12 March 2024

NOTICE OF PROPOSED 2024 FIRST UPDATED BUSINESS PLAN

(the “Notice”)

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE LEGAL AND BENEFICIAL OWNERS OF THE NOTES (AS DEFINED BELOW). IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial and legal advice, including in respect of any tax consequences, immediately from your broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisors as you deem necessary.

This Notice is addressed only to holders of the Notes (as defined below) and persons to whom it may otherwise be lawful to distribute it.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should notify the Principal Paying Agent accordingly.

NOTHING IN THIS NOTICE OR THE ELECTRONIC TRANSMISSION THEREOF CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, EXCHANGE OR SUBSCRIBE FOR, ANY SECURITIES OF THE ISSUER. THE FOLLOWING NOTICE AND ITS CONTENTS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE LAWS OF APPLICABLE JURISDICTIONS.

In accordance with normal practice, none of the Issuer, the Issuer Trustee, the Obligor Security Trustee, the Principal Paying Agent or their affiliates (or their respective directors, employees, officers, consultants or agents) expresses any view or opinion whatsoever as to the Proposed 2024 First Updated Business Plan (as defined below) or the information set out in this Notice; and none of the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent makes any representation or recommendation whatsoever as to any action to be taken or not taken by Noteholders in relation to the Proposed 2024 First Updated Business Plan or this Notice, or any document prepared in connection with any of them. Accordingly, the Issuer, the Issuer Trustee, the Obligor Security Trustee and the Principal Paying Agent urge Noteholders who are in doubt as to the impact of the adoption of the Proposed 2024 First Updated Business Plan or this Notice or any document prepared in connection with any of them (including any tax or other consequences) to seek their own independent financial, tax and legal advice. Each of the Issuer, the Issuer Trustee, the Obligor Security Trustee and the Principal Paying Agent has not made, nor will they make, any assessment of the merits of the Proposed 2024 First Updated Business Plan or this Notice or of the impact of the Proposed 2024 First Updated Business Plan or this Notice on the interests of the Noteholders either as a class or as individuals.

METROCENTRE FINANCE PLC
(formerly known as Intu Metrocentre Finance plc and incorporated with limited liability in England and Wales
with registered number 08704179)
(THE "ISSUER")
Notice to holders of the
£485,000,000 8.75 per cent. Secured Fixed Rate Notes due 2028 (ISIN: XS0994934965)
of the Issuer
(the "Notes")

NOTICE IS HEREBY GIVEN by the Issuer to the holders of the Notes (the "**Noteholders**") in accordance with Condition 17 (*Notices*) of the Conditions (as defined below) of the Proposed 2024 First Updated Business Plan (as defined below).

Background

1. We refer to a note trust deed dated 20 November 2013 (as amended and supplemented from time to time, the "**Note Trust Deed**") constituting the Notes and made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the "**Issuer Trustee**"), including the terms and conditions of the Notes set out at Schedule 3 thereto (the "**Conditions**"), pursuant to which the Notes were constituted on the terms and subject to the conditions contained therein.

2. Unless otherwise defined or the context otherwise requires, words used herein have the meanings ascribed to them in the reorganisation master amendment deed dated 18 May 2023 (the "**Reorganisation Master Amendment Deed**") between, among others, The Metrocentre Partnership (the "**Borrower**") and the Issuer and in the Reorganisation Definitions Schedule appended to the Reorganisation Master Amendment Deed, as amended and supplemented from time to time.

Proposed 2024 First Updated Business Plan

3. On 11 March 2024, the Borrower posted a Business Plan Presentation (the "**2024 First Updated Business Plan Presentation**") on its Designated Website and held a Business Plan Call to discuss the contents of the updated Business Plan which the Borrower has proposed be adopted (the "**Proposed 2024 First Updated Business Plan**").

Proposal

4. In accordance with paragraph 19 (*Business Plan*) of part 4 (*Property Covenants*) of schedule 2 (*Covenants*) to the Intercompany Loan Agreement, we hereby notify and confirm to you that:

4.1 the Borrower intends to adopt the Proposed 2024 First Updated Business Plan as described in paragraph 3 above; and

4.2 the 2024 First Updated Business Plan Presentation is appended at Schedule 1 (*2024 First Updated Business Plan Presentation*) to this Notice.

Conditions to Proposed 2024 First Updated Business Plan

5. In accordance with paragraph 19 (*Business Plan*) of part 4 (*Property Covenants*) of schedule 2 (*Covenants*) to the Intercompany Loan Agreement, provided that (Noteholders who individually or in aggregate hold Notes having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of the Notes then outstanding have not registered in writing an objection to the Proposed 2024 First Updated Business Plan with the Issuer Trustee on or before 4 April 2024 (being the date which is 15 Business Days following the date of this notice), the

Proposed 2024 First Updated Business Plan shall be treated as approved and the Proposed 2024 First Updated Business Plan shall be considered to be the then current Business Plan as from that date.

6. In accordance with paragraph 19 (*Business Plan*) of part 4 (*Property Covenants*) of schedule 2 (*Covenants*) to the Intercompany Loan Agreement, if Noteholders who individually or in aggregate hold Notes having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of the Notes then outstanding have registered in writing an objection to the Proposed 2024 First Updated Business Plan with the Issuer Trustee on or before 4 April 2024 (being the date which is 15 Business Days following the date of this notice), the Borrower shall not adopt the Proposed 2024 First Updated Business Plan and shall procure that a revised updated Business Plan (the "**Proposed 2024 Second Updated Business Plan**") is prepared, provided that such Proposed 2024 Second Updated Business Plan may only be adopted if:

6.1 the proposed update is notified to the Issuer Trustee by way of a notice to the Noteholders via the Clearing Systems, in each case referring to the 2024 First Updated Business Plan Presentation and any updates to such 2024 First Updated Business Plan Presentation; and

6.2 Noteholders who individually or in aggregate hold Notes having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of the Notes then outstanding have not registered an objection to the proposed update with the Issuer Trustee within 15 Business Days of receipt of the notification referred to in 5.1 above.

7. In accordance with paragraph 19 (*Business Plan*) of part 4 (*Property Covenants*) of schedule 2 (*Covenants*) to the Intercompany Loan Agreement, if Noteholders who individually or in aggregate hold Notes having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of the Notes then outstanding have registered in writing an objection to the Proposed 2024 Second Updated Business Plan with the Issuer Trustee before the expiry of that 15 Business Day period, then the most recent Business Plan (including the permitted actions thereunder) shall continue to apply until the approval of another Business Plan in accordance with paragraph 19 (*Business Plan*) of part 4 (*Property Covenants*) of schedule 2 (*Covenants*) to the Intercompany Loan Agreement.

8. This Notice sets out below how Noteholders should notify the Issuer Trustee if they wish to object to the Proposed 2024 First Updated Business Plan.

<u>Procedure for objecting to Proposed 2024 First Updated Business Plan</u>

9. Noteholders who wish to notify the Issuer Trustee that they object to the Proposed 2024 First Updated Business Plan must do so in accordance with the procedures set out in this Notice by 4 p.m. (London time) on 4 April 2024 (such time and date, the "**Deadline**"). No meetings of Noteholders will be held.

10. **NO ACTION IS REQUIRED TO BE TAKEN BY ANY NOTEHOLDER WHO SUPPORTS OR DOES NOT WISH TO OBJECT TO THE PROPOSED 2024 FIRST UPDATED BUSINESS PLAN.**

11. Each Noteholder that wishes to notify the Issuer Trustee that they object to the Proposed 2024 First Updated Business Plan being effected must ensure that:

   (a) it gives electronic voting instructions to the relevant Clearing System (in accordance with that Clearing System's procedures):

      (i) TO DECLINE the Proposed 2024 First Updated Business Plan; and

(ii) specifying the full name of the direct participant submitting the voting instruction and the account number(s) for the party making the voting submission(s),

such that the Principal Paying Agent will receive that Noteholder's voting instructions on or before the Deadline; and

(b) the relevant Clearing System has received instructions (with which they have complied and which shall be irrevocable from the Deadline) to block the Notes held by such Noteholder in the securities account to which they are credited with effect from and including the day on which the electronic voting instruction is delivered to the relevant Clearing System so that no transfers may be effected in relation to the Notes held by such holder at any time after such date until the Deadline. Votes will only apply to the Outstanding Principal Amount of Notes blocked in the relevant Clearing System.

Notes should be blocked in accordance with the procedures of the relevant Clearing System and the deadlines required by the relevant Clearing System. **Noteholders should note that the deadline set by such Clearing System for the submission of voting instructions may be earlier than the Deadline set out herein, and as such Noteholders who wish to object to the Proposed 2024 First Updated Business Plan should check the relevant Clearing System's procedures and deadlines ahead of the Deadline**.

12. Any beneficial owner of Notes who is not a direct participant in the Clearing Systems must contact its broker, dealer, bank, custodian, trust company or other nominee to arrange for the accountholder in Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), as the case may be, through which it holds Notes to deliver an electronic voting instruction in accordance with the requirements of the relevant Clearing System and procure that the Notes are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

13. Each Noteholder that wishes to object to the Proposed 2024 First Updated Business Plan should ensure that the relevant blocking instructions to the relevant Clearing System can be allocated to the relevant electronic voting instruction. For the avoidance of doubt, each electronic voting instruction must have an individual matching blocking instruction.

14. By providing electronic voting instructions as described above, each beneficial owner of the Notes authorises the Clearing Systems at which their account is maintained to disclose to the Principal Paying Agent, the Issuer Trustee, the Obligor Security Trustee, the Issuer and each party's respective legal advisors confirmation that they are the beneficial owner of such Notes and the Outstanding Principal Amount of such Notes.

15. Following expiry of the Deadline, the Principal Paying Agent will calculate the number of voting instructions received and notify each of the Issuer, the Issuer Trustee and the Obligor Security Trustee. If "Decline" votes are received in accordance with the procedures set out in this Notice of Noteholders, who individually or in aggregate hold Notes having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of the Notes by the Deadline, the Borrower shall not adopt the Proposed 2024 First Updated Business Plan and shall take the actions set out in paragraph 6 above. If the one third threshold for objections is not passed, the Borrower shall promptly adopt the Proposed 2024 First Updated Business Plan and the Proposed 2024 First Updated Business Plan shall be considered to be the then current Business Plan as from the Deadline.

16. Additional notifications will be made to Noteholders in accordance with Condition 17 (*Notice*) as soon as reasonably practicable following the Deadline, notifying Noteholders of the voting results and, if

permitted in accordance with the terms of the Intercompany Loan Agreement outlined above, confirming that the adoption of the Proposed 2024 First Updated Business Plan has occurred.

Additional information and disclaimers

17. Questions and requests for assistance in connection with (i) the Notice may be directed to the Issuer Trustee and (ii) the delivery of instructions for the Notes may be directed to the Principal Paying Agent, the contact details for which are on the last page of this Notice.

18. None of the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents) makes any representation that all relevant information has been disclosed to Noteholders in or pursuant to this Notice or otherwise. Noteholders should take their own independent legal, financial, tax or other advice on the merits and the consequences of objecting to the Proposed 2024 First Updated Business Plan, including any tax consequences, and on the impact of the adoption of the Proposed 2024 First Updated Business Plan. None of the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents) is responsible for the accuracy, completeness, validity or correctness of the statements made in this Notice or omissions therefrom.

19. The delivery of this Notice shall not, under any circumstances, create any implication that the information contained in this Notice is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth in this Notice or in the affairs of the Issuer or that the information in this Notice has remained accurate and complete. None of the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents) accepts any responsibility for the information contained in this Notice.

20. None of the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents) or any other person, except the Issuer, has independently verified, or assumes any responsibility for, the accuracy of the information and statements contained in this Notice.

21. No person has been authorised to make any recommendation on behalf of the Issuer, the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents) as to whether or how a Noteholder should object in connection with the Proposed 2024 First Updated Business Plan. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the Issuer Trustee, the Obligor Security Trustee or the Principal Paying Agent (or their respective affiliates, directors, employees, officers, consultants or agents).

22. This Notice is issued and directed only to the Noteholders and no other person shall, or is entitled to, rely or act on, or be able to rely or act on, its contents, and it should not be relied upon by any Noteholder for any purpose other than the Proposed 2024 First Updated Business Plan. For the avoidance of doubt, any notes held by any Obligor or the Issuer shall be deemed not to be outstanding (as such expression is set out in the Principles of Construction in the Reorganisation Master Amendment Deed).

23. Each person receiving this Notice is deemed to acknowledge that such person has not relied on the Issuer, the Issuer Trustee, the Obligor Security Trustee, the Principal Paying Agent in connection with its assessment of the Proposed 2024 First Updated Business Plan. Each such person must make its own analysis and investigation regarding the Proposed 2024 First Updated Business Plan and make

its own assessment of the merits of the same, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such decision. If such person is in any doubt about any aspect of the Proposed 2024 First Updated Business Plan and/or the action it should take, it should consult its professional advisers.

24. Electronic copies of: (i) this Notice and (ii) the Note Trust Deed are available for viewing at https://portal.cscgfm.com/issuers/metrocentre until the Deadline.

25. Contact details for the Issuer, the Issuer Trustee and the Principal Paying Agent are set out below:

Contact Details:

Issuer:	**METROCENTRE FINANCE PLC** 1 Bartholomew Lane London EC2N 2AX United Kingdom Email: directors-uk@intertrustgroup.com Attention: The Directors
Issuer Trustee:	**HSBC CORPORATE TRUSTEE (UK) LIMITED** 8 Canada Square London E14 5HQ United Kingdom Email: ctla.trustee.admin@hsbc.com Attention: Issuer Services Trustee Administration
Principal Paying Agent:	**HSBC BANK PLC** 8 Canada Square London E14 5HQ United Kingdom Fax: +44 (0) 845 587 0429 Email: ctla.corporateactions@hsbc.com ctla.payingagency@hsbc.com ctla.securitisation@hsbc.com; commondepositary@hsbc.com Attention: The Senior Manager, CT Client Services

This Notice is given by

METROCENTRE FINANCE PLC
as **Issuer**

Dated 12 March 2024

Schedule 1
2024 First Updated Business Plan Presentation

Updated Business Plan & Additional Opportunities

11 March 2024

Drives over 5% of all retail activity in the North East

Contributes c.£800m each year to the local and national economy

Supports over 10,700 FTE jobs in the UK

NORTH EAST POWERHOUSE

Disclaimer

- This presentation (the "**Presentation**") contains projections and statements about future events and expectations that are forward looking statements in relation to The Metrocentre Partnership and its affiliates (together, the "**Group**") and their business and assets. Any such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause any member of the Group's performance to be materially different from any future performance expressed or implied by such forward-looking statements. Any such forward-looking statements will be based on numerous assumptions regarding the Group's present and future business strategies and the environment in which any member of the Group will operate in the future, as well as on assumptions of future events which may not prove to be accurate. Only certain of these assumptions are highlighted herein. Therefore, you should not place undue reliance on any such forward-looking statements in these materials. Any estimated projections or returns contained in these materials should be viewed as hypothetical and do not represent actual cashflow or results. Any recipient is advised to make their own independent analysis and determination with respect to the forecasted periods.

- The Presentation does not constitute, or form part of, any offer, invitation or recommendation to underwrite, subscribe for or otherwise acquire or dispose of, or any solicitation of any offer to underwrite, subscribe for or otherwise acquire or dispose of, any debt or other securities of the Group or an inducement to enter into investment activity, nor is it a commitment to enter into any transaction.

- No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by or on behalf of the Group or any of its shareholders, affiliates, directors, officers or employees or any other person as to the accuracy, adequacy, usefulness, completeness or fairness of the information or opinions contained in these materials or as to the reasonableness of any assumptions on which any of the information herein is based. This presentation is subject to change without notice, it may be incomplete or condensed and it may not contain all material information concerning the Group. The 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. The Group shall have no liability to any party for the quality, accuracy, timeliness, continued availability, or completeness of any information contained in this Presentation.

Contents

The Metrocentre Partnership

Section A
Introduction

Introduction

A1 Background

- This presentation has been prepared to update the Noteholders in relation to:
  - Progress against the Business Plan that was agreed with the Noteholders in March 2023 (the "**2023 BP**");
  - The trading performance of Metrocentre ("**the Centre**") for the period ending 31 December 2023;
  - The Updated Business Plan ("**UBP**") and ancillary Projected NOI and trading prospects for the business for the three years ending 31 December 2026; and
  - The necessary steps that would need to be taken in order to effect a sale of the business per the Finance Documents.
- Our work on this update has used several sources including; the 2023 BP, the various disclosures that we have made in the quarterly reports throughout 2023 and our ongoing experience of operating and managing the asset since October 2020 when we set up the new stable platform with the benefit of a liquidity runway provided by the Ad Hoc Group ("**AHG**").
- This UBP covers the period to December 2026. This is to ensure consistency with the basis of preparation that was used for the 2023 BP. However, this timescale is not currently contemplated in the Finance Documents that were agreed as part of the interim restructuring that was concluded in August 2022. Thus, if there is a desire to extend the period of the business plan we will have to apply for a separate waiver to extend the time horizon of the debt maturity to December 2026. In addition, this does not reflect any view or guidance from the Directors or Asset Manager of Metrocentre as to what constitutes an appropriate timeline to conduct a sales process to deliver a value outcome that is in line with the expectations of the Noteholders.
- The remainder of this report is structured as follows:

Section	Area	Comment
A	Introduction	Summarises the key features of the 2024 Business Plan and related financial performance and issues that arise, along with the steps necessary to effect a sale of the business per the Finance Documents.
B	Asset Manager Report from Sovereign Centros	Report from Sovereign Centros that updates the 2023 Business Plan.
C	Financial Model	Integrated P&L, Cash Flow and Balance Sheet to support the Asset Manager Report.
D	Q4 2023 Disclosures	The quarterly disclosures for Q4 2023.

Introduction

A2 Update on Business since Noteholder Presentation of 4 December 2023

Area	Comment
Trading Update for Metrocentre	• In the run up to Christmas and the subsequent trading period Metrocentre has continued to perform well reflecting several factors including; positive customer sentiment during the festive period, the contribution of the new 41,000 sq ft Zara store (which opened in September 2023) and the re-opening of the new Frasers store in the old Debenhams unit in December with a 165,000 sq ft offer comprising Flannels, Sports Direct and Everlast Gym. • There has been a positive response from our customers to these new openings and the other changes we have been making to Metrocentre with our capital programme. • Our F&B tenants had the normal "post-Christmas lull" as customers tightened their belts in January. • The rent and service charge billing and collection continues to perform better than expectations, with collections for rent in excess of 99% throughout 2023 and service charge averaging in excess of 98% for the year.
Footfall	• Our footfall for the year ended 31st December 2023 was 14.4m (some 2.4% higher than 2022). • A further "green shoot" in relation to footfall is the fact that our December 2023 footfall was only 14% lower than 2019, a marked change from the c.20% lower than 2019 that has been the characteristic footfall trend for all major super regional out of town shopping centres for the last 12 months. This improving trend at Metrocentre compared with 2019 was largely maintained in January 2024 with footfall of 1.1m being recorded (some 16% lower than 2019). • As we have previously reported some 2.5m people live within a one hour drive from the Metrocentre. So achieving a footfall of c14-15m each year (representing 5-6 visits for EVERY person within that one hour drive time) represents a significant level of local support for the Metrocentre.

Introduction

A2 Update on Business since Noteholder Presentation of 4 December 2023 (continued)

Area	Comment
Average Transaction Value At Metrocentre And Affordability	• The resilient footfall performance is supported by many tenants at the Centre reporting a strong Christmas trading period reflecting the breadth and depth of the offer at Metrocentre, together with our customers appetite to spend. This has been a welcome trend given our ongoing concerns in relation to the various headwinds that are impacting our customers, our tenants and our own business as owner and operator of Metrocentre. The resilience of the customer spend is demonstrated by the following table, showing the estimated ATV increasing by over 30% from 2019 to 2023.

	2019	2023	Var (£m)	Var (%)
Estimated Total Sales (£m)	£578.2	£615.8	£37.7	6.5%
Footfall (m)	17.9	14.4	-3.4	-19.3%
ATV	£32.37	£42.73	£10.36	32.0%
Relevant Tenant Floorspace (000 Sq Ft)	1,773.1	1,609.4	-163.8	-9.2%
Estimated Sales Density (£ / Relevant Sq Ft)	£326.07	£382.66	£56.59	17.4%

- For comparison, compounded CPI inflation between 2019 and 2023 was 21.1%
- ATV is estimated by Metrocentre based on footfall measurements and the sales figures supplied by tenants. The methodology used can be found in section B, slide 2.5. For the 2023 sales data, submissions to the portal have been received from 72.0% of the tenants by number, representing 82.2% of the floor area and 61.4% of the estimated total sales of £615.8m. For 2019, submissions to the portal were 55.6% by number, 66.0% by floor area and 57.9% by estimated total sales, all of which show progress in sales transparency since migration.
- The level of turnover being achieved by Metrocentre is against a background of UK retail sales volumes hitting their lowest levels in December 2023 since the pandemic-affected January 2021 (per ONS statistics retail sales volumes fell by 3.2% in December 2023, the largest monthly fall since January 2021). It is also being delivered at a time when on-line sales are beginning to demonstrate a more stable growth pattern in 2023 (an increase from 26.6% in January 2023 to 27.1% in December 2023) compared with peak on-line penetration during the pandemic of 37.8% in January 2021.
- Overall, the estimated total sales reflects an average total occupancy cost ratio of 10.4% which suggests a positive affordability dynamic at the Centre.
- The performance during 2023, together with ATV trends illustrate that Metrocentre, with its well curated offer and ongoing investment programme, continues to have a significant role to play in providing customers in the North East with an offer they value. Our tenants recognise this fact and are working with us on the evolution of the retail offer characterised by a mix of physical stores (which we know they are investing in) working in tandem with an 'on-line' presence.

Introduction

A3 Asset Management Update

<table>
<tr><th>Area</th><th>Comment</th></tr>
<tr><td>Asset Management Update</td><td>
Scale Of Asset Management Actions Since 2020
Since taking over the management of the centre, with the backing of the liquidity runway provided by the AHG we have delivered a targeted asset management programme the impact of which, at the end of December 2023, may be summarised:
<table>
<tr><th></th><th>Position at 31 December 2023</th><th>% of Centre impacted</th></tr>
<tr><td>Number of units impacted</td><td>158</td><td>51.5%</td></tr>
<tr><td>Floor area (Sq ft)</td><td>882,322</td><td>45.0%</td></tr>
<tr><td>Gross income (£m)</td><td>23.2</td><td>54.2%</td></tr>
<tr><td>NOI Increase (£m)</td><td>10.6</td><td>N/A</td></tr>
</table>
This level of asset management activity has resulted in physical occupancy increasing from 71.0% to 86.4% on a proforma basis.
2023 Highlights
Some key highlights for 2023 include:

NHS in the process of fitting out their new 40,000 sq ft facility in the rear of the former House of Fraser store;
Primark have agreed to expand their presence, taking over the majority of the former Argos space in Yellow mall;
Frasers Group opening the former Debenhams store for their Sports Direct, Flannels and Everlast Gym concepts;
Zara opening their new expanded store of c. 41,000 sq ft in Red Mall; and
Completion of the development and leasing of the former Toys R Us store to Designer Sofas, Dreams and NCF Living at record rents for the retail park.
The impact on these transactions has been to increase net income by £3.1m, reflecting the rent benefit of £2.1m and a reduction in void costs of £1.0m.
Overall, the 2023 leasing activity has been achieved at net rental levels some 6.7% ahead of the 2023 BP assumptions. The level of incentives (capital and rent free) are some 12.8% lower than 2023 BP assumptions (£3.1m).

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

Introduction

A3 Asset Management Update (Continued)

Area	Comment
Asset Management Update	**Prospects for 2024** • Tenant demand remains strong from both new tenants seeking space and existing tenants upsizing or regearing and renewing leases. The timeline for completing transactions remains protracted as both landlord and tenant seek the best possible terms. Current indicators provide us with confidence as to the likely performance of 2024. There is a significant level of leasing activity that was under offer at the year end and has carried over into 2024. If all this activity was to complete as currently agreed the associated NOI uplift would be £2.4m. This provides comfort that the momentum of 2023 will carry into 2024. • However, we continue to be vigilant as we saw several failures at the centre during 2023; the biggest being the well trailed failure of Wilko which we will replace with a proven operator of scale in Q1 2024, and others including Tapas Revolution and Paperchase.

Introduction

A4 UK Occupational Market Update

<table>
<tr><th>Area</th><th>Comment</th></tr>
<tr><td>UK Occupational Market Update</td><td>

Since we took over the running of Metrocentre in October 2020 we have made significant progress with the Metrocentre Operational Turnaround that we have set out in successive business plans. This performance is being delivered against a background of what is going on in the UK Occupational Market and the turbulence that has emerged in that time, which is impacting general economic sentiment and the Occupational Market.
For UK retail, most retailers have now released their Christmas trading figures. According to JLL, three in four retailers have reported either like-for-like or total sales growth over the peak-trading period, with average total sales growth from those that reported of c.6%. Being broadly in line with inflation, however, means performance for retailers was effectively flat.
In terms of certain sector specific performance;

<table>
<tr><td>Jewellery</td><td>Jewellery continued to trade well in the first half of 2023 but had a more difficult Christmas period as customers moved to lower price-point items.</td></tr>
<tr><td>Fashion</td><td>Fashion had an overall difficult year due to supply chain challenges and unusual weather patterns disrupting seasonality.</td></tr>
<tr><td>Food & Beverage</td><td>The sector has held up well with several key groups reporting sales above pre pandemic levels.</td></tr>
<tr><td>Leisure Market</td><td>There was a surge in the leisure market in Q4 2023 with The Times reporting that the UK public spent twice as much on bowling in December 2023 vs December 2022. The market is expanding with a variety of new concepts. However, typical approaches to landlords are largely characterised by poor covenants, unproven operating records, unproven roll out competence and an “incentive ask” that is more “equity like” in character, without the equity return. In those circumstances, it is difficult to engage constructively with the putative new leisure operator.</td></tr>
</table>
</td></tr>
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A4 UK Occupational Market Update (continued)

Area	Comment
Occupational Market Update	• Demand for quality space continues across many locations and there doesn't appear to have been any notable withdrawals due to poor Christmas trade. However, there is evidence of some occupiers with expansion plans pausing to gauge trading performance in trial stores before pushing ahead with a full acquisition programme. In addition, polarisation of locations amongst the key retailer groups continues and underperforming stores are being closed where spend can be captured in a larger regional store. Less dominant brands, however, are beginning to explore more secondary locations again where they can secure favourable and flexible lease terms. This points to the continued need for bricks-and-mortar stores to retain and grow sales.

A5 Overview of Investment Market

Area	Comment
Overview of Investment Market	• The retail investment landscape in 2023 was like 2022, with a recognition that the sector exhibited potential for high yielding income streams attracting quite a diverse range of buyers in a sector dominated by smaller lot sizes. Total transaction volumes for the broader retail sector were estimated at c £6.2bn compared to the 10-year average of c. £7.3bn. • For shopping centres, the picture was effectively a replay of 2022. Total volumes are estimated at c. £1.2bn, down from the £1.5bn reported in 2022, and the market was dominated by small lot sizes and opportunistic buyers who were generally not reliant on securing debt. There is a clear disconnect between the outperformance occupationally in the larger dominant assets and the lack of investor demand. • A good example of this is ADIA's decision to curtail its discussions with Landsec on the sale of Liverpool One, the dominant city centre asset. The decision was made to withdraw the sale due to the underlying improvement in the asset and unwillingness to sell at a historically high yield, but low price point in the market. Private equity buyers, who have historically been active in the shopping centre market, have been frozen out by the elevated cost of finance and therefore an inability to satisfy their return criteria and vendor pricing expectations. • One or two high-profile shopping centres are rumoured to be in the market currently, including Meadowhall in Sheffield (owned in a 50/50 JV by Norges and British Land, albeit with a complicated debt structure), and Centre MK in Milton Keynes (where a 50% interest is being sold by AustralianSuper), both of which would be considered top tier centres. Until the Capital Markets (equity and debt) for shopping centres become more active, it is difficult to see transactional volumes improving. • Availability of debt through highly leveraged debt funds are at rates of borrowing which preclude the private equity buyer. There are indications from certain of the larger banks that they are manoeuvring to lend again in the sector. However, there is no visibility on quantum, type, or terms, so it is difficult to assess whether it represents something that will break the current impasse. Further, the typical investors in the larger retail assets tend NOT to be debt driven. Therefore, there needs to be a broader return of Institutional Confidence for the larger assets like Metrocentre to trade.

A5 Overview of Investment Market (continued)

Area	Comment
Overview of Investment Market (cont.)	• Some market commentators make the point that there are signs of greater investor interest in the sector as optimism on the interest rates profile builds. Andrew Bailey's statement that the 'technical' recession is not nearly as bad as the headline, may help improve that sentiment. One transaction, which is reported to have exchanged recently and shows some encouragement, is Hammerson's sale of Union Square in Aberdeen to Lonestar for £111m supported by a 50% loan from Natwest. • Retail Warehousing has maintained its popularity although last year saw a market with disparity between valuations and market pricing and hence the volume did not materialise. Occupational nervousness and a lack of debt finance kept the buyer market tight and dominated by a handful of buyers such as Realty, Columbia Threadneedle and Corum. Market pricing remains at a discount from previous peaks.

Introduction

A6 Headwinds/Turbulence - Being Managed With Purpose At The Metrocentre

Whilst headwinds are impacting all businesses in the UK, it is particularly apposite to reflect on their impact when operating a major regional shopping centre in Britain comprising retail space of c.2m sq ft, which is being operated with a focus on delivering an NOI of £40m+ :

Headwind	Comment
Interest Rates	• After nearly 15 years of benign monetary policy, interest rates have become the focus of attention as a key policy tool for managing inflation with rates graduating up from a record low of 0.1% in December 2021 to the current level of 5.25% that was announced in August 2023. • The upward pressure for rate increases has abated (as inflation rates decline) and now the Bank of England is guiding rates to fall from the current 5.25% to 3.25% by the end of 2026 (Source: Bank of England Monetary Policy Review February 2024). • Interest rates impact the disposable income of our customers, the trading and investment decisions of our tenants and ultimately the pricing of Metrocentre when we sell the asset. The Bank of England guidance on rates is welcomed and we look forward to the impact this will have on consumer and market confidence as we move through our Business Plan period.
Inflation	• Having peaked at c.10-11% in late 2021 and early 2022, inflation has responded to the increased interest rates and CPI inflation was 4% as 31st December 2023 (Source: ONS Inflation And Price Index Report 17th January 2024). The causes of this inflation are many, including inter alia: - covid supply chain disruption; - the impact of the war in Ukraine with the knock on effect of significant increases in the prices of oil and utilities; and - surplus capacity in the domestic economy. There are a range of views on future inflationary trends but there seems to be an emerging consensus that inflation rates will decline to 3.6% in Q1 2024 and 2.1% in Q1 2025 (Source: Bloomberg paper January 2024). This indication of a measured glide path to more sustainable levels of inflation should provide confidence to be more expansive when making capital decisions and investing or expanding their store portfolio.

Introduction

A6 Headwinds/Turbulence - Being Managed With Purpose At The Metrocentre (continued)

Headwind	Comment
Operating Headwinds	• Operators are also having to contend with a number of other challenges that are "new" compared with the Pre-Covid trading landscape. They include: - Supply chain disruption as a result of Covid, Brexit and lately the attacks in the Red Sea and surrounding waters; - Availability of team, largely reflecting non nationals going home during the pandemic, together with new immigration initiatives that are creating vacancies, with retail, leisure & hospitality and care being particularly impacted; and - Ongoing industrial unrest, primed by, amongst other things, the inflation and interest increases which have added to "cost of living" pressures. Per Statista, the median annual salary in the UK for 2023 was £34,963, with the median annual salary in the North East was £31,200. • These operating headwinds add to operator caution when evaluating their capital plans in relation to renewing and rolling out new sites.

