CATELLA APAM

INTU DEBENTURE PLC –
H2 2021 Business Plan Update

30 June 2021

www.apamuk.com

DISCLAIMER

This presentation has been prepared by APAM Ltd ("APAM") working with intu Debenture Plc and its Subsidiaries (the "Debenture Group"). This presentation contains forward looking statements, including opinions, estimates and projections regarding the financial position, business strategy, plans and objectives of management and future operations of Debenture Group. Such forward looking statements involve known and unknown risks, uncertainties and other factors that could cause annual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward looking statements contained in or referred to as part of this presentation. All forward looking statements included in this presentation speak only as of the date of this presentation and are based on assumptions which may or may not prove to be correct. No representation or warranty, express or implied, by APAM or the Debenture Group is made with respect to the completeness, correctness, reasonableness or accuracy of this presentation (Including any opinions). This presentation is subject to change without notice by APAM or the Debenture Group, it may be incomplete or condensed and it may not contain all material information concerning the Debenture Group. APAM and the Debenture Group does not undertake any duty or obligation to update or revise this presentation or any forward-looking statement within it, whether as a result of new information, future events or otherwise. Any liability, including in respect of direct, indirect or consequential loss or damage, of APAM and the Debenture Group or any of their connected persons relating to this presentation is expressly excluded.

CONTENTS

APPROACH & METHODOLOGY

<table>
<tr><th>Key Area</th><th>Commentary</th></tr>
<tr><td>BUSINESS PLAN UPDATE PROCESS</td><td>
❖ There remains significant occupational and investment market uncertainty in relation to the assets.
❖ As the economic recovery from Covid-19 progresses, there remains concern over the credit worthiness of a number of occupiers.
❖ Investors remain risk averse, particularly in relation to fashion dominated schemes with large voids.
❖ Therefore the Business Plan, which covers the period H2 21 to FY23 should continue to be taken as directional only.
❖ Recognition also that from a strategic perspective there is likely to be limited appetite or capital for any fundamental repositioning or repurposing of the assets, therefore the Business Plan has been approached with a “cash is king” mentality and that the assets should be self financing as far as possible.
❖ This plan is a refresh of the Business Plan presented to Stockholders in December 2020.
❖ The plan has undergone an extensive review process within APAM / Debenture Group, and A&M to add further rigour to the process.
❖ There is economic uncertainty as the UK comes out of the Government Covid-19 restrictions and business support is withdrawn. The execution risk of the Business Plan remains high because of this, due to the resulting leasing and future tenant failure risks.
</td></tr>
<tr><td>H1-21 TRADING PERFORMANCE</td><td>
❖ A summary of the collections for H1 2021 is:

Rent collections were 42% for Q1 2021 and 53% for Q2 2021, which combined is an improvement against forecast (c. £700k), APAM collected an additional c. £2m of rent arrears against the Business Plan.
SC collections were 48% for Q1 and 48% for Q2, which combined is a slight reduction against forecast (c. -£270k), APAM collected an additional c. £2.9m of SC and insurance arrears against the Business Plan.
As a result of savings and deferred payments, the service charge expenditure in Q1 2021 was below budget by the below amounts and the cashflow has benefited as a result.

<table>
<tr><th>Centre</th><th>Budget Reduction (£m)</th><th>% Reduction</th></tr>
<tr><td>Eldon Square</td><td>0.6</td><td>27%</td></tr>
<tr><td>Potteries</td><td>0.2</td><td>24%</td></tr>
<tr><td>Xsite</td><td>0.3</td><td>61%</td></tr>
<tr><td>Total</td><td>1.1</td><td></td></tr>
</table>
❖ Throughout H1 2021 there has been a significant amount of leasing activity, which can be summarised as follows:

APAM has made 97 recommendations during the quarter, totaling 157 since appointment.
11 new leases completed within the quarter, securing £0.6m pa of additional rent.
15 renewals have completed at a rental of £0.6m pa below previous rent passing.
7 lease concessionary variations and 13 rent changes occurred during the quarter resulting in a net decrease of £0.7m pa.
Overall net income reduced from £28.4m pa to £26.6m pa in line with budget.

