9 March 2023

NOTICE OF PROPOSED 2023 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 2023 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 2023 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 2023 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 2023 First Updated Business Plan or this Notice or of the impact of the Proposed 2023 First Updated Business Plan or this Notice on the interests of the Noteholders either as a class or as individuals.

SGS FINANCE PLC
(formerly known as INTU (SGS) FINANCE PLC)

(incorporated with limited liability in England and Wales

with registered number 08351883)

(THE "ISSUER")

Notice to holders of the

£350,000,000 9 per cent. Notes due 2033 (ISIN: XS0904228987)

(the "Notes")

NOTICE IS HEREBY GIVEN by the Issuer to the holders of the Notes (the "**Noteholders**") in accordance with Condition 17 (*Notice*) of the Conditions (as defined below) of the Proposed 2023 First Updated Business Plan (as defined below).

Background

1. We refer to a note trust deed dated 19 March 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. Capitalised terms used in this Notice and not otherwise defined shall have the meanings given to them in, or incorporated by reference into, the Note Trust Deed or the Prospectus, unless the context otherwise requires.

Proposed 2023 First Updated Business Plan

2. On 1 March 2023, FinCo posted a Business Plan Presentation (the "**2023 First Updated Business Plan Presentation**") on its Designated Website. On 8 March 2023, FinCo held a Business Plan Call to discuss the contents of the updated Business Plan which FinCo has proposed be adopted (the "**Proposed 2023 First Updated Business Plan**").

Proposal

3. In accordance with paragraph 7 (*Business Plan*) of part 3 (*Property Covenants*) of schedule 2 (*Covenants*) to the Common Terms Agreement, we hereby notify and confirm to you that:

3.1 FinCo intends to adopt the Proposed 2023 First Updated Business Plan as described in paragraph 2 above; and

3.2 the 2023 First Updated Business Plan Presentation is appended at Schedule 1 (*2023 First Updated Business Plan Presentation*) to this Notice.

Conditions to Proposed 2023 First Updated Business Plan

4. In accordance with paragraph 7 (*Business Plan*) of part 3 (*Property Covenants*) of schedule 2 (*Covenants*) to the Common Terms Agreement, provided that (without double counting) (i) Qualifying Secured Participants (acting through their Secured Participant Representative) and (ii) Noteholders, who individually or in aggregate hold Qualifying Debt or Notes (as applicable) having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of all the Qualifying Debt then outstanding have not registered in writing an objection to the

Proposed 2023 First Updated Business Plan with the Obligor Security Trustee on or before 30 March 2023 (being the date which is 15 Business Days following the date of this notice), the Proposed 2023 First Updated Business Plan shall be treated as approved and the Proposed 2023 First Updated Business Plan shall be considered to be the then current Business Plan as from that date.

5. In accordance with paragraph 7 (*Business Plan*) of part 3 (*Property Covenants*) of schedule 2 (*Covenants*) to the Common Terms Agreement, if without double counting, (i) Qualifying Secured Participants (acting through their Secured Participant Representative) and (ii) Noteholders, who individually or in aggregate hold Qualifying Debt or Notes (as applicable) having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of all the Qualifying Debt then outstanding have registered in writing an objection to the Proposed 2023 First Updated Business Plan with the Obligor Security Trustee on or before 30 March 2023 (being the date which is 15 Business Days following the date of this notice), FinCo shall not adopt the Proposed 2023 First Updated Business Plan and shall procure that a revised updated Business Plan (the "**Proposed 2023 Second Updated Business Plan**") is prepared, provided that such Proposed 2023 Second Updated Business Plan may only be adopted if:

5.1 the proposed update is notified to the Obligor Security Trustee and each Secured Participant Representative and by way of a notice to the Noteholders via the Clearing Systems, in each case referring to the 2023 First Updated Business Plan Presentation and any updates to such 2023 First Updated Business Plan Presentation; and

5.2 without double counting (i) Qualifying Secured Participants (acting through their Secured Participant Representative) and (ii) Noteholders who individually or in aggregate hold Qualifying Debt or Notes (as applicable) having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of all the Qualifying Debt then outstanding have not registered an objection to the proposed update with the Obligor Security Trustee within 15 Business Days of receipt of the notification referred to in 5.1 above.

6. This Notice sets out below how Noteholders should notify the Issuer Trustee if they wish to object to the Proposed 2023 First Updated Business Plan.

<u>Procedure for objecting to Proposed 2023 First Updated Business Plan</u>

7. Noteholders who wish to notify the Issuer Trustee that they object to the Proposed 2023 First Updated Business Plan must do so in accordance with the procedures set out in this Notice by 4 p.m. (London time) on 30 March 2023 (such time and date, the "**Deadline**"). No meetings of Noteholders will be held.

8. **NO ACTION IS REQUIRED TO BE TAKEN BY ANY NOTEHOLDER WHO SUPPORTS OR DOES NOT WISH TO OBJECT TO THE PROPOSED 2023 FIRST UPDATED BUSINESS PLAN.**

9. Each Noteholder that wishes to notify the Issuer Trustee that they object to the Proposed 2023 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 2023 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 irrevocable instructions (with which they have complied) 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 2023 First Updated Business Plan should check the relevant Clearing System's procedures and deadlines ahead of the Deadline**.

10. 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.

11. Each Noteholder that wishes to object to the Proposed 2023 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.

12. 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.

13. 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 (or, in the case of the Qualifying Secured Participants, from their Secured Participant Representative directly), without double counting, (i) Qualifying Secured Participants (acting through their Secured Participant Representative) and (ii) Noteholders, who individually or in aggregate hold Qualifying Debt or Notes (as applicable) having an aggregate Outstanding Principal Amount representing more than one third of the aggregate Outstanding Principal Amount of all the Qualifying Debt by the Deadline, FinCo shall not adopt the Proposed 2023 First Updated Business Plan and shall take the actions set out in paragraph 5 above. If the one third threshold for objections is not passed, FinCo shall promptly adopt the Proposed 2023 First Updated Business Plan and the Proposed 2023 First Updated Business Plan shall be considered to be the then current Business Plan as from the Deadline.

14. 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 Common Terms Agreement outlined above, confirming that the adoption of the Proposed 2023 First Updated Business Plan has occurred.

Additional information and disclaimers

15. 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.

16. 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 2023 First Updated Business Plan, including any tax consequences, and on the impact of the adoption of the Proposed 2023 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.

17. 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.

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) 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.

19. 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 2023 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).

20. 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 2023 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 Master Definitions Agreement).

21. 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 2023 First Updated Business Plan. Each such person must make its own analysis and investigation regarding the Proposed 2023 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 2023 First Updated Business Plan and/or the action it should take, it should consult its professional advisers.

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

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

Contact Details:

Issuer:	SGS 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

SGS FINANCE PLC
as **Issuer**

Dated 9 March 2023

Schedule 1
2023 First Updated Business Plan Presentation

SGS
2023 Business Plan and Exit Strategy Update

1 March 2023

Contents

Appendices

Glossary

Abbreviation	Long-form term
BP	Business Plan
BP-21	The original business plan, as set out in a Market Update Presentation dated 18 June 2021
BP-22	The Business Plan Update dated 2 March 2022
BP-23	The Business Plan Update set out in this document
BREEAM	Building Research Establishment Environmental Assessment Method
CPI	Consumer Price Index
CVA	Company Voluntary Arrangement
D&I	Data & Insights
D&O	Directors & Officers
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
EPC	Energy Performance Certificate
ERV	Estimated Rental Value
ESG	Environmental, Social & Governance
F&B	Food & Beverage
GM	Global Mutual (SGS' appointed asset manager)
IPD	Interest Payment Date
ISO	International Organisation for Standardization
JLP	John Lewis Partnership

Abbreviation	Long-form term
LTM	Last Twelve Months
LTV	Loan to Value (ratio)
MSU	Major Shop Unit
M&S	Marks & Spencer
NOI / NRI	Net Operating Income / Net Rental Income (used interchangeably)
OST	Obligor Security Trustee
PMAs	Property Management Agreements
ppt	Percentage Point
PR	Public Relations
ROI	Return on Investment
SONIA	Sterling Overnight Index Average
SP	Strategic Priority
Sq. ft.	Square feet
VAT	Value Added Tax
TDD	Technical Due Diligence
Term Loan	The Initial Authorised Loan Facility
WAULT (B)	Weighted Average Unexpired Lease Term (to the next break option)
WAULT (E)	Weighted Average Unexpired Lease Term (to lease expiry)
YTD	Year-to-Date

1. Executive Summary

Executive Summary

Despite multiple external headwinds, SGS continued to make significant progress on all fronts in 2022, including securing a number of landmark leasing deals and outperforming key BP-22 performance metrics

Significant Progress in Asset and Property Management

- A stable financial footing with access to investment capital and a swift, collaborative approach to leasing discussions enabled SGS to make significant progress in 2022
- SGS agreed approx. 100 leases, including ground-breaking deals with premium retailers, representing 24% of total NRI:
  - The total NRI agreed on these leases was 15% higher than BP-22 assumptions
  - Total incentives, comprising rent-free periods and capital contributions, show a 7% favourable variance to BP-22 (i.e. the incentives were lower than BP-22)
- Static NRI at 31 December 2022 was £68.0m, £3.2m ahead of the BP-22 forecast of £64.8m, due primarily to the successful leasing activity
- Total SGS Group occupancy at 31 December 2022 was 86%, 3 ppts higher than the BP-22 forecast of 83%. Pro forma occupancy at 31 December 2022 (i.e. including leases signed but not yet commenced) was 88%
- Rent collections have been strong throughout 2022, and currently stand at 97% for Q1 and Q2, 96% for Q3 and 94% for Q4. Normalisation of collections was achieved more quickly than had been anticipated in BP-22, which assumed lower collection levels for Q1-Q3
- Highly successful build-out of SGS' D&I capability during 2022 has contributed significantly to the success in leasing activity, and is providing greater visibility of tenant performance to support asset management decisions and, ultimately, next owner confidence in sustainable NRI

Landmark Leases Completed

- Former Debenhams unit at Lakeside (120k sq. ft.): 15 year lease agreed with M&S, who will relocate to this anchor unit. Fit-out works are underway; store is expected to open in H2 2023
- Former Debenhams unit at Atria Watford (105k sq. ft.): Next's first UK department store concept (fashion, homeware and beauty, plus Costa Coffee and Victoria's Secret concessions) opened in H1 2022
- Former JLP unit at Atria Watford (240k sq. ft.): The SGS Board has approved a plan to subdivide the unit. Two leases exchanged in February 2023 to occupy 55k sq. ft. of the space, including with a major soft furnishings retailer. Advanced discussions ongoing with further potential tenants
- Other vacant units at Atria Watford (75k sq. ft.): Leases signed with TK Maxx and a major international fashion brand to take occupancy of large MSUs at each end of the centre
- Top tier brands and exciting new entrants added to the SGS centres including H&M Home, Stradivarius, Pull & Bear, Flannels and Lids
- Regears, store moves and upsizes across the estate with key tenants (including seven of the top ten by gross rent) including Next, Goldsmiths, Vodafone, Superdry, River Island, Pandora, WH Smith, Hugo Boss, Calvin Klein and Schuh

Executive Summary (cont'd)

Despite multiple external headwinds, SGS continued to make significant progress on all fronts in 2022, including securing a number of landmark leasing deals and outperforming key BP-22 performance metrics (cont'd)	**Significant Footfall & Sales Performance**	▪ SGS footfall outperformed the relevant Springboard benchmark every month in 2022, and was 8 percentage points better than the Springboard benchmark across the year as a whole, demonstrating the relative strength of the SGS centres ▪ Footfall for 2022 was at 90% of 2019 levels (the last full year pre-pandemic). Footfall in the month of December was also at 90% of 2019 levels, highlighting the resilience of the SGS shopping centres despite the increasing cost of living pressures on consumers throughout the year ▪ On average, across 2022, tenant sales have been at 90% of 2019 levels, in line with footfall performance over the same period. Average spend per head was broadly the same in 2022 as in 2019, despite lower footfall
	Strong cash generation outperforming BP-22 forecasts	▪ Cash NRI in the 12 months to 31 March 2023 (i.e. Year 1 of BP-22) is expected to outturn at £59.1m, £13.8m higher than the BP-22 forecast. This outperformance is principally driven by higher rent collections, as well as the outperformance in NRI achieved on leasing activity and careful cost control, particularly rates mitigation actions ▪ Available cash at 31 March 2023 is forecast to be £161.5m, which is £101.0m higher than the BP-22 forecast at the same date. In addition to the outperformance in cash NRI (£13.8m), this higher expected cash balance is principally due to the following: – Higher opening cash balance at 1 April 2022 (£31.2m), driven by outperformance in Q1 2022; – Lower capital investment (£45.9m), due to delays to larger projects as a result of congestion in retailer investment programmes. This is a timing difference which will unwind in 2023-2024; and – Drawdown of the second tranche of the New Money in December 2022 (£26.9m), as described in previous monthly reports
Strong progress achieved towards SGS's five core strategic objectives	**Strategic Plan Overview**	▪ SGS remains focussed on its strategic plan, which is forecast to deliver growth in static NRI by £14.2m from £68.0m to £82.2m by March 2026: – More than half of this growth (£7.4m) will come from new leases which have already been signed but have not yet commenced – A further £5.1m of the growth is forecast to come from new leases which are currently in advanced discussions – £3.5m of the NRI growth will come through a reduction in business rates borne by SGS, principally as a result of the changes to rateable values and multipliers announced by the UK Government in Q4 2022 – The above increases are partially offset by other changes in NRI which net to a £(1.8)m reduction. These include burn-off of net over-rent (£(4)m), as well as other lease activity (including the lease-up of the current M&S premises at Lakeside), and an increase in service charge costs

Executive Summary (cont'd)

Strong progress achieved towards SGS's five core strategic objectives

Strategic Priority 1: Stabilise Income Profile

- As described above, as a result of the efforts in 2021 and 2022, the Group has a firm base from which to build NRI and a clear route to achieving growth
- Collections have held up well over the festive trading period, and BP-23 assumes that this will continue throughout the Business Plan period (with the exception of a small contingency taken in respect of Q2 '23, recognising the potential for weaker tenant failure in light of the current economic pressures). SGS remains alert to the possibility of further weakness in collections if economic conditions deteriorate
- Occupancy is forecast to reach 90% in H1 2023, driven by leases signed or in advanced discussion. Bottom-up occupancy(1) is forecast to increase to 97% by March 2025, driven principally by the remaining lease-up of the former JLP unit (2 ppts of total Group occupancy) at Watford and the current M&S unit at Lakeside (3 ppts)
- Rebasing rents to sustainable levels remains fundamentally important. Gross over-rent of £19m is forecast to reduce to £9m by the end of the 2023 Business Plan period as regears continue to be agreed on affordable terms
- Turnover rent, and broader visibility over tenant sales, continues to be a fundamental component of SGS' partnership approach to leasing and to providing potential buyers with confidence in underwriting the future rent roll. Turnover rent currently accounts for 18% of total SGS rent, and following the investment in D&I, SGS currently has turnover visibility in respect of c.75% of its tenants

Strategic Priority 2: Transition Asset Profiles

- The strategic transition of the offering of each SGS shopping centre is based around three core principles:

1. **Reduce exposure to department stores:**
   - In 2022 SGS prioritised de-risking its three vacant department store units. Strong progress has been made on all three, with Next already trading from the former Debenhams unit at Atria Watford, M&S due to open in the old Debenhams unit at Lakeside in 2023, and the first lease agreements for the old JLP store at Watford having recently been agreed
   - In addition to leasing up the remaining JLP space, the focus over the remaining Business Plan period is on i) subdividing and re-letting the unit which M&S will vacate at Lakeside to premium retailers and leisure operators; and ii) working collaboratively with the four remaining department stores across the SGS portfolio to ensure that the retail offer remains vibrant and differentiated
2. **Add experiential leisure and exciting F&B options:** the validity of this strategy has been borne out in 2022 by footfall and tenant sales statistics. Footfall performance at Lakeside and Atria Watford was the strongest in the Group, driven in part by the expanded leisure offering, and F&B outlets have consistently been amongst the best performers across the portfolio in terms of tenant sales performance
3. **Expand top performers:** Increasingly strong partnership relationships are being built with the best performing retailers such as H&M, Next, M&S, TK Maxx, Frasers and the Inditex brands, resulting in market-defining lease deals, flagship store concepts and well-invested MSUs across the SGS portfolio which act as key footfall drivers and competitive differentiators

(1) SGS maintains a provision for structural vacancy as an overlay to its bottom-up occupancy forecasts

Executive Summary (cont'd)

Strong progress achieved towards SGS's five core strategic objectives

Strategic Priority 3: Maintain Cost Discipline

- The original SGS Business Plan targeted "a significant reduction in the operational cost base". Like-for-like reductions of 9% and 18% were achieved in service charge and car park budgets, respectively, in 2021
- Further efficiency improvements achieved in 2022 include the following:
  - A further reduction in the 2022 service charge budget (by 1%), despite significant inflationary pressure
  - Entering into three year fixed tariff energy contracts in October 2021 has saved the Group c.£5m, on conservative estimates, relative to subsequent spot market prices
  - 26% saving in business rates, driven by occupancy outperformance and rates mitigation activities
  - Reductions in both property and D&O insurance premia for 2021/22, and a further reduction in the D&O premium for 2022/23
- Significant inflationary pressures have restricted the Group's ability to drive further cost reductions to the extent originally envisaged. However, SGS continues to view strict cost discipline as a fundamental strategic priority, which assumes greater importance in an inflationary environment, both in supporting NRI growth and in offering fair, affordable service charge costs to retailers.