Introduction

A6 Headwinds/Turbulence - Being Managed With Purpose At The Metrocentre (continued)

Headwind	Comment
Political events	In 2024 there is an unprecedented number of elections (local, national and international) that will have an impact on the sentiment that pervades the environment which Metrocentre trades in. Elections that are particularly relevant are: *Local - Elections for a Mayor of The North-East Mayoral Combined Authority ("NEMCA")* As part of "Levelling Up" that was announced in December 2022, the establishment of an independent NEMCA was announced and the election of a mayor will occur on 2nd May 2024, when the local elections are occurring across England and Wales. Gateshead Council sits within NEMCA, are a major stakeholder in NEMCA, and with the economic value added by Metrocentre represents a Powerhouse of the North-East. *National - UK General Election* The next UK general election must occur no later than 25th January 2025. There is talk of an early summer election (May 2024) or an Autumn election (November 2024) after the conference season. The election is important so that everyone can consider their future prospects when the incumbent at 10 Downing Street is known. Whilst the state of the nation's finances means that any incumbent government has a narrow fiscal path to navigate, the sooner we know who is in power the sooner we can all form a view on the likely prospects for the UK economy and our respective businesses. Given that uncertainty it is likely that major investments will be put on hold until the incumbent Government is known. *International - US and Euro election* In the US, on Tuesday 5th November, there is a Presidential election, a Senate election for 33 of the 100 senate seats and for all 435 members of Congress. The European Parliamentary elections are occurring from 6th – 9th June. Whilst neither of these elections have a direct impact on Metrocentre, they are likely to influence sentiment on investment decisions.

Introduction

A7 Valuation – December 2023

Valuation Summary

	Metrocentre					Metro Retail Park				
	Q4 2022	Q2 2023	Q4 2023	Variance	Variance (%)	Q4 2022	Q2 2023	Q4 2023	Variance	Variance (%)
Gross Income (£m)	33.9	36.3	38.9	2.6	7.0%	3.3	3.0	3.3	0.3	9.2%
Net Income (£m)	22.3	26.8	29.1	2.3	8.6%	3.2	3.0	3.3	0.3	9.7%
Topped Up Net Income (£m)	28.0	30.7	30.8	0.1	0.4%	-	4.0	4.0	0.0	0.6%
ERV (£m)	41.6	43.1	43.7	0.7	1.5%	3.9	4.1	4.2	0.1	2.4%
Equivalent Yield	8.34%	8.36%	8.36%	0.00%	0.0%	7.49%	7.16%	7.41%	0.25%	3.5%
Net Initial Yield	5.85%	6.86%	7.16%	0.30%	4.4%	7.11%	5.89%	6.17%	0.28%	4.8%
Net Initial Yield (Topped Up)	7.35%	7.85%	7.57%	-0.28%	-3.6%	-	7.57%	7.58%	0.01%	0.1%
Capital Expenditure (£m)	-21.1	-37.7	-28.3	9.4	24.9%	-5.5	-2.4	-0.2	2.2	92.4%
Acquisition Costs (£m)	-20.2	-21.8	-22.6	0.9	-4.1%	-2.9	-3.2	-3.4	-0.1	-4.7%
Fair Value (Rounded, £m)	361.0	369.0	384.0	15.0	4.1%	42.5	47.3	49.5	2.2	4.7%

- The table shows positive movement in both valuations relative to Q4 2022.
- The valuation at 31 December 2023 was £433.5m for Metrocentre and the Metro Retail Park combined, compared with £403.5m as at 31 December 2022.
- With regards to the Centre, the underlying fundamentals of net income and ERV are showing strong progress, but the ultimate valuation benefit remains suppressed because of market sentiment towards shopping centres.
- Metro Retail Park was temporarily showing reduced net income at Q2 2023 due to a live rent-free period and the pending completion of the Toys R Us redevelopment units, this effect has now reversed with the Q4 2023 valuation. The ERV and income lines have grown since Q2 2023, although the strong run on yield for retail warehouses now seems to have come to an end. The combination of increased income, ERV and reduced capital expenditure have driven a £2.2m valuation increase despite a softening in the yield profile.
- Note that, although it is not possible to derive the valuation directly from the data points shown above, it is possible to derive the Net Initial Yield (NIY) and the Topped Up Initial Yield using the calculation shown below.[1]

1 NIY is calculated as Net Income / Fair Value before deducting Acquisition Costs. NIY for previous Metro Retail Park valuations has been restated on the same basis as the Centre.

Introduction

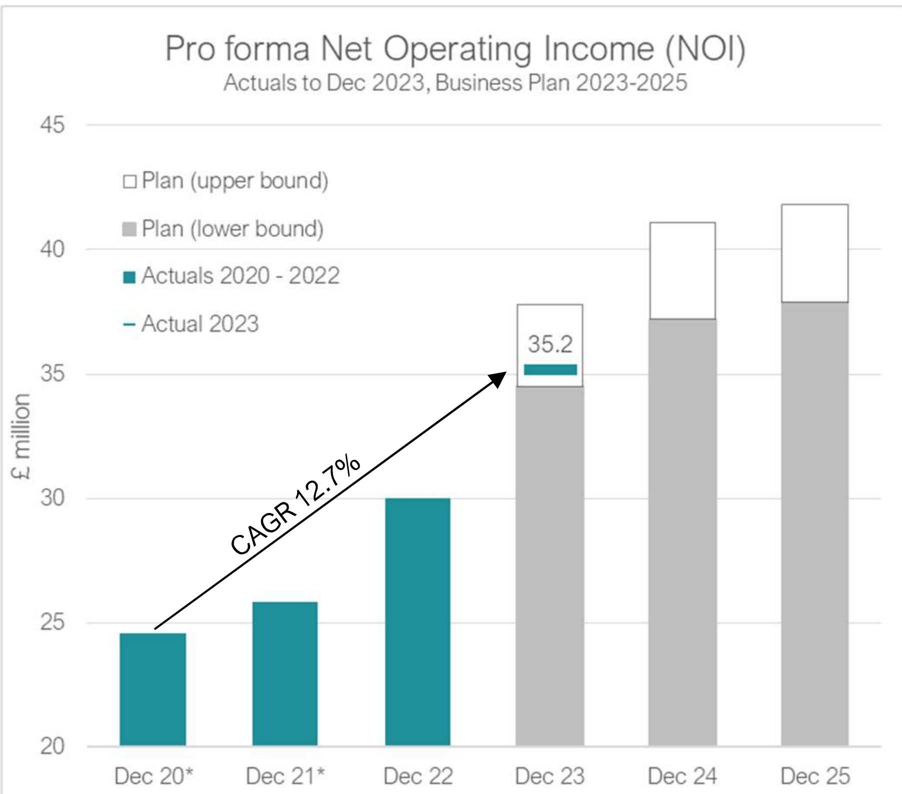
A8 Business Plan for the Three Years ended 31 December 2026

Introduction

Section B sets out the Updated Business Plan that has been prepared by Sovereign Centros covering the period to 31st December 2026 and the key highlights are summarised below and overleaf.

Progress against the 2023 Business Plan

Whilst we have been dealing with turbulence, the implementation of the 2023 BP continues in a satisfactory direction. We have delivered an NOI of £35.2m which sits within the guided range of NOI that we provided to Noteholders in the 2023 BP and confirmed during quarterly updates. In overall terms, this confirms that the operational turnaround of the centre is being delivered. There are several significant features that are worth highlighting:



*Proforma NOI figure

CAGR Growth of 12.7%

- Our targeted investment and operating plan has seen the NOI increase from a Pro forma position of £24.6m at December 2020 to £35.2m at December 2023, representing a CAGR % of 12.7%.

Pro forma adjustments

- We explained in our 2023 BP that to provide a clear understanding of Metrocentre's NOI development we have applied certain adjustments to the originally reported 2020 NOI for legacy issues that existed at the point of migration from the unstable intu platform.

  The amount of the adjustments was some £6.1m, reducing the 2020 NOI from £30.7m to £24.6m and related to matters including major tenant exits and insolvencies (House Of Fraser and Arcadia units), and significant rates liabilities associated with the Debenhams unit that was let on a sub-optimal "profit share" deal. These adjustments had fully unwound by September 2022, hence pro forma is the same as NOI from that point onwards.

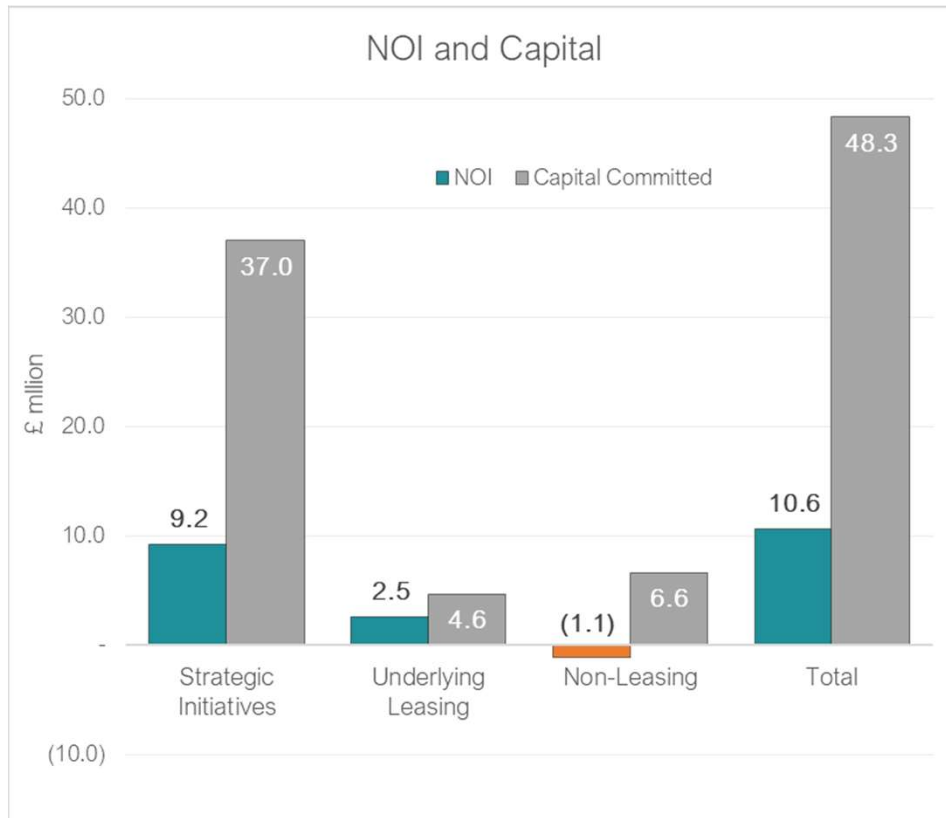
METROCENTRE

A8 Business Plan for the Three Years ended 31 December 2026 (continued)

The focus on Strategic Projects

Net operating income growth of £10.6m has been underwritten by a c. £50m capital programme that may be depicted as follows:

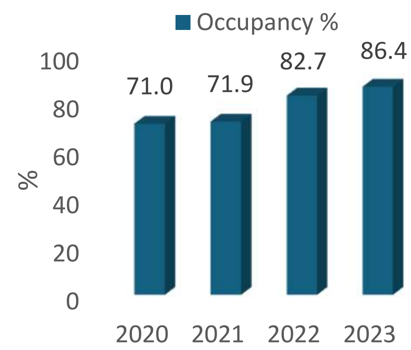
- The analysis shows how our capital backed Strategic Initiatives have driven £9.2m of net income growth and £37.0m of capital committed respectively.
- The Underlying Leasing activity has contributed £2.5m of net income with the benefit of £4.6m of capital. The performance of the Underlying Leasing has also benefited from the Strategic Initiatives as they set the mood of a Centre that is focused on improving its offer and is backing that up with capital spend.
- Within Non-leasing we have included £1.1m of asset level deductions (£1.1m of head rent increase and a small reduction in landlord marketing contributions) that are applicable to all the other items making up the bridge.
- The principal element of the Non-Leasing spend of £6.6m was the £5.4m that we spent on Town Square. This spend was never expected to be accretive but there were tangible benefits in terms of:
  - positive response from customers, tenants and potential tenants who were pleased with the investment by the landlord to create a pleasant and contemporary pause point; and
  - the refurbishment provided support for certain of the lettings in proximity including Goldsmiths, H Samuel and Jo Malone.



A8 Business Plan for the Three Years ended 31 December 2026 (continued)

It is NOT simply a successful financial turnaround, it is borne out by the key metrics as well.

Our capital spend and related NOI uplift has cascaded into key performance metrics that indicate, in addition to the increase in the NOI, the quality of the asset has improved since we took over the estate:

Metric	Comment
Occupancy	The physical occupancy has improved as follows: Using the same pro forma adjustments as described earlier in this section A8, the pro forma physical occupancy has increased from 71.0% at December 2020 to 86.4% at the end of 2023. 
Use profile	In addition to the improved occupancy, we have also made progress in changing the use profile at the centre. Retail activity now comprises 76.3% of the total floor space at the end of 2023 compared with 78.2% in 2022 and 81.0% in 2020.
Expiry profile of leases	Some 39.4% of the contracted rent was subject to lease expiry or break within 2 years when we took over. As part of our focused strategy, that figure was 26.9% at the end of 2023.
WAULT	Since 2020 we have improved the WAULT from 8.2 years to 9.4 years and the WAULTC (to earlier of expiry or break) from 4.1 years to 5.0 years.
Over rent	During 2023 our level of adjusted over rent has reduced further from £3.7m to £2.4m (which represents some 6.1% of our total net rental income compared with 10.9% in 2022).

A8 Business Plan for the Three Years ended 31 December 2026 (continued)

Summary of the 2024 Business Plan ("UBP")

Our expectations for the business as set out in our UBP may be summarised:

Metric	2023 Business Plan (with coupon) [1]	2024 Business Plan (UBP)	CAGR (%) [2]
NOI (December 2023)	£36.3m (range 34.5 - 37.8)	*Actual £35.2m*	12.7%
NOI (December 2024)	£39.5m (range 37.2 - 41.1)	£38.2m (range 37.1 - 39.6)	11.6%
NOI (December 2025)	£40.2m (range 37.9 - 41.8)	£40.6m (range 38.4 - 42.1)	10.5%
NOI (December 2026)	N/A	£41.3m (range 39.1 - 42.8)	9.0%
Capex programme (net of VAT)	[3] £69.7m	£72.4m	
Capex for additional plan year		£5.1m[4]	
Cost of rent free assumptions (2023 to 2025) [5]	£15.3m	£12.0m	
Cash balance December 2023	£14.7m	*Actual £33.5m*	
Cash balance December 2024	£8.8m	£27.9m	
Cash balance December 2025	£13.7m	£27.1m	
Cash balance December 2026	N/A	£30.1m	
Free Cash Flow 2023 [6]	£(1.1)m	*Actual £10.0m*	
Free Cash Flow 2024	£4.0m	£7.4m	
Free Cash Flow 2025	£8.3m	£9.6m	
Free Cash Flow 2026	N/A	£11.5m	

1. This is the 2023 business plan adjusted to include payment of coupon, as referred to in the Additional Information published on 27 April 2023, to make it like-for-like with the UBP column.
2. The CAGR calculation shown for NOI is with reference to the Q4 2020 start point of £24.6m adjusted pro forma NOI.
3. This includes the capex programme of £62.2m and the £7.5m for additional years approved in March 2023, so that this line is also like for like with the Updated Business Plan column.
4. Capex attributable to the additional plan year is £4.7m of 'new' capital (£4.0m of leasing, maintenance, ESG and non accretive budgets plus £0.7m of capitalised letting cost) plus £0.4m of deferred capital from the 2023 BP as a consequence of revised leasing assumptions.
5. The comparison purposes, rent free periods have been valued simply as the annual net income multiplied by the duration.
6. Free Cash Flow is defined here as cashflow after financing costs but before capital investment. Coupon is included within financing costs.

A9 Readiness For Sale

Sale Process

The operational turnaround is well established, tangibly reflected in our reported performance and our established way of working provides confidence that we will deliver the remainder of our plan as set out in the UBP. As outlined in our RIS dated 27 April 2023 we intend to continue the regular bi-annual cash coupon payments on the 4.125% listed notes, subject to the performance of the business being within the performance contemplated in our latest plan.

We have a stable platform and a Centre that is growing. The Board continue to focus on the execution of the business plan, progressing accretive opportunities for the Centre and maintaining regular engagement with all key stakeholders, including the noteholders. As highlighted in the introductory section, there are some positive signs that investment activity is starting again for larger assets and this is something the Board will continue to monitor alongside its stakeholders.

A feature of any Metrocentre disposal process is the fact that the Finance Documents prescribe for certain matters:

- Best efforts engagement under an NDA with the AHG so they are sighted and aligned with the process;
- Metrocentre cannot launch a sale process unless it has taken advice from an M&A adviser that it is an appropriate time in light of existing market conditions to commence the sale process, and appropriate advisers must be engaged throughout the entirety of the process;
- 33% of Noteholders can block the launch of the sales process. If a sufficient number of objections are registered, then the sale is not launched; and
- Should the sales process proceed to the point there is a “recommended bid” that bid can only be completed with a 75% Noteholder consent.

The Metrocentre Partnership

Section B

Asset Management Review prepared by
Sovereign Centros for the Board of Metrocentre

1 Metrocentre Key Features

1.1 Unique Offer

Aerial Photo

1 Metrocentre Key Features

1.1 Unique Offer

- Metrocentre opened in 1986 and heralded the beginning of the super regional mall expansion in the UK, offering a complete "day out" experience for the shopper through its varied mix of retail and leisure uses. One of its claims to fame is that it housed the first out of town Marks & Spencer store.
- The Centre has been substantially modified and extended from its original construction over time and together with its adjacent retail park, now provides 2.0 million sq ft of accommodation in 369 units spread across three locations; Metrocentre Shopping Centre, MetrOasis and Metro Retail Park. The main shopping centre comprises 1.8 million sq ft arranged over two levels in five distinct malls, each with their own particular trading characteristics.

Mall	Floor Area (000 Sq Ft)	Net Income Q4 2023 (£m)	Footfall 4 Key Entrances (%)	Comments
Green Mall	585.8	7.6	21.5%	Green Mall is anchored by Marks & Spencer and Next, along with H Beauty and the NHS (fitting out) in the former House of Fraser department store. The tenant mix includes high street fashion, cosmetic, pharmaceutical, beauty brands and a selection of jewellery and phone stores. Formerly the home of Arcadia Group in large spaces which are now vacant.
Red Mall	464.5	10.4	15.5%	Red Mall is anchored by Flannels, Sports Direct and Everlast Gym in the former Debenhams department. Red Mall features a wide selection of high street fashion and footwear retailers and benefits from large, well configured stores.
Blue Mall	281.9	5.2	30.8%	Blue Mall provides the Centre's "value" retailing experience and is anchored by large Primark and TK Maxx stores. Blue Mall benefits from strong footfall from the railway station and the bus transport interchange.
Yellow Mall	287.0	6.3	32.2%	Yellow Mall incorporates the food and beverage Qube area and Odeon IMAX cinema at the upper level. On the lower level it houses a mix of family leisure outlets including Namco and Treetops Golf.
Platinum Mall	104.7	3.1		Platinum Mall forms the central spine of the Centre and has been refurbished over time. The area focusses on premium brands.
The Village / Forum	13.5	0.0		A series of small units at upper level linking Blue and Green Malls. The tenant line up is predominantly local traders.
Storage	41.2	0.0		Storage areas.
Other	2.7	2.1		Small ancillary spaces.
Subtotal	1,781.1	34.7		
MetrOasis	14.4	0.4		Located externally between the retail park and the shopping centre, MetrOasis comprises a strip of units let to Krispy Kreme, Starbucks, Toby Carvery and Burger King.
Metro Retail Park	208.4	4.0		A strong performing predominantly 'Bulky Goods' retail park.
Total	2,003.9	39.1	100.0%	

* 21% of the total pedestrian flow (approximately 3 million) comes from the Transport Interchange at Blue Mall.

1 Metrocentre Key Features

1.1 Unique Offer

- Metrocentre compares with the other 7 super regional out of town shopping centres as follows:

Centre	Total Site Area (Acres)	Lettable Space (Sq Ft)	Number of Units	Parking Spaces	Anchor Stores
Metrocentre	150	2,000,000	369	10,000	Next, Primark, M&S, Zara, Boots, Sports Direct, Flannels
Trafford Centre	300	2,000,000	200	12,500	Selfridges, M&S, John Lewis, Primark, Boots
Bluewater	240	1,800,000	371	13,000	John Lewis, M&S, Primark, Next
Merry Hill	229	1,700,000	217	10,000	M&S, Primark, Next, Asda
Lakeside	200	1,600,000	295	11,857	M&S, Primark
Meadowhall	102	1,500,000	280	12,000	Next, Primark, Sports Direct, H&M
Cribbs Causeway	72	1,100,000	130	7,000	John Lewis, M&S, Boots, Next
Brent Cross	52	900,000	120	8,000	Fenwick, John Lewis, M&S

- The Centre has successfully navigated the economic cycle a number of times reflecting a combination of factors, including the breadth of the offer (described by customers as *"…being there for all the life moments…"*), a unique and particular loyalty/sense of support from the local population, together with the support and commitment of the tenants which have a very low exit rate.
- Since migration in Q4 2020, 133 lease renewals and regears have been delivered and only 33 tenants have vacated the Centre for corporate or other reasons, along with a further 11 who have been lost because of insolvency. In the same period, 53 new tenants have been secured.
- In total, 51.5% of the current units are on post migration leases, accounting for 54.2% of the total gross income. On a floor area basis, the leasing achievements encompass 45.0% of the total lettable space (or 53.8% of the currently occupied space).
- A further unique feature for Metrocentre, and the other Super Regional Centres, is the fact that it is highly unlikely that shopping centres of a similar scale will ever be built again in the UK. The current oversupply of retail within the UK and the general upheaval in the retail marketplace, particularly in relation to the demise of the traditional department store, has challenged owners and investors to find viable alternative solutions for large vacant space. With an aim of protecting their town centres and existing shopping centres, Local Authorities are adopting a far more restrictive stance on the expansion of out of town shopping centre development. Consequently, Metrocentre has a particular "scarcity/irreplaceable" feature.

1 Metrocentre Key Features

1.2 The Leading Retail Location in the North East

- In 2022 some 14.1 million customers visited Metrocentre, which, in line with all other major shopping centres, was c. 20% down compared with 2019. Metrocentre experienced a Post Covid "bounce" with a strong return to "normal" physical shopping conditions ("normal" representing 15%-20% visitation below 2019 levels). The majority of major retail destinations stabilised at this figure from August 2021:

- April 2021	-51%	Lockdown in UK extended
- May 2021	-29%	Essential retail opens only
- June 2021	-28%	Non-essential retail opens back up
- July 2021	-28%	As above
- August 2021	-20%	"Eat out to help out" scheme launched

- In 2023, footfall grew by 2.4% year on year to 14.4 million. However, this remains 19.3% below 2019.
- Analysis of sales data collected from tenants validates the sentiment that customers are spending more in fewer visits. Estimated total asset sales have remained stable, showing gradual increases from 2019, despite footfall lagging.
- Metrocentre has a total population within a 30 minute drive time of 1.2 million. The catchment area extends to Sunderland and Durham to the South and the Scottish borders to the North. The 60 minute drive time from the Centre extends the total shopper catchment to approximately 2.5 million.
- Excluding central London and M25 London orbital based centres, the annual independent review by retail analysts Trevor Wood confirms Metrocentre as the second most attractive centre in its UK rankings for 2022, after Meadowhall in Sheffield. The Trevor Wood survey, conducted every two years, measures the overall attractiveness of all UK shopping centres from a number of perspectives.

2022 Rank	2020	2019		Scheme	Location
1	1	1	–	Westfield London	London – Shepherds Bush
2	2	2	–	Westfield Stratford City	London – Stratford
3	3	3	–	Bluewater	Dartford – Greenhithe
4	4	4	–	Meadowhall	Sheffield
5	6	6	▲	Metrocentre	Gateshead
6	5	5	▼	The Trafford Centre	Manchester – Trafford
7	7	7	–	Lakeside Shopping Centre	Grays – Thurrock
8	9	9	▲	Manchester Arndale	Manchester
9	8	8	▼	St David's	Cardiff
10	10	10	–	the centre:mk	Milton Keynes
11	13	13	▲	Liverpool One	Liverpool
12	11	12	▼	Canary Wharf	London – Docklands
13	12	11	▼	Merry Hill Centre	Brierley Hill
14	15	15	▲	Bullring	Birmingham
15	14	14	▼	atria Watford	Watford
16	16	17	–	Eldon Square	Newcastle upon Tyne
17	18	18	▲	Derbion	Derby
18	17	16	▼	East Kilbridge Shopping Centre	East Kilbride
19	20	19	▲	The Centre	Livingston
20	19	20	▼	Highcross Leicester	Leicester

Source: Trevor Wood Associates, latest analysis available. Rankings only updated every 2-3 years.

1 Metrocentre Key Features

1.3 Large site well positioned next to the A1 and a scalable transportation hub

- Metrocentre sits on a site of 150 acres and has easy access to the A1 trunk road linking Gateshead to Newcastle and Edinburgh to the North and Durham in the South.
- The Centre benefits from 10,000 free car parking spaces and an integrated transport interchange. Flexibility within the site allows for further expansion of the interchange if necessary which will future proof the asset over time.
- We are currently working closely with Gateshead council to agree a Masterplan that will optimise the use (and commercial prospects) for the site. After the recent devolution announcements and an impending North East mayoral election in May 2024, we will be continuing discussions with Gateshead Council and broadening the discussions to a more appropriate Stakeholder group to accommodate all parties who will be in the decision making process. This will allow us to agree the Masterplan for the Centre and engage constructively with any opportunity that may be available to evolve the offer at Metrocentre into a "21st Century Town Centre" with an emphasis on sustainable spaces. There are a number of influences on our thinking around this including:
    - With the announcement of the £1.4bn devolution deal for the North East that was published on 28th December 2022 (historic £1.4 billion devolution deal for North East - GOV.UK (www.gov.uk)) there appears to be an appetite to provide resources to facilitate an improvement to economic prospects for the North East. The government will guarantee the new North East Mayoral Combined Authority ("MCA") more than £1.4bn over the next thirty years which will enable a new mayor and the councils to plan for the long term, with certainty, and unlock the benefits of devolution for the 2.5 million people living in the North East. Areas specifically mentioned for this spend include sustainable transport network and immediate support to build new affordable homes on brownfield sites. We, as the owner of Metrocentre, which contributes c. £0.8bn to the local economy, the country generally and the exchequer, and the owner of 150 acres which are critical to the successful regeneration of Gateshead, believe that we have an opportunity to position ourselves as a "Shovel Ready Urban Renewal Opportunity" in the North East and become a significant stakeholder in the future social and economic development of the region;
    - Newcastle City Council have recently introduced a Clean Air Zone to regulate traffic coming into Newcastle. Whilst this may address pollution and traffic congestion for the city centre, we believe that it is likely to result in more footfall migrating to Metrocentre, the out of town shopping centre with integrated transport interchange and 10,000 car parking spaces (including 168 EV charging stations).

1 Metrocentre Key Features

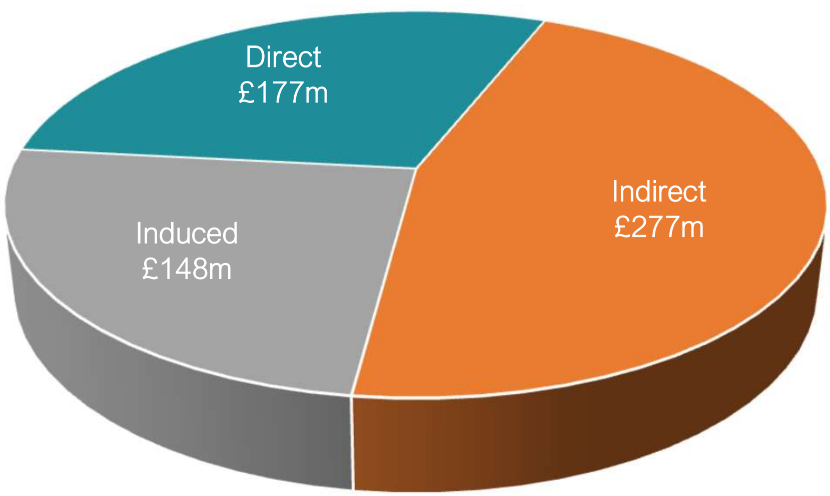
1.4 A Powerhouse of the North East

In early 2023 Metrocentre commissioned EY to produce an economic impact report to help quantify its contribution to the North East and UK economy. The key findings of this report were as follows:

- Total Gross Value Added (GVA) from Metrocentre trading operations of £603m annually, split as shown in the pie chart below.
- Metrocentre's direct GVA impact in 2022 was 5.2% of the retail sector for the entire North East.
- Metrocentre supports 10,741 jobs in the UK, with people working at the Centre (direct jobs) accounting for 0.4% of the jobs in the North-East.
- Estimated tax contribution of £173m annually across VAT, business rates, corporation tax and employment taxes.
- An additional £102m GVA arises from the capital investment programme, as well as an additional 1,631 job-years of construction related employment.

Operating GVA

£603m



Supporting 10,741 Jobs (FTE)

Direct	4,294
Indirect	4,369
Induced	2,078

Tax contribution to Exchequer

£173m

Capital investment GVA

£102m

+1,631 job-years

1 Metrocentre Key Features

1.5 Key Highlights of 2023

Anchor Store Progress

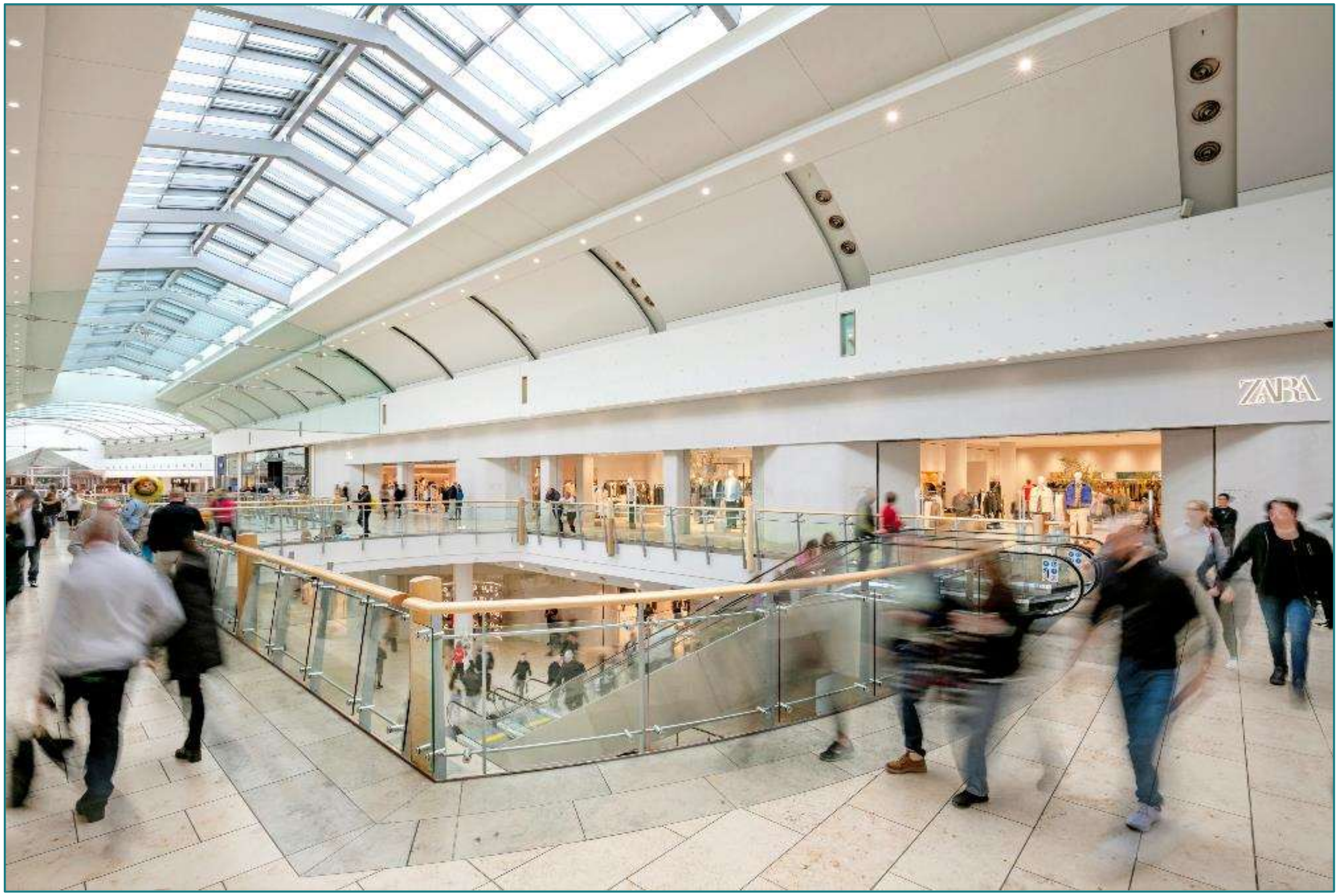
- Strong progress has been made on filling the voids left by Debenhams and House of Fraser department stores. Debenhams has been replaced by Flannels, Sports Direct and Everlast Gym and opened on 16 November. House of Fraser has been partly occupied by H Beauty with the Newcastle Upon Tyne and Gateshead NHS Trust signed up to the remainder of the ground floor (40,000 sq ft) and currently fitting out the space for a Community Diagnostics Centre which is due to open in Q3 2024.
- The remaining space on the upper level is in part subject to advanced negotiation with a major sports brand (10,500 sq ft) and it is anticipated that the remaining space will be let by the end of 2025 either through other health and wellbeing or retail uses.