</td></tr>
</table>

MARKET BACKDROP

Key Area	Commentary
SHOPPING CENTRE MARKET BACK DROP	❖ As the retail market started to open up from lockdown, there was increased interest from retail and food and beverage operators taking advantage of numerous opportunities in an occupier friendly market to add to their portfolio. In the last few weeks, we have seen this start to slow, either as a result of operators needing time to digest the number of opportunities being presented or ambition being dampened after the initial opening up period. ❖ The Government has extended the moratorium on landlords in England using forfeiture as a remedy for non payment of rent to 25 March 2022. In Scotland, the extended pre-irritancy notice period of 14 weeks (extended from 14 days) will remain until March 2022. ❖ The extension of the moratorium will give tenants some breathing space on cost pressures as the furlough scheme and the concession on business rates are phased out. Sentiment is generally positive since lockdown was eased with several retailers reporting like for like sales on a par with 2019. Footfall remains below pre-pandemic levels but conversion rates and basket sizes have increased. The unknown factor is how long this rebound from lockdown will last and there remains concern we might see a further round of administrations and CVAs. ❖ The supply of shopping centres to the market has been relatively controlled and has been less than the levels expected at the end of 2020. The sales have largely been driven by debt issues. ❖ Centres being brought to the market are generally transacting however, with few exceptions, they have tended to be small lot sizes (less than £50M) with pricing at low levels (average £90psf). There have been 36 deals raising £500M compared to £340M of sales for the whole of 2020. Liquidity has been found where a centre has a strong occupational story or where there is a viable re-purposing angle. Investors remain very cautious on occupational uncertainty. For fashion orientated schemes with voids and no obvious leasing or re-purposing solutions, liquidity remains challenged. Buyers tend to be HNWs or private equity funded. ❖ Despite low interest rates, the shopping centre investment market continues to be a challenging place to secure senior debt with a scarcity of lenders. Debt for this sector will remain scarce for some time until at least a degree of certainty returns to cashflows severely limiting the pool of private equity, prop co and private investors. ❖ Over the past 6 months, yields for regional shopping centres have continued to move out c. 150bps from 7.00% to 8.50% and for sub regional shopping centres c. 75+bps from 8.25% to 9.00%+ with both continuing to trend outwards. ❖ Looking to H2 2021, we expect to see yields continue to soften however as lockdown continues to ease, the economy recovers and the extent of the fall out on the occupational market from the crises starts to become clear, we expect the market to reach a floor from which investors will be prepared to take on more risk. As the year progresses, we expect an increased level of stock will come to the market from motivated/distressed sellers, particularly with secondary assets. ❖ In the medium term, as the retail market recovers from the economic shock of Covid-19, rents are rebased and retailers have a sustainable cost base, continued low gilt rates provide an opportunity for yields to tighten and greater liquidity to return. ❖ Local authorities continue to have their own financial challenges and the Government is increasingly dissuading them from investing in commercial property. Institutions and REIT's remain sellers and most overseas buyers do not consider secondary retail stock. With Eldon Square and Potteries being fashion focused, occupational issues with former Debenhams stores and low alternate use values, at this time it remains difficult to identify buyers for the Debenture Group assets.

STRATEGY

Given current illiquidity for large lot size and/or fashion orientated schemes with limited re-purposing potential, the Debenture Group has updated the remaining 2.5 year Business Plan to build a stabilised cashflow, exploit value accretive opportunities and sell into a more balanced and liquid market.

<table>
<tr><th>Key Area</th><th>Commentary</th></tr>
<tr><td>METHODOLOGY</td><td>

Asset level cash flows modelled and consolidated on a Debenture Group basis, with the exception of VAT and professional fees which are overlaid at a group level.
Eldon Square cashflow includes a 40% payment to the council as participation rent under the headlease.
The modelling approach is summarised below by key line item:

<table>
<tr><th>Item</th><th>Modelling Approach</th></tr>
<tr><td>Rent</td><td>Tenant-by-tenant analysis and forecast assumptions, including consideration to non-cash Incentives.</td></tr>
<tr><td>Void costs</td><td>Project void costs based on granular tenant and leasing assumptions.</td></tr>
<tr><td>OpEx</td><td>Modelled on an itemised basis with consideration and analysis of outstanding creditor positions following transition.</td></tr>
<tr><td>CapEx</td><td>A number of CapEx initiatives have been identified to provide increased occupancy, lower void costs and to support value.</td></tr>
</table>
</td></tr>
<tr><td>SHORT-TERM (JUL 2021 - DEC 2021) FOR ELDON SQUARE, POTTERIES AND XSITE</td><td>

Increase rent and service charge collection rates.
Reduce arrears.
Maintain occupancy.
Cost management.
Achieved through re-gears, renewals and concessions, by maintaining communication with at risk tenants, managing service charge expenditure, and rates mitigation practices.
These actions are to reduce volatility in the NOI and to present a stabilised income profile.

</td></tr>
<tr><td>LONG-TERM (DEC 2021 - DEC 2023)</td><td>

Increase occupancy.
Invest in asset enhancement initiatives that deliver cashflow and value upside.
Deliver a liquidity point for Stockholders at the optimum exit price.
2.5 year hold projected but will continue to re-assess strategy every 6 months.

</td></tr>
</table>

KEY METRICS

Portfolio Metrics	Business Plan Start (Q4 2020)	Q2 2021	Business Plan End (Q4 2023)
Units*	394	384	378
Vacant Units*	117	66	48
Area (m sq ft)	2.24	2.37	2.36
Occupied Area (m sq ft)	2.05	2.09	2.29
Vacant Area (m sq ft)	0.20	0.28	0.07
Occupancy Rate (ERV)	94%	92%	98%
Occupancy Rate (Area)	91%	88%	97%
ERV Vacant Units (£m pa)	1.68	2.25	0.62

* The difference in Units and Vacant Units from Q4 2020 to Q2 2021 is as a result of commercialisation units being combined in the tenancy schedule.