Strategic Priority 4: Diversify Return Drivers

- The original SGS Business Plan included an objective to provide the next owner comfort that they can redevelop selected sites into alternative uses over a five year time horizon, by delivering detailed feasibility studies and agreements in principle with planning authorities
- The delivery and scope of this objective has been affected by the wider macroeconomic environment, including a squeeze in building margins as a result of higher interest rates and inflation on wages and building materials. This has led to an increase in the cost of construction and reduced the risk appetite for redevelopment schemes amongst potential partners
- As such, although SGS continues to pursue development opportunities at two of its shopping centres, alternative uses for some of the space such as experiential leisure are also being considered in parallel
- Such alternative uses would still achieve the primary aim of diversifying SGS' revenue away from pure retail. They could also be structured in such a way that they provide an incremental sustainable revenue stream for the shopping centre, whilst not precluding more structural development of the area in the longer-term when market conditions are more favourable
- Given this outlook, SGS has prudently reduced both the investment expected in development projects and its expected potential returns on exit. BP-23 includes capital investment in these schemes of £2.5m (in addition to £88k spent to-date on these projects), with expected returns on exit of c.£7.5m (BP-22: investment of £6m; expected returns on exit of c.£16m)

Executive Summary (cont'd)

Strong progress achieved towards SGS's five core strategic objectives

Strategic Priority 5: Development of Non-Financial Value Drivers

Data & Insights

- Significant milestones achieved in SGS' D&I strategy in 2022, transforming the visibility the Group has over its assets, tenants and consumers and enabling insight-based decision making
- Key projects delivered in 2022 include i) the roll-out of a retailer information portal, via which SGS now has visibility over 75% of tenant sales performance, ii) the establishment of a central affordability database, to assess tenant profitability in each SGS unit, iii) headroom analysis showing areas of relative overspend/underspend by customers, supporting leasing decisions, and iv) professionalisation of approach to consumer marketing
- Phase 2 of the D&I strategy will focus on a) Integration of all available datasets to provide a 360 degree view of the SGS assets, tenants and customers; b) greater visibility over SGS' market share and competitive performance; and c) quantification of the 'halo' effect. Upon completion of Phase 2, SGS' D&I capabilities will be amongst the top quartile of its peer group

ESG

- The SGS Board approved the ESG strategy developed by GM and Savills Earth in Q4 2022. The Group's principal aim is to maintain and enhance asset value through the delivery of an ESG strategy which ensures that each of the four SGS shopping centres meets evolving market requirements regarding ESG criteria. The objectives, key performance indicators and a timeline for implementation were set out in detail in the November 2022 Monthly Report, and are summarised in Section 3 of this document

Three Year Business Plan: Financial Overview

2023 Business Plan Cash Flows

- As required by the Facility Documentation, SGS has included in this Business Plan a three year cash flow forecast from 1 April 2023 until 31 March 2026
- Forecast cash NRI in the third year of the 2023 Business Plan is £62.8m, which is £3.7m higher than the forecast outturn cash NRI for the year ending 31 March 2023. Forecast growth in cash NRI lags growth in static NRI over the period principally due to i) rent-free periods, which are customarily excluded from the calculation of static NRI but act as a short-term drag on cash NRI; and ii) cash inflows from which SGS benefitted in 2022 which are not expected to recur in future periods, e.g. collection of historical arrears and excess rent on over-rented units
- The 2023 Business Plan forecasts a net cash inflow before financing of £16.9m over the three year period, comprising NRI of £179.1m, less central costs (including VAT cash flows) of £(25.4)m, capital investment of £(131.9)m to support key leasing projects and NRI, and exceptional costs (principally relating to exit preparation) of £(4.9)m
- The outstanding drawn Super Senior New Money facility (£(55.2)m) is assumed to be repaid in full over the three year period, along with £(6.5)m of interest and fees. Notwithstanding that the current Maturity Date of the New Money is in March 2024, for modelling purposes these forecast payments have been calculated based on the cash sweep mechanism only

Executive Summary (cont'd)

Three Year Business Plan: Financial Overview

2023 Business Plan Cash Flows (cont'd)

- In addition to the mandatory prepayments made in accordance with the cash sweep mechanism, SGS has the ability to prepay the New Money Facility voluntarily at any time after 31 December 2022 without incurring a penalty fee. SGS will monitor the economic situation and its impact on rent and service charge collections closely, with particular focus on Q2 2023 collections (which historically have been the most heavily impacted by retailer failure/cash flow issues), and will consider its ability to make a voluntary prepayment in early Q3 2023
- The forecast liquidity low point, according to the Business Plan Base Case cash flow forecast is in May 2024, when SGS is forecasting available cash of £79.7m. Closing available cash as at 31 March 2026 is forecast to be £127.1m. Under the Liquidity Case, the low point arises in August 2024 (£62.5m) and closing available cash is £79.9m. For modelling simplicity and consistency with previous iterations of the Business Plan, no payments of fees, interest or principal against the Notes or Term Loan have been forecast
- The 2023 Business Plan Base Case cash flow forecast indicates that SGS will comply with its cash NRI covenant at all relevant test dates, although forecast headroom in Q4 2023 is £0.3m, principally due to delays to key leasing events as a result of congestion in retailers' leasing and investment programmes

Comparison to 2022 Business Plan

- Forecast available cash at 31 March 2025 (the end point of the 2022 Business Plan) is £106.2m, which is £13.6m higher than the 2022 Business Plan Base Case at the same date. Excluding variances due to New Money cash flows (£27.8m), available cash is £(14.2)m lower in the 2023 Business Plan. This is principally driven by higher capital costs (£(39.5)m across the coterminous period) and a lower NRI forecast (£(12.6)m), partially offset by actual NRI outperformance in the 9 months to December 2022 (£32.8m)
- Static NRI at 31 March 2025 is £81.1m, in line with the BP-22 forecast of £81.4m at the same date
- Forecast Capital Costs in the 2023 Business Plan (including 2022 actuals) are £50.5m higher than for the 2022 Business Plan. In addition to the longer time horizon (51 months vs. 39 months), this increase is driven by the inclusion of new projects (£29.4m) and cost increases in existing projects (£17.4m)
  - New projects include the proposed subdivision and re-purposing of the current M&S store at Lakeside into mixed-use retail and leisure units
  - Cost increases in existing projects are due in part to construction cost inflation, driven by double-digit CPI increases and supply chain disruption. £(13.0)m of the increase relates to two leasing projects at Atria Watford, which involve complex subdivision and restructuring works. Both projects are critical to the strategic transformation of the shopping centre, and SGS is working with top tier retailers and leisure providers to deliver them

Executive Summary (cont'd)

There is currently very limited liquidity for real estate transactions

SGS will continue to focus on operational and financial improvement of the assets and monitor the market for the optimal time to commence a disposal process, considering also upcoming debt maturities

Dec-22 External Property Valuations

- The total independent valuation of the four SGS shopping centres fell by 2.5% to £770.5m between 30 June 2022 and 31 December 2022, which represents a strong performance when considered against a wider market in which 5%-15% valuation decreases on average are being seen [(1)]
- The decrease in valuations is being driven by widening market yields due to:
  - Sharp rises in global interest rates, increased cost of debt and illiquid credit markets
  - Pressure on global supply chains, consumer spending and rising energy costs
  - Economic uncertainty and disruption caused by industrial action across many sectors
  - Investor uncertainty leading to illiquid equity markets across all Real Estate sectors
- Strong asset management performance has largely mitigated capital market declines and is reflected in an increase in NOI and ERVs, and in relatively modest yield changes relative to the market as a whole

Exit Strategy Update

- As the effects of the COVID-19 pandemic have receded, the SGS shopping centres have shown strong performance. Significant progress has been made against the key asset management objectives and there is now good visibility over the route to delivering the remaining NRI growth required before exit
- However, very little liquidity exists for shopping centre sales processes at present, as high interest rates and an inflationary environment have made leverage unaffordable and widened yields further, from already elevated levels
- SGS expects opportunistic buyers to emerge in 2023 and early 2024 as valuations stabilise. The main catalysts for yield improvement and valuation recovery, however, will be the re-entry into the market of value-add investors with a lower cost of capital, and the re-opening of debt markets. SGS expects this to happen gradually from 2024 onwards
- SGS has identified nine conditions (four external improvement indicators and five asset management initiatives) which it considers are critical to achieving attractive values for the Group's assets (see Section 5 for full details). Once capital markets have stabilised and these conditions have been satisfied, SGS believes that the underlying fundamentals and strategy of its shopping centres continue to leave them well-positioned as premium assets
- SGS' pricing expectations have not changed materially since the 2022 Business Plan. Net exit yields of between 6% and 10% are expected for each of the properties, assuming an orderly sale in more normalised market conditions. Exit valuations will in part be driven by next owner expected returns and the availability of acquisition financing
- SGS is constantly reviewing the optimal time to commence a disposal process, particularly with regard to equity and debt market conditions, and in view of the maturity of elements of the Group's borrowings in 2024. SGS will continue to monitor this situation and will consult and update lenders in due course

(1) Source: Cushman & Wakefield Shopping Centre Market Commentary & Insight, January 2023

Executive Summary (cont'd)

Next Steps

- SGS will hold a lender call at 1pm UK time on 8 March 2023 to present the 2023 Business Plan
  - Lenders may email sgs-shoppingcentres@cscgfm.com before midday (London time) on 7 March 2023 to register their interest and obtain dial-in details for the call
  - Lenders have until 5pm UK time on 6 March 2023 to submit any questions (by emailing such questions to sgs-shoppingcentres@cscgfm.com), which SGS will seek to address on the call
- As per the Common Terms Agreement, formal notices in relation to the launch of the negative consent process will be delivered to Qualifying Secured Participants and Noteholders following the call, after which lenders will have until 4pm UK time on 30 March 2023 to object to the 2023 Business Plan. If one-third or less of the SGS lenders (calculated in aggregate across Noteholders and Qualifying Secured Participants) object to the 2023 Business Plan, it will be deemed to have been approved. Full details of the negative consent process will be contained in the relevant notices

2. Current Status

2. Current Status - Retail Market Environment

As the effects of the COVID-19 pandemic have receded, the SGS shopping centres have emerged resiliently and strong progress has been made. However, significant increases in interest rates and inflation during 2022 have created economic uncertainty which continues to weigh on consumers, retailers and capital markets

Key Themes for 2023	Change in Sentiment (BP-23 vs. BP-22)	Consumer Impact	Retailer Impact	SGS Impact
COVID-19	▲	▪ Structural retail transition from physical store to online was expedited during the 2020 and 2021 lockdowns	▪ Retailers without an omnichannel / ecommerce offer were worst affected ▪ Physical store sales now catching up to pre-COVID levels ▪ Long-term sickness across UK affecting staffing levels	▪ Retailers and landlords are in the process of regearing rents to more affordable levels
Shopping Centre Footfall	▲	▪ Lower footfall across shopping centres in UK vs. pre-COVID levels but trending in a positive direction	▪ Number of transactions has reduced (although conversion rate now higher than pre-COVID levels) ▪ Average shopping basket has also increased vs. pre-COVID levels	▪ Significantly reduced footfall figures initially cast a grey cloud over investor appetite and asset values ▪ Dominant centres are now showing more robust footfall figures, demonstrating differentials within the sector
Supply Chain Disruption	▲	▪ Higher prices in the short-term, both for retail goods and essentials (e.g. energy)	▪ Increasing disruption in global supply chains, especially in China, is leading to retailers sourcing from alternative countries, at higher cost but with more resilience ▪ Disruption eased slightly towards the end of 2022, although the volatility remains.	▪ Supply chain dislocations have created more uncertainty regarding retailer covenants. Towards the end of 2022 this uncertainty began to ease ▪ Likely negative impact on real estate values in the short-term
Occupier Sentiment	=	▪ Reduced physical store selection offer as a number of retailers have entered into administrations	▪ Retailers are continuing to adjust rents at lease events to sustainable levels ▪ Despite this, retailers may still experience cashflow issues as economic headwinds and industrial action begin to bite in early 2023	▪ Economic headwinds and strike action create uncertainty and are likely to widen yields, depressing achievable sales proceeds in the short-term ▪ In the longer-term, as occupier credit improves, shopping centre income profile will become clearer with lower associated leasing risk

2. Current Status - Retail Market Environment

As the effects of the COVID-19 pandemic have receded, the SGS shopping centres have emerged resiliently and strong progress has been made. However, significant increases in interest rates and inflation during 2022 have created economic uncertainty which continues to weigh on consumers, retailers and capital markets (cont'd)

