in or implied by these statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of government regulators and other risk factors such as the Group's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Group operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this document.

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