1 Metrocentre Key Features

1.5 Key Highlights of 2023

New Flagship Stores

- In addition to the replacement of the traditional anchor stores, new flagship retailers have emerged with key occupiers being upsized including JD Sports in 2021, H&M in 2022 and Zara and Primark in 2023. Negotiations with other premium retailers are ongoing and it is expected that more will be deliverable in 2024 as these new retailers seek representation within the Centre.



1 Metrocentre Key Features

1.5 Key Highlights of 2023

Metro Retail Park

- The redevelopment of the former Toys R Us store has completed and the three new leases have completed to Designer Sofas, NCF Living and Dreams. Two are already open and trading with the third fitting out and due to open shortly.
- At the same time as the development, the opportunity was taken to upgrade the surface car park which was in need of repair. This was forward funded by the landlord but is reclaimable under the service charge. Coupled with this, a new 25 year lease has been signed with Ionity who have installed six new car park charging points in 2023.
- The development has encouraged some existing tenants into regearing discussions and the upgrading of store frontages including SCS, Furniture Village and Buzz Bingo.

MetrOasis

- Located between the retail park and the shopping centre, MetrOasis comprised four units let to Krispy Kreme, Starbucks and Mitchell & Butlers with one long term void. Part of this void has now been let to Burger King on a new 20 year lease at a rent of £85,000 per annum, leaving a balance of 1,951 sq ft to let with food and beverage operators the most likely tenants.

1 Metrocentre Key Features

1.5 Key Highlights of 2023

ESG Delivery

- Work has completed on the development of a technical zero pathway and the costs required to deliver it. Phase 2 of the solar PV installations have added c. 1MW of renewable generation to the site with a total solar capacity of 2.6MW. An additional 14 chargers have been installed in 2023 increasing the total to 116 with an additional 58 to be installed in 2024.
- The newly formed partnership with Newcastle United Foundation has had a very positive impact on the community hub and a social value project has been undertaken which includes recommendations to improve and maintain social value and support the local community.
- There has been a significant improvement in EPC scores and there is now a full understanding of what is required to improve units to a B standard or better. As a result of the renewal programme executed in 2023, the number of units with an A or B rating has increased from 36 to 182. Further, the ESG committee have currently adopted a low risk rating on the remaining units based on their current EPC ratings and expiry profile.
- A recycling rate of 50% was set for 2023 with the team working towards 70% by 2030.
- Several ESG awards have been won over the course of the year (e.g Green Apple and Sceptre Awards).

1 Metrocentre Key Features

1.5 Key Highlights of 2023

Debtor Book

- Rent and service charge collection rates have averaged in excess of 99% and 98% respectively through 2023. At the end of 2022, the tenant debt was £5.4m and by December 2023 this had been reduced to £3.7m.

Service Charge

- The 2024 service charge budget of £15.6m reflects a 4.4% year on year increase.
- There is a continued strong focus on tenant affordability, but unavoidable inflationary pressures such as wages (national minimum wage increase), costs of goods and services and utilities, as well as a necessary increase in planned maintenance works, have driven the increase.
- Benchmarking of the total budget per sq ft against a peer group of large regional shopping centres demonstrates that this increase is not unique to the Centre which continues to compare favourably from an affordability perspective.

1 Metrocentre Key Features

1.5 Key Highlights of 2023

2023 Leasing

1 Metrocentre Key Features

1.5 Key Highlights of 2023

2023 Leasing

1 Metrocentre Key Features

1.5 Key Highlights of 2023

2023 Refurbishments

1 Metrocentre Key Features

1.6 Asset Management Strategy – Key Objectives

Key Objective	Progress to Date
Improved Operational Management	- Operational onsite management continues to be well coordinated with strong communication and a very positive team approach. - The service charge budgets remain under constant review. The 2023 service charge budget was £14.9m which reflected a 7.8% year on year increase (£13.8m in 2022). The budget for 2024 is £15.6m, a 4.4% increase over 2023, which given current inflationary pressures is very positive. - The increase in the 2024 budget is largely focused on wage inflation, utility contracts and insurance premiums. - This level of increase compares well with similar centres in the peer group, some of which are seeing increases of between 10%-15%. - Based on monthly tracking of expenditure versus budget it is currently estimated that there will be a 2.3% under spend in 2023. - The marketing team are seeking to increase promotional events where possible given the number of expected openings in 2023 and 2024. Events in 2023 have been shown to have a very positive impact on footfall.

Improved Occupier Management	- Leasing performance throughout 2023 has been positive with 17 new lettings completed to tenants including NHS, Primark, Designer Sofas, Rowen Homes, Skopes and NCF Living.
	- 40 renewals/regears have also been completed to occupiers including New Look, Lego, Hotel Chocolat and All Saints. The key regear with Zara into their new flagship store and the major Boots renewal were completed in Q2 and Q3 respectively.
	- There are currently 43 vacant non-storage units within the Centre as follows, with the 10 small Forum units counted as a single unit:
	  - Red Mall: 4 units (31,910 sq ft – 6.9% of mall area)
	  - Platinum Mall: 2 units (3,076 sq ft – 2.9%)
	  - Blue Mall: 9 units (22,811 sq ft – 8.1%)
	  - Yellow Mall: 5 units (21,146 sq ft – 7.4%)
	  - Green Mall: 14 units (158,098 sq ft – 27.0%). The remaining HoF department store space accounts for 68,000 sq ft and 43,000 sq ft relates to ex-Arcadia units, which is not untypical of the experience of other major shopping centres.
	  - Other: 9 units (8,473 sq ft – 3.6%)
	  - Total Vacancy excl storage: 43 units (245,514 sq ft – 12.5%).
	  - Storage: 18 units (26,078 sq ft – 59.5%)
	- All key mall areas identified above have achieved a positive occupancy gain in 2023.
	- Leasing activity has remained positive despite the well publicised headlines of inflation, cost of living crisis etc. When recent negotiations with a range of new occupiers have completed, they will be announced.
	- Rent and service charge collection rates have remained very strong through 2023, averaging over 99% and 98% respectively.

1 Metrocentre Key Features

1.6 Asset Management Strategy – Key Objectives

Key Objective	Progress to Date
Re-anchoring the Centre	- The re-anchoring of the Centre and finding a solution to the two department stores in the former Debenhams and House of Fraser has been substantially progressed. - Frasers Group completed an Agreement for Lease on 15 August 2022 to occupy the entirety of the former Debenhams department store on a 15 year lease. - The store has been divided into three components. Flannels are now trading from c. 70,000 sq ft on the ground floor level of Red Mall, Sports Direct from c. 60,000 sq ft on the first floor and Everlast Gym from c. 35,000 sq ft on the upper mezzanine level. The stores opened for trade on 16 November 2023. - Phase 1 of the re-anchoring and letting of the former House of Fraser store concluded when H Beauty opened for trade on 12 June 2022. A subsequent letting has completed for the NHS CDC to occupy the remainder of the ground floor in a unit of c. 40,000 sq ft. Landlord works have completed and handed over to the tenant to fit out in October 2023. The community diagnostics centre is expected to open in Q3 2024. - Terms have been provisionally agreed with a major international sportswear brand to occupy the upper mall frontage to Town Square in a new store of c.10,500 sq ft. - The remainder of the HoF store (c. 55,000 sq ft) is being considered for alternative use which could be leisure or further retail or healthcare.
Maximising & Securing Key Occupiers	- The Zara flagship store, which upsized them from c. 18,000 sq ft to c. 41,000 sq ft in Red Mall, opened for trade on 28 September 2023. - The longstanding Boots renewal completed on 31 July 2023, retaining them in their existing configuration. - A Primark extension has completed for them to expand into the former Argos store on Yellow Mall. The tenant is expected to open for trade in May 2024. - A consequence of upsizing Zara was the relocation of Schuh to the opposite side of Red Mall into a new enlarged store which opened for trade in November 2022. - JD's new flagship store on Platinum Mall opened for trade on 21 June 2022. - H&M's upsize in Red Mall, including new homeware store, opened for trade on 26 May 2022. - Terms are agreed with River Island to renew their existing lease which will see them invest significantly in the store, upgrading it to flagship status within their portfolio.

1 Metrocentre Key Features

1.6 Asset Management Strategy – Key Objectives

Key Objective	Progress to Date
Broadening of Leisure Provision	- Terms are agreed and in place with Powerleague for the creation of a new 5 a-side football and Padel tennis facility on the roof of Blue car park. The tenant has submitted a planning application which is expected to be determined in the first half of 2024. Works to create the facility will commence upon the grant of planning consent. - Everlast Gym occupy c.35,000 sq ft at upper mezzanine level of the former Debenhams store. - Treetops Golf replaced Angry Birds in the Qube and opened on the 6 October 2023. It has started very positively and has a broader appeal than that of the previous tenant. - There has only been 1 new F&B letting in the second half of 2023 (Acropolis Street Food), but ways to improve the offer are being evaluated. This is an area that is being monitored closely given the challenges that operators are experiencing in the F&B space. The correlation between the performance of the Odeon cinema and the F&B operators cannot be understated. High-profile film releases during 2023 assisted the turnover of adjacent restaurants. - A number of other leisure uses are being considered subject to satisfying covenant status checks and overall financial viability. - The initiative to sell the Fed Brewery site to Top Golf exchanged on 2 February 2024. This is anticipated to be an additional major footfall draw for the Centre. The transaction has taken longer than anticipated because of ongoing planning/transport discussions with the Local Authority concerning a connection to the Green Mall car park. This major venue is anticipated to attract 400,000 – 450,000 visitors per year, in addition to creating 350 – 400 jobs.
Reducing Number of Retail Units	- This continues to remain a focus where the opportunity arises. - The JD Sports and H&M both combined six units into two. - Zara have opened their new flagship store on Red Mall which incorporated six vacant units into their new store. - Investigations continue in finding a solution for “The Village” and “Forum” areas to amalgamate units and create new retail concepts.
Introduction of Alternative Uses	- The proposal for the NHS CDC within the former HoF store is complete. The tenant is fitting out the 40,000 sq ft, predominantly ground floor space which will have lift and stair access to the upper level. It is hoped that this facility will be a catalyst to attract other similar uses into the Centre. - The eyecare clinic which was introduced to upper Blue Mall is performing well. - There is an initiative with a serviced office provider to take 7,000 sq ft of space for a flexible workspace use in the former Job Centre who vacated in August 2023. A proposal was made to the Board to progress this under a Management Agreement and this is expected to commence in Q1 2024.

1 Metrocentre Key Features

1.6 Asset Management Strategy – Key Objectives

Key Objective	Progress to Date
Metro Retail Park Improvement	- The redevelopment of the former Toys R Us store completed on 4 September and was handed over to the tenants on 11 September for fitting out. Two tenants traded prior to Christmas with the third due to open early 2024. - The three units were pre-let to Designer Sofas, NCF Living and Dreams. - The headline rental levels achieved are a new record rent for the retail park. - Where the retailers are receptive, lease renewals, coupled with frontage upgrades and refurbishment are being implemented. - The resurfacing of the car park was completed to coincide with the completion of the development.

2 NOI Performance to Q4 2023

2.1 Introduction

- The NOI Performance section provides an update on 2023 performance, reporting on net operating income ("NOI") and associated metrics.
- Where relevant, the outputs are compared and reconciled to the expectations of the 2023 BP.
- The 2023 BP cited a Q4 2022 NOI of £30.0m. Two years prior, at the point of migration, an initial NOI of £30.7m was reported for Q4 2020. This fell to a low point of £24.5m at Q3 2021 as unresolved issues such as the volume of insolvency activity and anchor store issues unwound.
- Due to the extent of these legacy issues, which were known at the point of migration but remained either unaddressed or awaiting a final resolution as to how the situation would unfold, a proforma Q4 2020 NOI of £24.6m was presented within the 2023 BP. This reflected the unwinding of both former department stores and several other insolvency situations which had commenced but not concluded at Q4 2020.
- These proforma adjustments did not capture all negative impacts on NOI, just those that were known at the point of migration, to enable a clearer picture of underlying asset performance from that point onwards. By Q3 2022, the proforma adjustments had fully unwound.
- The initial period to Q4 2022 therefore showed £5.4m of NOI progress thanks to a significant volume of leasing activity which was necessary to offset continued downward pressure from wider market challenges such as retailer rationalisation and rebasing of overrented leases.

Date	Contracted Rent	Turnover Rent	Gross Rental Income	Occupational Shortfalls	LL Contribution to Marketing	Head Rent	Net Operating Income
Q4 2020	£37.1	£2.4	£39.5	-£12.1	-£0.5	-£2.4	£24.6
Q4 2022	£36.4	£5.7	£42.2	-£8.8	-£0.4	-£2.9	£30.0
Q4 2022 v 2020	-£0.7	£3.3	£2.7	£3.3	£0.0	-£0.6	£5.4

** Q4 2020 NOI represents the proforma NOI presented within the 2023 BP.*

- From the platform reported at Q4 2022, strong progress has been achieved in 2023, with the NOI growing by £5.2m to £35.2m:

Date	Contracted Rent	Turnover Rent	Gross Rental Income	Occupational Shortfalls	LL Contribution to Marketing	Head Rent	Net Operating Income	2023 BP Forecast
Q1 2023	£38.1	£5.9	£44.0	-£7.3	-£0.4	-£3.3	£32.9	£29.5
Q2 2023	£38.5	£5.8	£44.2	-£6.4	-£0.4	-£3.4	£34.0	£29.9
Q3 2023	£39.0	£6.0	£45.0	-£6.3	-£0.4	-£3.4	£34.9	£35.0
Q4 2023	£38.9	£6.4	£45.3	-£6.2	-£0.5	-£3.5	£35.2	£36.3
Q4 2023 v 2022	£2.5	£0.7	£3.2	£2.6	£0.0	-£0.5	£5.2	-

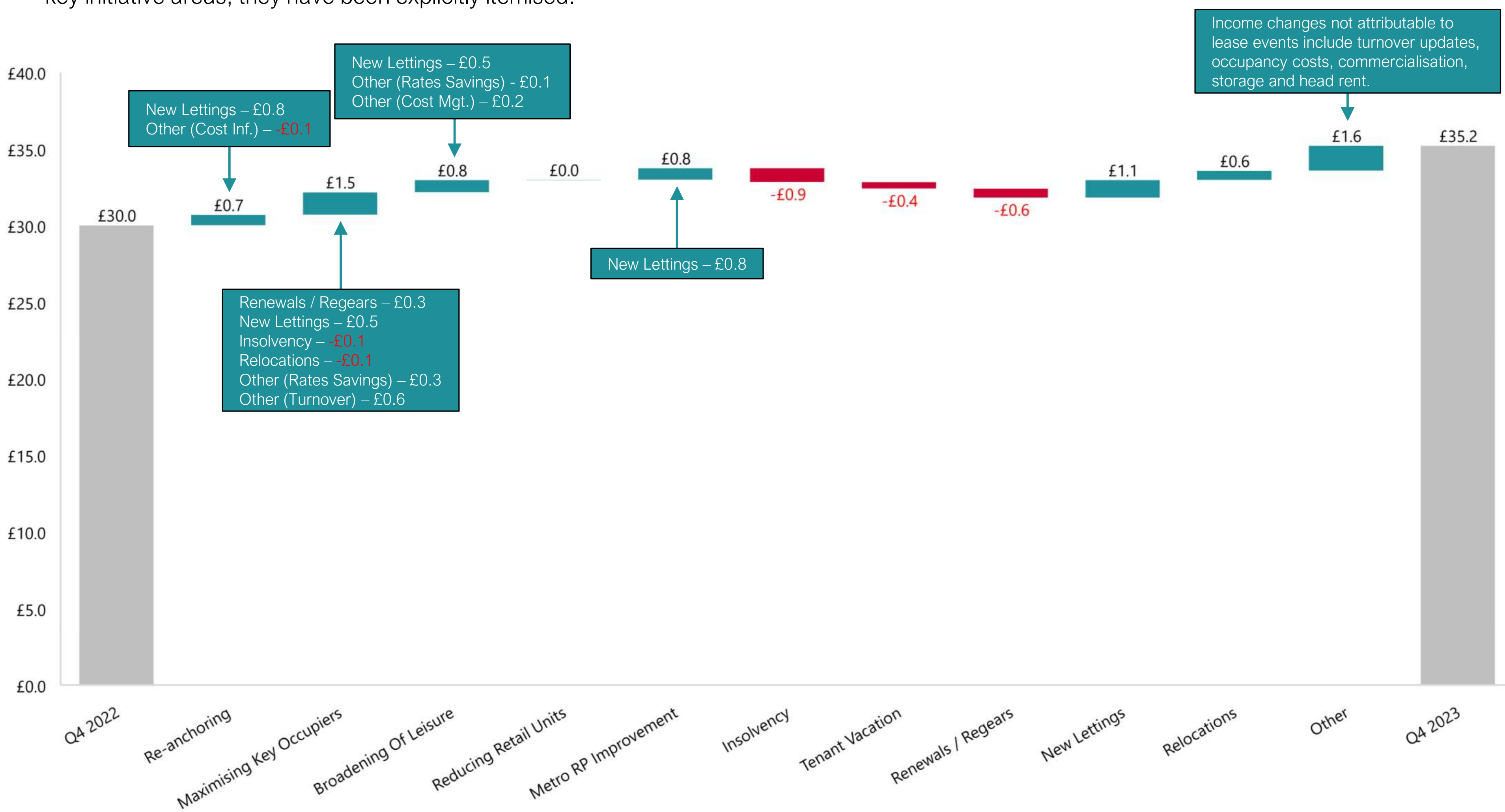
- Despite the strong growth delivered, the NOI is shown to have lagged the 2023 BP forecast from Q3. The eventual year end NOI sits behind, but within the target range cited in the 2023 BP, and this is explored further within this section.
- The remainder of the NOI Performance section explores the drivers of this NOI growth and assesses the performance both by nature of underlying event and by mall location.

2 NOI Performance to Q4 2023

2.2 NOI By Event

2023 NOI Bridge

- The event based assessment of NOI growth in 2023 is shown below. Where there has been a meaningful income change in the formerly reported key initiative areas, they have been explicitly itemised.



2 NOI Performance to Q4 2023

2.2 NOI By Event

Key Initiative Update

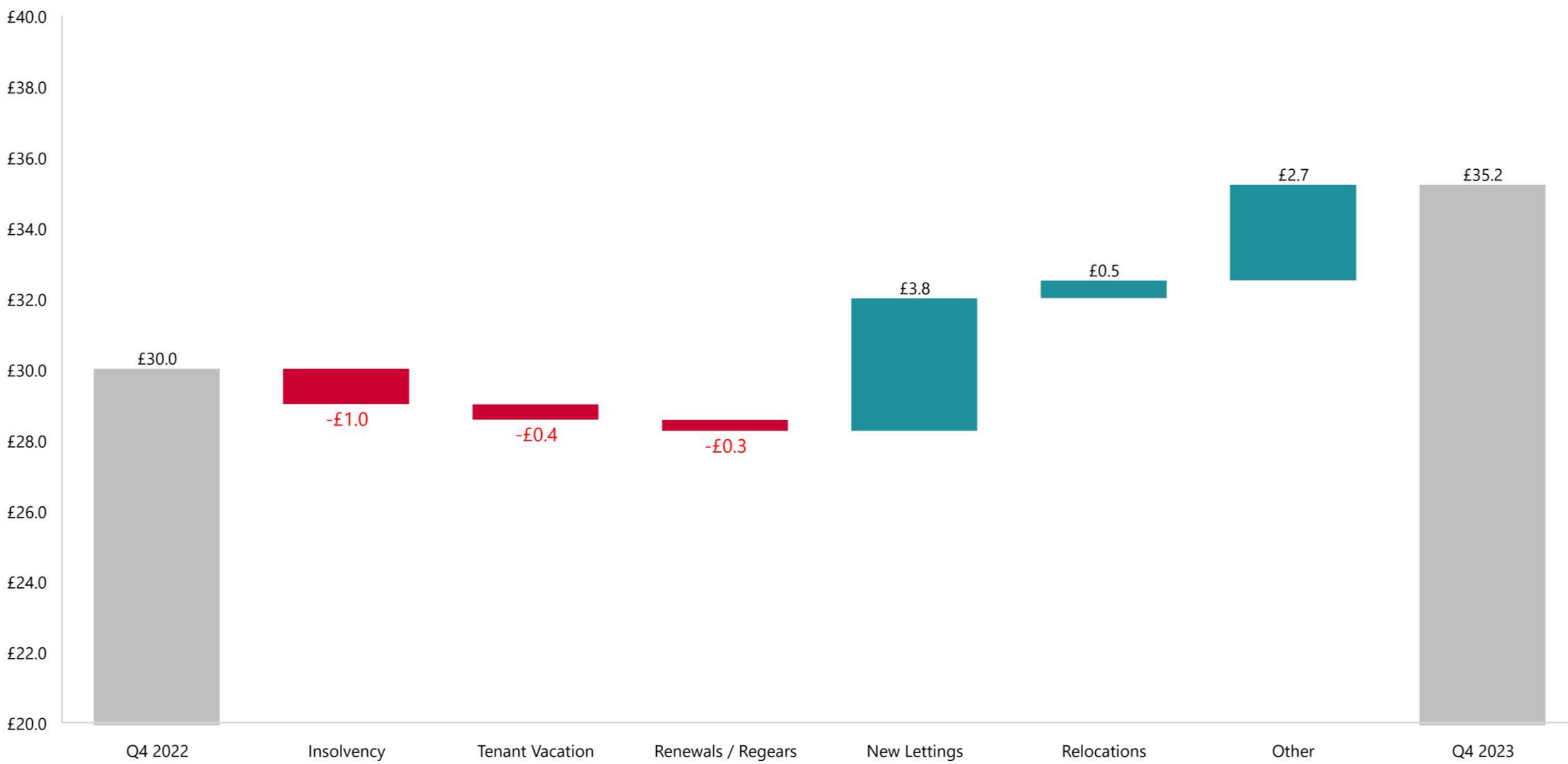
Key Initiative	Net Income Q4 2022	Net Income Q4 2023	Net Income Change	Comments
Re-anchoring	£0.2	£0.9	£0.7	- H Beauty open and trading prior to 2023. - Flannels, Sports Direct and Everlast Gym committed in Q4 2022 but open and trading Q4 2023. - NHS letting complete in 2023, currently fitting out and due to open in Q3 2024. - Live retail negotiation for part of the remaining former department store space.
Maximising Key Occupiers	£2.9	£4.4	£1.5	- New flagship stores for JD and H&M had been delivered prior to 2023. - Zara regear achieved in 2023, upsizing them into 6 neighbouring vacant units at lower and upper mall. - Boots renewal was concluded in 2023.
Broadening Of Leisure	-£0.5	£0.3	£0.8	- The 2023 BP referenced the leisure initiative reducing to accommodate an emerging retail upsize discussion. - A Primark extension is now complete in part of the vacant unit, with the tenant currently fitting out. - The remaining space is still to let with leisure and F&B uses being targeted.
Reducing Retail Units	-£0.2	-£0.2	£0.0	- The 2023 BP stated that a workspace Initiative, as previously imagined, had stalled due to inadequate terms and covenant strength to justify the delivery cost. - The plan for the underlying space has reverted to longer term letting assumptions with no progress achieved during 2023.
Metro RP Improvement	£0.0	£0.8	£0.8	- Redevelopment of the former Toys R Us unit completed in 2023 along with three new lettings to Designer Sofas, Dreams and NCF Living.
Introduction of Alternatives	£0.3	£0.3	£0.0	The solar installation is complete, and the panels are generating (no year on year change).
			£3.7	

2 NOI Performance to Q4 2023

2.2 NOI By Event

NOI Performance By Lease Event

- The previous page reported the extensive achievements within the key initiative areas during 2023. As a result, most key initiatives are substantively complete and where they aren't, the remaining milestone can now be considered an individual letting assumption.
- The following NOI bridge provides the same summary of growth achieved in 2023, but in this case without extracting the key initiatives from the underlying lease events.



2 NOI Performance to Q4 2023

2.2 NOI By Event

NOI Performance By Lease Event

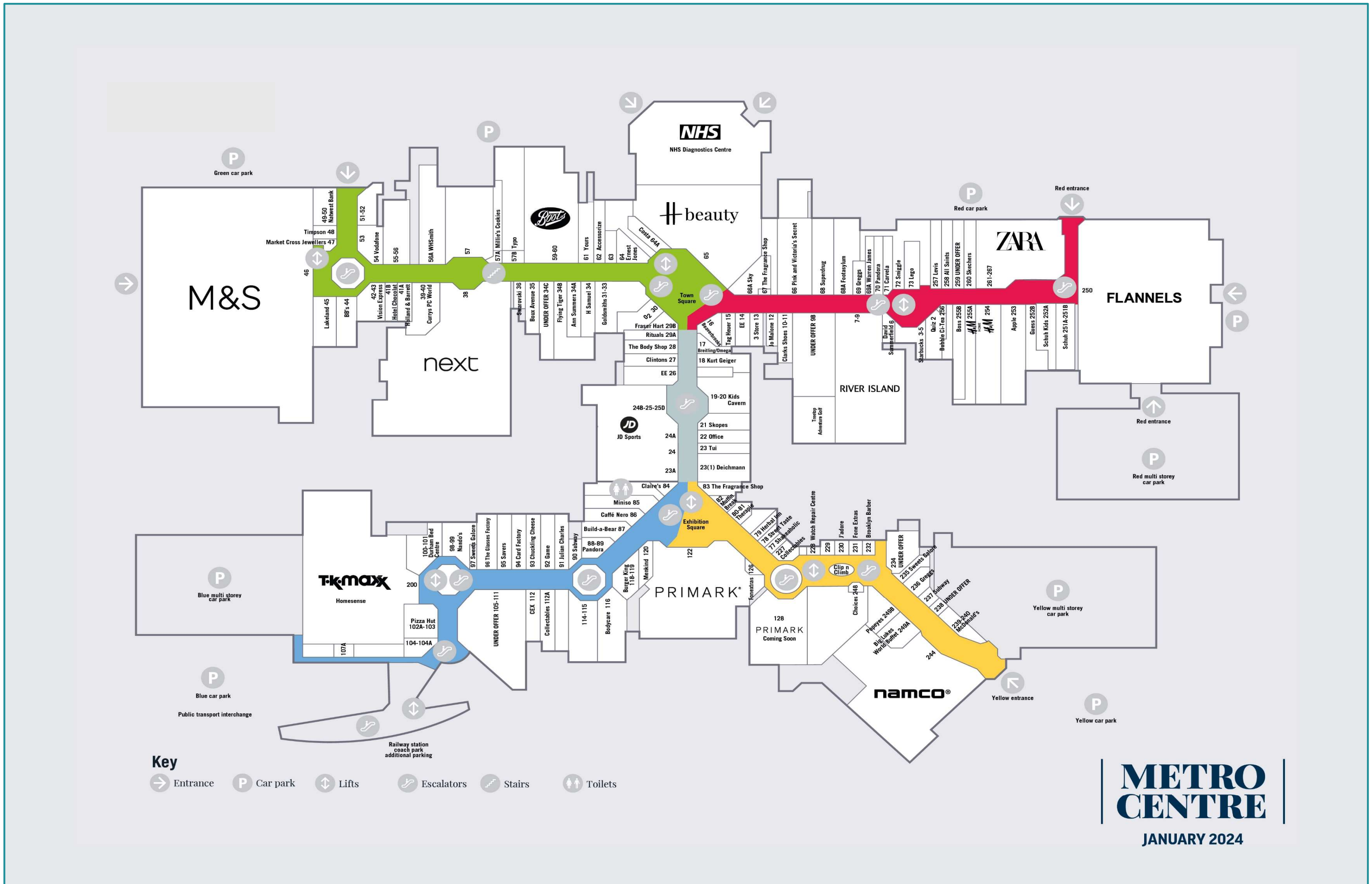
- The following table summarises the key themes beneath the NOI movement categories reported in 2023.

Event	Net Income Change	Comments
NOI (Q4 2022)	£30.0	
Insolvency	-£1.0	6 insolvency situations have arisen through 2023 which have impacted on net income. Most significantly, the Wilko failure created a large net income loss but an agreement for lease has recently completed (early 2024) with Go Outdoors to relet their unit. Other smaller scale losses including Tapas Revolution and Paperchase. The lease was disclaimed on the former Burtons unit, which was already vacant, and in two further cases regears were achieved with Regis and Supercuts following their CVA.
Tenant Vacation	-£0.4	In addition to the losses caused by insolvency, a further 5 tenants have been lost at lease expiry or break. Most significantly, Job Centre Plus vacated in Q3 accounting for 47.5% of the total income loss shown. Other losses of American Candy, Snowshock, VIP and Future Fone Citi were smaller in scale with a combined floor area of only 4,009 sq ft.
Renewals / Regears	-£0.3	A total of 40 renewals or regears have been achieved in 2023. The overall negative trend of overrent is dampened by some large positives such as Zara. Whilst the positive of Zara was generated by an optimisation of their unit, other positives are the result of strengthening of certain locations resulting in opportunities to renegotiate concessionary leases which were necessarily agreed earlier in the management period (e.g. Office, Ann Summers, Market Cross). However, the prevailing trend of rebasing historic rents that has been reported previously is still apparent in the underlying breakdown. Several other renewals have been achieved at or below passing levels as rebasing of historic rental levels continues. Whilst these have a negative impact on net income, securing key occupiers such as Boots, New Look, Skechers, Waterstones, Lego and Swarovski is a positive indicator on tenant retention.
New Lettings	£3.8	17 new lettings have been achieved, introducing new occupiers to the Centre and positively offsetting losses reported within the Insolvency and Tenant Vacation categories. Major milestones from within key initiative areas were the NHS CDC, Primark's extension and completion of the former Toys R Us redevelopment for Designer Sofas, NCF Living and Dreams. Other important unit letting achievements include Rowen Homes, Skopes, Flying Tiger and The Fragrance Shop.
Relocations	£0.5	Relocation activity has continued to ensure that tenants trade from an optimal store and are positioned correctly within the Centre. Game were relocated from Yellow Mall to Blue Mall to facilitate a new letting to The Fragrance Shop. Similarly, Durham Bed Centre, were relocated to secure an improved letting in their former store to Julian Charles. A relocation initiative with EE completed Q4 2023 with the tenant opening for trade early 2024.
Other	£2.7	Other income changes consist of rent changes in existing units outside of a lease event (e.g turnover rent updates or rent review uplifts), occupational cost updates which comprises the rates revaluation in 2023 and changes within other income contributors such as storage and commercialisation. Head rent, which is a function of all other income changes, is also captured within Other.
NOI (Q4 2023)	£35.2	

2.3 NOI By Mall

Tenant Plan – Lower Level

- NOI performance has also been assessed on a mall by mall basis. The following plan has been used to classify unit locations.