Key Themes for 2023	Change in Sentiment (BP-23 vs. BP-22)	Consumer Impact	Retailer Impact	SGS Impact
Interest Rates	▼	▪ The Bank of England Base Rate increased from 0.25% to 4.00% between Jan-22 and Feb-23, driving up the cost of mortgage and consumer debt. This has contributed to historically low levels of consumer confidence	▪ Lower disposable income for customers results in lower sales volumes or a flight to lower price, lower margin products ▪ Rising cost of debt will increase the likelihood of CVAs/insolvency for marginally profitable retailers	▪ Struggling retailers may seek to regear at lower rents or exit the SGS centres (either strategically or through insolvency) ▪ Lower rents and increased vacancy reduce asset value via lower NOI and wider yields ▪ Higher interest rates also result in lower debt capacity and lower valuations for potential buyers of the SGS assets
Inflation	▼	▪ Double-digit CPI inflation has outstripped wage growth, depressing real wages, disposable income and consumer confidence	▪ In addition to the consumer-led effects of inflation, retailers are dealing with rising commodity and merchandise costs, increasing energy and distribution prices, and upwards pressure on wages (including a 10% increase in the National Living Wage)	▪ Inflationary pressures reduce rent affordability, resulting in regears at lower rent and possible vacancies ▪ Even stronger retailers will retrench or reconsider significant new leasing deals, which can cause delays to timelines, and increases in landlord capital costs and contributions
Capital Markets	▼	▪ N/A	▪ Capital being deployed in only the most sustainable, dominant shopping centres. Brands likely to right-size portfolios and trade out of the best performing schemes	▪ Institutional investment has largely exited the sector for the time being as rising interest rates and global economic headwinds have materially affected sentiment. This affects considerations around SGS exit planning

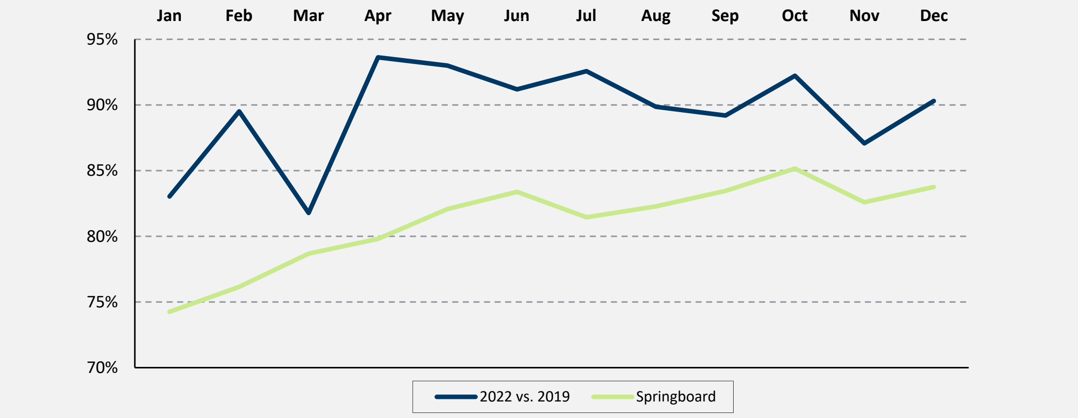
2. Current Status - Footfall

Footfall across the SGS portfolio has continued to recover in 2022 and materially outperformed the Springboard benchmark. Footfall at Lakeside and Atria Watford has been particularly strong, driven in part by new tenants and increasing leisure options

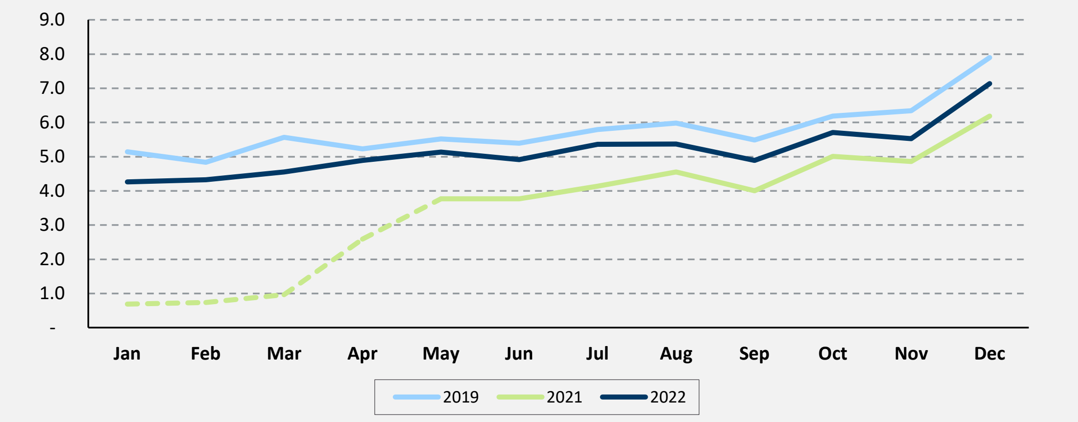
Footfall Trends

- The relative strength of the SGS shopping centres is shown in the table above right. Footfall at the SGS shopping centres outperformed the relevant Springboard benchmark every month in 2022, and was 8 ppts better than the benchmark (relative to 2019) across the year as a whole
- Footfall across the SGS portfolio continued to recover in 2022. In every month footfall was above the equivalent month in 2021, albeit the first four months of 2021 were affected by COVID-related lockdowns (shown as a dashed line in the below chart opposite)
- Footfall in 2022 was at 90% of 2019 levels (the last full year pre-pandemic). The first quarter of the year was the most volatile, with footfall at 85% on average across those three months than 2019. From April onwards the position has been more stable, although footfall has generally declined from 94% in April to - 90% in December, driven in part by declining consumer confidence and economic uncertainty
- Footfall trends across the SGS portfolio have varied in 2022 (see charts in Appendix VII):
  - Lakeside and Watford were at 98% and 97%, respectively, of 2019 levels for the year as a whole, and both experienced 5-6 months during the year in which footfall was in excess of 2019 equivalent levels. In both cases the strong leisure offering at these centres was an important driver of footfall. Atria Watford's footfall performance, which has improved markedly throughout the year, is being driven particularly from the new Charter Place end of the centre, which has seen a number of new openings including Boom Battle Bar, Oakman Inns and Next's department store concept
  - Footfall at Nottingham was at 83% of 2019 levels for the year as a whole, although there has been progressive improvement throughout the year from 78% in January to 87% in December as students and office workers have gradually returned to the city centre
  - Braehead's footfall in 2022 was at 80% of 2019 levels, which is above regional benchmarks for Scotland. SGS continues to focus on introducing key footfall drivers to the Braehead centre, including the recent announcement of a brand new TK Maxx store to be opened in 2023

Like-for-like monthly footfall 2022 vs 2019: SGS vs. Springboard benchmark



Monthly footfall - SGS Group (millions) [1]



(1) 2020 data not shown due to distortion caused by the COVID-19 pandemic and the associated lockdowns

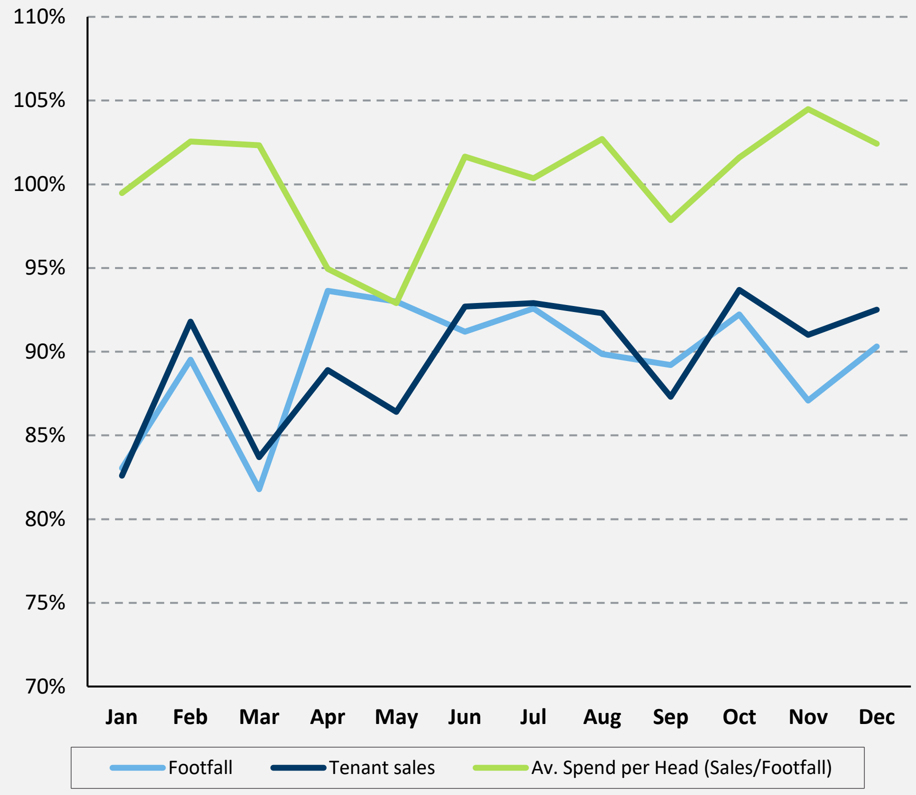
2. Current Status - Tenant Sales Trends

Tenant sales performance has generally tracked footfall in 2022 as the post-lockdown release of consumer savings has moderated. Leisure and F&B outlets, along with sportswear retailers and jewellers, have led the recovery

Tenant Sales Trends [1]

- In contrast to 2021, when the recovery in tenant sales outstripped footfall driven by savings accumulated by consumers over the lockdown periods, 2022 has seen a return to relative normality as tenant sales trends have generally tracked footfall more closely
- On average, across 2022, tenant sales have been at 90% of 2019 levels, in line with footfall performance over the same period and average spend per head was broadly the same in 2022 as in 2019
- In recent months tenant sales have started to outperform footfall again (tenant sales were 92% of 2019 levels in Q4 2022) and average spend per head was at 103% of 2019 levels. However, this includes the impact of retail price inflation which increased throughout the year
- The recovery in tenant sales at the SGS centres has generally been driven by leisure and F&B brands, whose sales are broadly in line with 2019 on a like-for-like basis. Within this category, fast food and 'grab and go' outlets have performed particularly well, aided by the growth in third party delivery services
- Jewellers, toy retailers and confectioners have also continued to outperform, post-pandemic, as consumers make investment and 'treat' purchases
- Fashion sales have generally been slower to recover, with the exception of sports retailers and accessories. It should be noted, however, that a number of the larger fashion retailers at the SGS centres do not currently report comparative sales data

Like-for-like monthly sales, footfall and average spend per head (2022 vs 2019)



(1) The tenant sales information presented in this report is based on a sample equivalent to c.25-30% of SGS's in-place tenancies (percentage varies by month). This sample size is considered sufficient to provide broad comfort over sales trends at an SGS portfolio level. Sample sizes are expected to increase in 2023 due to i) improvements in data collection as a result of SGS' Data & Insights strategy, and ii) greater consistency in the tenant cohort between 2022 and 2023 (tenant churn reduces comparability between 2019 and 2022)

2. Current Status - Financial Performance vs. BP-22

Outturn Cash NRI in the 12 months to 31 March 2023 is expected to be £13.8m higher than the BP-22 forecast, driven by higher rent collections. Forecast available cash as at 31 March 2023 of £161.5m is £101.0m higher than the BP-22 forecast at the same point in time, driven by a combination of the higher NRI (£13.8m), lower Capital Investment (£45.9m - a timing difference) and the drawdown of the second tranche of New Money (£26.9m), as well as a higher opening cash balance (£31.2m)

The table oppositive shows the expected outturn for the 12 months to 31 March 2023 (**March 23 Outturn**) compared to the forecast for Year 1 of BP-22 as included in the 2022 Business Plan and Exit Strategy document published on 2 March 2022.

In order to make a comparison to BP-22 on a coterminous basis, March 23 Outturn includes nine months of actual cash flows to 31 December 2022 and the latest forecast for Q1 2023 as included in the Q4 2022 quarterly report published on 1 March 2023. The BP-23 cash flows set out in Section 4 of this document are also based on the Q1 2023 latest forecast set out opposite

March 23 Outturn available cash of £161.5m is £101.0m higher than the BP-22 forecast as at March 2023. Of the £101.0m variance, £31.2m relates to opening cash as at 1 April 2022, driven by actual outperformance in Q1 2022 (please refer to the Q1 2022 Quarterly Report for further detail). The remaining £69.8m[(1)] variance relates to the positive variance in cash flows between the March 23 Outturn and the BP-22 Year 1 forecast

The key drivers of the £69.8m[(1)] positive variance between the March 23 Outturn and the BP-22 Year 1 forecast are as follows:

1. **Collected Rental Income (£14.0m higher than BP-22)**

   The £14.0m positive variance is primarily the result of actual collection rates in the 9 months to 31 December 2022; BP-22 assumed that collection rates would only return to historically normal levels of 95% with effect from Q4 2022, prior to which BP-22 applied a contingency against collections. However, as set out in Section 3 of this document, SGS consistently achieved collections of 95%+ in Q1 - Q3 2022

In £m Period Forecast / Actual	9m to Dec-22 Actuals	3m to Mar-23 Forecast[1]	12m to Mar-23 Outturn	Year 1 BP 2022 Forecast	Variance	
Collected Rental Income	*70.1*	*19.4*	89.5	75.5	14.0	1
Service Charge Shortfall	*(15.8)*	*(3.9)*	(19.7)	(17.7)	(2.0)	2
Net Property Expenses	*(8.6)*	*(2.1)*	(10.7)	(12.6)	1.9	3
Net Rental Income	*45.7*	*13.4*	59.1	45.3	13.8	
Central Costs	*(6.3)*	*(2.3)*	(8.6)	(8.9)	0.4	
Exceptionals	*4.2*	-	4.2	4.2	(0.0)	
Cash Generated from Operations	*43.6*	*11.0*	54.7	40.5	14.2	
Cash Interest Received / (Paid)	*(7.8)*	*1.2*	(6.6)	(6.8)	0.2	4
Tax Paid	*(0.0)*	-	(0.0)	-	(0.0)	
Net VAT	*(1.8)*	*(0.9)*	(2.7)	1.9	(4.6)	5
Cash Flow from Operating Activities	*34.0*	*11.3*	45.3	35.6	9.7	
Leasing Costs	*(7.2)*	*(0.7)*	(8.0)	(30.2)	22.2	
Capital Expenditure	*(5.3)*	*(13.9)*	(19.1)	(42.1)	23.0	
Planning and Design Costs for Development	*(0.3)*	*(0.5)*	(0.8)	(3.4)	2.6	
Break Penalties & Dilapidations	-	-	-	1.4	(1.4)	
Forward Funding	1.8	*(1.1)*	0.7	1.2	(0.6)	
Cash Flow from Investing Activities	*(11.0)*	*(16.3)*	(27.3)	(73.2)	45.9	6
Borrowings raised	*26.9*	-	26.9	-	26.9	
Borrowings repaid	*(31.7)*	-	(31.7)	(20.9)	(10.9)	
Cash Flow from Financing Activities	*(4.8)*	-	(4.8)	(20.9)	16.0	7
Net increase / (decrease) in cash	*18.2*	*(4.9)*	13.2	(58.5)	71.7	
Cash & Cash Equivalents at Start of Period	*153.4*	*171.9*	153.4	122.2	31.2	
Cash & Cash Equivalents at End of Period	*171.9*	*166.9*	166.9	63.7	103.2	
Restricted Cash	*5.4*	*5.4*	5.4	3.2	2.2	
Available Cash	*166.4*	*161.5*	161.5	60.5	101.0	

Memo:

	Actuals			BP 2022	Variance
Net increase / (decrease) in cash - 9m to Dec-22	18.2			(43.9)	62.0

(1) Calculated as the £71.7m positive variance in Net Cash Flow, less £1.9m transferred to the Defeasance Account (and therefore transferred from Available Cash to Restricted Cash) on the November 2022 IPD (see Q3 2022 Quarterly Report for further details)