BUSINESS PLAN
CASH FLOW

H1 2021 ACTUALS

£m	BP FORECAST (Q1 – Q2 2021)	ACTUALS (Q1 – Q2 2021)	Difference	Comments
Cash NRI	9.09	11.80	2.72	Improved rental income, surrender premiums and arrears collections ahead of forecast.
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(7.48)	(4.36)	3.12	An additional £2.6m of service charge and arrears was collected compared to forecast. Additionally service charge and rates savings reduced payments within the period by £400k.
Centre Costs	(4.13)	(2.11)	2.02	Positive permanent variance of £2m related to reduced marketing spend, utilities and lettings fees as a result of the centres being closed.
CapEx	(1.52)	(0.02)	1.50	Deferral of Eldon Square CapEx to Q3 21 (£1.3m) and roof repairs at Bridlesmith Gate were lower than forecasted.
VAT	(0.46)	2.71	3.17	Significant bad debt VAT relief claimed and addition VAT received due to variances stated above.
Other (Inc Headlease)	(1.75)	(0.42)	1.33	Related to a deferment of participation rent, audit fees, tenant refund and other creditors, all of which are expected to unwind within the next 12 months.
Net cashflow (pre-exceptional items)	(6.25)	7.61	13.86	
Professional fees	(3.60)	(2.90)	0.70	Costs of the restructuring transaction were not incurred due to the delay in implementation.
Exceptional items (i.e restructuring transaction costs and one off items)	(0.32)	-	0.32	
Net cash flow	**(10.16)**	**4.70**	**14.87**	
Opening Balance	10.90	10.90	-	
Net Sales Proceeds	-	-	-	
Net cash flow	(10.16)	4.70	14.87	
Closing cash/available liquidity	**0.74**	**15.61**	**14.87**	

APAM
Specialist in UK Real Estate

COMPARISON OF UPDATED BUSINESS PLAN TO PREVIOUS VERSION

£m	Dec 2020 BP (Q3 2021 – Q4 2023)	Jun 2021 BP (Q3 2021 – Q4 2023)	Difference	Comments
Cash NRI	61.41	60.35	(1.06)	Projected arrears collections have been increased by c. £4.8m as further payment plans and concessions are expected to be agreed with tenants. Rent collection rates have been reduced from 95% for Q3 and Q4 2021 to 76% due to the extension of the moratorium on forfeiture for non payment of rent. Rent collection rates increase to 90% for 2022 and 95% thereafter.
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(17.14)	(19.99)	(2.85)	Overall void costs have increased due to increased projection in void periods and lower SC collection rates (in line with the rent collection rate of 76% for 2021).
Centre Costs	(6.99)	(9.84)	(2.85)	Increase in legal, letting and operational fees (£2.65m) for the remainder of the hold period and outstanding £200k payment of energy deposit previously projected for Q1 2021 now assumed to be paid in Q3 2021.
CapEx	(16.83)	(21.77)	(4.94)	Additional £2.9m has been included for future CapEx and Capital contributions for 8 new lettings (Eldon 5, Potteries 2 and Xsite 1) and £2m increase to CapEx previously projected.
VAT	(0.82)	(0.89)	(0.07)	
Headlease	(13.11)	(12.87)	0.25	
Other	(0.38)	(3.66)	(3.28)	Additional £2m provision for insurance, tax and audit fees not previously projected and £1.2m outstanding creditors expected to unwind in Q1 2022.
Net cashflow (pre-exceptional items)	**6.14**	**(8.67)**	**(14.81)**	
Professional fees	(0.05)	(1.34)	(1.29)	Costs previously provisioned to be incurred in Q1 2021 now projected to be paid in Q3 2021 (£1m), in addition to provision added for costs and delays to the transfer (£500k).
Exceptional items (i.e restructuring transaction costs and one off items)	-	(0.25)	(0.25)	
Net cash flow	**6.09**	(10.26)	(16.34)	
Opening Balance	0.74	15.61	14.87	The large difference in opening cash is due to a combination of improved rent, service charge and arrears collection, cost savings, the delay to the restructuring transaction, and other cash preservation initiatives all detailed in the latest Q1 2021 Quarterly Report and on slide 9.
Net Sales Proceeds	2.00	1.80	(0.20)	Reduction in Bridlesmith Gate projected sale price.
Net cash flow	6.09	(10.26)	(16.34)	
Closing cash/available liquidity	**8.83**	**7.15**	**(1.67)**	

SUMMARY CASH FLOW

FORECAST CLOSING CASH (EXCL. DEBT SERVICE) FOR THE PERIOD TO 31 DECEMBER 2023

£m	Q3 2021	Q4 2021	FY22	FY23	Total
Cash NRI*	6.69	5.23	25.90	22.52	**60.35**
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(2.39)	(3.51)	(8.46)	(5.63)	**(19.99)**
Centre Costs	(1.37)	(0.87)	(3.78)	(3.83)	**(9.84)**
CapEx	(3.19)	(3.22)	(9.46)	(5.90)	**(21.77)**
VAT	(1.45)	(0.21)	0.66	0.11	**(0.89)**
Headlease	(1.60)	(1.13)	(4.82)	(5.32)	**(12.87)**
Other	(0.21)	(0.08)	(2.30)	(1.06)	**(3.66)**
Net cashflow (pre-exceptional items)	(3.50)	(3.79)	(2.27)	0.89	**(8.67)**
Professional fees	(1.34)	-	-	-	**(1.34)**
Exceptional items (i.e. restructuring transaction costs and one off items)	(0.25)	-	-	-	**(0.25)**
Net cash flow	(5.10)	(3.78)	(2.27)	0.89	**(10.26)**
Opening Balance	15.61	12.31	8.53	6.26	**15.61**
Gross Sale Proceeds	1.80	-	-	-	**1.80**
Net cash flow	(5.10)	(3.78)	(2.27)	0.89	**(10.26)**
Closing cash/available liquidity	**12.31**	**8.53**	**6.26**	**7.15**	**7.15**
Minimum cash balance	12.31	8.53	2.80	4.86	**2.80**

*Cash NRI is higher in FY22 compared to FY23 as a result of historic arrears being collected.