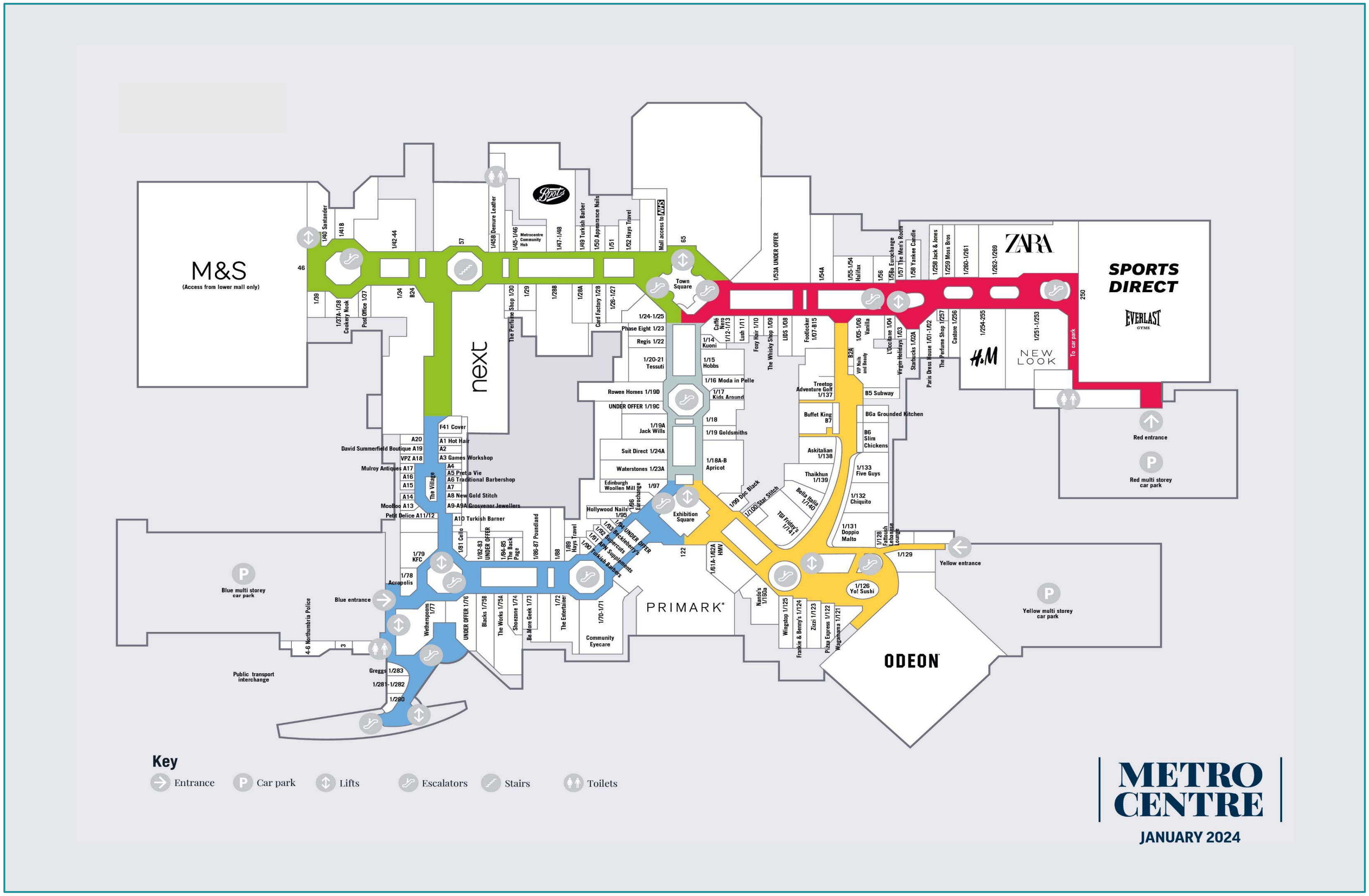


2 NOI Performance to Q4 2023

2.3 NOI By Mall

Tenant Plan – Upper Level

- The following plan has been used to classify unit locations at upper level.

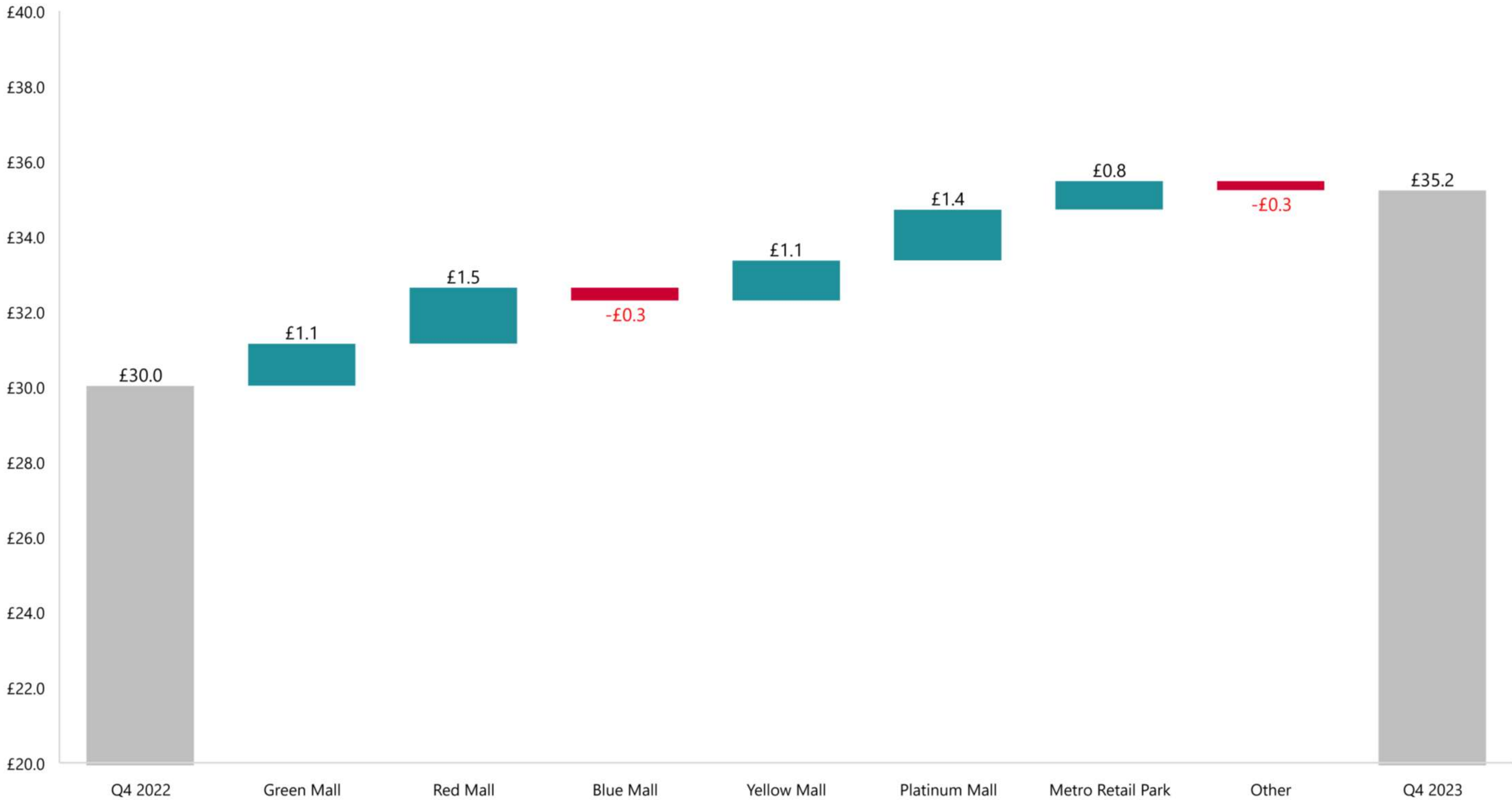


2 NOI Performance to Q4 2023

2.3 NOI By Mall

NOI Bridge By Mall Area

- An alternative NOI bridge for 2023 which is classified by mall location rather than the nature of lease event:



2 NOI Performance to Q4 2023

2.3 NOI By Mall

Mall Performance Analysis

Mall Location	Q4 2022 Net Income (£M)	Q4 2022 Rent Let Space (£ / Sq Ft)	Q4 2022 Occupancy	Q4 2023 Net Income (£M)	Q4 2023 Rent Let Space (£ / Sq Ft)	Q4 2023 Occupancy	Variance Net Income (£M)	Variance Rent Let Space (£ / Sq Ft)	Variance Occupancy
Green Mall	£6.4	£23.1	68.6%	£7.6	£22.8	73.0%	£1.1	-£0.3	4.4%
Red Mall	£9.0	£27.4	90.2%	£10.4	£29.1	93.1%	£1.5	£1.6	2.9%
Blue Mall	£5.5	£23.6	90.7%	£5.2	£22.4	91.9%	-£0.3	-£1.3	1.2%
Yellow Mall	£5.2	£23.7	88.5%	£6.3	£24.9	92.6%	£1.1	£1.2	4.1%
Platinum Mall	£1.7	£33.2	79.9%	£3.1	£33.4	97.1%	£1.4	£0.1	17.2%
Metro Retail Park	£3.3	£17.9	100.0%	£4.0	£19.3	100.0%	£0.8	£1.4	0.0%
Other	£2.3	£72.3	53.9%	£2.6	£85.3	51.8%	£0.3	£13.1	-2.1%
Total	£33.4	£25.5	82.7%	£39.1	£26.2	86.4%	£5.7	£0.6	3.7%
Head Rent	-£2.9			-£3.5			-£0.5		
LL Marketing Cont.	-£0.4			-£0.5			£0.0		
NOI	£30.0			£35.2			£5.2		

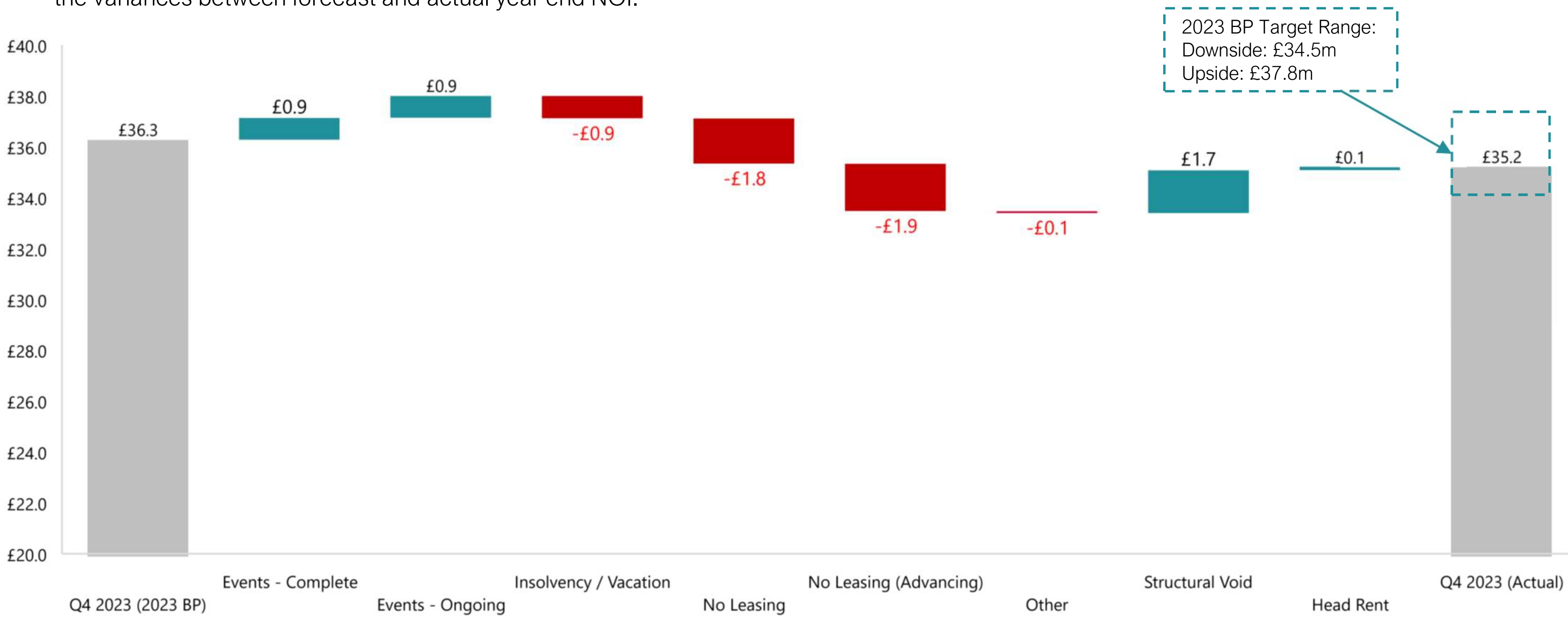
- Positive net income change in 2023 is shown to be a function of both improving occupancy, which has risen from 82.7% to 86.4%, and the rent achieved on let space which has increased from £25.5 / sq ft to £26.2 / sq ft.
- The mall assessments for 2023 are showing the following:
  - Green Mall is undoubtedly still the most challenging location with the highest void rate, but positive progress has been made both in net income and occupancy terms. This steady progress is expected to continue into 2024.
  - Red Mall has strengthened significantly with the opening of the new Zara flagship along with Flannels, Sports Direct and Everlast Gym. Both net income and occupancy have improved and there are several further lettings under offer and progressing.
  - Blue Mall has proven more challenged this year, showing the only net income decrease. Some positive leasing activity has been secured but this has been outweighed by the loss of Job Centre Plus and Wilko (both units have replacement operators under offer).
  - Yellow Mall has performed in line with the wider trend, showing a meaningful improvement both in net income and occupancy terms. The introduction of Primark (extension) has been achieved and two further vacant unit lettings are under offer.
  - Platinum Mall has recovered sharply through a series of new lettings in 2023, rebuilding occupancy from 79.9% at Q4 2022 to 97.1%.
  - Metro Retail Park continues to perform well. The Toys R Us redevelopment is complete, providing 3 high quality new units and the car park resurfacing project has improved its appearance materially.

2 NOI Performance to Q4 2023

2.4 Comparison to 2023 BP

Q4 2023 NOI – Actual v 2023 BP Forecast

- The Q4 2023 NOI of £35.2m sits within the range reported to investors in the 2023 BP, but below the central target of £36.3m. The table categorises the variances between forecast and actual year end NOI.



Classification	Detail
Events - Complete	Differences to the 2023 BP as a result of events which have occurred during 2023.
Events - Ongoing	Differences to the 2023 BP as a result of events which are under offer or situations where the expected event has not yet progressed (e.g tenants holding over or assumed failures who continue to trade).
Insolvency / Vacation	Losses either as a result of insolvency or unexpected tenant exit through 2023.
No Leasing	Unit lettings assumed in 2023 which have not been achieved.
No Leasing (Advancing)	Unit lettings assumed in 2023 which have not been achieved but the units are under offer with NOI benefit likely to fall in 2024.
Other	Reflects variances in ancillary areas (Village, Forum, Commercialisation, Storage etc) as well as variances due to occupational cost changes.
Structural Void	The structural void contingency which is included in forecasting but not incurred in reality.
Head Rent	Head rent is a function of all other changes.

2 NOI Performance to Q4 2023

2.4 Comparison to 2023 BP

- The 2023 BP envisaged strong NOI growth from £30.0m to a forecast of £36.3m for Q4 2023.
- To allow for the risk attributable to such an asset management intensive forecast, as well as potential tenant risk linked to wider economic circumstances, the central target of £36.3m was sensitised to include downside and upside NOI projections of £34.5m and £37.8m respectively.
- The Q4 2023 NOI of £35.2m sits below the target of the 2023 BP but within the range cited.
- The reconciliation to forecast shows a mixed story of positive variances where lease events have been achieved, with Complete and Ongoing events combining to produce a positive £1.7m to 2023 BP. However, these positive achievements are offset by unit leasing milestones which were assumed for 2023 but not achieved. The 'No Leasing' category, when combined with Insolvency / Vacation, amount to a variance of -£2.7m which outweighs the structural void which is intended as a contingency for these situations.
- The No Leasing (Advancing) category is an extension to the No Leasing category, but the events have been differentiated because the leasing target is currently under offer. Whilst there is a negative variance of -£1.9m in this category, these events are progressing in the early stages of 2024.
- There are several leases under offer at the time of reporting. If all of the under offer activity (new lettings, renewals and known tenant exits) were to proceed as currently agreed, the associated NOI benefit would be £2.4m. This includes the offset to the units shown in the No Leasing (Advancing) category in addition to other unit lettings which were not assumed to be delivered in 2023.
- Whilst the weight of events under offer are not certain until the legal process is concluded, the volume gives comfort that the NOI trajectory shown through 2023 can be sustained into 2024.

2.5 Other Performance Measures

2023 Leasing v Business Plan

- On average, the leasing activity which completed in 2023 was achieved at net rental levels 6.7% ahead of 2023 BP assumptions.
- The combined cost of works and incentives (capital and rent free) granted within 2023 completed leases compares favourably to business plan assumptions by 12.8%.

Occupancy

- Occupancy has climbed steadily from 82.7% to 86.4% in 2023.
- With a strong pipeline of leasing activity under offer, this is expected to continue into 2024.

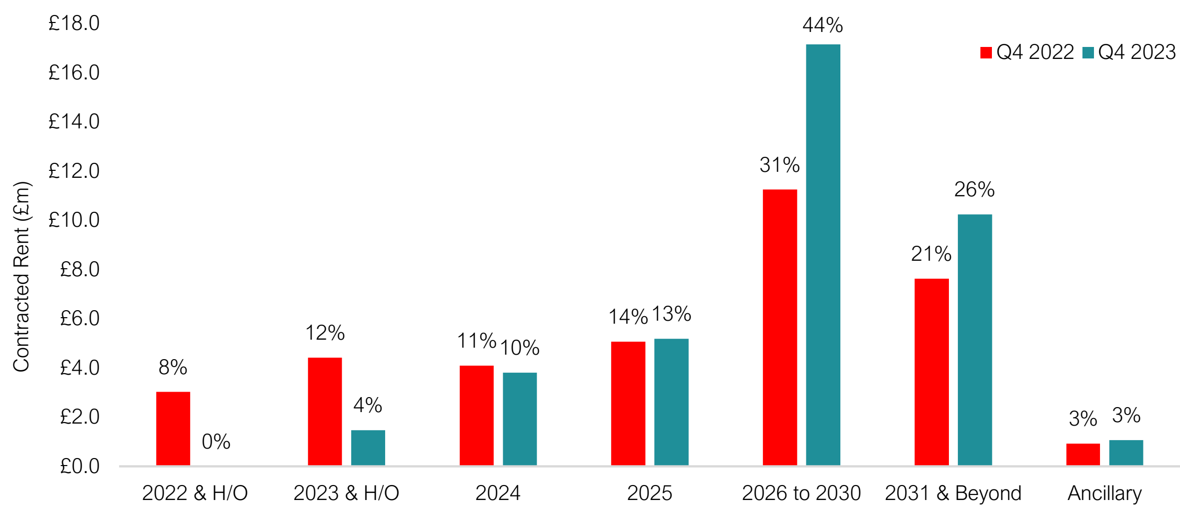
Weighted Average Unexpired Term

- The weighted average unexpired term both to expiry and break has climbed through 2023:

	Q4 2022	Q4 2023
Weighted Average Unexpired Lease Term (To Expiry)	9.3 years	9.4 years
Weighted Average Unexpired Lease Term Certain (To Earlier of Break or Expiry)	4.6 years	5.0 years

Expiry Profile

- The 2023 BP noted that significant progress had been made in addressing the impending expiry profile identified at Q4 2020 where 39.4% of the contracted income was subject to break or expiry within 2 years.
- At Q4 2022, the % subject to break or expiry in the subsequent 2 years had fallen to 31.7%.
- A year later, at Q4 2023 this has reduced further to 26.9%.
- The expiry profile chart for Q4 2023 demonstrates how the new letting and renewal activity has pushed much more rent security into 2026 and beyond.



2 NOI Performance to Q4 2023

2.5 Other Performance Measures

Footfall

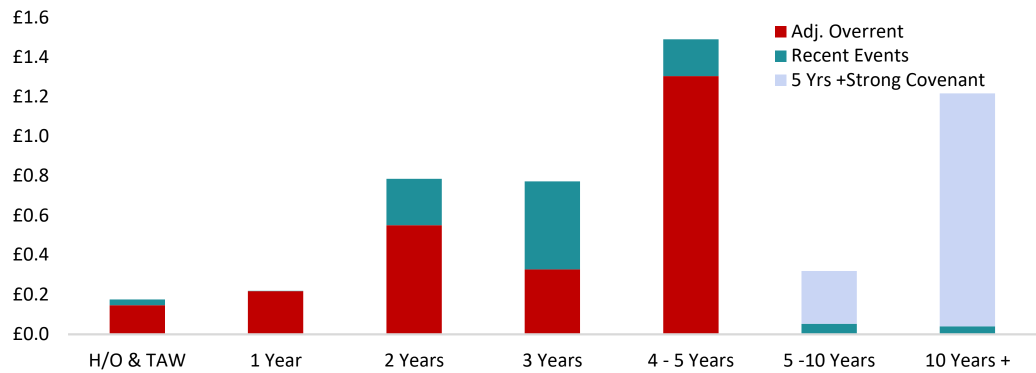
- The Centre reported footfall of 14.4m in 2023. This compared favourably to the previous year but remains resolutely beneath pre pandemic levels.

	2019	2022	2023	2023 v 2022	2023 v 2019
Footfall	17.9	14.1	14.4	2.4%	-19.3%

- December outperformed the year on year average, being 4.2% above 2022 and 14% lower than 2019, which is a marked improvement for the underlying c. 20% reduction in footfall that has been a feature of all large shopping centres since the pandemic. This followed the recent openings of Zara's new flagship and Flannels, Sports Direct and Everlast Gym. It is anticipated that these new openings will continue to drive footfall in 2024, with early reports showing a continued positive trend. Further, new openings in the pipeline for 2024 include the NHS CDC and Primark extension.

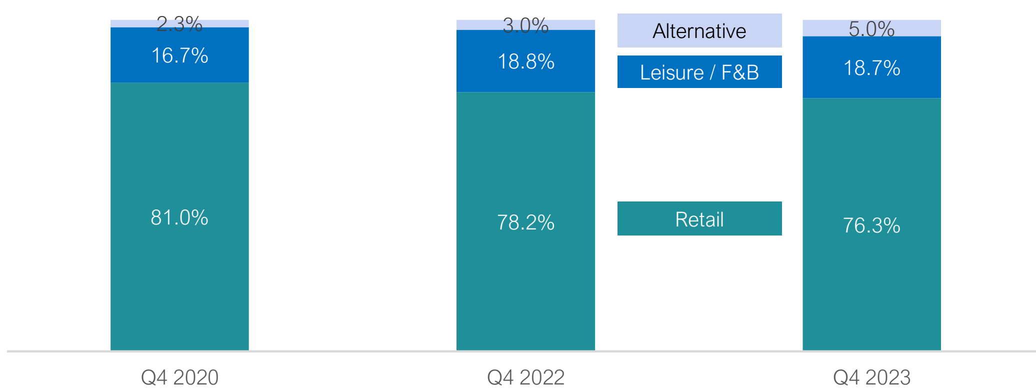
Overrent

- Within the 2023 BP, an analysis of overrent identified £7.0m of overrent (in overrented units).
- Having made exclusions for overrent which applies to events concluded since migration, or where the lease is secured for 5+ years to a strong covenant, the adjusted overrent identified was £3.7m.
- Meaningful progress has been made in 2023, with the headline overrent reducing from £7.0m to £5.0m and the adjusted overrent reducing from £3.7m to £2.4m.



Use Composition

- Reducing overall exposure to retail is a key objective.
- Initially, 81.0% of the total floorspace was classed as retail, reducing to 78.2% at Q4 2022. 2023 has shown further progress, with retail now accounting for 76.3% of the total.
- Achievements against this objective include the NHS CDC, Everlast Gym, Community Eyecare, the Community Hub and other smaller scale retail to restaurant conversions.



2.5 Other Performance Measures

Sales Data Collection

- The importance of trading information and transparency has been referenced in prior reporting.
- This trading information is obtained from two distinct sources:
  - Certified: official certified turnover reports supplied by the finance functions of the tenants in accordance with the terms of the lease.
  - Portal: collected directly from the tenants on site via an information portal.
- The table below breaks the current occupancy down by from 369 tenancy schedule entries, to 299 occupied units, and then further to 225 relevant tenants for the purposes of sales analysis. Relevant tenants are those who are in occupation with a traditional turnover model (excluding storage areas, seating areas, banks etc).
- Of the 225 tenants considered relevant for sales data collection, a much smaller number (110) are obliged to provide the turnover information via formal certificates as a function of turnover provisions in their leases.
- Tenants without turnover provisions in their lease only provide data to the Portal because of strong working relationships between landlord and tenant and a collaborative approach which has been fostered. These efforts have continued to deliver strong transparency in 2023:

	Units		Floor Area	
	Number	%	000 Sq Ft	%
Centre	369	100.0%	2,003.9	100.0%
Occupied Units	299	81.0%	1,732.3	86.4%
Relevant Tenants	225	61.0%	1,609.4	80.3%
Relevant Tenants	225	100.0%	1,609.4	100.0%
Certified Data	42	18.7%	328.1	20.4%
Portal Data (full)	50	22.2%	422.7	26.3%
Portal Data (partial)	72	32.0%	589.3	36.6%
Subtotal	164	72.9%	1,340.1	83.3%
No Data	61	27.1%	269.2	16.7%

- A high degree of turnover transparency has been achieved with 72.9% of the relevant tenants by number and 83.3% by floor area.
- Due to the lag in reporting turnover certificates, it is anticipated that, as witnessed last year, the percentage attributable to certified data points will continue to build in the early stages of 2024.

2 NOI Performance to Q4 2023

2.5 Other Performance Measures

Average Transaction Value

- An assessment of Average Transaction Value ("ATV") was conducted in 2023 to assess the sentiment that customers were visiting less frequently but spending more. The analysis concluded that estimated total asset sales in 2022 were 1.5% higher than 2019 but with reduced footfall of 21.2%. This suggested an ATV of £41.70 in 2022, 28.8% higher than £32.37 in 2019.
- The methodology to estimate total asset sales was centred upon the portal data collected in the year. For every relevant tenant (those who are in occupation on a traditional turnover model), a full year sales estimate has been derived as follows:
  - Where full portal data is held (12 monthly figures submitted), the total has been adopted.
  - If partial portal data is held (some figures provided but not all 12 months), the missing months have been infilled using a seasonality analysis derived from those who have provided a full 12 months.
  - Where no sales figures have been provided, an average sales density has been applied to the floor area based on the combined full and partial portal data.

	2019	2022	2022 v 2019		2023	2023 v 2022		2023 v 2019	
Estimated Total Sales (£m)	£578.2	£587.0	£8.8	1.5%	£615.8	£28.9	4.9%	£37.7	6.5%
Footfall (m)	17.9	14.1	-3.8	-21.2%	14.4	0.3	2.4%	-3.4	-19.3%
ATV	£32.37	£41.70	£9.32	28.8%	£42.73	£1.04	2.5%	£10.36	32.0%
Relevant Tenant Floorspace (000 Sq Ft)	1,773.1	1,552.1	-221.0	-12.5%	1,609.4	57.3	3.7%	-163.8	-9.2%
Estimated Sales Density (£ / Relevant Sq Ft)	£326.07	£378.17	£52.10	16.0%	£382.66	£4.48	1.2%	£56.59	17.4%

- In terms of ATV, 2023 is showing positive increases to 2019 and 2022 of 32.0% and 2.5% respectively.
- On sales density, the trend to 2019 remains positive at 17.4% but the increase between 2022 and 2023 is marginal at 1.2%.
- The assessment is necessarily a point in time estimate of asset level turnover, with the relevant tenants determined by the tenancy schedule at a fixed point in time, in this instance at year end. As a result, the estimate does not account for tenants who may have traded for part of the year before vacating, but equally it captures an annualised estimate for other tenants who were in occupation at year end but didn't trade the full year.
- The assessment is reflective of the actual turnover data collected, with no adjustments made in the analysis for inflation.

2 NOI Performance to Q4 2023

2.6 Conclusion

- The 2023 BP reported heavily on the extensive work of the first 24 months that was required to underpin the Q4 2022 NOI of £30.0m.
- From this platform, consistent growth has been achieved in 2023, culminating in a year end NOI of £35.2m.
- 5 tenant exits were reported in 2023, with a further 4 via insolvency (including Burtons who were not trading). With 17 new lettings, accounting for £2.6m of gross rent, secured in the same period, there has been a positive trend both in NOI and occupancy terms.
- Within the new lettings delivered, the NHS CDC, Primark extension and redeveloped Toys R Us (Designer Sofas, NCF Living and Dreams) represent some of the major milestones for the year. Other key unit lettings include Rowen Homes, Skopes and Flying Tiger.
- High levels of tenant retention have been achieved through 40 renewals and regears, accounting for £6.0m of gross rent. Two of these events relate to major milestones of the 2023 BP in the regear of Zara into an upsized flagship store and the renewal of Boots to secure their occupation on Green Mall. Other retailers secured include New Look, Lego, Skechers, Burger King, Ann Summers and Waterstones.
- Another theme of note through 2023 has been turnover rent performance. Turnover figures are updated to reflect the most recent certificate received and there has been an overall positive trend as the latest figures have been adopted, accounting for £1.0m of net income increase.
- Despite, the strong growth profile of 2023, the NOI sits within the downside range forecast within the 2023 BP, albeit with a weight of leasing activity under offer but not complete at year end.
- The malaise of the early stages of 2023 created some challenges within the leasing pipeline as many retailers paused or delayed their decision making whilst observing the impact of the cost-of-living crisis in addition to adjusting their expansion programmes to the pressures caused by cost inflation. Some advanced situations were lost completely such as lettings to an international sportswear brand and Paperchase, whilst others such as Primark took longer to complete than would have been the case. This is the pattern of behaviour that we expect to continue for the duration of the BP. There continues to be strong demand from tenants, but it takes time for that demand to crystalise as a committed lease.
- Where leases have been concluded, the terms agreed have on average exceeded the assumptions of the 2023 BP.
- A positive trend has been demonstrated against several key performance indicators including the expiry profile, retail composition, overrent and footfall.

3 Updated Business Plan to Q4 2026

3.1 Introduction

- The Updated Business Plan section details and assesses the NOI reforecast of the UBP.
- The purpose is to forecast the NOI trajectory based on the array of ongoing asset management activities and taking account of everything that has happened since the comparable figures were reported within the 2023 BP.
- The three year period introduces an extension year to the 2023 BP, which explored a three year period to Q4 2025. As such, any reconciliation between plans is analysed over the period to Q4 2025 to ensure a like for like assessment.
- The reforecast NOI for Q4 2025 is £40.6m, which compares to £40.2m in the 2023 BP.
- Within the table below, the NOI profile of the UBP is shown alongside the comparable outputs of the 2023 BP:

Date	UBP	2023 BP	Variance
Q4 2023	£35.2	£36.3	-£1.1
Q4 2024	£38.2	£39.5	-£1.3
Q4 2025	£40.6	£40.2	£0.4
Q4 2026	£41.3	-	-

- Despite working towards a higher eventual NOI, the earlier periods are lagging the 2023 BP for reasons outlined in the NOI Performance section. However, whilst there are a collection of lease up assumptions which have been delayed, the overall trend in terms of achievable rents and improving turnover rental income are creating an elevated opinion on future NOI.
- The UBP envisages a point of stabilisation at Q4 2025 after which the potential for continued net income progress through occupancy gains is reduced. The NOI forecast for the extension year to Q4 2026 is showing more modest growth than earlier years.
- Further commentary and analysis around the UBP reforecast is reported as follows:

  3.2: Forecast NOI (Q4 2024).