2. Current Status - Financial Performance vs. BP-22 (cont'd)

Outturn Cash NRI in the 12 months to 31 March 2023 is expected to be £13.8m higher than the BP-22 forecast, driven by higher rent collections. Forecast available cash as at 31 March 2023 of £161.5m is £101.1m higher than the BP-22 forecast at the same point in time, driven by a combination of the higher NRI (£13.8m), lower Capital Investment (£45.9m - a timing difference) and the drawdown of the second tranche of New Money (£26.9m), as well as a higher opening cash balance (£31.2m)

The key drivers of the £69.8m[(1)] positive variance between the March 23 outturn and the BP-22 Year 1 forecast are as follows (cont'd)

2. Service Charge Shortfall (£(2.0)m higher than BP-22)

This variance is primarily driven by Service Charge Costs, with March 23 Outturn Service Charge Income broadly in line with BP-22. The negative variance in Service Charge Costs represents a timing difference, arising from the timing of service charge funding being transferred by SGS to Savills

Service charge funding was £9.2m lower than forecast in Q1 2022 (contributing to the £31.2m positive variance in opening cash described above), as Savills utilised surpluses from prior years. Some of this variance was reversed in Q2 2022, as SGS transferred more funding than was included in the BP-22 forecast. As described in Section 3 of this document, SGS expects there to be a small underspend in underlying Service Charge Costs for 2022 once the true-up process has completed

3. Net Property Expenses (£1.9m lower than BP-22)

The £1.9m positive variance is principally driven by actual business rates in the 9 months to 31 December 2022 being lower than BP-22 over the same period, reflecting the benefit of SGS' rates mitigation activities across the centres

4. Cash Interest Received / (Paid) (£0.2m lower than BP-22)

The £0.2m positive variance represents the net of i) Cash Interest Received (£2.0m) as a result of the Group's significant cash balances and a sharp rise in interest rates throughout 2022; and ii) Cash Interest Paid, which was £(1.8)m higher than had been forecast in BP-22, due to the funds available for prepayment of the New Money on the May 2022 IPD being higher than had been forecast in BP-22 (see Note 6 below)

In £m Period Forecast / Actual	9m to Dec-22 Actuals	3m to Mar-23 Forecast¹	12m to Mar-23 Outturn	Year 1 BP 2022 Forecast	Variance	
Collected Rental Income	*70.1*	*19.4*	89.5	75.5	14.0	1
Service Charge Shortfall	*(15.8)*	*(3.9)*	(19.7)	(17.7)	(2.0)	2
Net Property Expenses	*(8.6)*	*(2.1)*	(10.7)	(12.6)	1.9	3
Net Rental Income	*45.7*	*13.4*	59.1	45.3	13.8	
Central Costs	*(6.3)*	*(2.3)*	(8.6)	(8.9)	0.4	
Exceptionals	*4.2*	-	4.2	4.2	(0.0)	
Cash Generated from Operations	*43.6*	*11.0*	54.7	40.5	14.2	
Cash Interest Received / (Paid)	*(7.8)*	*1.2*	(6.6)	(6.8)	0.2	4
Tax Paid	*(0.0)*	-	(0.0)	-	(0.0)	
Net VAT	*(1.8)*	*(0.9)*	(2.7)	1.9	(4.6)	5
Cash Flow from Operating Activities	*34.0*	*11.3*	45.3	35.6	9.7	
Leasing Costs	*(7.2)*	*(0.7)*	(8.0)	(30.2)	22.2	
Capital Expenditure	*(5.3)*	*(13.9)*	(19.1)	(42.1)	23.0	
Planning and Design Costs for Development	*(0.3)*	*(0.5)*	(0.8)	(3.4)	2.6	
Break Penalties & Dilapidations	-	-	-	1.4	(1.4)	
Forward Funding	1.8	*(1.1)*	0.7	1.2	(0.6)	
Cash Flow from Investing Activities	*(11.0)*	*(16.3)*	(27.3)	(73.2)	45.9	6
Borrowings raised	26.9	-	26.9	-	26.9	
Borrowings repaid	*(31.7)*	-	(31.7)	(20.9)	(10.9)	
Cash Flow from Financing Activities	*(4.8)*	-	(4.8)	(20.9)	16.0	7
Net increase / (decrease) in cash	*18.2*	*(4.9)*	13.2	(58.5)	71.7	
Cash & Cash Equivalents at Start of Period	*153.4*	*171.9*	153.4	122.2	31.2	
Cash & Cash Equivalents at End of Period	*171.9*	*166.9*	166.9	63.7	103.2	
Restricted Cash	*5.4*	*5.4*	5.4	3.2	2.2	
Available Cash	*166.4*	*161.5*	161.5	60.5	101.0	

Memo:

	Actuals	BP 2022	Variance
Net increase / (decrease) in cash - 9m to Dec-22	18.2	(43.9)	62.0

(1) Calculated as the £71.7m positive variance in Net Cash Flow, less £1.9m transferred to the Defeasance Account (and therefore transferred from Available Cash to Restricted Cash) on the November 2022 IPD (see Q3 2022 Quarterly Report for further details)

2. Current Status - Financial Performance vs. BP-22 (cont'd)

Outturn Cash NRI in the 12 months to 31 March 2023 is expected to be £13.8m higher than the BP-22 forecast, driven by higher rent collections. Forecast available cash as at 31 March 2023 of £161.5m is £101.1m higher than the BP-22 forecast at the same point in time, driven by a combination of the higher NRI (£13.8m), lower Capital Investment (£45.9m - a timing difference) and the drawdown of the second tranche of New Money (£26.9m), as well as a higher opening cash balance (£31.2m)

The key drivers of the £69.8m[(1)] positive variance between the March 23 outturn and the BP-22 Year 1 forecast are as follows (cont'd)

5. **Cash Flow from Investing Activities (£45.9m lower than BP-22)**

   The £45.9m positive variance is principally driven by Leasing Costs (£22.2m) and Capital Expenditure (£23.0m). As referred to in prior quarterly reports, the timing of Capital / Investment Costs is inherently challenging to forecast on a cash basis, and a number of significant projects have suffered delays due to uncertain economic environment and the consequent pressures on retailers

   With leases now being signed on the larger capital intensive projects, a significant proportion of the underspent investment is now expected to be made in 2023 and 2024. See Section 4 for further details

6. **Cash Flow from Financing Activities (£16.0m higher than BP-22)**

   The £16.0m positive variance is the net of a £26.9m positive variance in borrowings raised and £(10.9)m negative variance in borrowings repaid. The positive variance in borrowings raised relates to the drawdown of the New Money Facility Additional Subscription Amount in December 2022, which was not forecast to be drawn in BP-22. The negative variance in borrowings repaid relates to the actual repayment in May 2022 being higher than forecast in BP-22, due to higher than forecast levels of excess cash

7. **Restricted cash (£2.2m higher than BP-22)**

   The increase in restricted cash comprises the £1.9m transferred to the Defeasance Account on the November 2022 IPD (see Q3 2022 Quarterly Report) and a £0.3m increase in tenant deposits

In £m Period Forecast / Actual	9m to Dec-22 Actuals	3m to Mar-23 Forecast[1]	12m to Mar-23 Outturn	Year 1 BP 2022 Forecast	Variance	
Collected Rental Income	***70.1***	***19.4***	**89.5**	**75.5**	**14.0**	1
Service Charge Shortfall	***(15.8)***	***(3.9)***	**(19.7)**	**(17.7)**	**(2.0)**	2
Net Property Expenses	***(8.6)***	***(2.1)***	**(10.7)**	**(12.6)**	**1.9**	3
Net Rental Income	***45.7***	***13.4***	**59.1**	**45.3**	**13.8**	
Central Costs	***(6.3)***	***(2.3)***	**(8.6)**	**(8.9)**	**0.4**	
Exceptionals	***4.2***	***-***	**4.2**	**4.2**	**(0.0)**	
Cash Generated from Operations	***43.6***	***11.0***	**54.7**	**40.5**	**14.2**	
Cash Interest Received / (Paid)	*(7.8)*	*1.2*	(6.6)	(6.8)	0.2	4
Tax Paid	*(0.0)*	*-*	(0.0)	-	(0.0)	
Net VAT	*(1.8)*	*(0.9)*	(2.7)	1.9	(4.6)	5
Cash Flow from Operating Activities	***34.0***	***11.3***	**45.3**	**35.6**	**9.7**	
Leasing Costs	*(7.2)*	*(0.7)*	(8.0)	(30.2)	22.2	
Capital Expenditure	*(5.3)*	*(13.9)*	(19.1)	(42.1)	23.0	
Planning and Design Costs for Development	*(0.3)*	*(0.5)*	(0.8)	(3.4)	2.6	
Break Penalties & Dilapidations	-	-	-	1.4	(1.4)	
Forward Funding	1.8	*(1.1)*	0.7	1.2	(0.6)	
Cash Flow from Investing Activities	***(11.0)***	***(16.3)***	**(27.3)**	**(73.2)**	**45.9**	6
Borrowings raised	*26.9*	-	26.9	-	26.9	
Borrowings repaid	*(31.7)*	-	(31.7)	(20.9)	(10.9)	
Cash Flow from Financing Activities	***(4.8)***	**-**	**(4.8)**	**(20.9)**	**16.0**	7
Net increase / (decrease) in cash	***18.2***	***(4.9)***	**13.2**	**(58.5)**	**71.7**	
Cash & Cash Equivalents at Start of Period	***153.4***	***171.9***	**153.4**	**122.2**	**31.2**	
Cash & Cash Equivalents at End of Period	***171.9***	***166.9***	**166.9**	**63.7**	**103.2**	
Restricted Cash	***5.4***	***5.4***	**5.4**	**3.2**	**2.2**	
Available Cash	***166.4***	***161.5***	**161.5**	**60.5**	**101.0**	

Memo:

	Actuals			BP 2022	Variance
Net increase / (decrease) in cash - 9m to Dec-22	18.2			(43.9)	62.0

(1) Calculated as the £71.7m positive variance in Net Cash Flow, less £1.9m transferred to the Defeasance Account (and therefore transferred from Available Cash to Restricted Cash) on the November 2022 IPD (see Q3 2022 Quarterly Report for further details)

3. Three Year Business Plan - Update on Strategic Priorities

3. Three Year Business Plan - Update on Strategic Priorities

SGS remains committed to its five core strategic priorities. Despite the highly challenging economic and market context, SGS has continued to deliver successfully against these priorities in a very active year for asset management, leasing activity and development of key value-enhancing capabilities such as Data & Insights

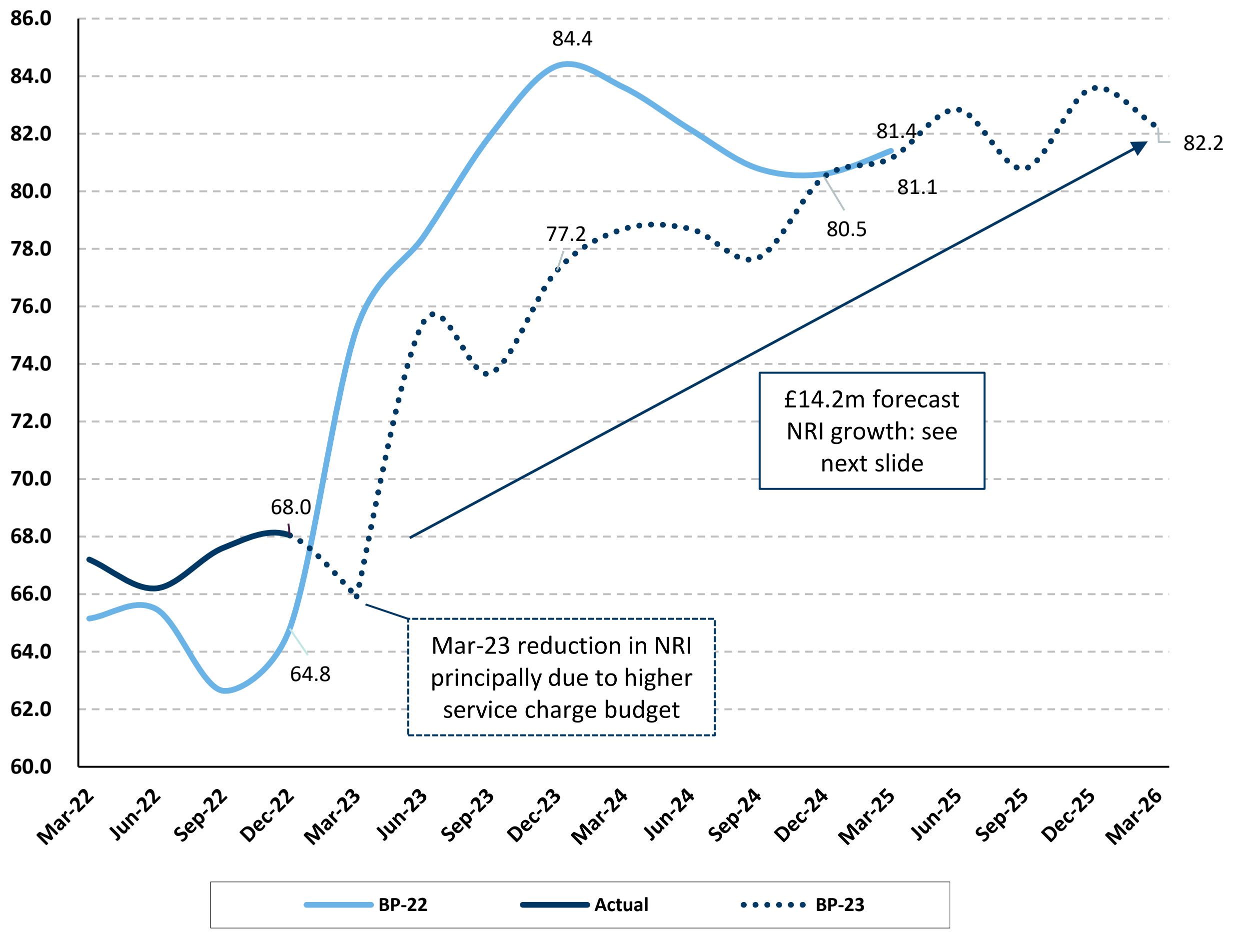
SGS' Strategic Priorities	Progress Made in 2022: Summary	Further detail
Strategic Priority 1 (SP1): Create a stable income profile to enable buyers to underwrite and capitalise income	Collections, occupancy and static NRI all ahead of BP-22 forecasts Landmark leases signed with premium retailers to fill key vacant units and regear critical tenants at affordable rents	P26-29
Strategic Priority 2 (SP2): Transition asset profiles towards the future allowing buyers to take comfort in long-term asset viability	Top tier tenants found for former Debenhams stores, and first leases signed on former JLP at Watford Experiential leisure and F&B offer demonstrably driving footfall Top retailers expanding and investing at all four SGS centres	P30-31
Strategic Priority 3 (SP3): Maintain cost discipline to maintain the affordability of the space for tenants	A strong cost ethos has resulted in SGS continuing to drive savings across all areas, despite significant inflationary headwinds	P32-33
Strategic Priority 4 (SP4): Diversify return drivers to reduce the retail exposure and add alternative use opportunities	SGS continues to pursue two development opportunities, though delivery and scope affected by macroeconomic environment Experiential leisure potential for these spaces also being considered to enhance value without precluding future development	P34
Strategic Priority 5 (SP5): Integration & development of non-financial value drivers To enhance data and insight-led decision making for optimal value creation and roll out an ESG strategy that underpins the portfolio value	Highly successful rollout of D&I initiative; SGS now has visibility over 75% of tenants' sales ESG strategy now approved and implementation underway	P35-40