UPDATES TO THE BUSINESS PLAN

- Higher opening balance in Q3 2021 due to increased collections and lower costs in Q1 and Q2 2021 actuals (details provided within the Q1 2021 Quarterly Update Report and on slide 9).
- Bridlesmith Gate now assumed to be sold in Q3 2021. Proceeds are subject to stamp duty charge and transaction cost.
- Material CapEx spend in 2022 to retain key tenants and support value will only be undertaken if accretive to cash flow and value, further detail is provided in the asset level summaries.
- The settlement agreed with the intu Administrators as disclosed in the RNS dated 14 July 2021 is expected to be offset against amounts due to Debenture Group under the TSA and is therefore excluded from the cash flow forecast.

ELDON SQUARE

Key Metrics	Business Plan Start (Q4 2020)	Q2 2021	Business Plan End (Q4 2023)
Units	191	191	191
Vacant Units	53	30	16
Area (m sq ft)	1.28	1.25	1.25
Occupied Area (m sq ft)	1.19	1.21	1.23
Vacant Area (m sq ft)	0.10	0.04	0.02
Occupancy Rate (ERV)	96%	95%	98%
Occupancy Rate (Area)	92%	97%	99%
Gross Rent less Rent Free (£m pa)	14.64	14.78	17.57
Net Operating Income (£m pa)	11.30	13.40	16.33
ERV Vacant Units (£m pa)	0.82	0.89	0.28

KEY CAPEX INITIATIVES

2021

CapEx for Solar Panel Project, new lettings (inc. H&M) and feasibility studies (£5.21m)

2022

CapEx for new retail lettings (£2.8m) and reletting of Eldon Leisure (£1.5m)

2023

CapEx for reletting of Debenhams unit and new lettings in St Andrew's Way (£4.75M)

STRATEGY

- Asset Management focus will be on retaining occupiers at expiry, increasing occupancy through lettings and driving down expenditure on voids.
- CapEx will be targeted on initiatives that create greatest return.
- Focus on finding solutions for key tenant space, new leisure anchor and securing major lettings for the former Debenhams, St Andrews Way and Grey's Quarter.

LOCAL AUTHORITY ENGAGEMENT

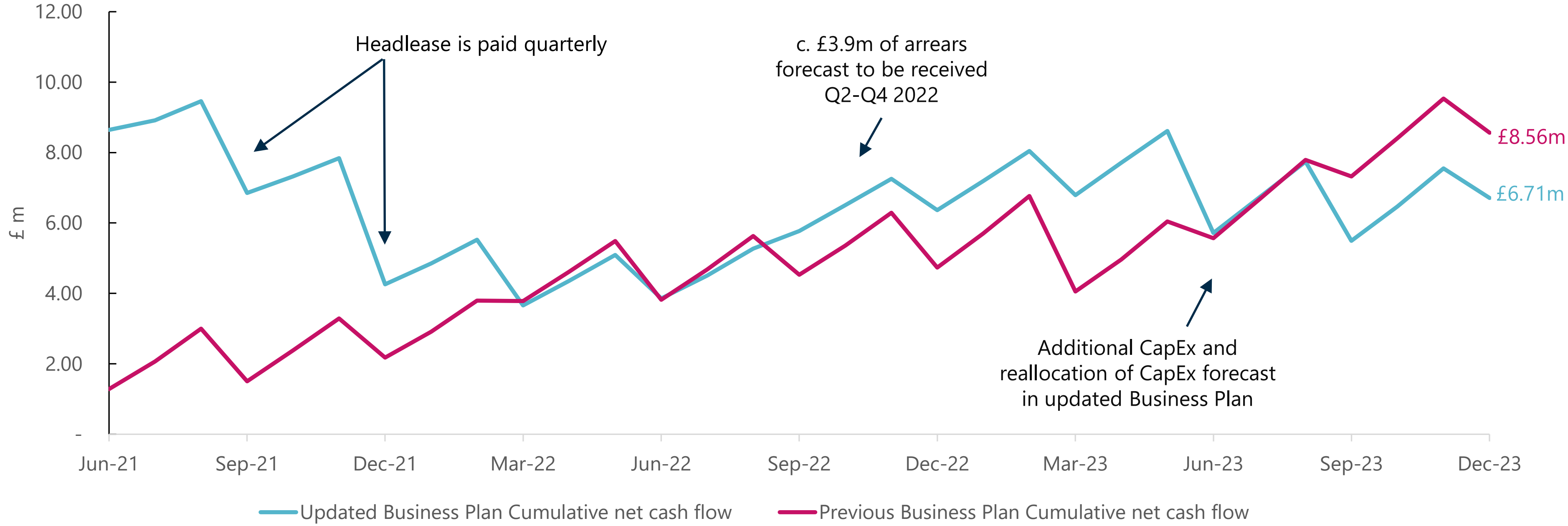
- APAM continues to engage with Newcastle City Council (40% owner) on matters that require its consent/contribution and negotiations continue to ensure NCC contributes its share of CapEx to support cash flow and value.
- A joint Strategic Review is underway with NCC to identify areas of the centre that could be feasibly redeveloped or repurposed in the long term to provide a financially sustainable multi use asset. The Debenture Group will contribute £60k to the cost of the review.
- Given the significance of the site to the local area, NCC would appear to be a logical prospective purchaser of the asset.
- Active discussions to generate more secure income streams continue to take place with public bodies.