  3.3: Forecast NOI (Q4 2025).

  3.4: Reconciliation to 2023 BP.

  3.5: Forecast NOI (Q4 2026 Extension).

  3.6: Forecast NOI (Risk Analysis).

  3.7: Capital Expenditure

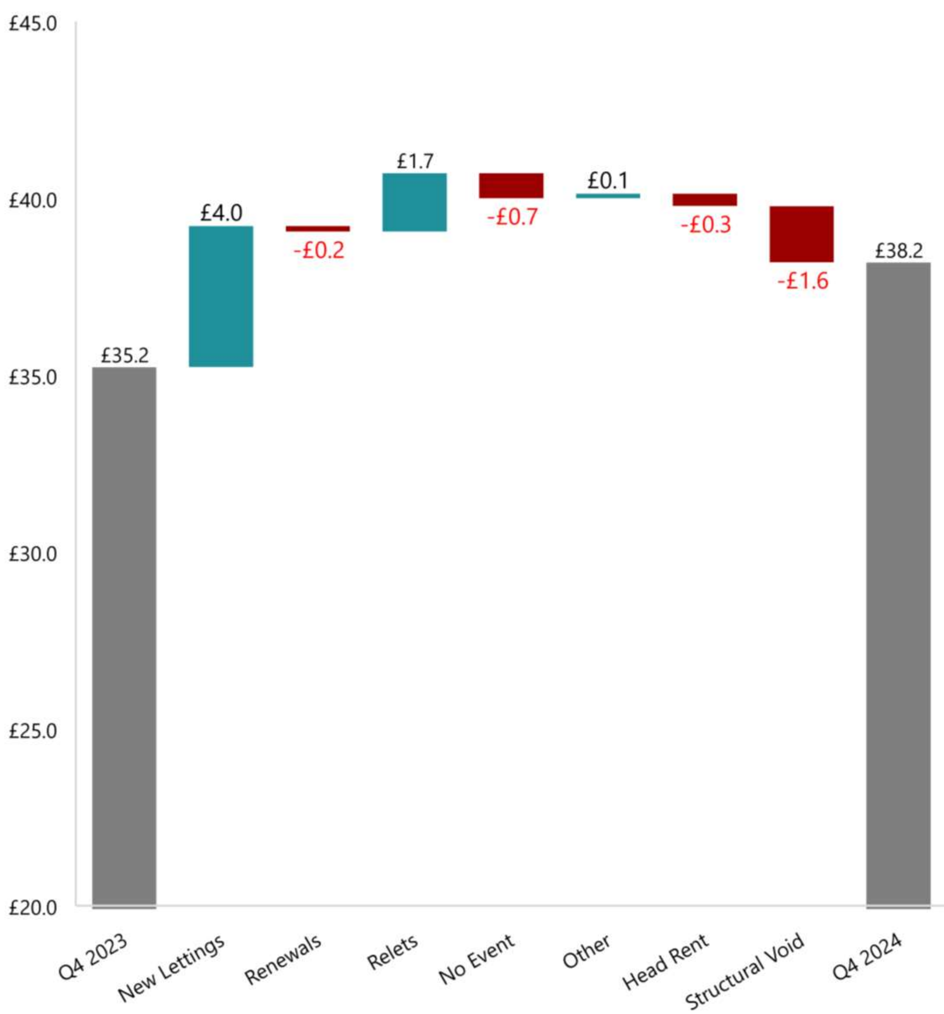
  3.8: Conclusion.

3 Updated Business Plan to Q4 2026

3.2 Forecast NOI (Q4 2024)

UBP Forecast to Q4 2024

- The UBP projects NOI growth from £35.2m to £38.2m in 2024.



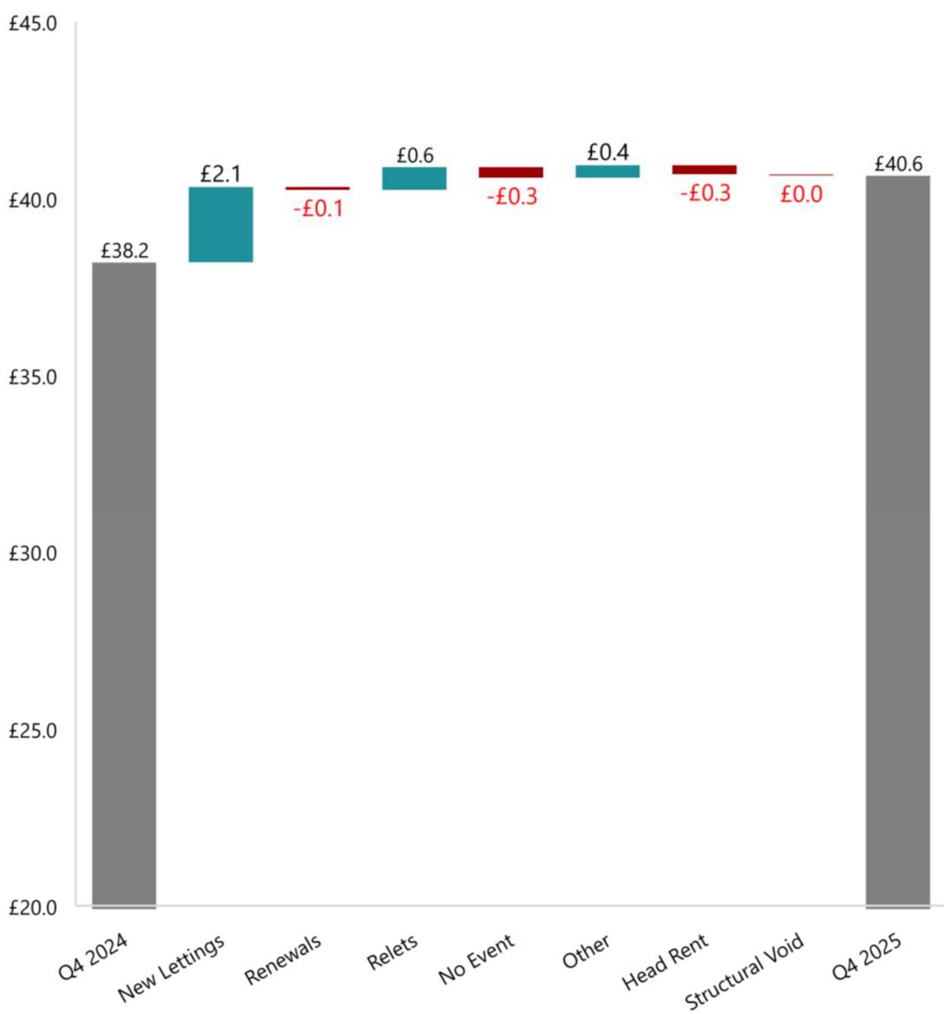
Event	Net Income Change	Comments
New Lettings	£4.0	A significant weight of new letting activity is assumed in 2024, totalling 28 events, 7 of which are either already committed or under offer (accounting for 26.3% of the total net income change). The largest unit assumptions relate to part of the remaining former House of Fraser unit in addition to the remaining space following Primark's extension.
Renewals	-£0.2	27 renewals are assumed for 2024 of which 12 are currently under offer. 8 of the 12 under offer renewals have been agreed early in relation to expiries later in 2024.
Relets	£1.7	23 relets, where the existing tenant is assumed to be replaced by a new occupier, are assumed in 2024. 8 of the 23 are currently under offer.
No Event	-£0.7	Forecast income changes due to no event are linked to anticipated rental uplifts within existing leases and on the negative side where tenants are assumed to vacate and no relet achieved within the year as well as assumed cost inflation on vacant or inclusive occupational costs.
Other	£0.1	The combined impact of future assumptions within Commercialisation, Storage and Village / Forum areas.
Head Rent	-£0.3	Changes in forecast head rent are a calculated function of all other changes.
Structural Void	-£1.6	The structural void is a contingency carried within the forecast for unforeseen events such as tenant failures and exits or lease up challenges.
	£3.0	

3 Updated Business Plan to Q4 2026

3.3 Forecast NOI (Q4 2025)

UBP Forecast to Q4 2025

- The UBP projects NOI growth from £38.2m to £40.6m in 2024.



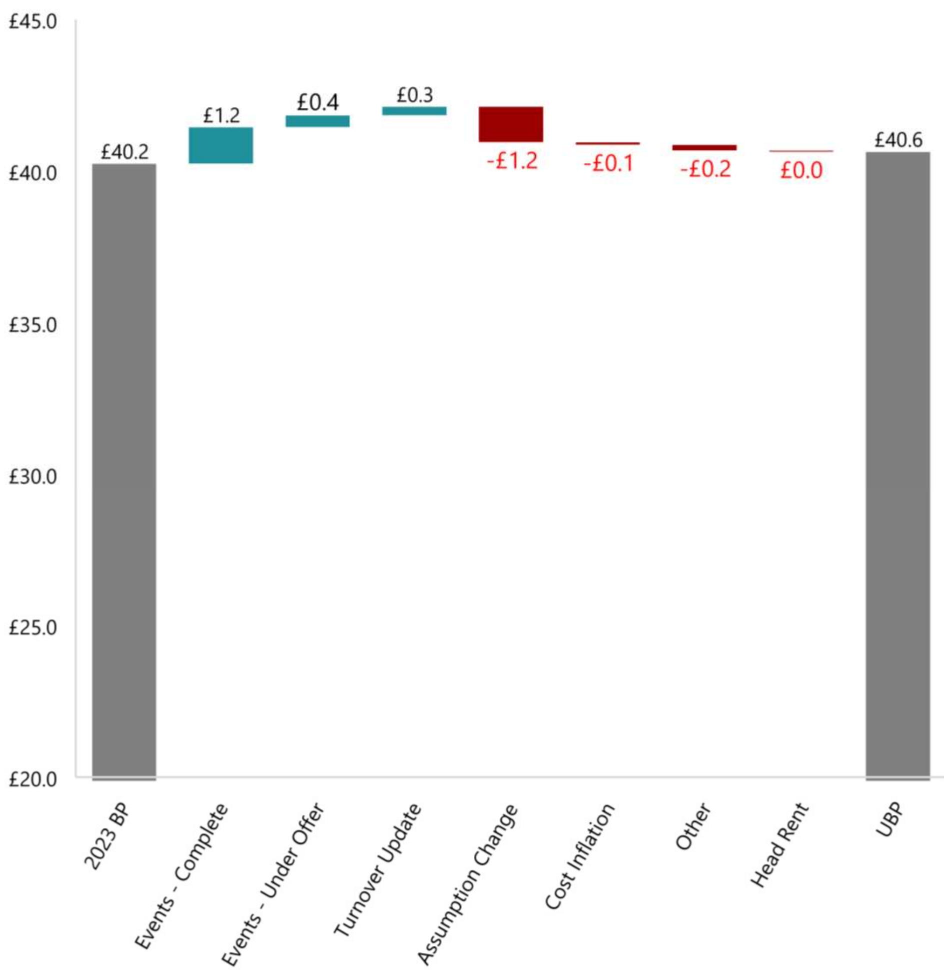
Event	Net Income Change	Comments
New Lettings	£2.1	After the intensive activity assumed in 2024, there is inevitably less new letting activity anticipated in 2025 with 9 new lettings forecast. However, this does include some noteworthy units such as the remainder of the former House of Fraser unit, Unit 57 (Lower) and Unit 1.53a on upper Red Mall.
Renewals	-£0.1	The 2025 assumed renewal activity is reduced from the high levels of previous years.
Relets	£0.6	The 2025 relets show continued recycling of the more uncertain occupiers in 14 assumed events.
No Event	-£0.3	Forecast income changes due to no event are linked to anticipated rental uplifts within existing leases and on the negative side where tenants are assumed to vacate and no relet achieved within the year as well as assumed cost inflation on vacant or inclusive occupational costs.
Other	£0.4	The combined impact of future assumptions within Commercialisation, Storage and Village / Forum areas.
Head Rent	-£0.3	Changes in forecast head rent are a calculated function of all other changes.
Structural Void	£0.0	The structural void is introduced from the outset so the year on year change from 2024 is minimal.
	£2.4	

3 Updated Business Plan to Q4 2026

3.4 Reconciliation to 2023 BP

Q4 2025 NOI

- The projected Q4 2025 NOI of £40.6m compares to £40.2m in the 2023 BP. The tenant level variances have been categorised to reconcile and explain the underlying dynamic.



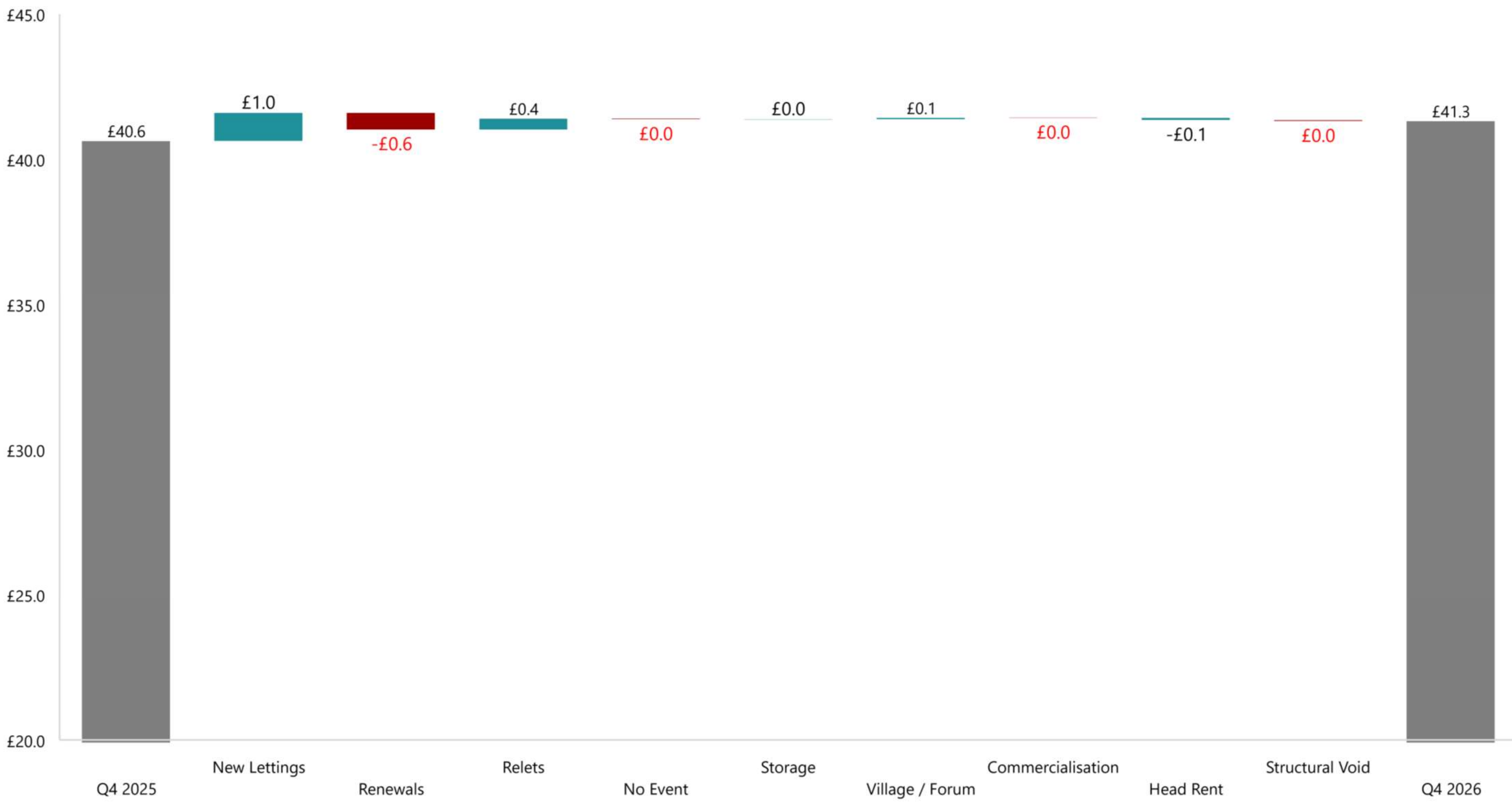
Event	Net Income Change	Comments
Events - Complete	£1.2	Variances between Q4 2025 forecast in the 2023 BP and UBP which are the result of events that have occurred during 2023.
Events - Under Offer	£0.4	Variances where the UBP has been updated to reflect events which are currently under offer but not yet complete.
Turnover Update	£0.3	Different future turnover rent assumptions based on reported performance through 2023.
Assumption Change	-£1.2	Differences between plans where the nature of underlying unit assumption has changed such that it doesn't relate. For example, units which were assumed to be occupied at Q4 2025 but are now assumed to be vacant.
Cost Inflation	-£0.1	Future NOI impact caused by assumed elevated occupational cost inflation adopted in the UBP relative to 2023 BP.
Other	-£0.2	Other differences between plans relate to latest assumptions in Commercialisation, Storage and Village / Forum areas in addition to structural void.
Head Rent	£0.0	Head rent is a calculated function of all other changes.
	£0.4	

3 Updated Business Plan to Q4 2026

3.5 Forecast NOI (Q4 2026 Extension)

UBP Forecast to Q4 2024

- The UBP projects NOI growth from £40.6m to £41.3m in the 2026 extension year.



3 Updated Business Plan to Q4 2026

3.6 Forecast NOI (Risk Analysis)

Range of Outcomes for Q4 2024

- The UBP anticipates £3.0m of NOI growth during 2024 to £38.2m. Continued growth is a function of many delivery milestones and therefore comes with an increased risk factor relative to forecasting on a more 'steady state' basis.
- A green, amber, red assessment has been applied to unit leasing assumptions to guide on the probability / risk of the anticipated event as follows:
  - Green: The event is either committed (legally certain) or under offer.
  - Amber: The event is linked to a live negotiation with an identified occupier, but no agreement on terms has yet been reached.
  - Red: The event is an assumption without there being any current activity.
- In this way, the assumed NOI increment of £3.0m can be categorised and summarised as follows:

	UBP		Risk Adjusted		
	NOI	% Of Total	Upside NOI	Risk Factor	Downside NOI
Q4 2023 (Actual)	£35.2		£35.2		£35.2
Green	£2.4	80.1%	£2.4	10.0%	£2.1
Amber	£1.1	37.3%	£1.1	20.0%	£0.9
Red (Gross)	£1.6	52.3%	£1.6	50.0%	£0.8
Cost Inflation Assumption	-£0.1	-4.3%	-£0.1		-£0.1
Structural Void	-£1.6	-53.7%	£0.0		-£1.6
Head Rent	-£0.3	-11.7%	-£0.3		-£0.3
Notional Head Rent Adjustment	-		-£0.1		£0.1
Q4 2024 (Forecast)	£38.2		£39.6		£37.1

- Events categorised Green total £2.4m (80.1%) of the total envisaged net income movement. Events categorised Amber account for 37.3% and Red for 52.3% when splitting out the non leasing based income impacts of cost inflation, structural void and head rent which combine to -69.7%.
- The categorisation of events within this risk assessment enables the introduction of a range of outcomes around the £38.2m target for Q4 2024.
- The upside case assumes that all plans are effective, and the structural void contingency is not required. This would result in a Q4 2024 NOI of £39.6m.
- For the downside case, the structural void contingency has been retained and risk weightings applied to reflect the achievability of the GAR categories. Using this methodology, the downside case NOI is £37.1m.
- In summary, the UBP is committed to the delivery of not less than £38.2m for 2024. However, given the highly active management plan being underwritten, a target range of £37.1m on the downside and £39.6m on the upside is considered appropriate.

3 Updated Business Plan to Q4 2026

3.6 Forecast NOI (Risk Analysis)

Range of Outcomes for Q4 2025 and Q4 2026

- Considering the ranges for years beyond 2024 is more complicated as the more insightful GAR analysis becomes redundant with little certainty or current progress for events which are envisaged to occur over 12 months into the future.
- Furthermore, the forecast for future years will largely depend on performance against the milestones identified for 2024.
- Based on the above, for future years it is deemed most appropriate to assess the potential NOI ranges using occupancy based assumptions.
- The UBP NOI forecasts are underpinned by the following occupancy outputs:

Date	Forecast NOI UBP	Physical Occupancy (Pre Structural Void)	Financial Occupancy (Pre Structural Void)	Financial Occupancy (Inc. Structural Void)
Q4 2023 (Actual)	£35.2	86.4%	89.5%	-
Q4 2024	£38.2	90.9%	95.1%	93.1%
Q4 2025	£40.6	96.4%	98.6%	96.6%
Q4 2026	£41.3	98.2%	99.3%	97.3%

- The table shows the clear assumption of working towards stabilisation at the end of 2025. To provide sensitivities to these projected NOI figures, the financial occupancy can be converted into an input by varying the % structural void assumption.
- The central NOI figures within the UBP assume a 2% structural void and the table below assesses the variation caused by removing this completely in an upside case and increasing it to 5% in a downside case.

Date	UBP Forecast		Upside		Downside	
	Financial Occupancy	NOI	Financial Occupancy	NOI	Financial Occupancy	NOI
Q4 2025	96.6%	£40.6	98.6%	£42.1	93.6%	£38.4
Q4 2026	97.3%	£41.3	99.3%	£42.8	94.3%	£39.1

- Based on the above occupancy assumptions, the assumed Q4 2025 NOI of £40.6m is shown to sit within a range of £38.4m and £42.1m.
- Similarly, the Q4 2026 NOI forecast of £41.3m is shown to sit within a range of £39.1m and £42.8m.

3 Updated Business Plan to Q4 2026

3.7 Capital Expenditure

Reconciliation to 2023 BP

- The UBP is showing an increased capital budget of £77.5m, which compares to £69.7m in the 2023 BP. However, £5.1m is attributable to the 12 month extension considered within the UBP, and therefore the comparison for the period to Q4 2025 would be £72.4m v £69.7m.
- Excluding capitalised letting costs, the variance to Q4 2025 is -£2.3m. Several capital variances exist between plans because of leasing activity in 2023, with some of the largest relating to a change from assumed rent free to capital contribution on the healthcare letting and additional incentive costs linked to new leasing opportunities (in exchange for incremental rent).
- For the purposes of reconciliation between plans, the deferred future sum due to Frasers is included within the 2025+ column as it had already been committed when reporting the 2023 BP and the income benefit captured.

Capital	2023 BP Total	Actual / UBP 2021 / 2022	2023	2024	2025+	Extension	Total	Variance Total
Landlord Works	£39.0	£16.9	£12.9	£4.8	£4.7	£3.0	£42.3	£3.3
Incentives	£25.0	£3.3	£9.0	£4.9	£9.8	£1.4	£28.4	£3.4
CLC*	£5.8	£1.8	£1.4	£1.9	£1.1	£0.7	£6.8	£1.1
Total	£69.7	£22.0	£23.2	£11.6	£15.6	£5.1	£77.5	£7.8

** Capitalised letting costs.*

3 Updated Business Plan to Q4 2026

3.7 Capital Expenditure

Capital v Rent Free

- The UBP headline suggests a £2.3m increased capital cost attributable to Landlord Works and Incentives for the period to Q4 2025.
- In several instances, the increased capital requirement attributed to leasing activity has been traded off against a reduced rent free incentive requirement. This trend has been noticed during 2023 as occupiers are grappling with the realities of heavy cost inflation and associated impact on the cost of fitting out their units. So, whilst it appears that more capital has been required, in cases where rent free periods have counteracted the additional cost it would be recouped within future cashflows.
- The following table compares the forecast capital programme of the UBP to the 2023 BP for the consistent period to Q4 2025. The UBP column includes actual sums for 2023 with the remaining 2 years taken from the UBP forecast. The 2023 BP forecast comprises a full 3 years of forecast.
- To assess the all in cost of leasing activity, the table also includes the NOI profile and a valuation of rent free assumptions. For the purposes of comparison between plans, rent free incentives have been valued as the annual net income multiplied by the duration of rent free.

	2023 BP	UBP	Variance
NOI			
Q4 2022	£30.0	£30.0	£0.0
Q4 2025	£40.2	£40.6	£0.4
NOI Accretion	£10.2	£10.6	£0.4
Capital Expenditure (Q4 2022 to Q4 2025)			
LL Works (2023 Actual)	£0.0	-£12.9	-£12.9
LL Works (Forecast)	-£22.1	-£9.5	£12.6
Tenant Incentives (2023 Actual)	£0.0	-£9.0	-£9.0
Tenant Incentives (Forecast)	-£21.7	-£14.7	£7.0
Subtotal (Capital Expenditure)	-£43.8	-£46.1	-£2.3
Rent Free £ Equivalent (Q4 2022 to Q4 2025)			
Committed	£0.0	-£3.3	-£3.3
Forecast	-£15.3	-£8.7	£6.6
Subtotal (Rent Free Cost)	-£15.3	-£12.0	£3.3

- The table identifies the additional £2.3m of capital within the UBP as a result of actual capital expenditure in 2023 and revised forecasting for 2024 and 2025.
- However, this elevated capital sum is shown to be more than compensated by additional rental income that will result from the reduced rent free periods granted in 2023 and assumed for 2024 and 2025 (£3.3m). It can therefore be assumed that the additional capital requirement would be recovered through improved future cashflow.
- Furthermore, a future NOI increase of £0.4m suggests that in addition to the direct comparison of combined letting incentive cost, the future rent assumptions within the UBP will improve net income generation and eventual valuation benefit.

3.7 Capital Expenditure

Status of Capital Programme

- In total, £21.9m of the assumed capital programme was invested in 2023.
- Major 2023 expenditure items included the Toys R Us redevelopment, Zara flagship, major re-anchoring initiative capital contribution, NHS works, and Primark extension works.

Capital Status	2021 / 2022	2023	2024	2025+	Extension	Total	% of Total
Complete	£20.2	£21.9	£0.0	£0.0	£0.0	£42.1	54.6%
Committed	£0.0	£0.0	£3.8	£6.5	£0.0	£10.2	13.1%
Under Offer	£0.0	£0.0	£4.7	£1.2	£0.0	£5.9	6.9%
Assumption	£0.0	£0.0	£1.2	£6.9	£4.4	£12.5	16.6%
Capitalised Letting Costs	£1.8	£1.4	£1.9	£1.1	£0.7	£6.8	8.8%
	£22.0	£23.2	£11.6	£15.6	£5.1	£77.5	100.0%

- The capital invested in the first three years of management now account for 54.6% of the total capital programme envisaged in the UBP. A further 13.1% is already committed for the future which brings the combined total to 67.7%, leaving 6.9% linked to events which are under offer and 16.6% which is still subject to an assumption in the UBP.
- The remaining 8.8% is attributable to capitalised letting costs which are a function of all other leasing activity.

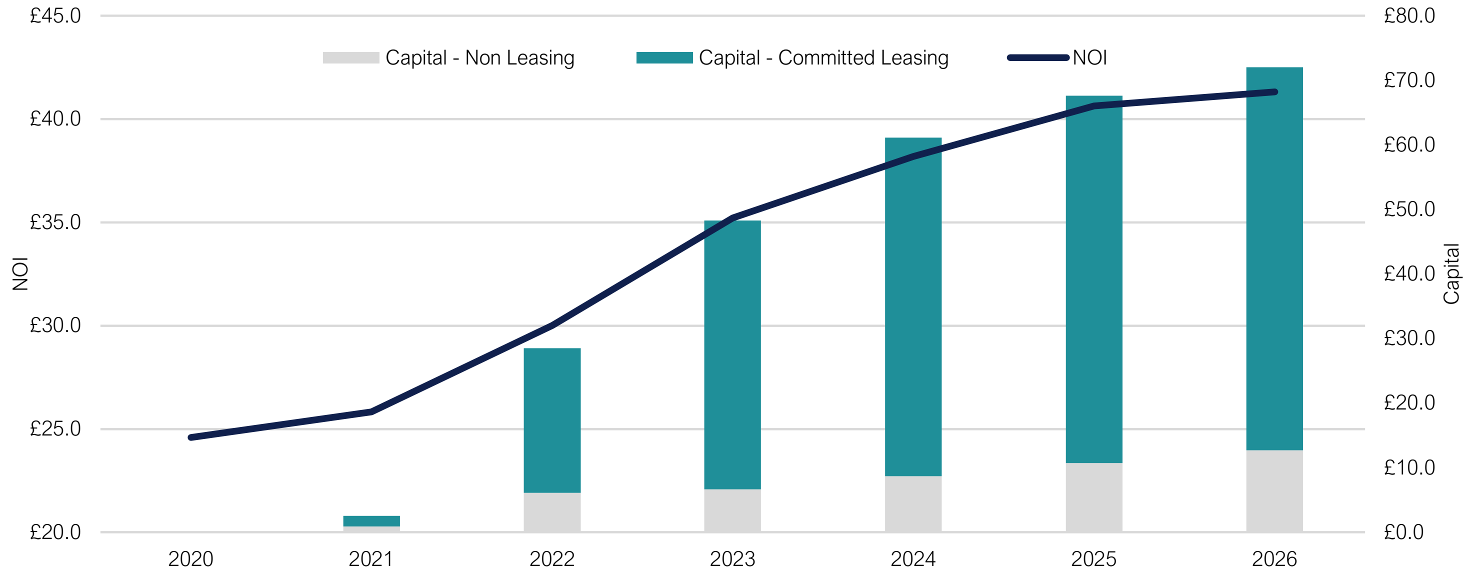
Extension Year

- The £5.1m capital sum shown for the extension year comprises £4.0m of ‘new’ capital to operate the Centre for an additional year, £0.7m of capitalised letting costs and £0.4m of capital which is deferred from the 2023 BP because of delayed lease up assumptions.
- The £4.0m of new capital for 2026 is allocated to the following capital budgets:
  - Unallocated Leasing: £2.0m (currently unidentified leasing opportunities or solutions to unexpected events).
  - Maintenance: £1.5m (necessary maintenance works which are not service charge recoverable).
  - ESG: £0.3m
  - Non-accretive: £0.3m (non-essential works which are considered positive improvements).

3.7 Capital Expenditure

Capital Commitment v NOI

- The capital programme has been compared to the NOI profile to explore the alignment between the two.
- Within this exercise, capital sums linked to leasing activity have been captured when the lease completed, rather than when it was actually incurred, to ensure the sum is aligned to the income benefit within reported NOI. Non leasing based capital sums (e.g Town Square and maintenance budgets) have been captured in the quarter they fell as they do not have a directly attributable income impact.



- The table shows muted growth during 2021 from the proforma 2020 NOI position. This is coupled with limited capital investment in these early stages as new asset management strategies and plans were devised. Some of the earlier capital achievements during this period were the new JD Sports flagship store and the Hugo Boss relocation.
- During 2022, there is a marked increase in capital deployment as leasing milestones such as Flannels & Sportsdirect, H Beauty and H&M were achieved and the subsequent impact on NOI is clearly visible. This trend has continued in 2023, where the major leasing achievements include Zara, NHS, Primark extension and the Toys R Us redevelopment.
- The UBP forecast for 2024 to 2026 envisages a continuation of this trend, but a deceleration is evident both in capital investment and NOI growth terms. This reflects the assumptions around future lease up as occupancy climbs. As some of the more challenging areas continue to be resolved, the need for such an intensive capital programme diminishes.