3. Three Year Business Plan - Update on Strategic Priorities

Static (annualised) NRI [1] at December 2022 was £68.0m, £3.2m above the BP-22 forecast of £64.8m. Static NRI is forecast to reach £82.2m by March 2026, a level consistent with the NRI assumptions in both previous business plans, although the timeframe is longer due to congestion in retailers' investment programmes

- The chart opposite shows the evolution of Static NRI throughout 2022 (navy line) and the BP-23 forecast (dotted line) against Static NRI as per the BP-22 forecast (light blue line)
- Static NRI has been ahead of the BP-22 forecast throughout 2022, and at December 2022 was £68.0m, £3.2m ahead of the BP-22 forecast of £64.8m. This outperformance is principally driven by the leasing activity completed during 2022
- Static NRI is forecast to increase by £14.2m, to £82.2m, by March 2026. This level of NRI is consistent with both BP-22 and the original business plan published in June 2021
- The quality of Static NRI is also expected to improve over time, as gross over-rent is reduced from £19m at December 2022 to £9m in March 2026
- Both business plan forecasts display similar NRI trends over time, namely:
  1. a period of flat NRI as deals are negotiated with potential tenants for the larger vacant units;
  2. a period of growth as those tenants take occupancy; then
  3. some final moderation as the remaining over-rent is burned off, resulting in higher quality, more easily underwritable NRI for prospective purchasers
- The growth phase occurs later in the BP-23 forecast due to delays in some of the larger leasing initiatives caused by congestion in retailers' investment programmes. However, following a highly successful year for leasing activity, SGS has good visibility over the £14.2m growth required to deliver NRI of £82.2m:
  - More than half of this growth (£7.4m) will come from leases which have already been signed and which will commence in 2023/2024
  - A further £5.1m of the growth will come from leases which are in advanced discussions
  - £3.5m will come from reductions in business rates, principally as a result of recent announcements by the UK Government

Static NRI [1] evolution, with comparison to BP-22

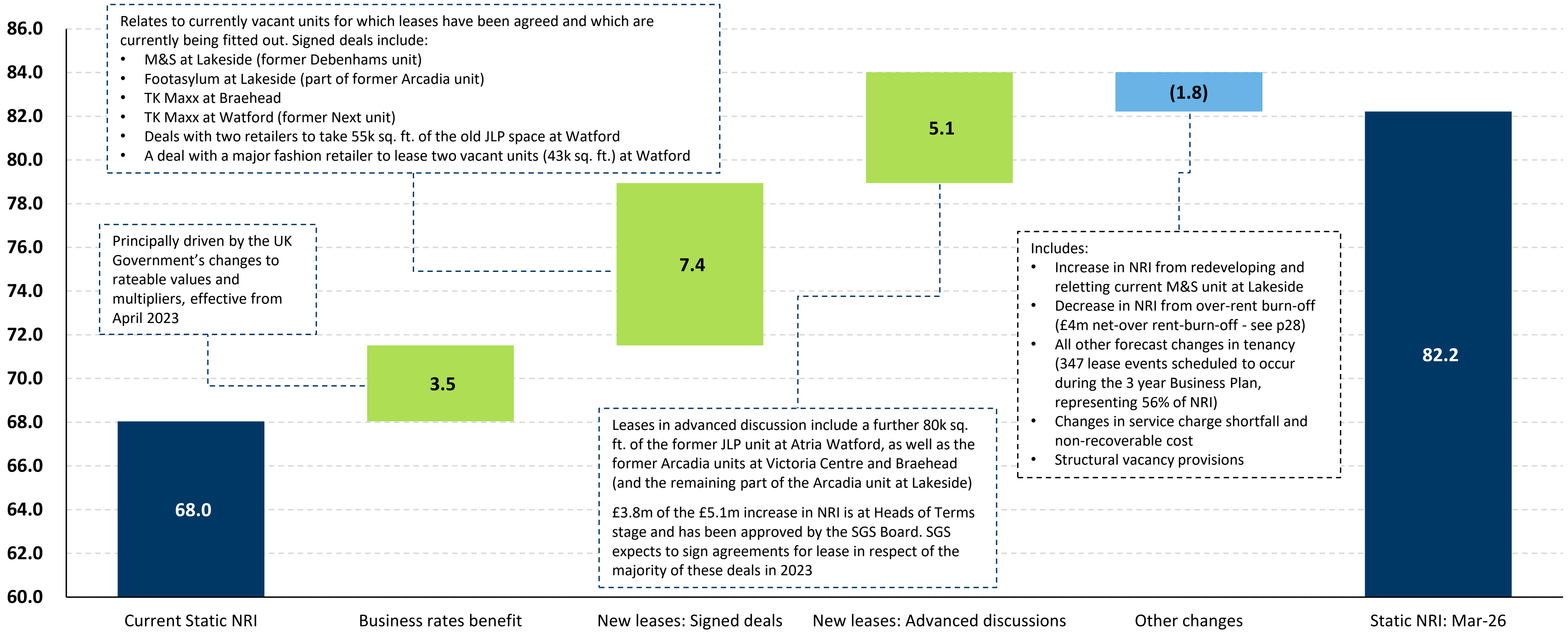


 (1) Static NRI is stated excluding rent-free periods (i.e. on a "topped-up" basis) and before bad debt provisions

3. Three Year Business Plan - Update on Strategic Priorities

The forecast increase in Static NRI over the three year business plan period from £68.0m to £82.2m is principally driven by leasing up the remaining large, vacant units. Of the total £14.2m increase, £7.4m relates to leases already signed and a further £5.1m relates to deals which are at an advanced stage

Static NRI (1) Bridge: December 2022 to March 2026



(1) Static NRI is stated excluding rent-free periods (i.e. on a "topped-up" basis) and before bad debt provisions

3. Three Year Business Plan - Update on Strategic Priorities

SGS signed or completed 96 leases in 2022, representing 24% of total Group NRI, including landmark deals with key existing tenants and exciting new entrants

2022 Leasing Activity Overview

- A stable financial footing with access to investment capital and a swift, collaborative approach to leasing discussions are enabling SGS to negotiate critical, ground-breaking deals in an uncertain retail environment
- 96 leases were agreed by SGS during 2022 (i.e. contracts were exchanged or completed), representing NRI of £16.2m (24% of total NRI)
- In addition to the deals struck with M&S, TK Maxx, Footasylum and others to fill large vacant units (see previous slide), the 96 leases agreed in 2022 featured important regears with key tenants (including 7 of the top ten tenants by gross rent), and the introduction of exciting new brands to the SGS centres. Some of the highlights included:
  - The opening of **Next**'s first ever UK department store concept at Atria Watford, along with important regears at Victoria Centre and Braehead
  - A regear and new store opening for **H&M** at Lakeside and a move to a more prominent location at Braehead (which will also see **Sports Direct** open new, larger premises)
  - Attracting exciting new fashion brands such at **Stradivarius**, **Pull & Bear**, **Flannels** and **Lids**
  - Regears, store moves and upsizes across the estate with key tenants including **Next, Goldsmiths**, **Vodafone, Superdry**, **River Island**, **Pandora**, **WH Smith**, **Hugo Boss**, **Calvin Klein** and **Schuh**

2022 lease activity	No. of leases	NRI (£m)	Incentives (£m)
Lakeside	38	7.8	26.3
Watford	27	2.8	7.6
Nottingham	12	2.3	1.2
Braehead	19	3.3	2.2
Total agreed	**96**	**16.2**	**37.3**
Lakeside	16	2.7	8.1
Watford	14	1.3	3.1
Nottingham	7	1.1	2.6
Braehead	11	1.4	1.1
Total pipeline	**48**	**6.5**	**14.9**

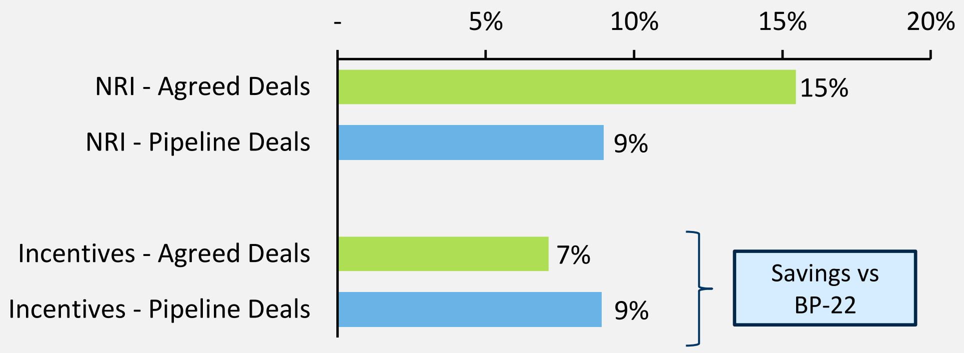
3. Three Year Business Plan - Update on Strategic Priorities

Total NRI on the 96 leases agreed in 2022 was 15% higher than BP-22 assumptions, with 7% less expenditure on incentives. SGS has a further pipeline of 48 deals in advanced discussions, which are also expected to exceed BP-22 forecasts

2022 Leasing Activity Overview (cont'd)

- Total NRI on the 96 leases agreed in 2022 was 15% higher than BP-22 assumptions, and total incentives, comprising rent-free periods and capital contributions, show a 7% favourable variance to BP-22 (i.e. the incentives were lower than BP-22)
- SGS has a further 48 deals that are in advanced discussion with tenants, comprising £6.5m (10%) of NRI. Expected NRI on these pipeline deals shows a 9% positive variance to BP-22, with a 9% favourable variance on incentives
- Analysis of NRI and incentives vs. BP-22 on a centre-by-centre basis is included at Appendix VIII
- It should be noted, however, that although incentives offered to tenants have been successfully contained within BP-22 assumptions, construction cost inflation combined with the complexity of certain leasing transactions (notably in respect of vacant units at Atria Watford) have resulted in an increase in expected landlord capex costs. See Section 4 for further details
- As a result of the successful leasing activity in 2022, WAULT has also increased throughout the year, and at December 2022 stood at 6.5 years (WAULT(E)) and 5.2 years (WAULT(B))

NRI and Incentives vs BP-22

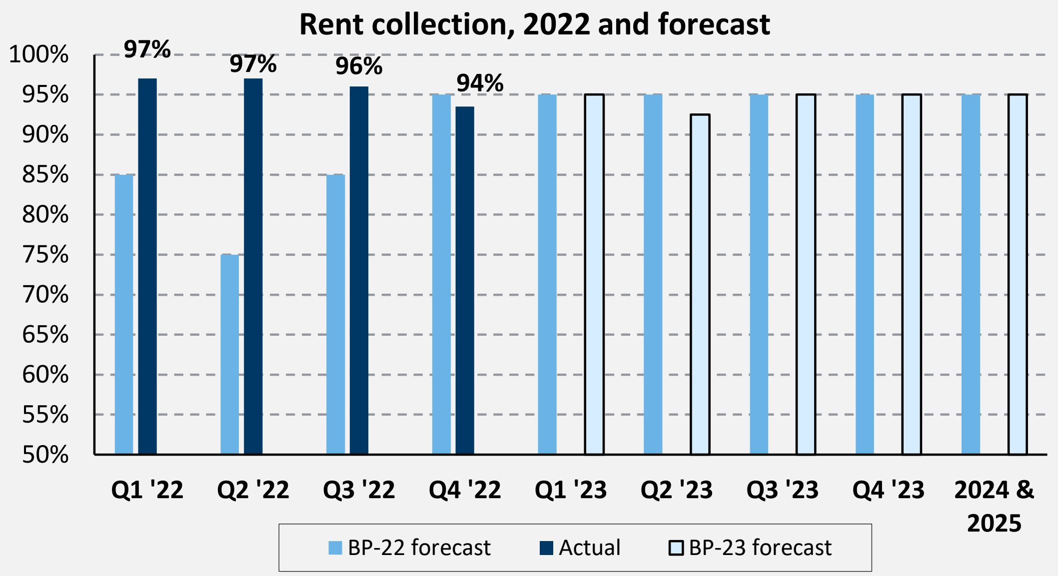


3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 1: Rent collections normalised at 95%+ in 2022, ahead of the BP-22 forecast, and have held up well over the critical festive trading period despite pressures on retailers' balance sheets

Normalise Income Collection

- Rent collections successfully normalised ahead of BP-22 forecast assumptions: 96-97% achieved in each of Q1-Q3 2022. As at 16 February 2022, Q4 2022 rent collections were 94%, and these are expected to increase to the levels seen in Q1-Q3 over the coming weeks
- Q1 2023 rent collections were 84% as at 16 February 2023, 2 ppts ahead of Q4 2022 collections at a comparable point in the quarter. SGS expects these to increase in the coming weeks to levels consistent with those seen in previous quarters
- Based on current collections performance, generally positive trading over the critical festive period and lower-than-expected levels of retailer insolvency so far in 2023, the BP-23 base case forecast assumes 95% collection of both rent and service charge throughout the business plan period
- The only exception to this is Q2 2023, for which an additional contingency of 2.5% is assumed, reflecting residual short-term uncertainty around weaker retailers' balance sheets and general economic uncertainty as described in Section 2

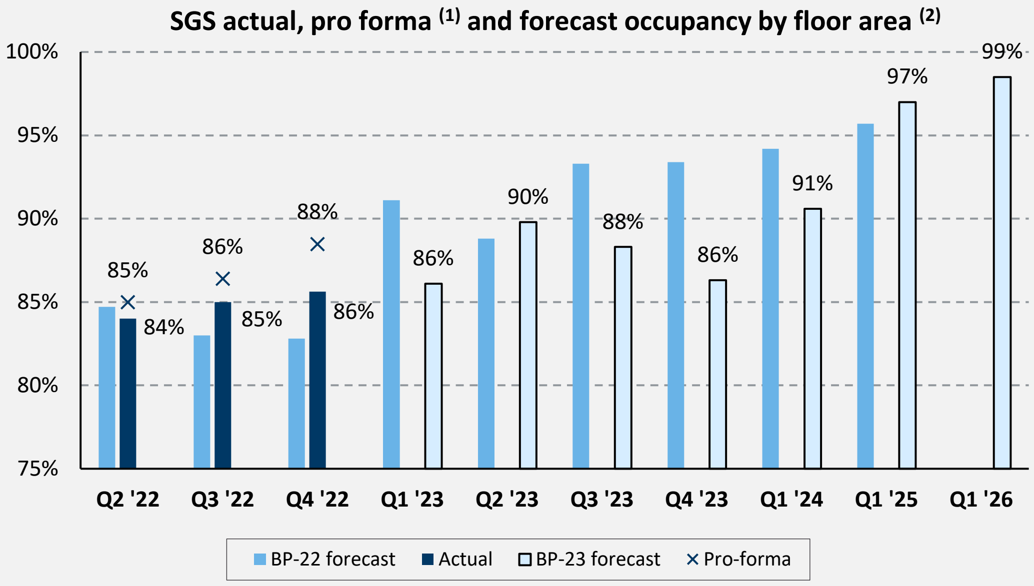


3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 1: SGS Group occupancy of 86% at December 2022 is ahead of BP-22 forecasts. On a pro forma basis (1) occupancy is 88%, reflecting the significant recent leasing activity. Further growth is expected in 2023 and 2024 as deals are agreed for the remaining vacant units, including the former JLP store at Atria Watford and the current M&S unit at Lakeside