UPDATES TO THE BUSINESS PLAN

- Increase in capital contribution for one new letting and CapEx for five other new key deals.
- Ten new letting and four new voids assumptions.

ELDON SQUARE CASH FLOW

£m	Q3 2021	Q4 2021	FY22	FY23	Total
Cash NRI	3.99	3.45	16.88	14.28	**38.59**
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(1.11)	(1.72)	(3.82)	(2.05)	**(8.70)**
Centre Costs	(0.66)	(0.40)	(1.81)	(1.82)	**(4.68)**
CapEx	(2.41)	(2.80)	(4.32)	(4.75)	**(14.28)**
Other (incl. Headlease)	(1.60)	(1.13)	(4.82)	(5.32)	**(12.87)**
Net cashflow	(1.79)	(2.59)	2.11	0.35	**(1.93)**
Opening Balance	8.64	6.85	4.26	6.37	**8.64**
Closing cash/available liquidity	**6.85**	**4.26**	**6.37**	**6.71**	**6.71**



*Eldon Square cashflow includes a 40% payment of NOI to the council as participation rent under the headlease. CapEx is assumed at 60% with NCC contributing an additional 40%. Note that VAT, exceptional (TSA) and valuation costs are captured at a consolidated portfolio level.

APAM
Specialist in UK Real Estate

POTTERIES

Key Metrics	Business Plan Start (Q4 2020)	Q2 2021	Business Plan End (Q4 2023)
Units	150	127	127
Vacant Units	48	21	20
Area (m sq ft)	0.60	0.73	0.73
Occupied Area (m sq ft)	0.53	0.52	0.69
Vacant Area (m sq ft)	0.07	0.20	0.04
Occupancy Rate (ERV)	94%	86%	96%
Occupancy Rate (Area)	89%	72%	95%
Gross Rent less Rent Free (£m pa)	5.76	5.92	5.51
Net Operating Income (£m pa)	1.68	2.45	2.67
ERV Vacant Units (£m pa)	0.39	0.94	0.27

- The difference in units from Q4 2020 to Q2 2021 is as a result of commercialisation units being consolidated in the tenancy schedule.
- The increase in vacant area in Q2 2021 relates to Debenhams vacating.

KEY CAPEX INITIATIVES

2021

Car park roof repairs (£400k) and Lower Mall Feasibility (£100k)

2022

*Debenhams CapEx project (£3m) and new lettings CapEx (£900k)

2023

New lettings CapEx (£750k)

STRATEGY

- The market for the centre is currently illiquid or, at best, liquidity may be found by selling at a significant discount.
- Focus on retaining occupiers at expiry, converting costs only occupancies to rent paying lettings, increasing occupancy through lettings and driving down expenditure on voids.
- Reduce void costs on the Debenhams and lower mall floor areas with meanwhile uses such as charity, community and storage as part of a rates mitigation strategy.
- Through engagement with local stakeholders such as the council, universities and major employers, generate feasible repurposing opportunities for the Debenhams and lower mall floor areas.
- Continue to investigate an alternative strategy of separate sales of the Primark, car park and/or leisure element.

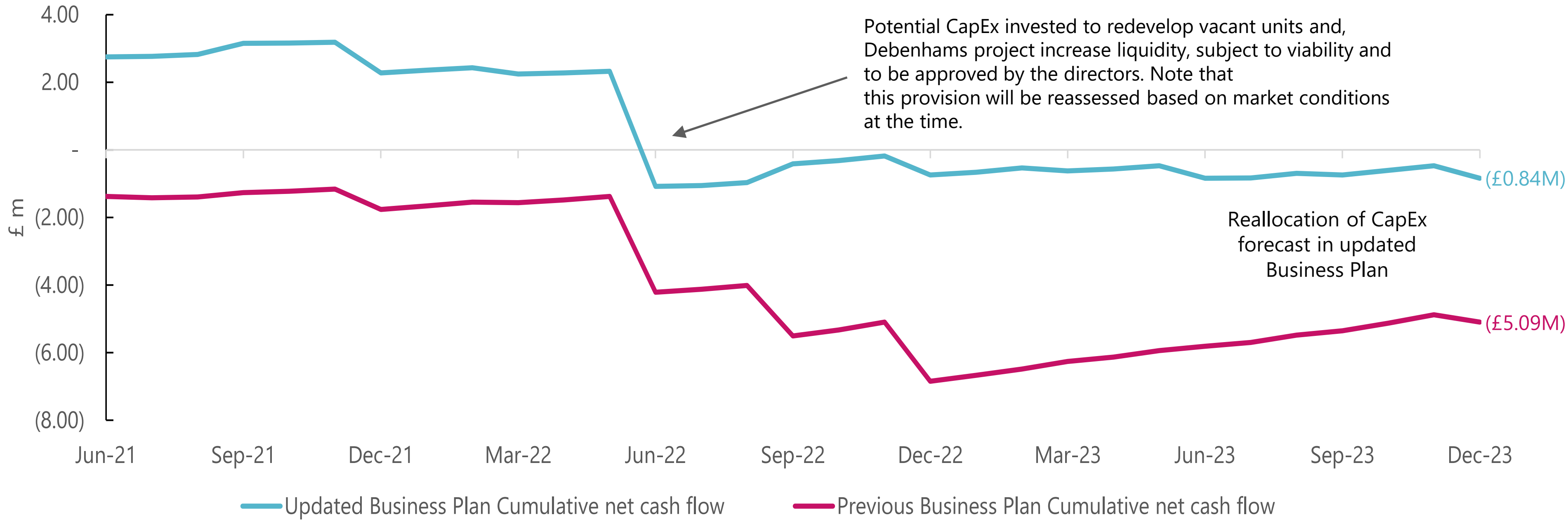
UPDATES TO THE BUSINESS PLAN

- Increase in capital contribution for two new lettings and CapEx for two other new key deals.
- Six key new letting changes and two new break assumptions.