3 Updated Business Plan to Q4 2026

3.7 Capital Expenditure

Strategic Initiatives v Remainder

- To assess the effectiveness of the capital investment programme, an analysis of the relative performance of the 'invested' estate has been conducted to observe the net income headlines and occupancy between areas of the mall which have been subject to a capital intervention and the remainder.
- The invested estate has been defined as Strategic Initiatives, being the key initiative units as described in previous business plans. In each of these cases, a meaningful capital investment has been made, including major initiatives such as the two former department stores (House of Fraser and Debenhams), large reconfiguration projects for JD Sports, Zara, Primark and H&M as well as the reconfiguration of the former Toys R Us unit and the Solar project.
- Of the key initiatives reported within the 2023 BP, the Boots Renewal has been excluded from the Strategic Initiatives as it was completed on a no capital basis, as is the Workspace Initiative because this has not progressed.
- The remainder of the Centre is then classified within Underlying Leasing. Some capital investment is visible within this category due to smaller leasing initiatives which were implemented to achieve positive outcomes such as Flying Tiger, Burger King (Metroasis), Community Eyecare and Kids Cavern.
- Classified in this manner, the Strategic Initiatives account for 506,000 sq ft, 25.2% of the total floor area:

	Floor Area (000 Sq Ft)	Capital (£m)	Net Income (£m) Q4 2020	Net Income (£m) Q4 2023	Net Income (£m) Variance	Occupancy Q4 2020	Occupancy Q4 2023	Occupancy Variance
Strategic Initiatives	505.6	£37.0	-£3.3	£5.8	£9.2	27.0%	83.9%	56.9%
Underlying Leasing	1,498.3	£4.6	£30.8	£33.3	£2.5	85.6%	87.3%	1.7%
Non Leasing	0.0	£6.6	-£2.9	-£3.9	-£1.1	-	-	-
Total	2,003.9	£48.3	£24.6	£35.2	£10.6	71.0%	86.4%	15.5%

** Non leasing net income relates to asset level deductions (head rent and LL marketing contribution).*
*** Proforma Q4 2020 net income and occupancy position adopted.*

- A total of £37.0m has been committed to Strategic Initiatives, compared to only £4.6m on the remainder. A further £6.6m of non-leasing capital has been applied, of which Town Square accounts for £5.4m.
- Since Q4 2020, occupancy levels within Strategic Initiatives have risen from 27.0% to 83.9%. In conjunction with this gain, the net income has increased by £9.2m from -£3.3m to £5.8m.
- Within the remainder of the asset, performance has been less extreme with an initial occupancy of 85.6% at Q4 2020 now showing 87.3% at Q4 2023. In line with the limited occupancy gain, the net income gain between Q4 2020 and Q4 2023 was £2.5m from £30.8m to £33.3m.

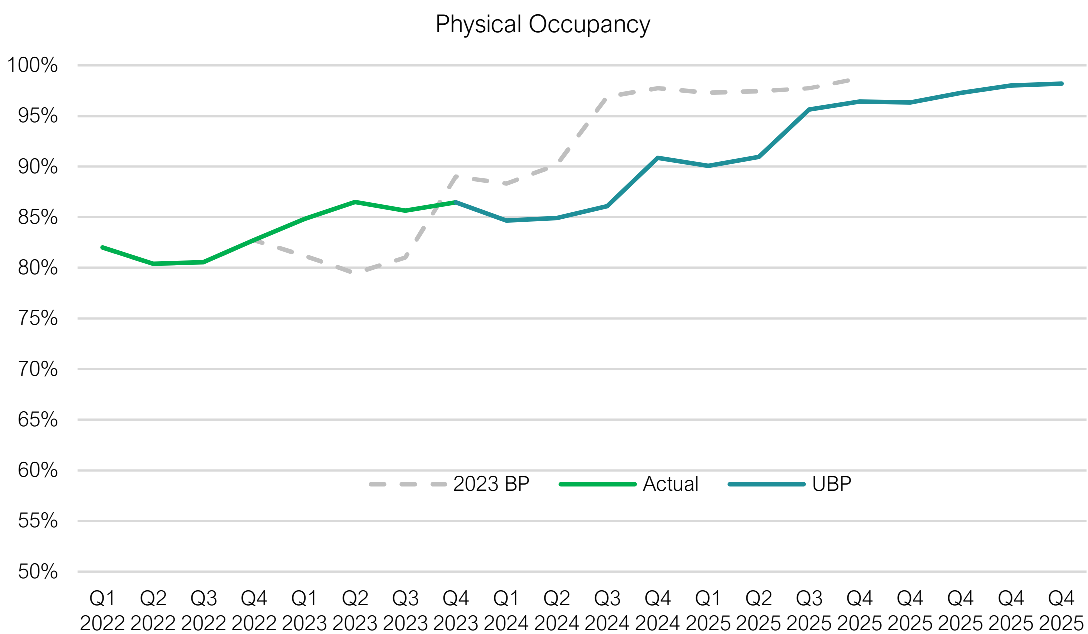
3 Updated Business Plan to Q4 2026

3.8 Conclusion

- The UBP NOI forecast can be summarised as follows:

Date	UBP	2023 BP	Variance
Q4 2023	£35.2	£36.3	-£1.1
Q4 2024	£38.2	£39.5	-£1.3
Q4 2025	£40.6	£40.2	£0.4
Q4 2026	£41.3	-	-

- The NOI Performance section explored the variance in Q4 2023 outcome and commented on the weight of progress which remains under offer to recoup the deficit shown.
- Moving into the reforecast NOI profile for Q4 2024 and Q4 2025, the lag in leasing is shown to continue through 2024 but by the end of 2025, the ultimate NOI forecast has progressed.
- This increase is a function of improvement in the underlying values. The Q4 2025 NOI reconciliation between plans demonstrated that a large proportion of the assumed future improvement is a function of events which have either already completed or are under offer. However, with certain lease up assumptions, and subsequent occupancy gain, being deferred within the UBP assumptions, this is achieved despite a reduced occupancy forecast for the period to Q4 2025.
- The speed of delivering on the extensive lease up programme continues to be the most difficult element of forecasting to predict in such a turbulent retail market.
- The graph charts physical occupancy between plans to demonstrate the influence of the timing of lease up assumptions despite the fact that improved rental values are being achieved.
- In summary, the trend of 2023 appears to be that whilst several leasing milestones have been difficult to deliver, the most significant milestones are progressing as anticipated and where events are progressing, on average they have compared favourably to the 2023 BP.



4 Additional Opportunities

4.1 Green Entrance

Introduction

- Within the 2023 BP a base case letting solution was envisaged for Green Mall which is seeing the net income increase through the forecast period.
- Delivering a letting solution for Green Mall remains a key priority. Positive activity elsewhere in the Centre is creating less availability in the key mall locations which is enabling tenant relocation opportunities to be presented within Green Mall.
- Within the 2023 BP, it was recommended that a capital solution of reconfiguration for Green Mall be run in parallel with the leasing solution.
- That solution identified a key focus area which encompassed the most challenging space to let within Green Mall (primarily former Arcadia space) flanking the entrance.
- The proposal within the 2023 BP was comprehensive as a solution to the eventuality that no improvement to leasing prospects was achieved which would necessitate a reconfiguration of the existing space.
- With the improving prospects that has been witnessed, a smaller, less comprehensive, capital solution has been examined which would achieve many of the benefits envisaged within the original scheme, but with reduced cost and reliance on unit reconfigurations.
- The pros and cons of investing in a smaller scale capital solution remains positive:

Pros	Cons
✓ Credible plan to support the base case letting strategy.	✗ Additional capital required.
✓ An implementable plan in the short term which is not reliant on retailer relocations.	✗ Lead in times could limit the prospects to benefit from the initiative during the hold period.
✓ Vastly improves Green Mall entrance/point of arrival, which is currently the Centre's least attractive.	✗ Immediate capital return is difficult to quantify.
✓ Lack of new build space reduces planning risk.	✗ Is it ambitious enough and would a larger option which reduces retail floorspace have more impact?
✓ Creates an attractive area of outside "open space" for customers to dwell which does not otherwise exist.	✗ Difficult to quantify the direct positive value impact.

4 Additional Opportunities

4.1 Green Entrance

Green Entrance – Current Photo

4 Additional Opportunities

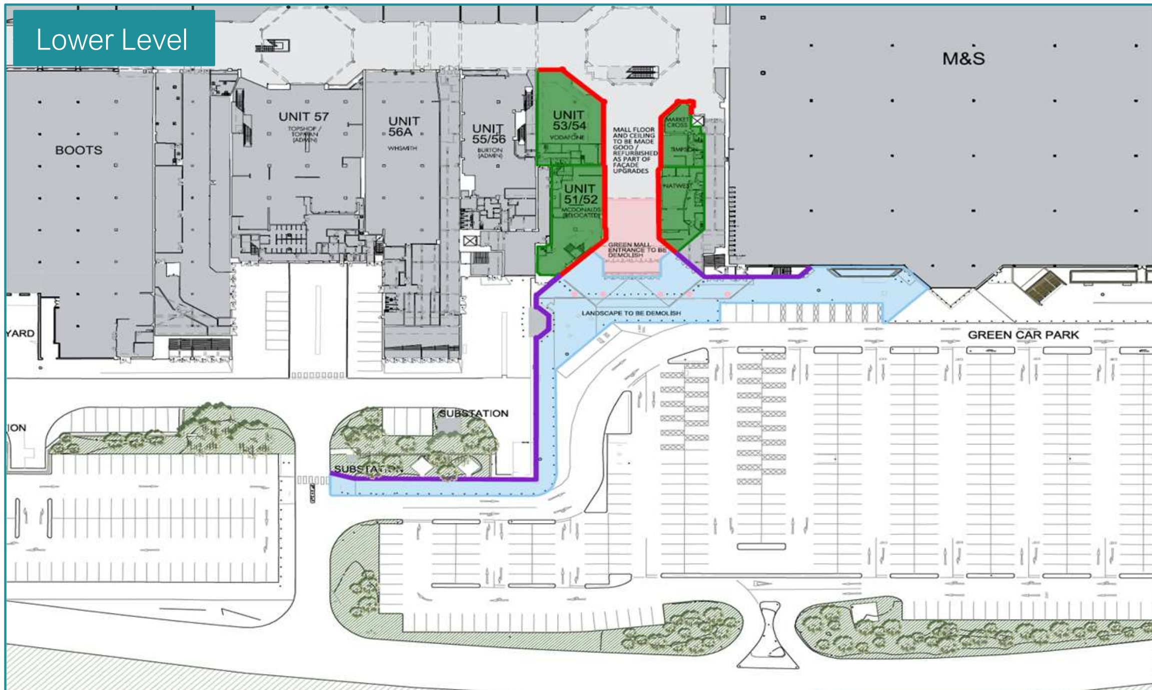
4.1 Green Entrance

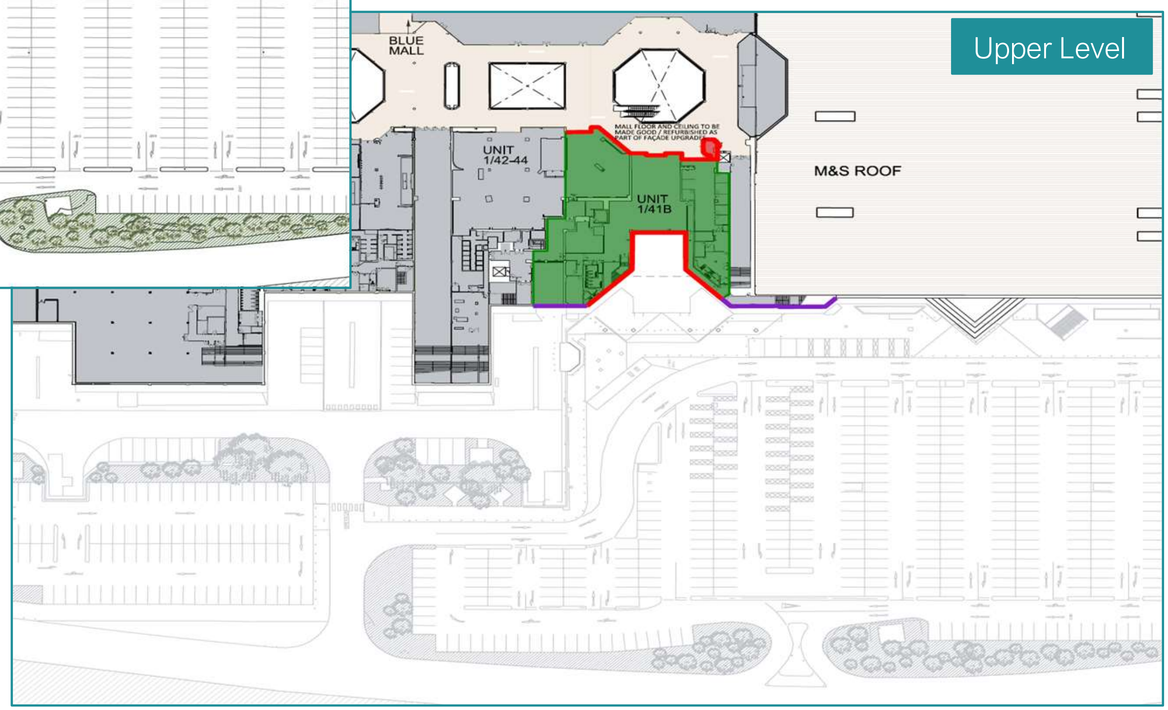
CGI - Green Entrance, Public Realm and Optimised Retail Vision

4 Additional Opportunities

4.1 Green Entrance

- The following plans demonstrate the much reduced impact on existing retail within the revised proposal:





4 Additional Opportunities

4.1 Green Entrance

Vision

- The vision for the Green Entrance project is to create a striking new façade, engaging the Centre's southern flank, adjacent to the A1 Western Bypass.
- The project does not involve construction of any floorspace but rather a repurposing of existing accommodation to a form suited to new occupiers.
- The scheme envisages the removal of the canopy, rooflight and lobby to cut back a new recessed entrance to enable landscaped public realm outside the entrance featuring greenery, external F&B and play areas for children. Unit 51 (Vacant) and Unit 50 (Natwest) would become situated at the entrance to the new facade.
- The project would involve the reconfiguration of 2/3 new units over two floors (10,000 sq ft) targeted at destination F&B operators to deliver a flagship site. The units would benefit from a Southern aspect and open glazed frontages.
- A further unit could be created on the opposite side above Natwest which would be targeted at a smaller format complementary F&B operator.
- These types of units would be unique to the Centre with high quality design and would be expected to attract strong occupier interest.
- The project at this stage is independent of any parallel discussion with Marks & Spencer to upgrade their store.
- A feasibility budget of £225,000 has been approved by the Board to conduct detailed investigations and design. The early estimated total project cost is in the £5.0 - £6.0m range. Whilst the smaller scale scheme is considered more a non directly accretive proposal similar to Town Square, in this case there would be an estimated directly attributable net income gain of c. £0.3m as the reconfigured unit (Unit 51) is a long term void within the UBP.

Benefit

- Green Mall needs an entrance befitting one of the main arrival points and the most visible entrance from the A1 Western Bypass.
- With a pending regional attraction in the form of Top Golf adjacent, it is important to upgrade the entrance to a quality more akin to the Red entrance.
- A striking new entrance would elevate the perception of Green Mall generally, securing new entrance anchor users and improving the leasing demand and rental values of adjacent pitches, particularly at upper level.
- The latest concept does not require major tenant relocations and large compensatory payments, which also contributes to a far less expensive cost expectation.
- This reduced concept is made possible through lease up prospects on Green Mall which have strengthened through 2023 and into 2024 as the major initiatives delivered across the Centre are improving the supply/demand dynamic and forcing occupiers to consider Green Mall.
- The lack of new build also lessens the planning risk and will provide a shorter timescale to delivery with the expected ability to complete the work by mid 2025, subject to approvals. It would be important to deliver this in advance of any future sale to ensure investors derive full benefit from the initiative.

4 Additional Opportunities

4.2 Metrogreen / AAP / Metrowood

Metrogreen / AAP

- The existing Local Plan (Parts 1 & 2) which was adopted in 2015 hardly refers to the future of Metrocentre up to 2030.
- Metrogreen AAP (Part 4 of the 2015 Local Plan) was instigated nearly a decade ago and Metrocentre (under previous ownership) had no input or representations into its early development. It consists of a 200 hectare site of which Metrocentre makes up 40 hectares.
- As part of the AAP, the Metrocentre land suggests accommodating only 137 homes and 6 hectares of leisure use which in our view is a sub optimal use of the site both for Metrocentre and the socio economic development of the North East generally.
- The AAP progressed to third party consultation on the 26th February and is expected to last 2 weeks. Then it will be passed on to an inspectorate process before being formally adopted. Our best information on the timescale for the inspectorate/formal adoption process is between 6 and 9 months.
- As a result of a series of meetings with the Council in 2023 they have agreed to a change of wording for the AAP policy. This means that they will treat the site as one comprehensive masterplan area. It also builds flex into the policy to suggest that additional/alternate development to that allocated in the plan could come forward, subject to transport impacts.
- Despite these changes that have been agreed with the Council, the AAP process of adoption is likely to happen by the end of 2024 at the earliest is not the preferred outcome for the region or the Centre.

Metrocentre Masterplan - Metrowood

- Metrocentre is the largest shopping centre in the North East and one of the largest in the UK. It makes a significant contribution to Gateshead, the North East and UK economy. To meet the challenges facing the Centre, the transformation has started but it needs to continue its reinvention to address the challenges it faces.
- Metrocentre's masterplan vision is for 2,000 homes on Metrocentre land with 11,000 new residents.
- Metrocentre's ambition is to design and create a new high intensity town centre which will be the focal point for the community. This will accommodate up to 10,000 people within 20 mins walk and up to 5,000 new workers in and around Metrocentre.
- It will repurpose space within Metrocentre, with new buildings on existing surface parking and the redesign of service yards through automation.
- These new residential blocks will be set within woodland with new connections, green corridors and links into Metrocentre centred around a transport hub with rail, bus and cycling options.
- This is a more appropriate use of the space and represents a better outcome for the region. Whilst there has not yet been any detailed work to progress this vision further, an upsized Metrocentre would clearly make an even more significant contribution to the North East economy.

4 Additional Opportunities

4.2 Riverside Renaissance / Emerging Local Plan

Riverside Renaissance

- The Council have provided an early vision for the redevelopment of sites along the River Tyne with the potential for up to £2bn of investment in new homes, offices, leisure and cultural attractions along with major public transport extensions. There is land of up to 6,000 homes and 700,000 sq m of commercial development.
- Following discussions with the Council it was agreed that they need to develop out this vision in sufficient detail to enable it to sit alongside the vision for Metrowood. Together they would provide a collective vision to promote support and funding both regionally following the election of the new North East mayor in May 2024 and nationally which would address the two significant issues of highways and flooding. A Metrowood Masterplan could then come forward with this in place which would also have significant influence on the emerging local plan which will follow.

Emerging Local Plan

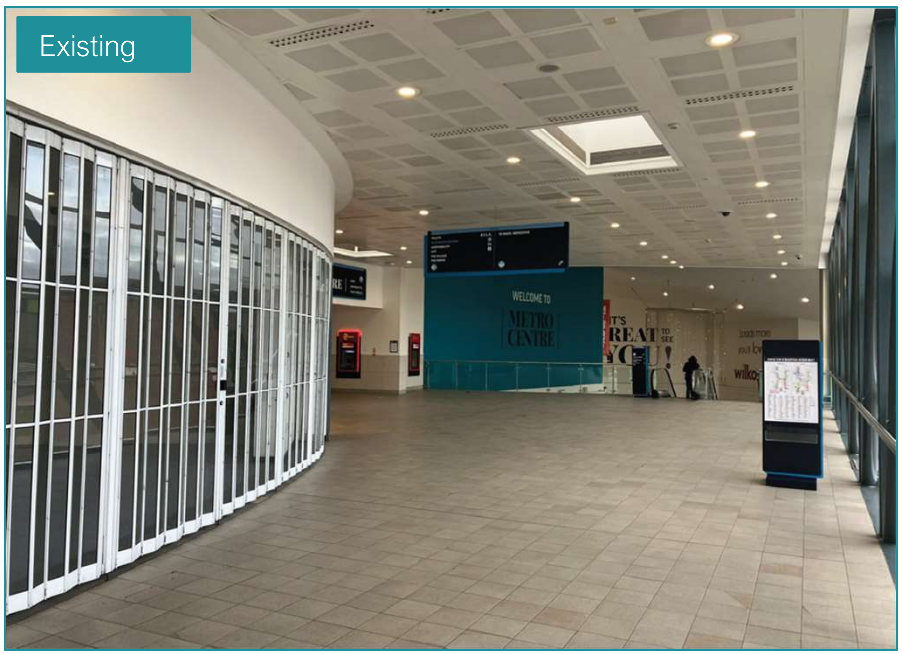
- The new emerging Local Plan Review (Issues and Options) consultation took place in November 2023. Following new timescales for producing local plans proposed by the Government, the earliest the Council consider they could have the Local Plan adopted is 2027. The intention is to seek to influence the Council's emerging Local Plan ensuring the Centre preserves its development potential up to 2030 and beyond.

4 Additional Opportunities

4.3 Blue Terminal

Overview

- The project scope encompasses the area between the Bus and Train Interchange up to the JD Wetherspoons unit.
- Recent trends prove that public transport is increasingly important for visitors and the existing provision does not capitalise on this growing opportunity. The entrance itself is not the welcoming experience that would be expected from a Centre of this size and importance, especially considering 21% of all visitors arrive through this channel.
- The Blue Terminal project aims to improve and enhance the environment whilst also improving sightlines to and from the entrance and atrium. The space would function in a similar manner to modern transport interchanges at train stations and airport lounges which are focussed on seating, information and dwell spaces.
- Discussions around an upgraded unit for JD Wetherspoons are in progress which would help to frame the extent of the opportunity and plans are being prepared accordingly.



5 ESG Update

5.1 Pillars that have been delivered

The four pillars of ESG delivered in 2023:

Pillar	Key Elements
Tackling the Climate Emergency	• The development of a technical Net Zero Pathway to understand how to achieve NZC, has been completed which includes the associated costs involved. The ESG Committee have discussed the options following the completion of the relevant reports and are now considering the appropriate action plan to deliver short-term interventions between now and 2025. • Phase 2 of the solar PV installations has continued adding an additional c1MW of renewable generation to the site. 3,576 panels have been installed to date, taking full solar capacity to 2.6MW. 67% of the generated power has been used on-site. • EV charging has continued to be rolled out onsite with an additional 14 chargers have been installed in 2023, increasing the total number of chargers to 116. • Metrocentre has continued to purchase only REGO (Renewable Energy Generation of Origin) backed electricity to power landlord and common parts areas.
Delivering Community & Social Value	• This year, the Community Hub has been used for 166 days / 1,482 hours, tenants have used the Hub for recruitment for 14 days, and additionally Treetops Golf, Lush, Nando's, Schuh and Zara used the hub for 10 days to recruit for the uplift of staff for the new store. A total of 47 positions were recruited for. • A Jobs Fair was held in Exhibition Square on 1st and 2nd September with a further event being held in October. A total of 328 members of the public engaged with 10 retailers. • A Social Value Project was completed which included a tenant and visitor survey, local needs analysis, gap analysis and baselining of existing social value outputs. Metrocentre first Social Value Report has been developed which includes recommendations to improve and maintain social value as well as a social value tracker which will help to monitor and report our ongoing efforts to support our local community. The team have continued to work with local authorities to enhance the public transport network and also liaise with the appropriate bodies to improve active travel to and from the Centre. A new cycling hub feasibility study is underway.

5 ESG Update

5.1 Pillars that have been delivered

The four pillars of ESG delivered in 2023:

Pillar	Key Elements
Best Practice in Operation	• A BREEAM In-Use Pre-Assessment was completed which informed the team as to the likely rating for the Centre. The ESG Committee have agreed that Metrocentre will undertake Part 2 certification only and proposals are being developed to undertake improvement reports to gain an improved score ahead of submission. This work is to begin imminently as well as other interventions and operational updates (to documentation) that were identified from the pre-assessment action plan. • ISO 14001 and ISO45001 certification has been maintained. • There has been a dramatic improvement to EPC scores and EPC risk. D and E-rated units remaining have undergone EPC+ reports so the Landlord is aware of the investment required to improve the units to a B. The ESG Committee have agreed to not action any of the investment improvements highlighted and to utilise ongoing client communications and meetings to support tenants to make these changes where possible. • The site team have continued to ensure zero waste is sent to landfill, an updated recycling rate of 50% has been agreed for 2023. DMR segregation has begun on-site to support these efforts. The team are continuing to work towards a longer-term target of 70% by 2030 and in 2024 will consider a new waste management partner. • The team have achieved a number of awards in 2023: Green Apple; Savills Sustainability KPI - Silver award; Savills Customer Service KPI - Silver award; Savills Commercial KPI; Sceptre – Solar & EV Project of the year, as well as UK Green Business Awards via Syzygy for the Metrocentre Decarbonisation Project (Solar). We are also shortlisted for a Revo award. • Green Lease work has continued, and our current standard lease has been reviewed and a list of now/next/future clauses discussed with the ESG Committee. These now need to be considered by legals for implementation.
Working in Partnership	• As well as the ongoing utilisation of the Hub by the local community and retailers, the newly formed partnership with the Newcastle United Foundation has supported the continued positive impact of the Hub. 11 NEET (not in employment, education or training) participants aged 16 – 25 engaged through a careers launch session delivered by NUF Careers Hub staff, NUF Careers Hub staff have piloted the United For Careers drop-in employability support groups. 25 people have expressed interest already. NUF Staff have provided Career support for Wilko employees. 9 participants are now engaged from this. • We have continued to work with local charities, communities and other stakeholders. Updated figures will be shared at the start of 2024 post-Christmas. • This year, work with our occupiers has taken place to share with them the focus on ESG and to find out more about their journey. The ESG Committee found early on that the focus on data sharing in 2023 was too early for the occupiers, and instead the Committee and site team agreed an updated action to: Deliver occupier meetings focused on information gathering and engagement; ESG to be an agenda item quarterly at occupier meetings. This action is now ongoing with the initial meeting held in May. • Our website will be updated using the content from the ESG Brochure (pending approval).

5 ESG Update

5.2 Pillars to be delivered

The four pillars of ESG to be delivered in 2024:

Pillar	Key Elements
Tackling the Climate Emergency	• The Board's aspiration is to achieve a Net Zero position in Landlord areas (Scope 1 & 2 emissions) by 2030. The development of a Net Zero Pathway has been undertaken in order to assess this. The delivery costs are being evaluated in a survey to assess the repairs and maintenance of the Centre. The costs will be split between landlord capital, service chargeable and non service chargeable tenant elements. This will be circulated to the Board for review in the early stages of 2024 and an assessment of what the costs are expected to be to achieve Net Zero (scope 1 & 2) will be made and implemented where appropriate. Net Zero for Scopes 1, 2 and 3, which include all tenant areas, are targeted for delivery in 2050, in line with Government targets. • A Biodiversity Plan will be developed and implemented following the completion of an ecology report which forms part of the BREEAM In-Use improvement reports work. • Solar – continued development of our generation capacity to reduce reliance on the grid and build resilience to energy market shocks. • EV Charging – A further 52 chargers will be installed in Q1 2024 by Gridserve (delayed install from 2023). • Storage – the ESG Committee will consider the potential of on-site battery storage and undertake a feasibility study for the Centre. • Utilities – Metrocentre will continue to purchase only REGO (Renewable Energy Generation of Origin) backed electricity to power landlord and common parts areas.
Delivering Community & Social Value	• Community Hub – 2024 target being finalised. • Visitor and Occupier – surveys will now include a focus on ESG. • Social Value – The first full publicly facing 2023 Metrocentre Social Value Report will be available in February 2024. SV will be reported quarterly and ongoing tracking will take place to support this. • Travel – Work to continue with local authorities to enhance the public transport network. Further exploration of the new Cycle Hub will take place.
Best Practice in Operation	• BREEAM In-Use – A full assessment for Part 2 will be undertaken following the completion of improvements in Q4 2023. • Wellbeing Certification – The ESG Committee will consider a Wellbeing Certification for 2025 • ISO 14001 and ISO45001 certification will be maintained. • Waste Management – the management team and site team will investigate a partnership with Ecusol facility with a focus on a recycling target of 70% by 2030 and supporting local businesses. • EPC Regulation Risk – Ensure that all units have a valid EPC and that we are working towards B ratings across the Centre to align to proposed 2030 legislation. • Green Leases – the ESG Committee will continue to investigate the use of green leases to support ESG goals and tenant engagement. The focus for Q1 2024 is to consult with legals and push these to be implemented into the Metrocentre standard lease. • Certifications & Awards – Applicable awards and certifications will be submitted to demonstrate the sustainability leadership of the centre.

5 ESG Update

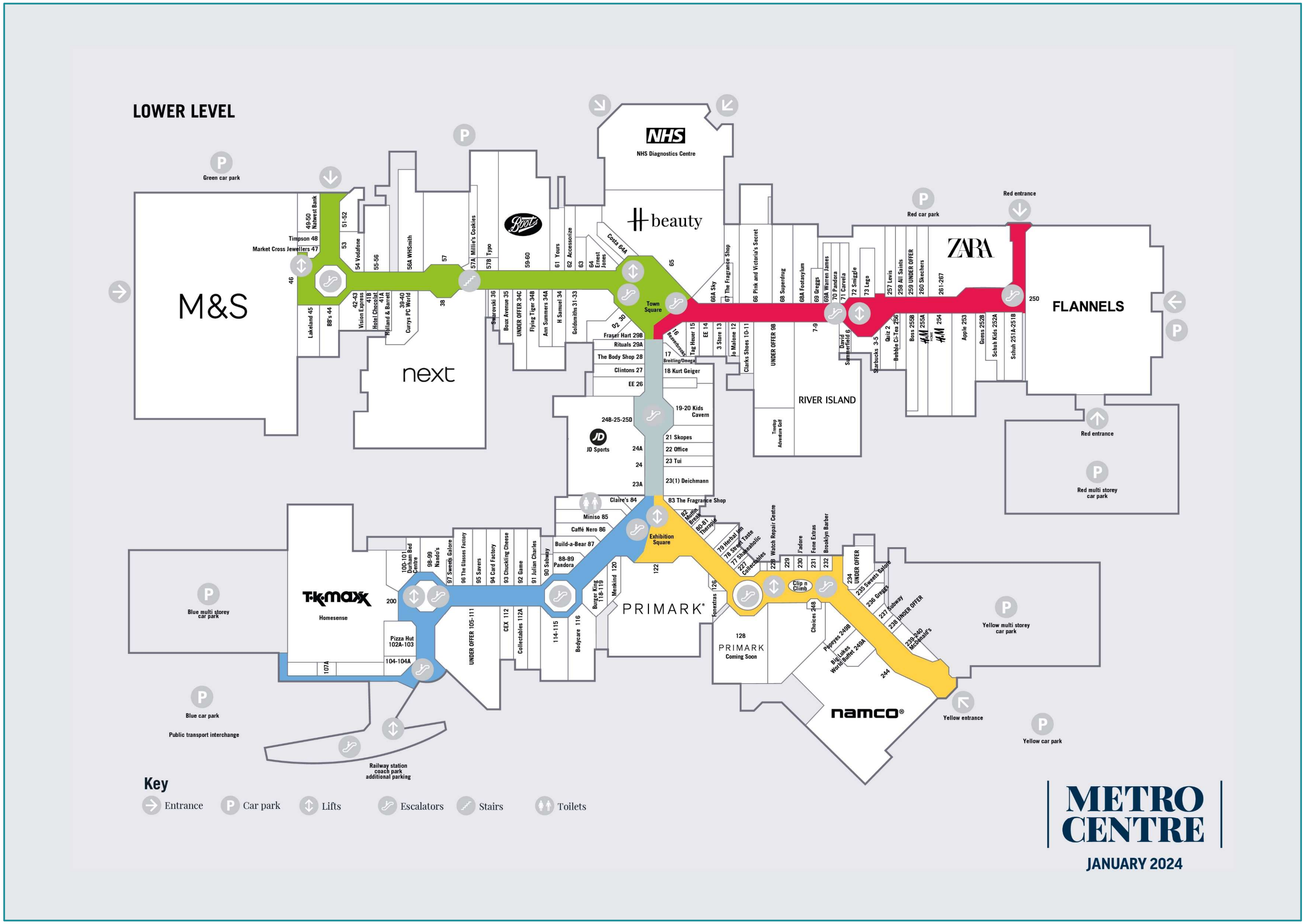
5.2 Pillars to be delivered

The four pillars of ESG to be delivered in 2024:

Pillar	Key Elements
Working in Partnership	• Newcastle United Foundation – continue to expand Metrocentre's outreach to further support the local community. Absolute targets for the year being finalised. • Local charities, communities and other stakeholders – 2024 target(s) to be agreed. • Occupier engagement – surveys will now include a focus on ESG. Tenant meetings will also include a focus on ESG, with a focus on information gathering and engagement. • Website – This will be updated and utilised as a way of communicating the impact ESG is making at the Centre.