Maximise Tenant Retention and Occupancy

- SGS has continued to retain key tenants and attract exciting new brands in 2022, with occupancy of 86% at 31 December 2022 exceeding BP-22 forecasts by 3 ppts
- The Group has also been successful in leasing up its remaining vacant space. Leases agreed with M&S (in respect of the vacant former Debenhams anchor unit at Lakeside), TK Maxx (for vacant premises at both Atria Watford and Braehead), and with two retailers in respect of 55k sq. ft. of the 240k sq. ft. former JLP unit at Atria Watford have driven growth in pro forma occupancy to 88% at 31 December 2022
- The pipeline for further growth is strong, with advanced discussions underway in respect of the remaining larger vacant units, including a further 80k sq. ft. of the former JLP store at Atria Watford (equivalent to 2 ppts of Group occupancy) and the former Arcadia units at Nottingham, Braehead and Lakeside (which together represent 1 ppt of Group occupancy). SGS expects to sign most of these leases in 2023, with occupancy from 2024 following fitout works
- SGS is also focussed on re-letting the current M&S unit at Lakeside, which will become vacant when M&S relocates in mid-2023 (150k sq. ft., or 3 ppts of Group occupancy). Discussions are underway with a number of premium retail and leisure operators, and it is expected that re-occupation of this unit will take place from early 2025



(1) Pro Forma occupancy includes new leases which have been signed but in respect of which the tenant has not yet taken occupation

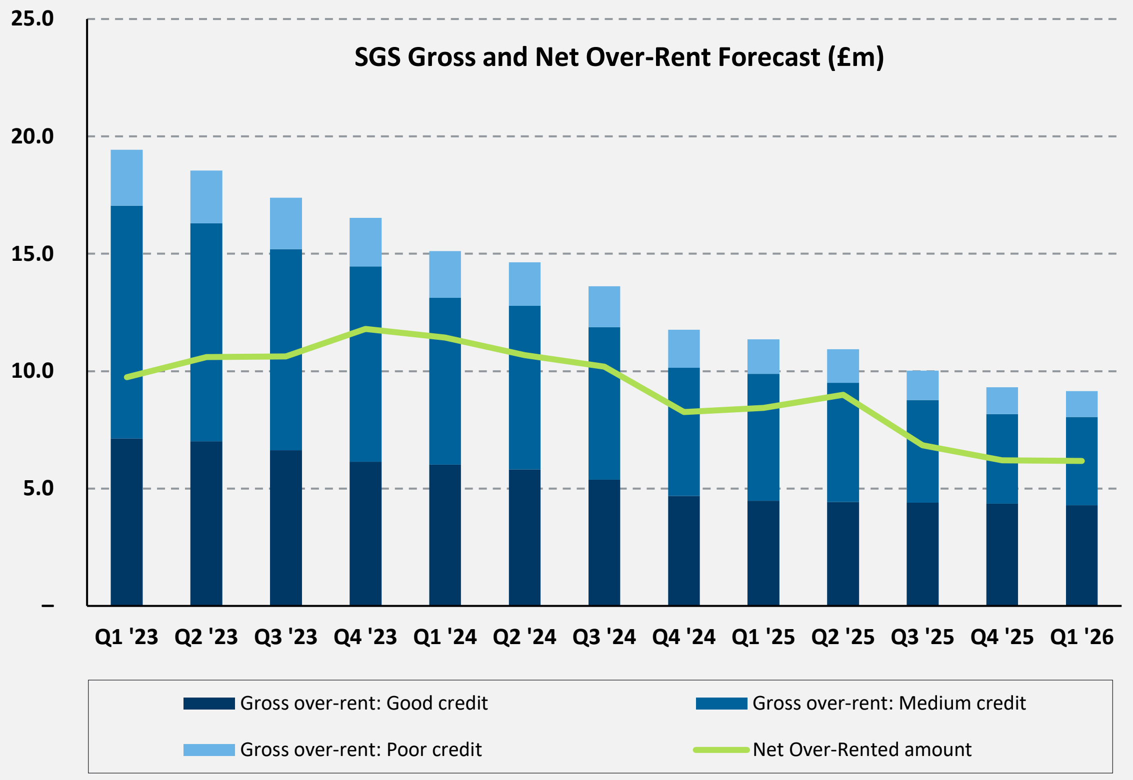
(2) Occupancy is shown on a bottom-up, unit-by-unit basis. Separately, SGS maintains a cash provision for structural vacancy as an overlay to its bottom-up occupancy forecasts

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 1: SGS is focussed on agreeing affordable rents through proactive engagement with tenants. Current gross over-rent of £19m is expected to reduce to less than £10m by the end of 2025, enhancing the quality of NRI

Maximise tenant retention and occupancy (cont'd)

- Across the SGS portfolio, 138 lease events are due to take place during 2023, representing 19% of NRI and 16% of gross rent. Across the three year business plan period, 347 lease events (56% of NRI and 47% of gross rent) are expected to occur
- SGS' leasing strategy remains:
  - i. to engage with key tenants early, at a senior level;
  - ii. to use market leading leasing agents; and
  - iii. to agree affordable rents utilising robust data and insights analysis
- The chart opposite shows SGS' remaining gross and net over-rent position, based on in-place rents as compared to ERVs underwritten in BP-23, and the expected burn-off over the business plan period:
  - – There is currently a gross over-rent position of £19.4m (21% of total gross rent), which has reduced by £1.6m in the last 12 months as regears have been signed. Only 12% of this £19.4m of over-rent relates to tenants considered to have low credit quality
  - – On a net basis (i.e. taking into account below-market rents), the current over-rent is £9.7m (11% of total gross rent)
  - – By the end of the Business Plan period, it is forecast that the gross and net over-rent will have reduced to £9m and £6m, respectively



3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 1: Turnover rents support lease affordability and visibility over tenant turnover will be critical to support the next owner's underwrite. Turnover rent accounts for 18% of SGS' total rent, and due to investment in D&I, SGS now has visibility over sales for 75% of tenants

Turnover rent

- Turnover rents are becoming an increasingly established element of modern retail lease agreements, either as a top-up to base rent or on a turnover-only basis
- Used in a balanced way within each shopping centre and across the portfolio, turnover rents are consistent with SGS' leasing strategy, in that they:
  - Support lease affordability, thereby increasing the likelihood of a stable, sustainable relationship for the long-term; and
  - Promote greater information-sharing and closer working relationships between landlord and tenant
- As at December 2022, turnover rent accounted for 18% of SGS' total gross rent from tenancies (1) (see table opposite)
- The Group expects this percentage to remain relatively consistent throughout the three year business plan period
- Even for leases without a turnover rent element, the availability of tenant sales information to SGS on a timely basis is an advantage, both in establishing affordability and to provide potential buyers of the assets with reliable information for their underwrite
- SGS currently has latest turnover visibility for 75% of its leases by number. The level of comparable sales data over time enabling year-on-year turnover analysis is currently lower (at c.30%), although this is improving over time as a track record of comparatives is built in respect of each tenant

	Lakeside	Watford	Nottingham	Braehead	SGS Total
Turnover rent (% of gross rent from retail leases)	15%	25%	20%	21%	**18%**
Turnover visibility (% of all retail leases)	74%	71%	82%	85%	**75%**

(1) Calculated as estimated sustainable turnover rent for each relevant lease (based on affordability analysis, lease negotiations, publicly available information and actual sales data supplied by the tenant) divided by total gross rent excluding revenue from car parks and short-term commercialisation

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 2: The profile of all four SGS shopping centres is being adapted to deliver the retail experience that consumers demand. Significant progress has been made in 2022 in de-risking department store exposure and working with the very best retailers to open exciting new flagship stores

Reduce Department Stores

- At migration of the shopping centres in 2020, SGS had eight department store units across its portfolio. Three of these units fell vacant in early 2021
- SGS has prioritised de-risking the three vacant units and has made significant progress in 2022:
  - Long-term leases for the former Debenhams units at both Lakeside and Watford have been agreed with top-tier retailers with strong balance sheets (M&S and Next, respectively). Both tenants are investing heavily in the stores to make them attractive flagship destinations
  - Work has begun to subdivide the 240k sq. ft. former JLP unit at Watford into a mix of retail and leisure units. Leases have been agreed with two retailers to take a combined 55k sq. ft. of space. Discussions are continuing with other potential retail and leisure operators in respect of the remaining space
- M&S will move into its new store at Lakeside in mid-2023, leaving a 150k sq. ft. unit vacant. SGS plans to subdivide this unit in a similar way to the former John Lewis at Watford. Discussions are underway with a number of potential retail and leisure tenants
- The remaining four department store units are currently occupied by Frasers Group (x2), Marks & Spencer and John Lewis. All are currently performing well and SGS is working collaboratively with each tenant to ensure that the retail offer remains vibrant and differentiated

Target and Expand Top Performers

- SGS is focussed on developing strong and mutually beneficial relationships with premium retailers in order to underpin the long-term quality of the Group's NRI. For example:
  - **Next:** Upsize at Watford and long-term regears at Victoria Centre and Braehead
  - **TK Maxx:** Agreement reached for new stores at Braehead and Atria Watford
  - **Inditex:** New Stradivarius and Pull & Bear stores now open at Lakeside, strengthening relationship with Inditex Brands
  - **H&M:** New H&M Home store opened at Lakeside, alongside regear of main store
  - **H&M/Sports Direct:** Unit swap at Braehead which is a win-win for both parties and for SGS
- Subdivision and repurposing of the current M&S unit at Lakeside will provide further opportunity to further reduce department store exposure and will provide MSUs in a prime location which SGS believes will be highly attractive to premium retailers and experiential leisure operators

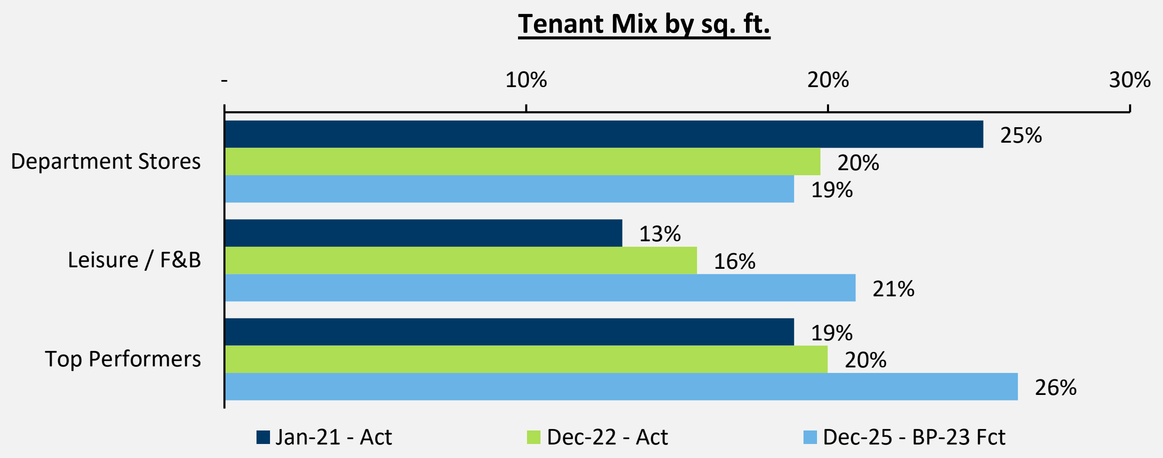
3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 2: The enhanced experiential leisure offering is helping to drive footfall, particularly at Lakeside and Atria Watford, as the SGS centres transition to becoming full day destinations

Add Experiential Leisure and Exciting F&B Options

- As the UK has emerged from the COVID-19 pandemic, experiential leisure has proven to be a significant footfall driver, particularly at Lakeside and Atria Watford where exciting new tenants such as Puttshack and Boom Battle Bar have performed well
- Food and beverage outlets, particularly fast food and 'grab and go' offerings, have also traded well in 2022, relative to other categories, as consumers have sought cheaper alternatives to dining out
- SGS will continue to seek to enhance its leisure offering in the business plan period, including through the following actions:
  - Finding an experiential leisure tenant for the former curling rink at Braehead
  - Considering various leisure offerings as part of the re-configuration of the former JLP (Watford) and M&S (Lakeside) units
  - Consider innovative potential leisure uses for excess space around each shopping centre

Progress Against Business Plan Objectives



3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 3: SGS continues to drive cost savings in all areas. Despite double-digit inflation since migration, the 2023 service charge budget is in line with 2020

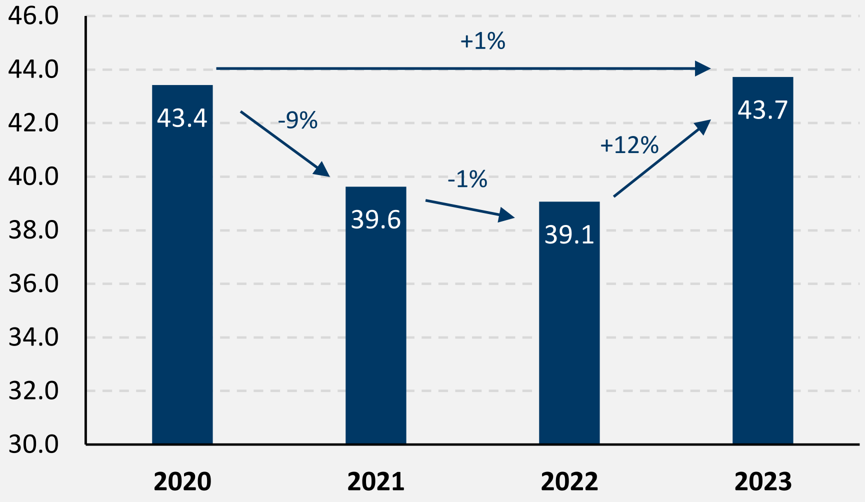
Overview

- The original SGS business plan targeted "a significant reduction in the operational cost base". Like-for-like reductions of 9% and 18% were achieved in service charge and car park budgets, respectively, in 2021
- Significant inflationary pressures, particularly in respect of staff and energy costs, have restricted the Group's ability to drive further cost reductions to the extent originally envisaged. Nevertheless, SGS continues to view strict cost discipline as a fundamental strategic principle, which assumes greater importance in an inflationary environment, both in supporting NRI growth and in offering fair, affordable service charge costs to retailers

Service Charge

- SGS achieved a further year-on-year reduction in service charge budgets in 2022 despite significant inflationary pressure, including a 40% year-on-year increase in energy costs. The true-up of actual 2022 costs is ongoing, though early indications suggest that the Group has achieved savings against the £39.1m budget
- The 2023 budget is 12% higher than 2022, primarily due to a c10% increase in the Living Wage and a backlog of maintenance / capex works. Benchmarking by Savills suggests that this 12% increase is in line with the wider shopping centre market
  - The 2023 budget also includes a proposed £97k (5%) increase in the property management fees payable to Savills, to take effect from 1 January 2023. See Appendix IX
- SGS estimates that its decision to enter into a 3 year fixed price energy contract in October 2021 has saved the Group's service charge c.£5m p.a., when compared to subsequent spot prices

Annual Service Charge Budgets, total SGS (£m)



3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 3: Cost reductions have been achieved in business rates, insurance, car parks and professional fees since migration from intu. Car park costs in 2023 remain below 2020 despite inflationary headwinds