*£3m Debenhams CapEx project forecast to produce an additional £0.85m NOI, additional projected sale proceeds and improve liquidity. Material CapEx spend will only be undertaken if accretive to cash flow and value.

POTTERIES CASH FLOW

£m	Q3 2021	Q4 2021	FY22	FY23	Total
Cash NRI	1.79	1.17	5.90	4.95	**13.80**
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(0.93)	(1.33)	(3.72)	(2.94)	**(8.91)**
Centre Costs	(0.31)	(0.29)	(1.26)	(1.35)	**(3.22)**
CapEx	(0.14)	(0.42)	(3.94)	(0.75)	**(5.26)**
Other (incl. Headlease)	-	-	-	-	**-**
Net cashflow	0.40	(0.88)	(3.02)	(0.10)	**(3.59)**
Opening Balance	2.75	3.15	2.27	(0.74)	**2.75**
Closing cash/available liquidity	**3.15**	**2.27**	**(0.74)**	**(0.84)**	**(0.84)**



*The key strategy for Potteries is to increase value and liquidity. Note that VAT, exceptional (TSA) and valuation costs are captured at a consolidated portfolio level.

APAM

Specialist in UK Real Estate

XSITE

Key Metrics	Business Plan Start (Q4 2020)	Q2 2021	Business Plan End (Q4 2023)
Units	47	60	60
Vacant Units	13	14	12
Area (m sq ft)	0.34	0.38	0.38
Occupied Area (m sq ft)	0.32	0.35	0.37
Vacant Area (m sq ft)	0.03	0.03	0.01
Occupancy Rate (ERV)	89%	88%	98%
Occupancy Rate (Area)	92%	91%	96%
Gross Rent less Rent Free (£m pa)	3.06	3.00	3.57
Net Operating Income (£m pa)	2.19	2.05	3.03
ERV Vacant Units (£m pa)	0.38	0.41	0.07

- The difference in units from Q4 2020 to Q2 2021 is as a result of commercialisation units being separated in the tenancy schedule.

KEY CAPEX INITIATIVES

2021 — Complete repair and maintenance works (£600k)

2022 — CapEx for new lettings (£1.2m)

2023 — CapEx for new lettings (£400k)

STRATEGY

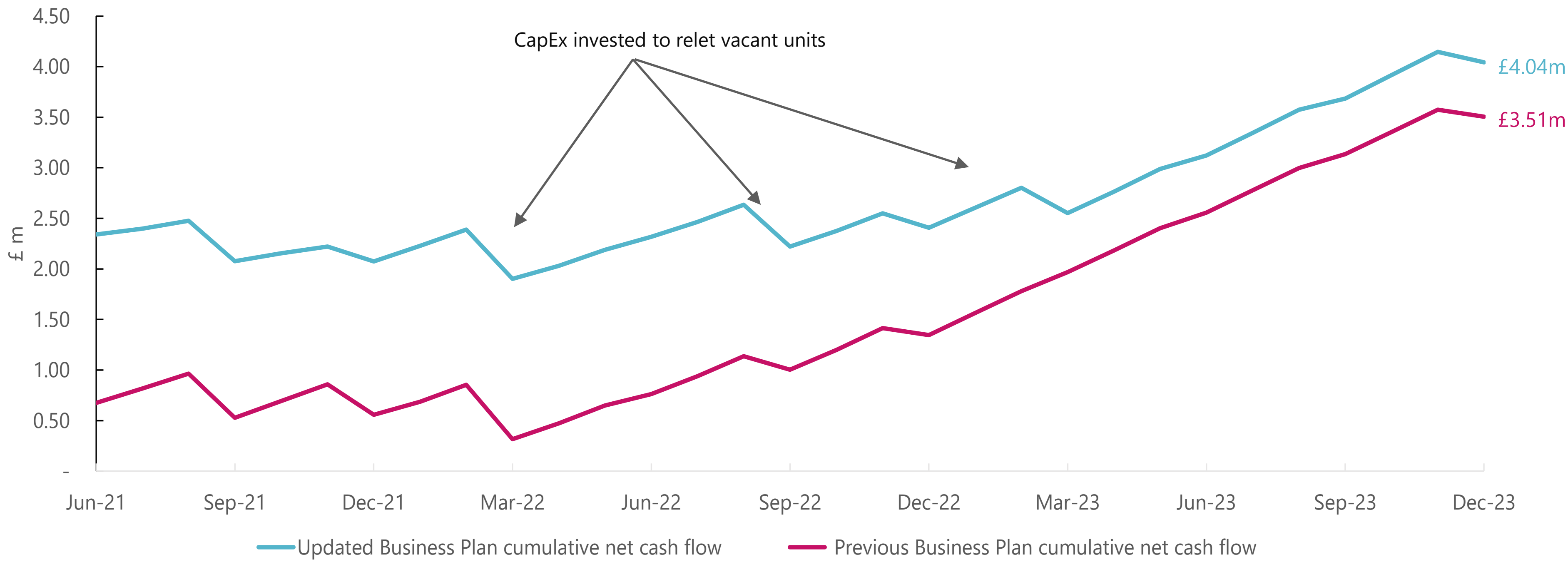
- The immediate focus will be on ensuring the anchor tenants occupy on a sustainable financial basis and provide an offer that drives footfall and spend to the scheme.
- Longer-term focus will be on increasing occupancy and driving down void costs by attracting new uses and operators to void units.
- Given the leisure use and therefore potential investment market liquidity, there may be an option to exit Xsite at an earlier point than the shopping centres.