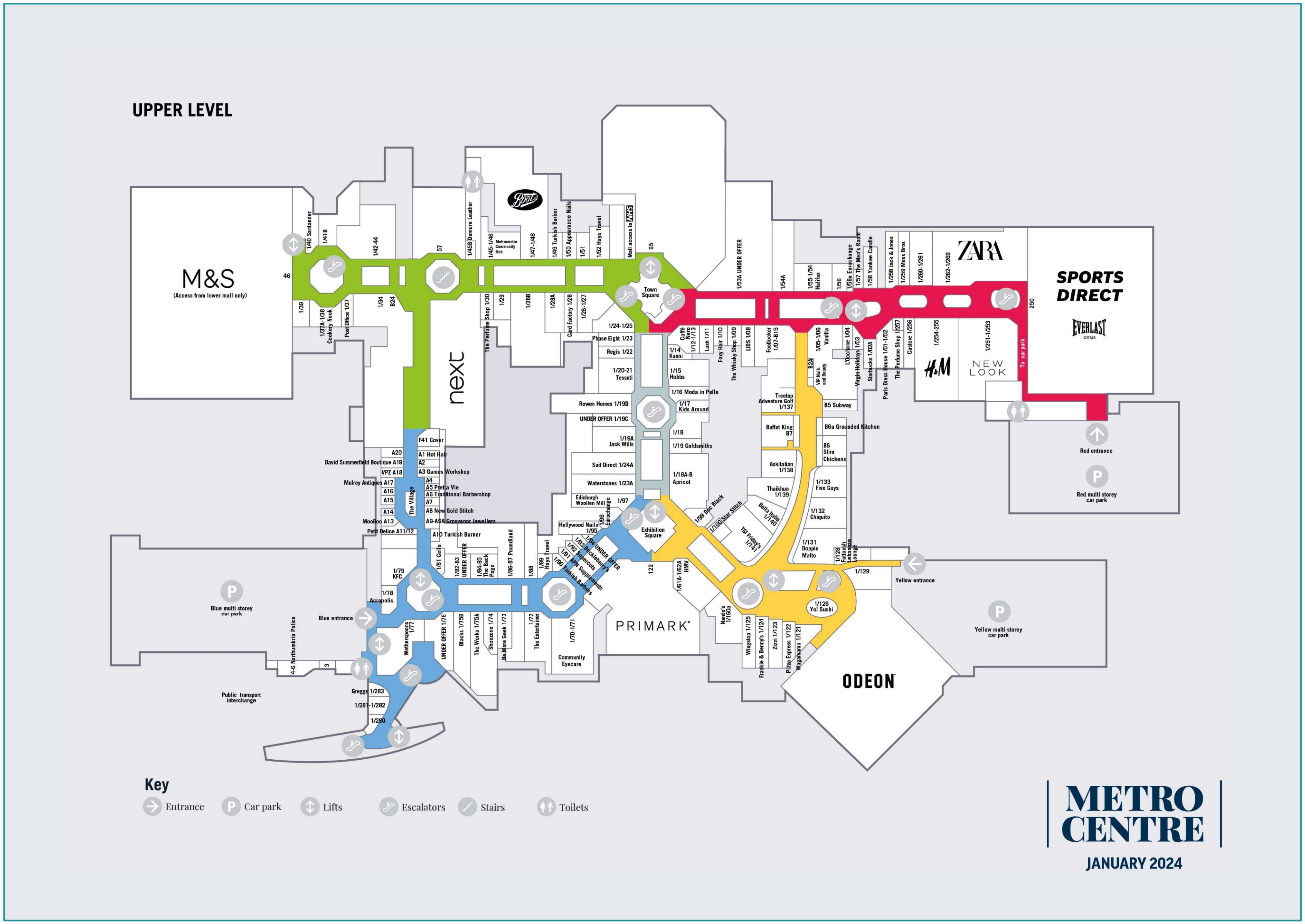
6 Layout Plans

6.1 Lower Level



6 Layout Plans

6.1 Upper Level



6 Layout Plans

6.1 Retail Park

The Metrocentre Partnership

Section C
Financial Model

Financial Model

C1 Model Overview

Linkage to the asset model

- The asset model, prepared by the asset manager, is based on the tenancy schedule as at 31 December 2023, with bespoke assumptions for each tenant based on assumptions about future leasing activity.
- This financial model converts the output from the asset model into a three-statement financial model by applying estimated phasing to cash receipts and payments, adding VAT, head office costs and interest, as well as any other corporate matters unrelated to the asset's trading performance.

Headlines

- The model has been extended to cover the three year period from 1 January 2024 to 31 December 2026.
- Capital expenditure is expected to increase by £2.7m over the life of this Updated Business Plan, on a like-for-like basis (see slides C8 and C9). This additional spend is expected to be offset by increased rent receipts, where tenant deals have required capital instead of rent-free periods.
- An additional £5.1m of capital expenditure is being requested in this plan to cover the required spend in 2026.
- For the end of 2024 the base case NOI is now £38.2m, with a range of £37.1m to £39.6m. NOI at the end of 2026 is targeted to reach £41.3m (within the range £39.1m - £42.8m), compared to the figure of £35.2m as at Q4 2023.
- Liquidity is expected to remain strong throughout the plan period, with a minimum cash balance of £24.9m projected in July 2025. This assumes that coupon is paid throughout the plan period, and existing borrowing facilities are maintained.
- The cash trapping mechanism contained within the Intercompany Loan Agreement requires substantial liquidity to operate it if a coupon is to be maintained. Broadly speaking, a minimum liquidity in the region of £25m (stated after interest) must be maintained at each interest payment date, though this varies according to the level of intended capital expenditure.
- This business plan contemplates the extension of the ICL Maturity Date from 5 December 2024 to 5 December 2025 in accordance with the ICL Maturity Date Extension Option in Clause 7.4 (ICL Maturity Date) of the Intercompany Loan Agreement and the extension of the Maturity Date of the New Money Notes from 4 December 2024 until 4 December 2025 in accordance with the New Money Notes Maturity Date Extension Option in Clause 7.11 (New Money Notes Maturity Date Extension Option) of the New Money Notes Agreement. Following the approval of this business plan in accordance with the Intercompany Loan Agreement, Metrocentre will commence the process for exercising the ICL Maturity Date Extension Option and the New Money Notes Maturity Date Extension Option in accordance with the Finance Documents.
- As the model covers the period up to the end of 2026, it assumes for planning purposes that a mechanism will be found to permit a further extension of these two facilities to December 2026. No such mechanism has yet been discussed with Noteholders or New Money Note providers.

C2 Detailed Modelling Assumptions

Model element	Assumptions
Rent collection rate	A general bad debt charge has been applied to the billed rent at a rate of 4% for the duration of the plan period. Collection rates of over 99% during 2023 suggest this is prudent, although there remains the possibility of tenant financial distress in the event that the ongoing cost of living pressures begin to have a significant impact on the tenants of Metrocentre.
Service Charge income collection	The assumptions for service charge income collection mirror those for rent collection, with a bespoke assumption on a unit by unit basis for service charge shortfalls where there is no tenant in occupation or the tenant has an inclusive deal.
Service Charge costs	The 2024 service charge costs are planned to increase by just under 7% compared to the 2023 actual costs (+4.4% vs 2023 budget). The rise in National Minimum Wage (NMW) particularly affects the cleaning, security and customer services teams. The NMW was assumed to rise to £11.20 when the service charge budget was approved, the outcome is now known to be higher at £11.44, which will add pressure to the service charge budget. Utility costs are expected to increase from October 2024 when the existing favourable contract expires.
Headlease rent	Calculated as 10% of rent collections (excluding the retail park) less allowable costs under the terms of the headlease, paid in arrears following the end of each quarter. Tenant incentive payments are assumed to be an allowable cost, this leads to materially reduced headlease payments when there are significant incentive outflows, particularly in Q1 2024 and Q2 2026.
VAT	The model grosses up all cash inflows / outflows for VAT where applicable and calculates payments due with the VAT return according to Metrocentre VAT quarters, which are not aligned to the calendar quarter.
Specific cash items	The model includes the return of £3m of service charge funding held in the Savills client account, following a detailed review of the level of upfront funding that is required to allow Savills to operate the centre. This appears as additional working capital in the cashflow for Q1 2024. The model also assumes the receipt of interim and final dividends from Intu Metrocentre Property Management Limited (in liquidation) totalling £474k, which relates to a claim made in respect of the “Additional Costs” paid to the liquidators of intu upon its administration in June 2020.
Interest and Loan Facilities	It is assumed that the Metrocentre Partnership is able to exercise the option to extend the intercompany loan agreement and New Money debt maturities to December 2025, and that a mechanism is agreed to permit a further extension to December 2026. Cash coupon of £20m per year is assumed to be paid on the 8.75% secured fixed rate notes. No repayment of principal on any facility is assumed in this plan. Liquidity Facility interest continues to be paid in cash, we assume the +0.5% annual step-up charge on this facility, and a stabilisation of SONIA at 4.5% from 2025 onwards. Credit interest is assumed to accrue at a rate of 4.4% on applicable cash balances held with HSBC.
Head Office costs	Professional fees in 2024 include the anticipated costs of the proposed reorganisation to eliminate legacy entities that were inherited from the previous shareholders and are no longer required. The precise timing of this work has yet to be agreed.
Structural Void	The structural void assumption is shown as a cost equivalent to 2% of occupancy. It is included as a contingency against rental income, to reflect the fact that real-world constraints mean that the planned leasing activity can not be fully realised in practice, due to factors such as unplanned tenant churn. To the extent that it manifests in the actual results, it appears as a reduction to income.

Financial Model

C3 Summary Income Statement

£m	*Actual* 2023	*Updated Business Plan* 2024	2025	2026	Total plan
Net contracted rent (incl. turnover)	37.1	38.5	43.1	45.6	127.2
Rent free & incentives	(0.2)	(0.3)	(2.4)	(4.9)	(7.5)
Rent bad debt	0.8	(1.6)	(1.8)	(1.9)	(5.4)
Commercialisation & other	2.3	2.1	2.2	2.4	6.7
Total rental income	40.1	38.7	41.2	41.1	121.0
Service charge income	10.2	11.2	12.9	13.9	38.0
Service charge costs	(14.6)	(15.6)	(16.1)	(16.4)	(48.0)
Service charge bad debt cost	-	(0.4)	(0.5)	(0.6)	(1.5)
Service charge voids	(4.4)	(4.9)	(3.6)	(3.0)	(11.5)
Void rates	(0.5)	(1.5)	(1.1)	(0.8)	(3.4)
Structural voids	-	(1.6)	(1.6)	(1.6)	(4.8)
Marketing, legal, agency	(1.3)	(1.5)	(1.5)	(1.5)	(4.5)
Other costs	(0.5)	(0.8)	(1.0)	(1.1)	(2.9)
Headlease	(1.8)	(2.2)	(2.9)	(3.2)	(8.3)
Total costs	(8.5)	(12.4)	(11.8)	(11.3)	(35.5)
Net rental income (NRI)	31.6	26.3	29.4	29.8	85.5
Head Office costs	(5.1)	(5.5)	(5.0)	(4.9)	(15.4)
EBITDA	26.5	20.7	24.5	24.9	70.1
NRI excluding bad debt impact	*30.8*	*28.3*	*31.8*	*32.3*	
NRI excluding bad debt, structural void, void rates	*31.3*	*31.4*	*34.5*	*34.7*	

Financial Model

C4 Summary Cashflow

£m	Actual 2023	Updated Business Plan 2024	2025	2026	Total plan
Net rental income (NRI)	**31.6**	**26.3**	**29.4**	**29.8**	**85.5**
Addback of non-cash items	0.7	1.1	3.4	6.0	10.5
Working capital - VAT	3.4	2.4	1.9	1.5	5.8
Working capital - other	(0.5)	4.2	1.0	0.2	5.5
Asset level cash generation	**35.3**	**34.0**	**35.7**	**37.6**	**107.3**
Head office costs	(5.5)	(6.2)	(5.5)	(5.5)	(17.1)
Cash flow before investment	**29.8**	**27.8**	**30.2**	**32.1**	**90.1**
Capex:					
Incentive	(9.0)	(4.9)	(3.4)	(2.9)	(11.1)
Development	(14.2)	(2.5)	(2.6)	-	(5.1)
General	(0.7)	(3.3)	(3.0)	(4.8)	(11.1)
Capitalised Letting Fees	(1.6)	(2.2)	(1.3)	(0.8)	(4.4)
Total capex	**(25.5)**	**(12.9)**	**(10.3)**	**(8.5)**	**(31.8)**
Interest payable - coupon and liquidity facility	(21.5)	(21.7)	(21.7)	(21.8)	(65.3)
Interest receivable on credit balances	1.7	1.3	1.2	1.2	3.8
Financing structure charges	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)
Total cash flow	**(15.6)**	**(5.5)**	**(0.8)**	**2.9**	**(3.4)**
Opening cash	49.0	33.5	27.9	27.1	33.5
Closing cash	33.5	27.9	27.1	30.1	30.1
Minimum cash		26.6	24.9	25.8	24.9
		Aug-24	*Jul-25*	*Jan-26*	*Jul-25*

Minimum cash balances are based on month end balances and do not capture intra-month working capital movements. They are stated before considering the operation of the trap mechanism; which requires the business to reserve six months of Operating Expenses, Additional Propco Costs and Permitted Capex Costs on each trap date, in accordance with the ICLA.

This table does not include the incentive payment that is contractually due to be paid of £3.95m in Q1 2028 in connection with a lease for an existing tenant.

Financial Model

C5 Summary Balance Sheet

Tenant Debtor *

£m	Actual 2023	Updated Business Plan 2024	2025	2026
Gross debtor	3.7	7.5	11.0	14.0
Provision	(1.1)	(3.4)	(6.2)	(9.1)
Net debtor	2.6	4.1	4.9	4.8

Lease balances and amortisation

£m	Note	Actual 2023	Updated Business Plan 2024	2025	2026
Rent free lease balance b/f		10.2	11.0	13.4	14.6
New Rent Free additions	1,2	3.2	4.8	4.2	3.0
Amortisation	1,2	(2.4)	(2.4)	(3.0)	(3.8)
Rent free lease balance c/f		11.0	13.4	14.6	13.8
Tenant incentive balance b/f		4.1	12.1	14.3	14.1
New incentives paid to tenants		9.0	4.9	3.4	2.9
Amortisation	1,2	(1.0)	(2.7)	(3.5)	(4.2)
Tenant incentive balance c/f		12.1	14.3	14.1	12.9
Capitalised letting costs b/f		2.2	3.0	4.1	4.2
Capitlisation of letting costs incurred		1.4	1.9	1.1	0.7
Amortisation	2	(0.5)	(0.8)	(1.0)	(1.1)
Capitalised letting costs c/f		3.0	4.1	4.2	3.7
Total RF & incentive line per P&L	1	(0.2)	(0.3)	(2.4)	(4.9)
Non-cash addback per CF	2	(0.7)	(1.1)	(3.4)	(6.0)

* Amounts provided for as bad debt are not written off within the model, so the gross debtor and provision grow over time with bad debt. Refer to the net debtor to see underlying evolution. Increase in net debtor from 2023 to 2024 includes the repayment of £0.8m of service charge credits to tenants, assuming that they are claimed

Financial Model

C6 Projected External Debt Facilities at IPD Dates

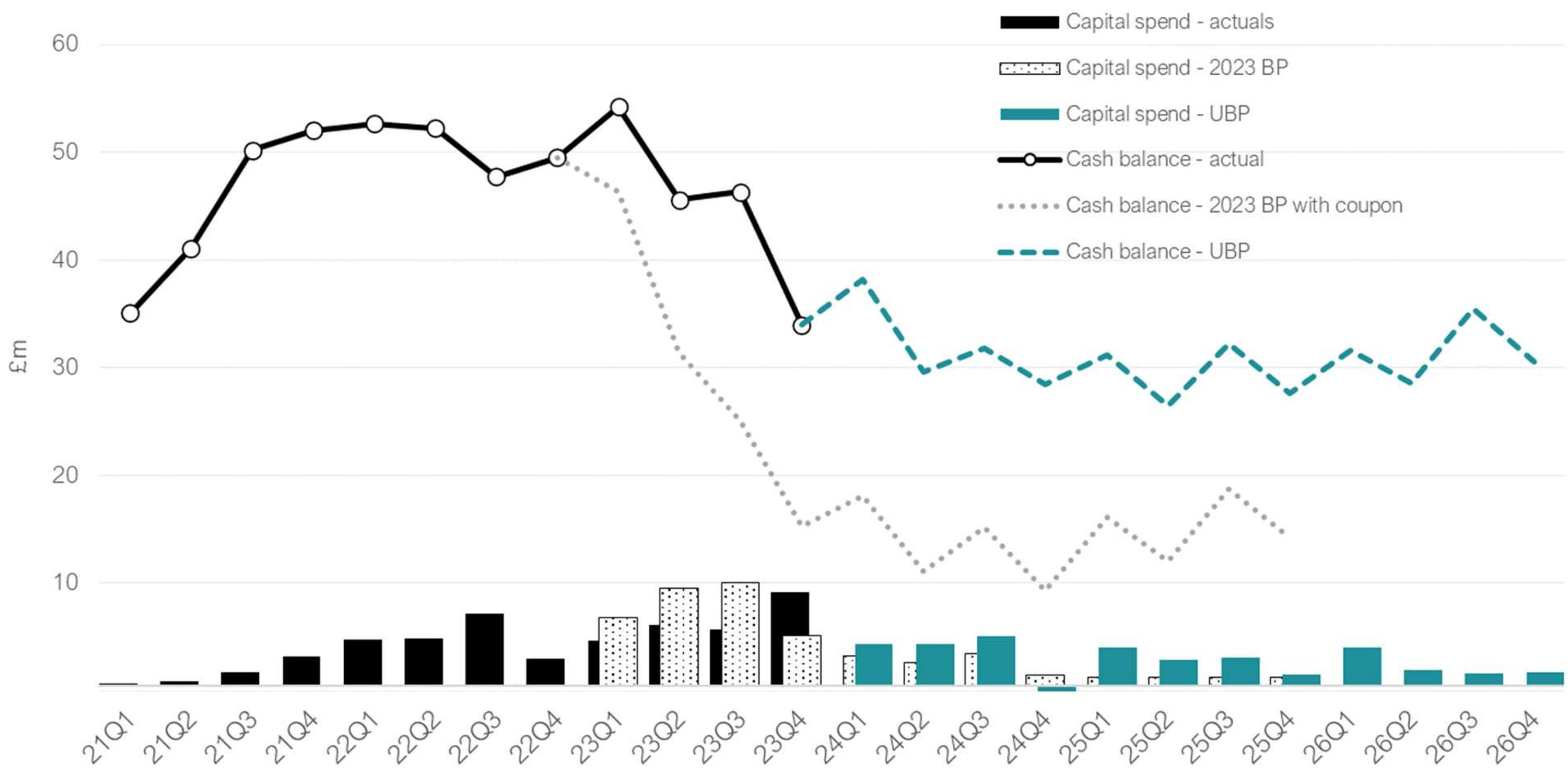
		Actual			Updated Business Plan			
		6 Dec 23	6 Jun 24	6 Dec 24	6 Jun 25	6 Dec 25	6 Jun 26	6 Dec 26
£485m 8.75% Secured Fixed Rate Notes due 2028 (ISIN: XS0994934965)								
Outstanding principal amount - opening		581.8	597.3	613.4	630.2	647.8	666.1	685.3
PIK interest added to principal	*non-cash PIK interest @4.625%*	11.2	11.2	11.2	11.2	11.2	11.2	11.2
ICL cash pay interest - capitalised	*capitalised interest @4.125%*	-	-	-	-	-	-	-
Capitalised PIK amount interest added to principal	*non-cash PIK interest @8.75%*	4.2	4.9	5.6	6.4	7.1	7.9	8.8
Outstanding principal amount - closing		597.3	613.4	630.2	647.8	666.1	685.3	705.2
New Money Notes[1]								
Opening balance		34.0	36.7	39.7	42.9	46.2	49.8	53.6
PIK interest on New Money Notes	*non-cash PIK interest @SONIA+11%*	2.7	3.0	3.2	3.3	3.6	3.8	4.2
Closing balance		36.7	39.7	42.9	46.2	49.8	53.6	57.8
Liquidity Facility								
Opening balance		20.0	20.0	20.0	20.0	20.0	20.0	20.0
Amounts drawn	*facility fully drawn*	-	-	-	-	-	-	-
Amounts repaid		-	-	-	-	-	-	-
Closing balance		20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total facilities		654.0	673.1	693.1	714.0	735.9	758.9	783.0

- This assumes that the cash-pay interest coupon on the 8.75% notes due 2028 will be paid in cash throughout the plan period.
- It also assumes that the option to extend the £25m New Money Notes to December 2025 is exercised, as is the option to extend the intercompany loan.
- It also assumes that a mechanism will be found to permit a further extension to December 2026. No such mechanism has yet been discussed with Noteholders or New Money Note providers.
- PIK actual amounts rolled up on the New Money Notes will vary from plan if there is a significant movement in SONIA. The assumptions above assume a modest fall in SONIA from its current level to a stabilised level of 4.5% from 2025 onwards.

1. New Money Notes are defined in the Definitions slide at the end of section D of this presentation.

Financial Model

C7 Cash Balance and Capital Investment Phasing



- The 2023 BP assumed that capital spend would peak during 2023 and be mostly complete by the end of 2024.
- Actual spending during 2023 fell behind plan due to delays in getting tenants to commit to significant investment, and peaked in Q4 2023.
- The UBP assumes that the peak of spending is now past, with steady capital through 2024 and 2025, and a 'maintenance' tail extending into 2026.
- There is an additional committed cost of £3.95m relating to the final tranche of a tenant incentive payable in 2028 which is not shown on this chart. The second tranche of £2.5m for the same tenant is shown in Q1 2026 on this chart.
- The projected cash balance of the business can be seen to be significantly higher in the UBP than it was in the scenario "2023 BP with coupon" as presented in March 2023. Coupon payment was not included in the base 2023 BP.

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Financial Model

C8 Reconciliation of Capital Spend Total between Plans

Objective / area	UBP £m	2023 plan £m	(Increase) £m	Commentary
Like for Like programme spend				
Reanchoring	20.8	19.4	(1.4)	Majority of increase due to a switch from rent free to capital on one deal.
Key occupiers	8.8	9.8	1.0	Savings of £0.5m on project costs, plus £0.5m from changes to the shape of a deal.
Leisure	3.0	3.0	(0.0)	No significant changes to cost anticipated for what is now a major retailer expansion.
Reducing unit number	1.0	1.1	0.1	Re-worked Forum and Village projects included at £0.5m of works for each as a placeholder.
Alternative uses	1.5	1.6	0.1	Small saving of £89k anticipated on Solar project costs.
Retail Park	6.9	7.1	0.2	Project complete, final costs being reconciled.
Other				
- Town Square	5.4	5.3	(0.1)	Project complete, small overspend of £64k now declared.
- Other leasing *	12.3	9.4	(2.9)	
- Unallocated leasing *	1.3	2.0	0.8	Reduces between plans as some moves to other leasing. £1.25m remains in 2024/2025.
- General*	4.0	4.0	(0.0)	Includes £2.5m of asset enhancement, £1.0m non-accretive, £0.6m ESG in 2024/2025.
Capitalised fees*	6.1	5.8	(0.4)	
Additional opportunities (2022 BP)	1.4	1.3	(0.0)	No material cost changes.
	72.4	69.7	(2.7)	
Additional capital requested to extend the plan period				
Unallocated leasing	2.0			Intended to cover future unexpected issues or emergent opportunities.
Operational Capex / Asset enhancement	1.5			To cover amounts that cannot be managed through the service charge budget.
ESG Capex	0.3			Maintaining the current (2023 BP) level of £0.25m per year, in addition to £0.6m in 2024/2025.
Non-accretive	0.3			An additional £0.25m for 2026, in addition to £1m for 24/25.
Deferred from 2023 BP - revised leasing assumptions	0.4			Specific units where the lease-up assumption has been deferred to mid/late 2026.
Capitalised fees	0.7			
	5.1			
Total capital programme (net of VAT)	77.5			

* Captions with an asterisk include the additional capital requested in the 2023 BP within the 2023 plan column

- On a like-for-like basis, the updated business plan expects to spend an additional £2.7m compared to the 2023 Business Plan. This is expected to be fully offset by a reduction in rent free periods offered to new tenants compared to the 2023 BP (see the analysis in section B part 3.7). Note that £3.95m of the spend on re-anchoring is not due until 2028.
- The Updated Business Plan proposes an additional £5.1m of capital spend to extend the plan period into 2026, as shown in the lower half of this table.

Financial Model

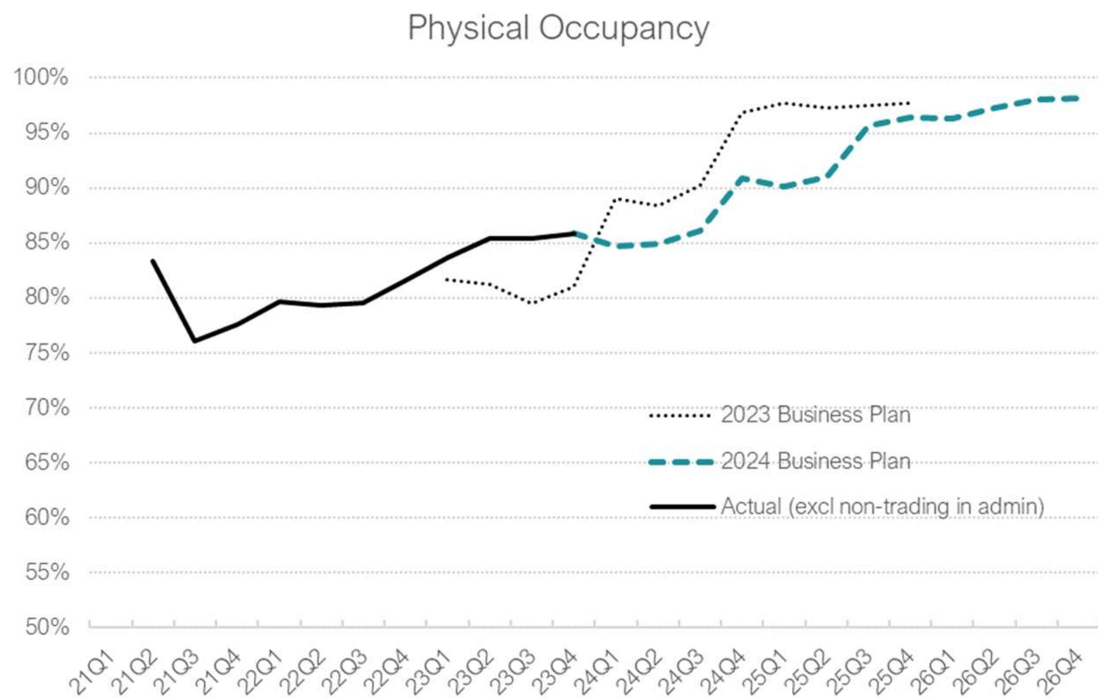
C9 Capital Spend Programme – year by year detail

Spend, net of VAT	2023 BP £k	2021 £k	2022 £k	2023 £k	2024 £k	2025 £k	2026-2028 £k	UBP £k	Variance between plans, £k
Like for Like elements									
Reanchoring*	19,426	973	2,379	6,398	2,774	1,825	6,450	20,799	1,373
Key occupiers	9,755	759	2,779	5,204	50	-	-	8,792	(963)
Leisure	3,025	27	16	1,606	1,159	200	-	3,007	(18)
Reducing units	1,077	18	8	-	-	1,000	-	1,027	(50)
Alternative Use	1,576	822	822	(158)	-	-	-	1,487	(89)
Retail Park	7,100	66	858	5,793	180	-	-	6,897	(203)
Town Square	5,300	350	4,820	193	-	-	-	5,364	64
Other Leasing	9,404	338	910	1,905	6,632	2,545	-	12,330	2,926
Additional Opportunities (2022 BP)	1,329	-	544	527	294	-	-	1,364	35
General	5,983	519	3,188	341	(1,356)	2,541	-	5,233	(750)
Total excluding capitalised letting costs	63,975	3,873	16,324	21,810	9,732	8,111	6,450	66,300	2,325
Capitalised letting costs	5,760	533	1,297	1,351	1,853	1,098	-	6,133	373
Total like for like programme spend	69,734	4,406	17,621	23,161	11,585	9,210	6,450	72,432	2,698
New elements - extension year									
Unallocated leasing							2,000	2,000	2,000
Operational Capex / Asset enhancement							1,500	1,500	1,500
ESG Capex							250	250	250
Non-accretive							250	250	250
Deferred from 2023 BP - revised leasing assumptions							388	388	388
Capitalised fees							704	704	704
Subtotal: extension year		-	-	-	-	-	5,091	5,091	5,091
Total programme including new elements	69,734	4,406	17,621	23,161	11,585	9,210	11,541	77,524	7,790

* The amount of £6,450k shown for reanchoring in 2026-2028 is already committed for an existing lease, but is not due to be paid until 2026 / 2028.

Financial Model

C10 Occupancy Expectation compared between plans



- The underlying evolution of physical occupancy is well represented by the actual physical occupancy excluding non-trading tenants in administration, shown as the black line on the above chart.
- This has increased from 81.6% at Q4 2022 to 85.9% at Q4 2023. Major gains during 2023 were the NHS letting and the Zara flagship store. Occupancy during most of 2023 has outperformed the 2023 Business Plan, with the large footplate NHS unit being let earlier than planned.
- The plan for 2024-2026 shows two distinct steps, which first take the centre up to 90% in Q4 2024 and then 95% in Q3 2025.
- A brief dip in occupancy of 1.2% is expected in Q1 2024. This reflects known events, namely; the closure of Doppio Malto, the vacancy left by the move of Victoria's Secret, Blacks surrendering their lease once Go Outdoors opens and Tessuti moving into the main Sports Direct / Flannels unit.
- The step indicated for Q4 2024 includes the former HoF retail unit deal closing and occupiers being found for the former Doppio Malto and Victoria's Secret vacancies, the Argos / Primark residual space and a number of other mid-size footplates being filled.
- The step in Q3 2025 depends mostly on finding occupiers for the remainder of the former HoF store and unit 1.53a, with total combined space of 77.5k sq ft, equivalent to 3.9% of the total footplate.

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C11 Void costs in the P&L

- Void rates in 2023 showed a saving to plan of £1.5m thanks to significant mitigation of the rates bill in excess of the assumption in the plan, as well as a 0.4m one-off benefit from a successful challenge to the residual mall assessment. The latter amount has been excluded from this chart for comparability.
- During 2024 the rates shortfall appears to increase because the mitigation assumption is set at 20% of the void liability. It may well be possible to outperform this assumption.
- Bad debt costs on service charge during 2023 were small (<1%), and are included within the service charge shortfall shown. In the UBP these are assumed to be 4% of billings, in line with the assumed bad debt level for rent.
- Service charge shortfall is expected to decrease in line with occupancy during the plan period. It does not drop close to zero because of the existence of service charge inclusive leases.
- To illustrate the above point, service charge inclusive leases account for £0.5m of the service charge shortfall per quarter at the end of 2026, with <£0.1m of the shortfall relating to void units.
- Structural void is not present in the actuals for 2023 but is included within the UBP for 2024-2026 at the same level as it was in the 2023 BP, equivalent to a 2% occupancy reduction.
- The slides at C12 show sensitised cash flow forecasts which use less prudent assumptions on void costs than those shown here.

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Financial Model

C12 Alternative cash flow forecast – scenario A

An alternative cash flow forecast has been prepared as a sensitivity to the UBP. This alternative forecast uses much less prudent assumptions than those in the UBP for bad debt, structural void and void rates mitigation. The assumptions are in line with the actual results from 2023 as follows:

- Bad debt charge of 1% as opposed to 4% in the UBP.
- Additional void rates mitigation compared to the UBP.
- No structural void provision.