Business Rates

- Business rates and other void unit costs in calendar year 2022 were £2.7m (26%) lower than BP-22 forecast, due to a combination of:
  - Actual occupancy outperforming BP-22 forecast levels in H2 2022
  - Rates mitigation activities, e.g. short-term lets and delisting
- SGS estimates that changes announced by the UK government in Q4 2022 regarding rateable values and multipliers will generate a like-for-like benefit to NOI of £5m when they come into effect in April 2023
- The changes will also result in a rates reduction for most tenants, supporting lease affordability and therefore leasing discussions

Car Parks

- The combined opex budget for the SGS car parks in 2023 is £4.6m. Despite inflationary increases in 2022 and 2023 and a budget for essential lift replacement, this is lower than the comparable 2020 budget (the last year under intu ownership)
- Improving profitability of the car parks, particularly Watford, is a key focus for SGS and centre management in 2023, with growth in net revenue expected in 2024 and 2025

Insurance

- Working with its insurance broker, Lockton, SGS has successfully driven down insurance cost since migration:
  - 5% reduction in property insurance premium at the 2021/22 renewal; 2.5% increase in premium in 2022/23 driven entirely by inflation-related property replacement value increases
  - Low claims occurrence / net loss ratios compare favourably with peers, building insurer confidence and keeping downward pressure on premia
  - 20% reduction in D&O insurance premium achieved in 2021/22, with a further 2.5% reduction secured in 2022/23

Other Costs

- SGS has embedded a culture of cost discipline throughout its infrastructure of advisers. All expenditure is subject to approval and control mechanisms, both contemporaneous and retrospective, which are reviewed and enforced by the SGS central finance team
- Capital costs are a particular area of focus for the Group. Lease-related capex budgets are approved by the SGS Board only after consideration of project returns, and actual spend is monitored against budget on a project-by-project basis
- On longer-term projects, where appropriate, SGS will seek to fix certain costs by instructing the purchase of materials in advance
- Professional fees are likewise closely monitored, and were lower than the BP-22 forecast every month in 2022

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 4: SGS continues to pursue two development opportunities, though delivery and scope have been affected by the macroeconomic environment
Experiential leisure options for these spaces are also being considered in parallel, to enhance value without precluding future development

Overview

- The investment appeal of SGS will improve if the return drivers can be diversified. As such, the original business plan included an objective to provide the next owner comfort that they can redevelop or repurpose selected sites into alternative uses over a five year time horizon, by delivering over the business plan period detailed feasibility studies and agreements in principle with planning authorities
- The delivery and scope of this objective has been affected by the wider macroeconomic environment, which has seen an increase in the potential cost of construction and reduced the risk appetite for redevelopment schemes amongst potential partners
- As such, whilst SGS continues to pursue development opportunities at two of its shopping centres, alternative uses for some of the space such as experiential leisure are also being considered
- Such alternative uses would still achieve the primary aim of diversifying SGS' revenue away from pure retail. They could also be structured such that they provide an incremental sustainable revenue stream for the shopping centre, whilst not precluding more structural development of the area in the longer-term when market conditions are more favourable
- Given this outlook, SGS has prudently reduced both the investment expected in development projects and its expected potential returns on exit. BP-23 includes capital investment in these schemes of £2.5m (in addition to £88k spent to-date on these projects), with expected returns on exit of c.£7.5m (BP-22: investment of £6m; expected returns on exit of c.£16m)
- Further detail on each of the two development options currently being pursued by SGS are set out below

Project A

- Potential development of car park into residential units with ancillary commercial / amenity space
- Soft marketing launch carried out in H2 2022, following which initial expressions of interest were received from developers. Interested parties are currently carrying out more detailed viability work, with responses expected in H1 2023
- Alternative experiential leisure uses being considered for the site. Discussions ongoing with multiple potential operators

Project B

- Potential development of car park and surrounding area for student accommodation
- This is a highly attractive project which has received support from local stakeholders and interest from a number of potential development partners
- However, it is also a complex project, which restricts the potential developer pool to those with both the required competencies and risk appetite to engage. This makes the project particularly susceptible to high interest rates and inflation
- In order to de-risk the project SGS will proceed with detailed feasibility, design works and pre-planning application discussions in H1 2023, using a phased approach to manage financial exposure

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: Significant milestones achieved in SGS' D&I strategy in 2022, transforming the visibility the Group has over its assets, tenants and consumers. As a result, sales data is now held in respect of 75% of tenants

Data & Insights (D&I)

- SGS' strategic project to enhance its D&I capabilities in order to support the other four strategic priorities and maximise value on exit, has advanced significantly in 2022, with Phase 1 now completed. The original strategic thesis, as set out in BP-22, is included at Appendix X
- The table opposite shows the key achievements in 2022 and targets for 2023/2024. The next slide summarises SGS' D&I roadmap and its current and future competitive positioning
- A high level example of the kind of insight SGS now has into affordability and sales headroom is shown on pages 37 and 38
- As described in the Q3 2022 Quarterly Report, during the year the SGS Board approved Phase 2 of the D&I project, which will include the following:
  - All datasets to be integrated in one place, using a single tool with statistical analysis, forecasting and spatial representation capabilities (maps, shopping centre plans); a 360 degree view of our assets, tenants and customers, enabling the Group to make data-led decisions using the most up-to-date information
  - Increased focus on information which demonstrates to tenants the relative value of the SGS centres compared to other locations. Benchmarking against competitors and peers using competitive leakage and geofenced data, enabling SGS to measure the impact of our marketing and leasing activities on market share
  - Greater quantification, including the ability to measure the "halo effect" of key retailers by combining commercial terms with cross-shop propensity and customer appeal data
- Additional investment in order to implement Phase 2 of the D&I strategy was approved in Q3 2022. This investment comprises:
  - £275k of capex over a two year period in systems and datasets; and
  - £125k p.a. payable to GM for an additional D&I resource (now appointed)
- Taken together with the initial approved investment, the total approved budget for D&I is £1.0m across the three year business plan period

D&I focus area	2022 - Delivered	2023/24 - Priorities
Sales collection	✓ Retailer information portal rolled out, capturing sales data for c.75% of tenants ✓ Bespoke reports to tenants ✓ Automated data accuracy checks	➢ Increase quality and quantity of sales data (particularly historical and key tenant data) ➢ Data repatriation to database
Central database	✓ Sales, footfall and affordability dashboards ✓ Banking and mobile data integration	➢ Analysis and scenario functionality ➢ External leasing model
Affordability	✓ Manual affordability analysis, including sales estimates ✓ Scenario testing	➢ Automated analysis
Market share tracking	✓ Tracking of banking and mobile data	➢ 360 degree view of shoppers, non-shoppers and competition ➢ Semi-automated catchment / consumer information for tenants
Leasing support	✓ CACI headroom analysis to identify growth potential ✓ Leasing strategy driven by headroom and market (mobile and banking) data ✓ Manual bespoke leasing materials	➢ Automated bespoke leasing materials
Marketing support	✓ D&I working with centre marketing teams to identify i) battleground areas; and ii) VIPs, and structure strategy accordingly ✓ Marketing measurement using mobile and banking data	➢ Marketing campaigns based on consumer segmentation ➢ ROI tracking for app campaigns

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: Phase One of the D&I strategy has transformed SGS' capabilities, enabling insight-based decision making and introducing semi-automation to processes. By the end of Phase Two, SGS' D&I capabilities will be amongst the top quartile of its peer group

Data & Insights (D&I) Roadmap and Competitive Positioning

- At transition of the four shopping centres in 2020, D&I capabilities were average with limited availability of data, manual data processing and only limited use of insights
- Following the implementation of Phase One, SGS' D&I capability is significantly improved and in line with that of its core peer group (being shopping centres and shopping centre-owning REITS)
- Phase Two will improve SGS's capability further, to be in the top quartile of its peer group, informing all of the Group's decision-making and providing a competitive advantage
- Further development beyond Phase Two (i.e. to 'best-in-class' status) is subject to diminishing returns

Capability	Poor	Average	Good	Excellent	Best in Class
SGS Capability		Starting position before any D&I investment	Actual position after completion of Phase One	Target position after completion of Phase Two	

Peer capabilities
Shopping centres and shopping centre owning REITs

Data	Anecdotal Evidence	Variable Sample	Larger sample and models	Some big data	Mostly big data
Data processes	Little to no processes	Manual processes	Semi-automated; some centralisation	Mostly automated and centralised	Fully integrated and centralised
Capabilities	Little use of data	Use of data down to individuals	Some data used for decision making	Data available to all and used by most	Data driven culture

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: Through its D&I strategy, SGS is significantly enhancing the insight it has into tenant affordability, headroom by category, demographic and geography and market share, as the Group builds a 360 degree view of its centres, retailers and consumers

Examples of the use of D&I

- The analysis set out on this page and the next provides a small cross-section of the data SGS is now collecting, synthesising and using as part of its D&I strategy in order to support day-to-day asset management

Affordability

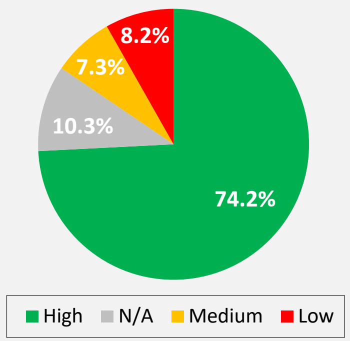
- The pie charts opposite show the breakdown of the leases in one SGS shopping centre by the lease affordability (i.e. the affordability of the current rent to the tenant, given the store's profitability). This analysis represents the summary of a repository of information being compiled on each lease, triangulating data provided by tenants and sourced independently, and is used as part of leasing negotiations as well as in preparation for a sale of the assets
  - This sample analysis indicates that 70%-80% of leases at this centre are considered affordable, whilst 8%-10% have low affordability
  - SGS will focus on low affordability leases, particularly those with upcoming lease events, and develop a strategy for each unit which is tailored to the tenant's individual circumstances and potential alternative tenancy options for the unit

Headroom

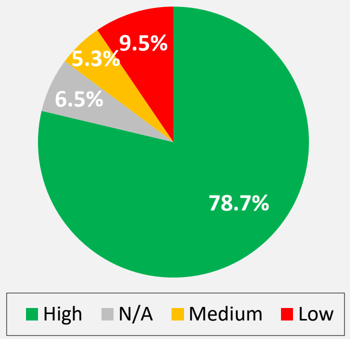
- The two charts on the next page are an example of headroom analysis, and highlight to SGS management the categories and demographics in which a particular centre is overperforming, and conversely where there are opportunities for gaining market share by bringing new tenants into the centre
- Critically, no one piece of analysis is used in isolation. As SGS' D&I infrastructure matures, the Group is building a 360 degree view of its centres, consumers and tenants by bringing together an ever-expanding dataset from multiple sources and generating decision-useful analysis from this data

Affordability analysis (example for one SGS shopping centre)

Affordability breakdown by gross rent



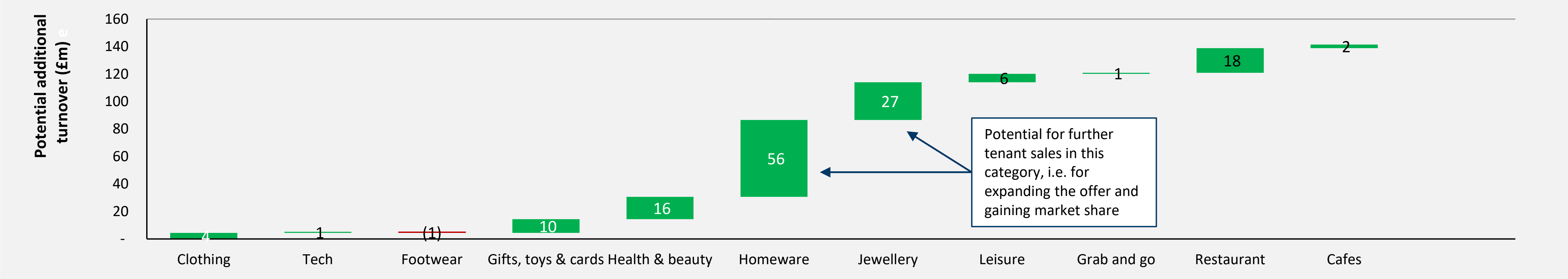
Affordability breakdown by area



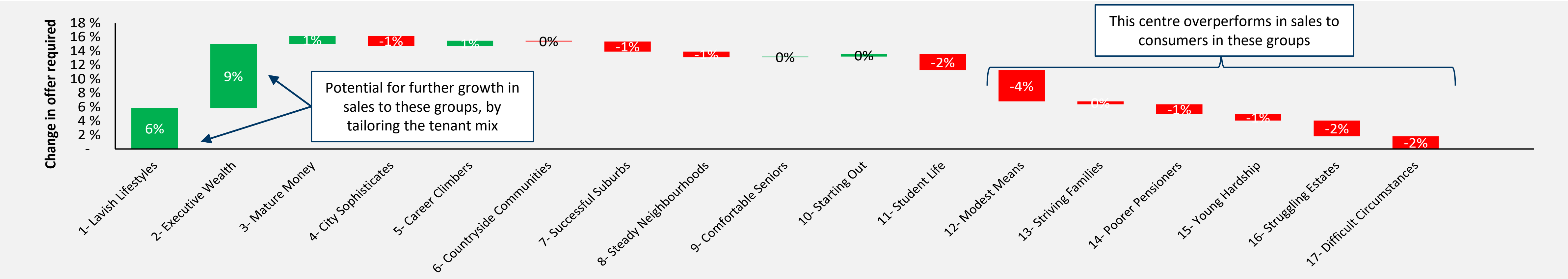
3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: Through its D&I strategy, SGS is significantly enhancing the insight it has into tenant affordability, headroom by category, demographic and geography and market share, as the Group builds a 360 degree view of its centres, retailers and consumers (cont'd)

Headroom analysis, by category (example for one SGS shopping centre)



Headroom analysis, by ACORN classification (example for one SGS shopping centre)



3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: During 2022 the SGS Board approved the Group's new ESG strategy, which aims to maintain and enhance asset value through the delivery of a strategy which ensures that all four shopping centres meet evolving market requirements

Environmental, Social & Governance (ESG)

- As part of BP-22, SGS set itself the objective of putting in place an ESG strategy across its four shopping centres which will be subject to a performance measurement regime. Savills Earth was appointed to make strategy recommendations, working together with GM
- The ESG strategy development process was completed in Q4 2022 and the strategy was approved by the SGS Board. The Objectives, key performance indicators and a timeline for implementation were set out in detail in the November 2022 Monthly Report, and are summarised below

Strategy Aims & Objectives

- The Group's principal aim is to maintain and enhance asset value through the delivery of an ESG strategy which ensures that each of the four SGS shopping centres meets evolving market requirements regarding ESG criteria
- The key principles of the Environmental, Social and Governance elements are:

3. Three Year Business Plan - Update on Strategic Priorities

Strategic Priority 5: Implementation of the ESG strategy has started, with nine medium and high impact deliverables targeted for 2023

Environmental, Social & Governance (ESG) (cont'd)

2023 Priorities & Deliverables

- In year one of the strategy (i.e. 2023), the following nine medium and high impact deliverables will be prioritised, along with the associated governance, administration and reporting framework:

2023 ESG Strategy Priorities

ESG steering committee to provide governance and direction
comprised of senior representatives of the SGS Board, Global Mutual and Savills Earth