UPDATES TO THE BUSINESS PLAN

- Additional CapEx required for one new letting and removal of one capital contribution.
- Seven new letting and renewal assumptions.

XSITE CASH FLOW

£m	Q3 2021	Q4 2021	FY22	FY23	Total
Cash NRI	0.85	0.62	3.12	3.29	**7.88**
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(0.34)	(0.46)	(0.91)	(0.65)	**(2.37)**
Centre Costs	(0.18)	(0.16)	(0.67)	(0.61)	**(1.61)**
CapEx	(0.60)	-	(1.20)	(0.40)	**(2.20)**
Other (incl. Headlease)	-	-	-	-	**-**
Net cashflow	(0.26)	(0.00)	0.33	1.63	**1.70**
Opening Balance	2.34	2.08	2.07	2.41	**2.34**
Closing cash/available liquidity	**2.08**	**2.07**	**2.41**	**4.04**	**4.04**



*Note that VAT, exceptional (TSA) and valuation costs are captured at a consolidated portfolio level.

APAM
Specialist in UK Real Estate

BRIDLESMITH GATE

Key Metrics	Business Plan Start (Q4 2020)	Q2 2021	Business Plan End (Q3 2021)
Units	6	6	6
Vacant Units	3	1	1
Area (m sq ft)	0.01	0.01	0.01
Occupied Area (m sq ft)	0.01	0.01	0.01
Vacant Area (m sq ft)	0.01	0.00	0.00
Occupancy Rate (ERV)	57%	95%	95%
Occupancy Rate (Area)	50%	80%	80%
Gross Rent less Rent Free (£m pa)	0.14	0.28	0.28
Net Operating Income (£m pa)	(0.02)	0.25	0.25
ERV Vacant Units (£m pa)	0.09	0.01	0.01

STRATEGY AND KEY CAPEX INITIATIVES

- To sell the asset in Q3 2021. The asset management plan has been completed and therefore the asset is being marketed for sale. Disposal proceeds will be used to generate funding for the portfolio cash flow.
- The quoting price of the asset is £1.8m.

CASH FLOW

£m	Q3 2021	Q4 2021	Total
Cash NRI	0.07	-	**0.07**
Landlord void cost (incl. vacant rates, service charge and insurance) and net service charge shortfalls	(0.01)	-	**(0.01)**
Centre Costs	(0.02)	(0.02)	**(0.05)**
CapEx	(0.04)	-	**(0.04)**
Other (incl. Headlease)			**-**
Net cashflow	0.00	(0.02)	**(0.02)**
Opening Balance	0.11	1.91	**0.11**
Gross Sale Proceeds	1.80	-	**1.80**
Closing cash/available liquidity	**1.91**	**1.88**	**1.88**