If these alternative assumptions were used instead of those in the UBP, then the cash flow forecast for the three year period of the plan would increase by £11.4m.

£m	UBP 2024-2026 total	Scenario 2024-2026 total
Net contracted rent (incl. turnover)	127.2	127.2
Rent free & incentives	(7.5)	(7.5)
Rent bad debt	(5.4)	(1.3)
Commercialisation & other	6.7	6.7
Total rental income	121.0	125.0
Service charge income	38.0	38.0
Service charge costs	(48.0)	(48.0)
Service charge bad debt cost	(1.5)	(0.4)
Service charge voids	(11.5)	(10.4)
Void rates	(3.4)	(1.7)
Structural voids	(4.8)	-
Marketing, legal, agency	(4.5)	(4.5)
Other costs	(2.9)	(2.9)
Headlease	(8.3)	(9.4)
Total costs	(35.5)	(28.9)
Net rental income (NRI)	85.5	96.1
Head Office costs	(15.4)	(15.4)
EBITDA	70.1	80.7

£m	UBP 2024-2026 total	Scenario 2024-2026 total
Net rental income (NRI)	85.5	96.1
Addback of non-cash items	10.5	10.5
Working capital - VAT	5.8	5.8
Working capital - other	5.5	5.7
Asset level cash generation	107.3	118.0
Head office costs	(17.1)	(17.1)
Cash flow before investment	90.1	100.9
Capex:		
Incentive	(11.1)	(11.1)
Development	(5.1)	(5.1)
General	(11.1)	(11.1)
Capitalised Letting Fees	(4.4)	(4.4)
Total capex	(31.8)	(31.8)
Interest payable - coupon and liquidity facility	(65.3)	(65.3)
Interest receivable on credit balances	3.8	4.4
Financing structure charges	(0.2)	(0.2)
Total cash flow	(3.4)	8.0

- It should be borne in mind that the low levels of tenant distress witnessed during 2023 may not remain low for 2024. If economic conditions worsen, then anticipated leasing events may be delayed or even cancelled, which would lead to a requirement to use the structural void provision.

Financial Model

C12 Alternative cash flow forecast – scenario B

A second alternative cash flow forecast has been prepared as a further sensitivity to the UBP. This alternative forecast uses less prudent assumptions than those in the UBP for bad debt, structural void and void rates mitigation, acting as a halfway house between the UBP and the 2023 actual results.

- Bad debt charge of 2% as opposed to 4% in the UBP
- Structural void provision equivalent to 1% of occupancy, as opposed to 2% in the UBP

If these alternative assumptions were used instead of those in the UBP, then the cash flow forecast for the three year period of the plan would increase by £5.7m.

£m	UBP 2024-2026 total	Scenario 2024-2026 total
Net contracted rent (incl. turnover)	127.2	127.2
Rent free & incentives	(7.5)	(7.5)
Rent bad debt	(5.4)	(2.7)
Commercialisation & other	6.7	6.7
Total rental income	121.0	123.7
Service charge income	38.0	38.0
Service charge costs	(48.0)	(48.0)
Service charge bad debt cost	(1.5)	(0.8)
Service charge voids	(11.5)	(10.8)
Void rates	(3.4)	(3.4)
Structural voids	(4.8)	(2.4)
Marketing, legal, agency	(4.5)	(4.5)
Other costs	(2.9)	(2.9)
Headlease	(8.3)	(8.9)
Total costs	(35.5)	(32.9)
Net rental income (NRI)	85.5	90.8
Head Office costs	(15.4)	(15.4)
EBITDA	70.1	75.4

£m	UBP 2024-2026 total	Scenario 2024-2026 total
Net rental income (NRI)	85.5	90.8
Addback of non-cash items	10.5	10.5
Working capital - VAT	5.8	5.8
Working capital - other	5.5	5.6
Asset level cash generation	107.3	112.6
Head office costs	(17.1)	(17.1)
Cash flow before investment	90.1	95.5
Capex:		
Incentive	(11.1)	(11.1)
Development	(5.1)	(5.1)
General	(11.1)	(11.1)
Capitalised Letting Fees	(4.4)	(4.4)
Total capex	(31.8)	(31.8)
Interest payable - coupon and liquidity facility	(65.3)	(65.3)
Interest receivable on credit balances	3.8	4.1
Financing structure charges	(0.2)	(0.2)
Total cash flow	(3.4)	2.3

- It should be borne in mind that the low levels of tenant distress witnessed during 2023 may not remain low for 2024. If economic conditions worsen, then anticipated leasing events may be delayed or even cancelled, which would lead to a requirement to use the structural void provision.

The Metrocentre Partnership

Section D
Q4 2023 Disclosures

2023 Q4 Report

D1 Earnings

P&L: Q4

Profit & Loss	Q4 actual £m	Q4 plan £m
Net contracted rent (incl. turnover)	9.5	8.3
Rent free & incentives	(0.1)	1.1
Bad debt on rent	0.1	(0.3)
Commercialisation & other	1.0	0.4
Total rental income	10.5	9.4
Service charge voids and bad debt	(1.1)	(1.2)
Structural void	-	(0.4)
Void rates	(0.2)	(0.3)
Marketing, legal, agency	(0.3)	(0.4)
Other costs	(0.1)	(0.2)
Headlease	(0.0)	(0.0)
Total costs	(1.7)	(2.5)
Net rental income (NRI)	8.8	6.9
Transaction Fees & Head office	(1.7)	(1.2)
EBITDA	7.0	5.7

- The top line rental income figure includes one-off backdated amounts from recently agreed rent reviews which have added £0.2m, and seasonal rents of £0.1m. Most of the variance to plan delayed new lettings, which is offset in the rent free variance.
- Commercialisation and other includes a one-off catch up in Q4 to recognise income from the solar panels of £0.3m, and sundry centre services income of £0.3m.
- The headlease rent payment is low due to material incentive payments being made in connection with new leases, these are deductible costs in the headlease rent calculation and were anticipated in the plan.

Cash Flow: Q4

Cash Flow	Q4 actual £m	Q4 plan £m
Net Rental Income (NRI)	8.8	6.9
Addback non-cash items	0.2	(0.9)
Other working capital	(0.4)	(0.2)
Asset level cash generation	8.5	5.9
Head office costs	(1.9)	(1.3)
Capital Expenditure	(8.7)	(3.9)
Cash flow before financing	(2.0)	0.7
Interest received (paid)	(10.4)	(0.5)
Liquidity Facility repaid (drawn)	-	-
Transaction / other fees	(0.0)	(0.1)
Financing cash flows	(10.4)	(0.6)
Total cash flow	(12.4)	0.2
Opening Cash	45.9	34.7
Closing Cash	33.5	34.9

- Increase in asset level cash generation versus plan is mostly due to increased NRI.
- Capital expenditure was above plan as the plan envisaged spending would peak in Q3 2023 and reduce thereafter, this pattern is being followed with a slight delay.
- Interest paid included £10.0m of coupon which was not in the plan.

D2 Cumulative Quarterly P&L vs Updated Business Plan

Profit & Loss, £m	Q1 actual	Q2 actual	Q3 actual	Q4 actual	Actual FY23	Plan FY23	Variance FY23	
Net contracted rent (incl. turnover)	9.6	9.0	9.0	9.5	37.1	33.4	3.7	I
Rent free & incentives	(0.4)	0.3	0.0	(0.1)	(0.2)	1.5	(1.7)	II
Bad debt on rent	0.6	0.0	0.1	0.1	0.8	(1.4)	2.2	III
Commercialisation & other	0.4	0.6	0.4	1.0	2.3	1.5	0.8	
Total rental income	10.2	9.9	9.5	10.5	40.1	35.0	5.1	
Service charge voids and bad debt	(1.2)	(1.1)	(1.1)	(1.1)	(4.4)	(5.1)	0.7	IV
Structural void	-	-	-	-	-	(1.7)	1.7	
Void rates	(0.2)	(0.2)	0.2	(0.2)	(0.5)	(2.0)	1.5	V
Marketing, legal, agency	(0.3)	(0.3)	(0.3)	(0.3)	(1.3)	(1.5)	0.2	
Other costs	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	(0.6)	0.1	
Headlease	(0.6)	(0.8)	(0.3)	(0.0)	(1.8)	(1.2)	(0.6)	
Total costs	(2.4)	(2.6)	(1.7)	(1.7)	(8.5)	(12.0)	3.6	
					-			
Net rental income (NRI)	7.7	7.3	7.8	8.8	31.6	23.0	8.6	VI
Transaction Fees & Head office	(1.0)	(1.3)	(1.1)	(1.7)	(5.1)	(5.3)	0.2	
EBITDA	6.7	6.0	6.7	7.0	26.5	17.7	8.8	

I. Stronger top line than anticipated due to a) £1.5m extra turnover rent compared to plan, b) some lease events bettered the prudent assumptions in the plan.

II. This is mostly due to a modest delay in new leasing compared to the plan. Rent free was (£0.6m) behind plan at Q3 YTD but slipped a further (£1.3m) versus the Q4 plan figure, which anticipated a significant amount of new deals completing before the year end. Incentive amortisation was +£0.2m, i.e. better than plan as leasing was slightly delayed.

III. Collection rates have been over 99% compared to the 4% bad debt assumption in the plan, accounting for approximately £1.5m of the variance shown. The remainder is due to a reduction in the provision as some of the tail of old debts which were fully provided for have been recovered, and the ECL methodology now incorporates more bespoke tenant by tenant assumptions.

IV. The majority of the positive variance on service charge voids and bad debt is due to improved collection rates compared to the plan.

V. This is due to a) successful mitigation of the void rates cost beyond the assumption in the plan and b) £0.4m benefit from a successful challenge of the residual mall assessment.

VI. Net Rental Income for FY23 is £8.6m above plan, assisted by the bad debt and void rates outperformance to plan, as well as the structural void benefit and top line strength.

D3 Cumulative Quarterly Cashflow vs Updated Business Plan

Cash Flow	Q1 actual	Q2 actual	Q3 actual	Q4 actual	Actual FY23	Plan FY23	Variance FY23	
Net Rental Income (NRI)	7.7	7.3	7.8	8.8	31.6	23.0	8.6	
Addback non-cash items	0.5	(0.2)	0.1	0.2	0.7	(0.9)	1.6	
Other working capital	1.7	2.0	(0.2)	(0.4)	3.0	3.2	(0.2)	
Asset level cash generation	**9.9**	**9.1**	**7.7**	**8.5**	**35.3**	**25.3**	**10.0**	II
Head office costs	(1.1)	(1.2)	(1.2)	(1.9)	(5.5)	(5.8)	0.3	
Capital Expenditure	(4.4)	(6.3)	(6.2)	(8.7)	(25.5)	(33.2)	7.7	III
Cash flow before financing	4.4	1.6	0.3	(2.0)	4.2	(13.7)	18.0	
Interest received (paid)	0.3	(10.2)	0.5	(10.4)	(19.8)	(0.2)	(19.5)	IV
Liquidity Facility drawn	-	-	-	-	-	-	-	
Transaction / other fees	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	0.2	
Financing cash flows	**0.3**	**(10.2)**	**0.5**	**(10.4)**	**(19.8)**	**(0.4)**	**(19.4)**	
Total cash flow	**4.7**	**(8.6)**	**0.8**	**(12.4)**	**(15.6)**	**(14.2)**	**(1.4)**	I
Opening Cash	49.0	53.7	45.1	45.9	49.0	49.0	-	
Closing Cash	53.7	45.1	45.9	33.5	33.5	34.9	(1.4)	

I. Overall, the cashflow is below plan for the year by £1.4m. However, the underlying story is that cash outperformance at the asset level has added to the underspend on capital expenditure sufficiently to fund the majority of the payment of interest coupon in June and December. Coupon was not included in the 2023 business plan, only as a sensitivity.

II. Asset level cash generation is up £10.0m versus the 2023 business plan, mainly due to the increased NRI as shown in the P&L.

III. Capital expenditure of £25.5m (shown gross of VAT where applicable in the cashflow) marks the high point of the current investment programme, but was £7.7m below the plan level owing to the time taken to get prospective tenants to commit to investment.

IV. Interest coupon of £20.0m was paid that was not in the plan, along with liquidity facility interest of £1.5m, offset by interest receipts of £1.7m in the year.

D4 Collection Rates

Collection Rate by Quarter

Original billing quarter		Q3 2022 24/06/22 to 28/09/22	Q4 2022 29/09/22 to 24/12/22	Q1 2023 25/12/22 to 24/03/23	Q2 2023 25/03/23 to 23/06/23	Q3 2023 24/06/23 to 28/09/23	Q4 2023 29/09/23 to 24/12/23
Rent							
Billed rent	£m	10.5	10.4	11.5	12.4	10.7	10.8
Collected rent	£m	10.5	10.5	11.4	12.3	10.8	10.5
Collection rate - rent (as at 31 Dec)	%	100.0%	100.7%	99.5%	99.1%	100.3%	96.9%
Collection rate - rent (as at 15 Feb)	%	100.1%	100.8%	99.6%	99.2%	100.1%	99.8%
Service charge							
Billed service charge	£m	2.9	2.9	3.2	3.2	3.2	3.3
Collected service charge	£m	2.9	2.9	3.2	3.2	3.2	2.9
Collection rate - service charge (as at 31 Dec)	%	99.6%	99.8%	98.9%	99.2%	99.0%	88.2%
Collection rate - service charge (as at 15 Feb)	%	99.6%	99.8%	98.9%	99.4%	99.1%	96.2%

- Collection rates are stated both as at 31 Dec 2023 and also as at 15 Feb 2024 (latest management information).
- Collections are shown in the quarter to which the original billing relates.
- Collection rates are calculated as cash collected divided by the original amount billed, using unrounded collection and billing data.
- The gross tenant debtor outstanding at 31 Dec 2023 is £3.7m net of the unapplied cash balance *(Q3 2023, £3.7m, Q2 2023 £4.4m, Q1 2023 £5.2m).*
- The unapplied cash balance represents cash receipts which have not yet been matched to a specific service charge or rent demand.
- The billed rent in Q4 2022 and Q3 2023 includes retrospective credits to the billings for tenants who have already paid, once these are refunded the collection rates shown will drop back below 100%.

2023 Q4 Report

D5 Tenant Mix

Tenant Mix by % rent, descending

Tenant Mix by category	Floor Space, 1000 ft2	Number of leases	Percentage of total rent
Mixed Clothing	348	24	21.9%
Catering / Public House	164	56	14.1%
Health & Beauty	119	38	8.5%
Furniture, Lighting, Household Goods	164	15	8.0%
Department Stores	338	2	7.8%
Jewellery	26	17	6.3%
Leisure	176	5	5.5%
Womenswear	66	13	5.3%
Footwear	36	9	3.5%
Misc	60	26	3.0%
Books, Newspapers & Stationery & Cards	29	9	2.9%
Mobile Phones	11	7	2.6%
Variety Stores	79	5	2.4%
Toys	30	6	2.1%
Elect (Household,TV,Music,Stores)	25	6	1.4%
Arts & Gifts	16	9	1.3%
Financial	9	5	0.9%
Menswear	9	3	0.7%
Childrenswear	8	3	0.6%
Storage	16	37	0.6%
Accessories	3	2	0.5%
	1,732	297	100.0%
Void	272	70	
Total	2,004	367	

Storage relates to the combined value of back of house and ancillary office space across multiple leases. Void units includes 18 storage/office units with the Forum counted as 10 units.
This table includes tenants who were in CVA, liquidation or administration at the quarter end. Percentage of total rent includes expected turnover rent as well as passing rent.

D6 Tenant Concentration – Top Ten Tenants by Passing Rent

Tenant parent	Trading as	Expiry date	Break date	Break type	Passing rent £k	Percentage of total rent	NIA 1,000 ft2	Percentage of total space	Years to term (including reversionary if applicable)	Years to earlier of term or break
Primark	Primark	Jun 2031	-		1,600		75.0		10.0	10.0
	Primark	Jun 2031	-		198		7.6		10.0	10.0
	Primark	Jan 2034	-		387		19.7		10.0	10.0
					2,185	**5.8%**	**102.2**	**5.9%**		
Next	Next	Sep 2027	-		1,850		72.2		3.7	3.7
	Next	Jul 2025	-		100		17.4		1.5	1.5
					1,950	**5.2%**	**89.6**	**5.2%**		
Fraser's Group	Kids Cavern	Oct 2028	Oct 2025	TBO	165		6.5		4.8	1.8
	Game	Jun 2028	Jun 2024	MRBO	60		2.6		4.5	0.5
	Jack Wills	Jun 2028	Feb 2024	TRBO	-		3.5		4.5	0.2
	Tessuti	Feb 2024	Feb 2024	MRBO	-		2.6		0.2	0.2
	Tessuti	Feb 2024	Feb 2024	MRBO	-		1.7		0.2	0.2
	Sports Direct/Flannels	Dec 2037	-		1,400		180.2		14.0	14.0
					1,625	**4.3%**	**197.1**	**11.4%**		
M&S	Marks & Spencer	Jan 2111	Jan 2036	TBO	1,546		157.6		87.1	12.1
					1,546	**4.1%**	**157.6**	**9.1%**		
Odeon	Odeon	Mar 2034	-		1,315		79.7		10.2	10.2
					1,315	**3.5%**	**79.7**	**4.6%**		
Boots	Boots	Jul 2028	-		750		32.5		4.6	4.6
	Boots	Jul 2028	-		53		3.2		4.6	4.6
	Boots	Jul 2028	-		22		2.2		4.6	4.6
					825	**2.2%**	**37.9**	**2.2%**		
JD Sports Fashion plc	JD Sports	Oct 2031	Oct 2026	TBO	650		27.9		7.8	2.8
	JD Sports (storage)	TAW	-		8		0.3		-	-
	Blacks	Apr 2023	-		75		3.3		-	-
					733	**1.9%**	**31.5**	**1.8%**		
Watches of Switzerland	Goldsmiths	Jun 2032	Jun 2027	TBO	650		7.1		8.5	3.5
					650	**1.7%**	**7.1**	**0.4%**		
Signet	Ernest Jones	Sep 2024	-		405		2.8		0.7	0.7
	H Samuel	Sep 2032	Sep 2028	TBO	245		2.8		8.8	4.8
					650	**1.7%**	**5.6**	**0.3%**		
ITX (Zara)	Zara (storage)	Mar 2025	Feb 2024	MRBO	34		0.7		1.2	0.2
	Zara (storage)	Mar 2025	Feb 2024	MRBO	19		1.2		1.2	0.2
	Zara	May 2038	May 2026	TBO	575		41.3		14.4	2.4
					628	**1.7%**	**43.2**	**2.5%**		
Top ten					12,108	32.0%	751.5	43.4%		
Total all let units					37,836		1,732			

D7 Tenant Concentration (continued)

Top Ten Tenants by passing rent – Unexpired Lease Term

Lease Metric	With M&S	Without M&S
WAULT (whole term)	18.4	8.4
WAULT (earlier break/term)	7.6	6.9

Commentary

- WAULT means Weighted Average Unexpired Lease Term
- Given the very long lease in place with M&S, data for the top ten tenants is shown above with and without M&S for clarity
- WAULT rises by 0.4 years (without M&S) to both break and term, due to the use of the reversionary lease expiry dates for Primark

D8 Portfolio Lease Expiry

Lease Expiry Profile

	VOIDS	2021-24	2025-29	2030-34	2035-44	2045+	Total
No. of retail leases expiring	70	63	155	58	17	4	367
Expiring area (NIA), 1000 ft^2	272	178	506	541	325	182	2,004
% of total lettable area	14%	9%	25%	27%	16%	9%	100%
Passing Rent, £m	-	4.5	15.8	12.2	3.6	1.7	37.8
% of total passing rent	-	12%	42%	32%	9%	5%	100%
Cumulative % of total passing rent	-	12%	54%	86%	95%	100%	N/A

Whole Portfolio WAULT

Lease Metric	All leases	Without M&S
WAULT (to term)	9.4	6.1
WAULT (earlier break/term)	5.0	4.7

Commentary

- Voids (vacant units) comprise 272,000 square feet (NIA) for 70 void units.
- Excluding storage units, there are 43 lettable retail/restaurant units void at 31 Dec 2023, with the ten small Forum units treated as a single void.
- WAULT to term has increased by 0.3 (excluding the M&S lease) compared to the Q3 disclosures, from 5.8 to 6.1.
- Passing rent has reduced by £0.2m from Q3 due to the loss of Wilko, among other effects, but this has been offset by a £0.4m increase in expected turnover rent.

Changes during Q4

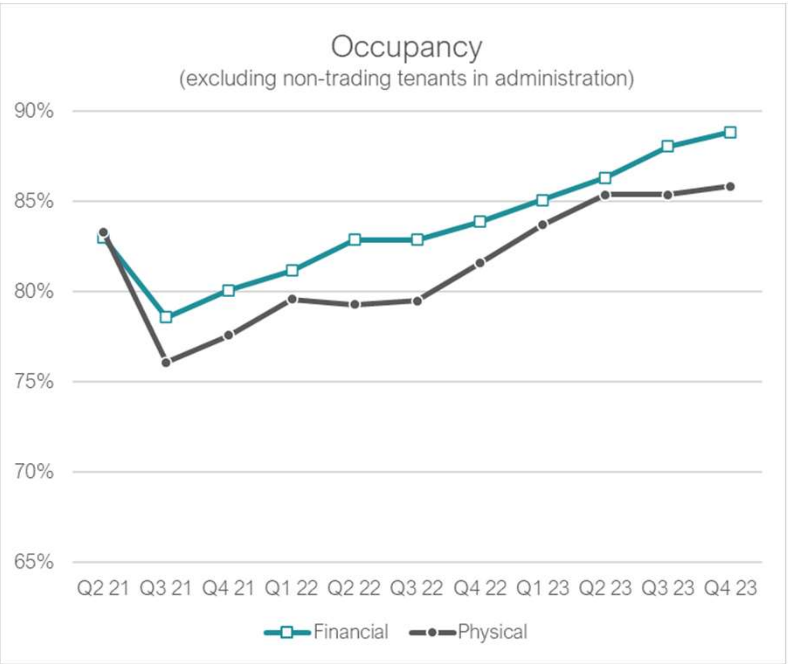
Activity	Number of units
Lease renewals & Reversionary Leases	7
Surrender & relets (including post administration deals)	0
Assignments & sublets	1
New Lettings	5
Current Voids (stated at quarter end)	43

Commentary

- Voids figure stated above relates to retail/ restaurant units only and excludes void storage units. The comparative figure at the end of Q3 2023 was 42 voids.
- Within the voids figure, the block of ten units in the Forum is reported as a single void given their size (NIA 4,000ft^2 for all units combined).
- Lettings for storage units are not included in the figures within the table above.

D10 Property Data – Key Metrics

Metric	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Footfall y-o-y change vs 2019	(18.9%)	(20.8%)	(18.0%)	(18.7%)
Footfall y-o-y change vs 2022	8.2%	(2.2%)	2.7%	1.3%
Physical occupancy	84.8%	86.5%	85.6%	86.4%
- *excluding non-trading units in administration*	*83.7%*	*85.4%*	*85.4%*	*85.9%*
Financial occupancy	86.6%	87.4%	88.4%	89.7%
- *excluding non-trading units in administration*	*85.1%*	*86.3%*	*88.1%*	*88.9%*
Passing rent	£37.1m	£37.4m	£38.0m	£37.8m
- *percentage of which relates to tenants in administration, CVA & liquidation*	*2.0%*	*2.3%*	*2.6%*	*1.6%*
Number of tenants in administration, CVA & liquidation	9	10	8	7
Number of rent reviews outstanding	72	74	75	73



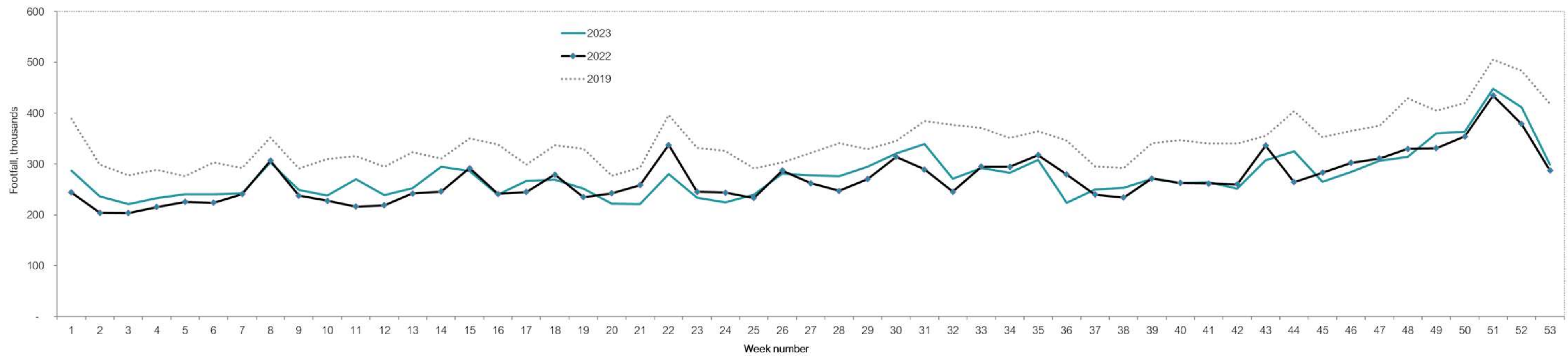
Footfall changes are stated as the average for the quarter
All other metrics are stated as measured at the end of the quarter

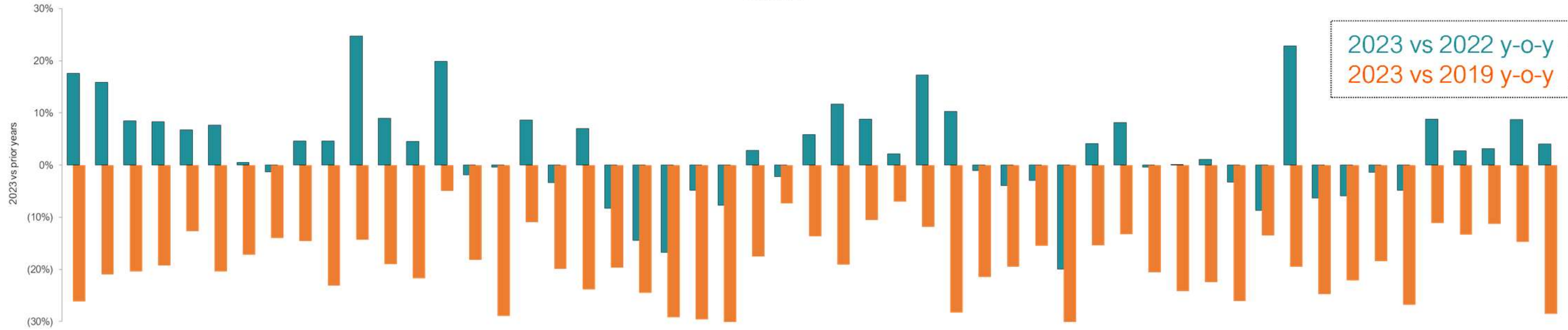
Commentary

- Physical occupancy is based on NIA (square footage). Financial occupancy is the ERV of let units divided by total ERV.
- Where a tenant is in administration, their tenancy is counted within the occupancy figures until the lease is disclaimed.
- At 31 Dec 2023 there were 4 tenants in a CVA process and 3 in administration/liquidation (Q3 2023 was 5 CVA, 3 administration).

2023 Q4 Report

D11 Footfall up to week commencing 31 December 2023





2023 vs 2022 y-o-y change

January	February	March	April	May	June	July	August	September	October	November	December
12.7%	3.0%	9.2%	6.2%	(7.9%)	(3.0%)	6.8%	3.5%	(2.7%)	1.9%	(4.5%)	5.7%

2023 vs 2019 y-o-y change

January	February	March	April	May	June	July	August	September	October	November	December
(22.1%)	(16.0%)	(18.6%)	(16.2%)	(23.8%)	(21.8%)	(12.6%)	(19.3%)	(21.7%)	(21.0%)	(23.1%)	(12.6%)

D12 Summary Valuation data

Valuation reports: 31 Dec 2023

Property	Gross ERV, £m	Market value, £m	NIY %	NEY %
Metrocentre	43.7	384.0	7.16%	8.36%
Metro Retail Park	4.2	49.5	6.17%	7.41%
Federation Brewery site	N/A	2.6	N/A	N/A
Combined (weighted)	47.9	436.1	7.05%	8.25%

Valuation reports: 30 June 2023

Property	Gross ERV, £m	Market value, £m	NIY %	NEY %
Metrocentre	43.1	369.0	6.86%	8.36%
Metro Retail Park	4.1	47.3	5.89%	7.16%
Federation Brewery site	N/A	2.6	N/A	N/A
Combined (weighted)	47.1	418.9	6.75%	8.22%

Covenant calculations

Metric	30 June 2023	31 Dec 2023
LTV	137%	136%
LTM EBITDA, £m	17.9	26.5
LTM Interest, £m	21.1	21.5
ICR	85%	123%
Gross leverage	139%	137%

The LTV calculation is provided based on the calculation methodology as set out in the Master Definitions Agreement, which does not contemplate (i) the outstanding principal amount of the New Money Notes or (ii) the drawn amounts under the Liquidity Facility in the definition of "Net Debt". Including (a) the outstanding principal amount of the New Money Notes (together with accrued capitalised PIK amounts thereon) and (b) the drawn Liquidity Facility in the net debt calculation would result in an LTV calculation of 149.3%. For the avoidance of doubt Net Debt includes accrued PIK Interest amounts on the Notes as at 6 December 2023 IPD.

D13 Net debt and PIK interest

External debt facilities

		6 Jun 2022 £m	6 Dec 2022 £m	6 Jun 2023 £m	6 Dec 2023 £m
£485m 8.75% Secured Fixed Rate Notes due 2028 (ISIN: XS0994934965)					
Outstanding principal amount - opening		520.5	543.2	567.0	581.8
PIK interest added to principal	*non-cash PIK interest @4.625%*	11.2	11.2	11.2	11.2
2021/2022 ICL cash pay interest – capitalised [1]	*capitalised interest @4.125%*	10.0	10.0	-	-
Capitalised PIK amount interest added to principal	*non-cash PIK interest @8.75%*	1.5	2.5	3.6	4.2
Outstanding principal amount - closing		543.2	567.0	581.8	597.3
New Money Notes[1]					
Opening balance		28.1	29.7	31.6	34.0
PIK interest on New Money Notes	*non-cash PIK interest @SONIA+11%*	1.6	1.9	2.4	2.7
Closing balance		29.7	31.6	34.0	36.7
Liquidity Facility					
Opening balance	*facility fully drawn*	20.0	20.0	20.0	20.0
Amounts drawn		-	-	-	-
Amounts repaid		-	-	-	-
Closing balance		20.0	20.0	20.0	20.0
Total of external debt facilities		592.9	618.6	635.8	654.0

1 See Definitions slide

Glossary of terms

Abbreviation	Explanation
CAGR	Compound Annual Growth Rate
CLC	Capitalised Letting Costs
CVA	Company Voluntary Arrangement
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ERV	Estimated Rental Value
GIA	Gross Internal Area
ICR	Interest Cover Ratio
IPD	Interest Payment Date
LTV	Loan to Value
MAA	Master Amendment Agreement
MRBO	Mutual Rolling Break Option
NEY	Nominal Equivalent Yield
NIA	Net Internal Area
NIY	Net Initial Yield
NOI	Net Operating Income
NRI	Net Rental Income
TAW	Tenancy At Will
TBO	Tenant Break Option
WAULT	Weighted Average Unexpired Lease Term

Definitions

- **Master Definitions Agreement** the master definitions agreement entered into by, among others, the Metrocentre Security Group and the Obligor Security Trustee on 20 November 2013.
- **New Money Notes** the notes issued by The Metrocentre Partnership pursuant to a subscription agreement dated 30 October 2020.
- **2021/2022 ICL Cash Pay Interest** is as defined in the Restructuring Master Amendment dated 18 August 2022.
- **ICLA** the Amended and Restated Intercompany Loan Agreement dated 18 August 2022.