

Intu Debenture PLC

Update on Proposed Restructuring and Defaults

RNS Number: 0508A

INTU DEBENTURE PLC

LEI: 213800UX3TM5RGB1UF29

£354,876,000 5.562 per cent. First Mortgage Debenture Stock 2027

INTU DEBENTURE PLC (THE "**COMPANY**") ANNOUNCES UPDATE ON PROPOSED RESTRUCTURING AND DEFAULTS

28 January 2022

Update on Proposed Restructuring

Further to the Company announcements made in 2021, all of which are available on the Company website at <https://debentureplc.com/rns/>, the Company has continued to finalise the documentation required in connection with the proposed amendment and restructuring transaction (the "**Proposed Restructuring**"), which is well progressed and in final stages. The Proposed Restructuring will only be implemented once approved by the Stockholders by way of an Extraordinary Resolution.

As announced by the Company in an RNS dated 19 November 2021, certain trading in the Stock took place in the autumn of 2021 which resulted in members of the Ad Hoc Committee holding less than 50 per cent of the outstanding principal amount of the Stock. The Company can confirm that advisors to the Ad Hoc Committee have subsequently identified additional Stockholders and that holders of a significant majority of the outstanding principal amount of the Stock have indicated that they are supportive of the Proposed Restructuring in principle (subject to finalisation of the documentation required in connection with the Proposed Restructuring). The terms of the Proposed Restructuring remain substantially as communicated in the Company's Stockholder update of 22 January 2021, which is available on the Company website at <https://debentureplc.com/quarterlyreports/>.

The Company intends to include, in the same Extraordinary Resolution relating to the Proposed Restructuring, a resolution relating to the Company's amended business plan (the "**Revised Business Plan**"). As per the Company update report dated 9 November 2021 (available on the Company website at <https://debentureplc.com/quarterlyreports/>), the Company anticipates that its Revised Business Plan will be finalised in Q1 2022. Accordingly, the Company expects to issue the Notice of Meeting at which Stockholders will be asked to consider and, if thought fit, approve an Extraordinary Resolution regarding both the Proposed Restructuring and the Revised Business Plan on or prior to 31 March 2022, subject to the Revised Business Plan first being finalised before such date.

Combining the resolutions for both the Proposed Restructuring and the Revised Business Plan into a single Extraordinary Resolution will result in a delay to the issuance of the Notice of Meeting, which (as per the Company announcement made on 23 December 2021 (available on the Company website at <https://debentureplc.com/rns/>)) the Company previously intended to issue in January 2022.

The Company considers that the advantages of the combined Extraordinary Resolution are to minimise logistical requirements for the Company and Stockholders, enable the Company to continue to focus on the success of its business and to eliminate the additional costs that would otherwise be incurred by convening two separate meetings of Stockholders. In addition, the combined Extraordinary Resolution will ensure that Stockholders will have the opportunity to review the Revised Business Plan and the latest information regarding the Company's business prior to the meeting to consider and, if thought fit, approve the Proposed Restructuring. The Ad Hoc Committee is supportive of this approach.

Events of Default and Anticipated Events of Default

As anticipated in the Company's announcement dated 23 November 2021 (available on the Company website at (<https://debentureplc.com/rns/>), the Company failed to pay, wholly or partly, either the Scheduled Interest Amount or the Scheduled Redemption Amount on 31 December 2021 (the "**December Payments**") or within the 14 day grace period for non-payment (as set out in Condition 16(i) of the Stock). As a result, an Event of Default has arisen under the Trust Deed as of 14 January 2022 in connection with the December Payments. The Company acknowledges, as per prior announcements, which are available on its website, that other Events of Default have occurred and are continuing under the Trust Deed including, without limitation, as a result of the Company's failure to make payment of the Scheduled Interest Amount and the Scheduled Redemption Amount otherwise due on 30 June 2020 (as deferred to 7 August 2020), 31 December 2020 and 30 June 2021.

Further to the Company's announcement dated 28 June 2021 (available on the Company website at (<https://debentureplc.com/rns/>) (the "**Accounts RNS**"), the Company anticipated the occurrence of an Event of Default due to the failure to file the annual accounts for the year ending 31 December 2020 (the "**2020 Annual Accounts**"), which were originally due on 30 June 2021. Ultimately, an extension request was granted on 28 June 2021 (immediately after the Accounts RNS was published), which extended the filing deadline to 30 September 2021. A further extension request was granted extending the filing deadline to 31 December 2021. As per the Trust Deed, and as more fully set out in the Accounts RNS, failure to comply with the account filing deadline will, within fourteen days from receipt of a notice in writing from the Trustee, result in an Event of Default. The Trustee delivered a notice to the Company on 28 January 2022 confirming that an Event of Default will, unless remedied, arise on 11 February 2022 in connection with the 2020 Annual Accounts not being filed on or prior to the filing deadline. The Company is continuing to work alongside BDO LLP, its auditor (the "**Auditor**"), to finalise the 2020 Annual Accounts, but despite the significant progress made, it does not expect these will be filed within the next fourteen days. As a further extension request has been denied, the Company therefore anticipates that an Event of Default will arise on 11 February 2022 in connection with the 2020 Annual Accounts.

The delay in filing in the 2020 Annual Accounts remains as per the reasons more fully set out in the Accounts RNS, which are primarily administrative in nature. The Auditor has, since its appointment, been required to complete extensive procedures to familiarise itself with the structure of the Company and its subsidiaries, including all historic reporting and migration from the broader Intu group. Migration has, in part, resulted in accounting records being maintained on former Intu systems by former members of the Intu finance team and neither the Company nor the Auditor have had access to these records for much of 2021. Logistical constraints resulting from Covid-related working from home regulations and recommendations have further exacerbated the delay.

The Company will continue to keep Stockholders notified of any relevant developments in accordance with applicable law and regulation.

Capitalised terms used in this Notice and not otherwise defined shall have the meanings given to them in the Trust Deed dated 5 October 2006 (as amended and supplemented from time to time) and the Supplemental Trust Deed dated 30 July 2020 (together, the "**Trust Deed**") constituting the Stock and made between the Company, the Charging Subsidiaries (as defined in the Trust Deed),

and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”), unless the context otherwise requires.

Please note that the Trustee has not been involved in the preparation or formulation of this announcement and expresses no views or opinions on this announcement. Stockholders are advised to take their own legal, financial and/or tax advice in relation to this announcement.

Stockholders should contact the following for further information:

Company

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Attention: Peter Manning and James Taylor

Registrar

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(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Open between 09:00 -17:30, Monday to Friday excluding public holidays in England and Wales)

Email: shareholderenquiries@linkgroup.co.uk

Alvarez & Marsal Europe LLP and Milbank LLP have been retained as financial and legal advisers to an ad hoc group of Stockholders. Their contact details are as follows:

ProjectIrisAMTeam@alvarezandmarsal.com and Iris@milbank.com.

This announcement is made by Intu Debenture PLC

Dated: 28 January 2022