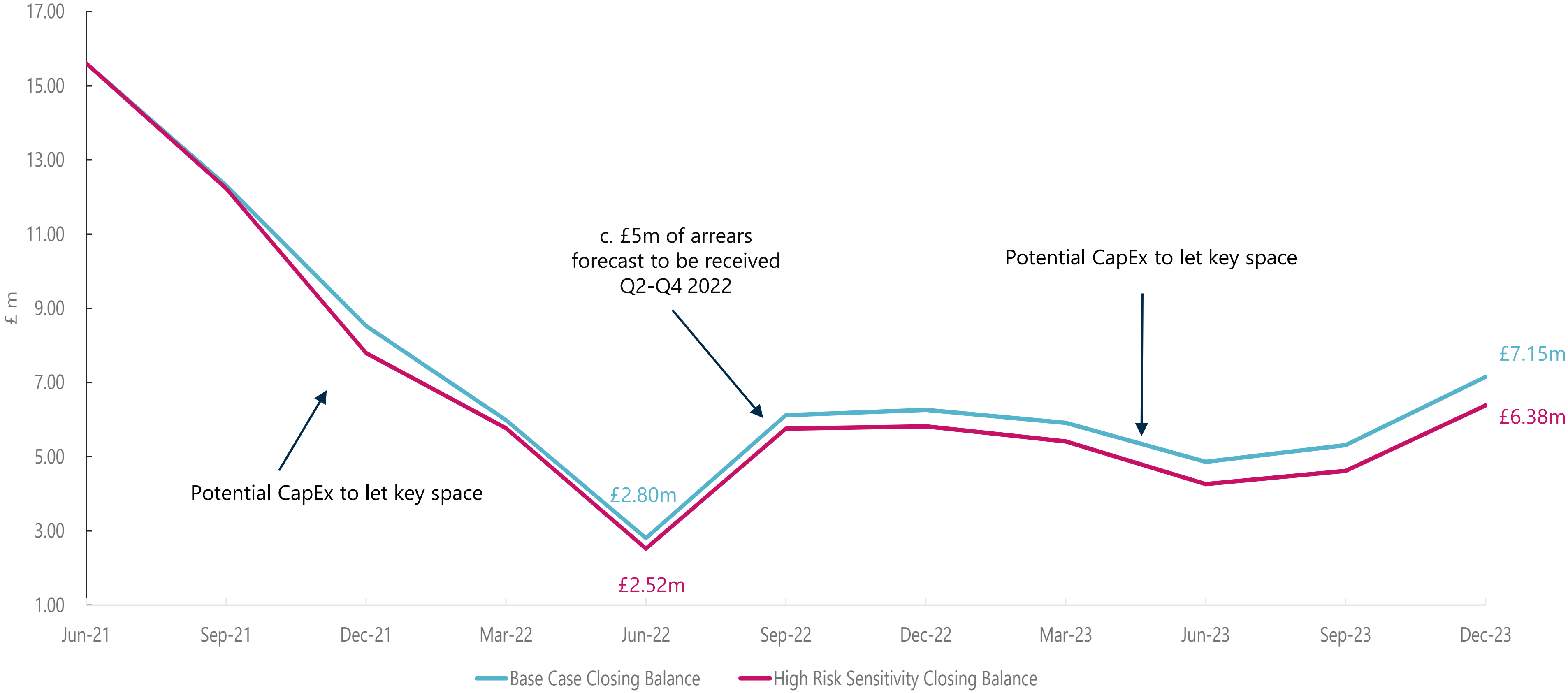
KEY RISKS, DOWNSIDES AND MITIGATIONS

APAM has reviewed nine downside scenarios and produced financial models to assess the net cashflow impact across the 2.5-year Business Plan. In forming their downside scenarios, APAM has offset any downside scenario with mitigating factors such as rates saving schemes, cashflow management, CapEx deferrals and temporary lettings that may lessen the net cash flow impact.

Asset	Sensitivity assumptions	Net Cash Flow Impact to FY23 (£m)	Probability
Potteries	Debenhams remains void for the business plan period.	(0.42)	High
Xsite	Unplanned tenant failure in Q3 2021, increasing void costs for 12 months and new letting at lower rent.	(0.35)	High
Eldon	Risk of further COVID-19 impact on collection of arrears and income/risk of further CVAs especially in Hospitality sector - 20% reduction in rent and SC collections in 2021.	(1.34)	Medium
Potteries	Risk of further COVID-19 impact on collection of arrears and income/risk of further CVAs especially in Hospitality sector - 20% reduction in rent and SC collections in 2021.	(0.71)	Medium
Xsite	Risk of further COVID-19 impact on collection of arrears and income/risk of further CVAs especially in Hospitality sector - 20% reduction in rent and SC collections in 2021.	(0.47)	Medium
Eldon	Delay in reletting the Eldon Leisure unit by 12 months and additional CapEx requirement once leisure centre operator vacates (c. £3m).	(3.14)	Medium
Eldon	Council doesn’t contribute towards CapEx.	(7.24)	Low
Xsite	Additional roof repairs need to be carried out and pre-funded by the landlord. Additional £600k in Q2 2022.	(0.60)	Low
Bridlesmith Gate	Bridlesmith Gate sale delayed.	Price and Timing	Low

CUMULATIVE CASHFLOW

CONSOLIDATED FORECAST LIQUIDITY



- The forecasted low point for the Base Case is £2.80m in June 2022.
- The illustrative Sensitised Case incorporates only the high risk sensitivities and results in a cash low point of £2.52m in June 2022.

ILLUSTRATIVE FUTURE EXIT PRICES

REPORTED ASSET VALUATIONS

Asset	December 2019 £m	June 2020 £m	December 2020 £m	*Change Dec-19 to Dec-20 (%)*	*Change June-20 to Dec-20 (%)*
Eldon Square[1]	213.0	153.2	108.9	(49%)	*(29%)*
Potteries	67.2	52.3	31.0	(54%)	*(41%)*
Bridlesmith Gate	4.0	3.2	1.6	(60%)	*(50%)*
Xsite	40.5	30.0	27.0	(33%)	*(10%)*
Total	**324.7**	**238.6**	**168.5**	**(48%)**	***(29%)***
LTV (%) (net debt)	*91%*	*127%*	*180%*		

Note: 1. The Eldon Square value estimate reflects the 60% Debenture Group share of the asset.

DECEMBER 2023 EXIT VALUES

- The investment market for these assets remains challenged and it continues to be difficult to identify suitable purchasers. However, APAM continues to forecast an improvement in market sentiment and so has not amended its original guidance on the range of exit values in the Business Plan.
- As the market stabilises and given its sector position a rebound in value for Eldon Square is assumed. The position with Potteries is more marginal, given the secondary nature of the scheme. In terms of timing, as a leisure asset we would expect to see a rebound in value for Xsite ahead of the shopping centres. The uncertainty surrounding the retail investment market, together with the funding requirements across all centres, supports a continual reconsideration of the 'hold' strategy on all assets to ensure Stockholder value is maximised.

Contact Details:

Tony Christie

Head of Retail and Asset Management
M: +44(0)7483 062 189
E: tchristie@apamuk.com

Barry Hill

Senior Asset Manager
M: +44(0)7483 093 062
E: bhill@apamuk.com

Lucy Parker

Senior Analyst
M: +44(0)7769 358 960
E: lparker@apamuk.com

APAM Ltd 4th Floor, 84 Grosvenor Street, London, W1K 3JZ
T: 0207 963 8858 | E: admin@apamuk.com W: www.apamuk.com