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Implement ISO 14001 Environmental Management System	Review opportunities for measuring social impact	BREEAM In-Use certification
Complete solar PV feasibility assessment	Work with local charities and communities to generate social value	Develop an EPC reassessment strategy
Net Zero Technical assessment	Undertake stakeholder engagement with occupiers and visitors on ESG	Data improvement programme and quarterly ESG reporting

Costs

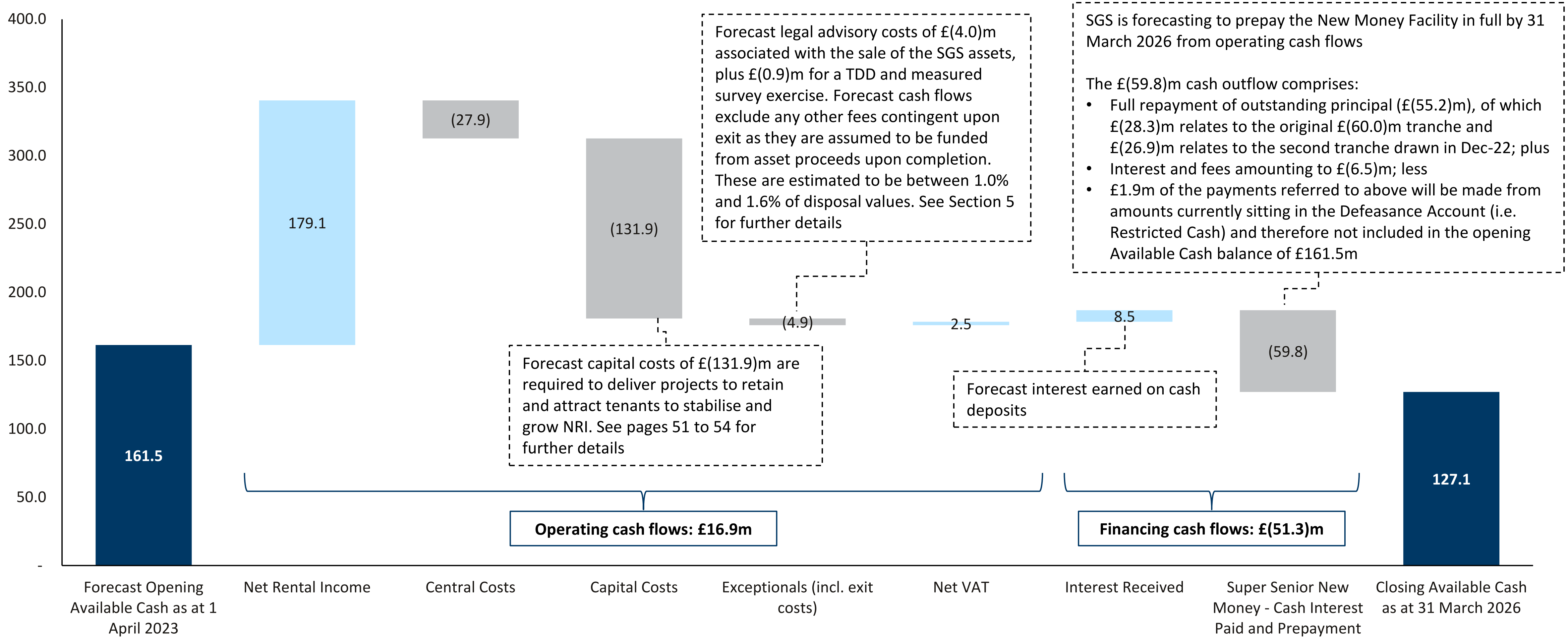
- Fees payable to Savills Earth in respect of the strategy development phase (now completed) total £40k. These services are distinct from Savills' role as Property Manager performed under the Property Management Agreements and are subject to a separate engagement letter
- The ESG strategy approved by the SGS Board includes an initial implementation budget of £344k for consultancy costs associated with the year one deliverables set out above. Approval for further consultancy costs is expected to be requested in due course. Total ESG consultancy costs across the three year business plan period are estimated at c.£1.0m. All consultancy work will be subject to a formal tender process. It is expected that Savills Earth may participate in some of the tenders for consultancy services
- Additional costs might be identified following technical building assessments for plant, services and the net zero pathway. It remains SGS' expectation that the total cost of implementing the ESG strategy will be contained within the £3m of capex included in the business plan cash flow forecast

4. Three Year Business Plan - Financial Overview

4a. 2023 Business Plan Cash Flows

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan shows a movement in available cash of £(34.4)m over the three year business plan period. Excluding financing cash flows of £(51.3)m, SGS is forecasting to generate a net cash inflow of £16.9m over the three year business plan period



4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

The 2023 Business Plan cash flows are set out in the table opposite, covering the three year period from 1 April 2023 to 31 March 2026

As required by the Facility Documentation, the Business Plan year runs from 1 April, rather than 1 January. Therefore the opening cash balance at 1 April 2023 is a forecast based on the cash flow forecast for the three months ending 31 March 2023, which is prepared on a basis consistent with the Business Plan forecasts shown opposite. This three month forecast is included on pages 17 to 19

The net cash outflow of £(36.2)m over the three-year period can be summarised as follows:

1. **Net Rental income of £179.1m (on a cash basis):** Net Rental Income (**NRI**) is forecast to grow from £57.9m in Business Plan Year 1 to £62.8m in Year 3. This reflects the cash NRI forecast to be generated over the 12-month period, after reflecting rent-free periods and bad debt

   For reference, SGS forecasts, based on the tenancy arrangements expected to be in place at the end of the Business Plan period, that the static (i.e. annualised) NRI at that point in time, before rent-free and bad debt deductions, will be £82.2m (see Section 3 and Appendix XI for further details on the forecast evolution of static NRI)

   Key drivers of cash Net Rental Income over the Business Plan period include:

   - **Estimated Rental Values (ERVs)** - ERVs reflect the estimate of rent which will be achievable for each unit in each shopping centre upon the next renewal. SGS remains focussed on setting affordable rents to improve tenant retention and occupancy, which in turn will drive stability, revenue visibility and, ultimately, value in the medium to long-term

In £m Period Start Period End	BP Year 1 01-Apr-23 31-Mar-24	BP Year 2 01-Apr-24 31-Mar-25	BP Year 3 01-Apr-25 31-Mar-26	Total BP Period 01-Apr-23 31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

1. Net Rental income of £ 179.1m (on a cash basis) (cont'd)

Key drivers of cash Net Rental Income over the Business Plan period include:

- **Timing of key leasing deals** - The assumed timing of completion of leasing deals, particularly those that will result in a significant change (upwards or downwards) in vacancy or cash rental income, can have a material effect on cash Net Rental Income in any particular year. SGS has forecast lease completions on a unit-by-unit basis, using the latest information available to the asset manager. However, the significant number of external pressures on retailers in recent years has resulted in delays to key projects
- **Lease structure** - SGS believes in working collaboratively with tenants, including during lease negotiations, to structure an economic package which is balanced and in which the risks and rewards are shared appropriately. This includes designing leases which might include base rent, turnover rent, rent-free and cost coverage components as appropriate, as well as a capital investment package. The Business Plan forecasts are based on the asset manager's expectation of the lease package most appropriate for each unit given the status of ongoing tenant discussions
- **Rent and Service Charge Collection Rates** - Rent and service charge collection rates of 95% are assumed in the 2023 Business Plan throughout almost the whole three year period, reflecting a normalised situation. Despite the current macroeconomic backdrop (including increasing interest rates, high levels of inflation, the threat of recession and uncertain geopolitics) actual collection rates throughout 2022 were at 94%-97%, and Q1 2023 collections are expected to reach similar levels. SGS remains vigilant to the risk of collections declining, however, particularly in Q2 2023 given the importance of the festive trading period and the number of simultaneous current threats to weaker retailers' balance sheets. As such, a small additional contingency for bad debt of 2.5% has been taken in respect of this quarter

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
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Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
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Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
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Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

1. Net Rental income of £ 179.1m (on a cash basis) (cont'd)

Key drivers of cash Net Rental Income over the Business Plan period include:

- **Collection of historical arrears -** During 2022 SGS collected £6.2m of historical arrears. On the basis of a tenant-by-tenant analysis as at 31 December 2022 it is estimated there are £2.3m of net outstanding arrears (i.e. those relating to periods prior to 31 December 2022) that have a reasonable prospect of being collected. This figure is lower than actual collections of arrears in 2022 because the high collection rates of in-period rent and service charge each quarter result in a reducing balance of historical arrears. Further, those historical arrears that remain tend to comprise balances which are expected to be more challenging to collect
- **Service Charge Shortfall** - Service charge costs included in the Business Plan cash flow forecast are based on the 2023 service charge budget. Service charge costs include items such as site management, utilities, security, cleaning, maintenance and marketing. The 2023 service charge budget is 11.9% higher than the 2022 budget driven by the overall inflationary environment and essential maintenance capex works. See Section 3 for further detail

  For BP Year 2 and Year 3, service charge cost is based on SGS' best expectation of potential cost increases/decreases, in consultation with the asset manager and property manager. Given the current inflationary environment and the known maintenance capex programme, the forecast includes assumed year-on-year cost increases of 5% and 2%% in Years 2 and 3, respectively

  Recovery of costs via service charge income is based on i) the allocation of the service charge costs between each unit (according to current apportionment schedules); ii) assumed levels of vacancy over time (SGS is responsible for service charge cost allocated to vacant units); iii) existing and expected cost inclusive leases or service charge caps; and iv) expected collection rates. As such, forecast Service Charge Shortfall is subject to all of the assumptions described on the previous page

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
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Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

1. **Net Rental income of £ 179.1m (on a cash basis) (cont'd)**

Key drivers of cash Net Rental Income over the Business Plan period include:

- **Net Property Expenses** - Net Property Expenses include insurance premiums (net of the recharge of these costs to tenants), business rates and other operating costs for which SGS is responsible (on vacant units and rates inclusive tenancies), head lease rent and structural vacancy costs. Atria Watford has two head lease arrangements with Watford Borough Council under which head lease rent is payable by SGS on a quarterly basis

  Changes made by the UK Government to business rates are due to come into force in April 2023 and will result in lower rates payable by SGS on vacant units and units let under 'total occupational cost' leases (i.e. units where SGS is responsible for paying rates). SGS estimates that the like-for-like benefit to the Group as a whole from these changes will be c.£5m p.a., based on expected occupancy as at 1 April 2023. This results in a decrease in Net Property Expenses between the 2022 and 2023 Business Plans

  Structural vacancy costs are used to model an underlying rate of vacancy across the centres, as an overlay to the unit-by-unit assumptions. In Year 1 and Year 2 of the business plan the underlying vacancy rate is primarily captured in the unit- by-unit analysis that underpins the Collected Rental Income and Service Charge Shortfall. In Year 3 a larger proportion of the structural vacancy is captured as an overlay in the Net Property Expense line and results in the increase in Net Property Expenses between Year 2 and Year 3

Collected Rental Income is also inclusive of forecast car parking and commercialisation income. Car park income is stated net of expenditure (including rates). Commercialisation income relates to short-term leases (i.e. less than 12 month) designed to enhance the shopping experience (e.g., additional kiosks, play areas, pop-ups etc)

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

2. **Central Costs of £(27.9)m:** relates to costs required to run SGS on a standalone operational basis following migration from intu in Q4 2020. Central Costs comprise: Asset Management Fees, Rent Collection Fees, Board Costs, Corporate Services, PR, agency / trustee fees and financial support

   Key drivers of central costs over the Business Plan Period include:

   - **Legal and Financial Support -** Central costs include £250k per month for ongoing legal and financial advice (excluding fees relating to leasing activity)
   - **Asset Management Fees** - comprises the base monthly fee of £225k and any uplift fee due in accordance with the terms of the Asset Management Agreement, plus £0.2m per year for Data & Insights services (see Section 3 for further details)

3. **Exceptionals of £(4.9)m:** comprises £(4.0)m of legal fees associated with the asset disposals and £(0.9)m relating to vendor technical due diligence

   SGS estimates legal adviser costs of £(4.0)m associated with the asset disposals. Sales adviser fees, brokerage costs and success fees relating to asset disposals have not been included as they are expected to be paid from asset sale proceeds. SGS continues to monitor the market for the most opportune moment to sell the assets (see section 5 for further details), but for illustrative purposes the £(4.0)m legal adviser costs have been spread over the nine months from April 2024 to December 2024 to align with the maturity of the shortest-dated debt [(1)]

   To assess the current condition of the centres, SGS has engaged CBRE to undertake a technical due diligence and measured survey exercise over each of the four assets during 2023. This engagement includes the ability to refresh the exercise within three years at no additional cost. Exceptional costs of £(0.9)m have been included in the cash flow forecast in respect of this exercise, which includes the fee agreed with CBRE, together with a contingency for additional specialist surveys if required

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

(1) The Expected Maturity of the Series 1 Notes and the Maturity Date of the Initial Authorised Loan Facility and the Super Senior New Money are 31 March 2024, but can be extended to 31 December 2024 provided that certain milestones are met

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

4. **Cash Interest Received of £8.5m:** Relates to interest earned on Cash and Cash Equivalents. SGS earns floating rate interest on cash held in its HSBC accounts. In Q4 2022 this interest was received at an average rate of 1.6%. Cash interest received has been forecast based on SONIA forward curves

5. **Cash interest Paid, Borrowings Raised and Borrowings Repaid:** SGS' Super Senior New Money Facility (the **New Money**) is structured as a Note, with the ability to draw down on the facility in two tranches. The first tranche (£60.0m) was drawn in July 2021 and the second tranche (£26.9m) was drawn in December 2022

   i. **Cash Interest Paid of £(6.5)m:** Relates to interest and fees on the New Money forecast to be paid over the Business Plan Period. Cash Interest Paid has been forecast in line with the cash sweep mechanism, under which any excess cash will be used in the first instance to pay interest on the semi-annual Interest Payment Dates (**IPD**) in May and November each year. Cash payments made by SGS on the May 2022 and November 2022 IPDs settled in full all interest and fees incurred up until those dates, with the exception of the commitment fee in respect of the second tranche of the facility. This commitment fee is forecast to be paid on the next IPD in May 2023.

   ii. **Borrowings Raised of £nil:** Following the drawdown in December 2022 of the second tranche of the New Money, SGS has no further available facilities to utilise over the business plan period

   iii. **Borrowings repaid of £(55.2)m:** SGS is forecasting to repay the full outstanding principal of both the first tranche (£(28.3)m outstanding at 31 December 2022) and second tranche (£(26.9)m outstanding at 31 December 2022) of the New Money over the Business Plan Period. The repayment of New Money principal ranks behind the payment of New Money interest in the priority of payments waterfall

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

5. Cash interest Paid, Borrowings Raised and Borrowings Repaid (cont'd):

iii. Borrowings repaid of £(55.2) m (cont'd):

For the purposes of modelling the forecast interest payments and prepayments of principal on the New Money, SGS has assumed that the cash sweep mechanism will apply, and therefore that prepayments, if any, will be made on the semi-annual interest payment dates

The forecast May 2023 repayment includes £(1.9)m that was transferred to the Defeasance Account (included within restricted cash) at the November 2022 IPD as the total principal repayment was below the £5m minimum repayment amount. Amounts held in the Defeasance Account are repaid at the next IPD where there is repayment in excess of £5m.

The 2023 Business Plan extends beyond the maturity date of the New Money (and also beyond the Expected Maturity Date of the Series 1 Notes and the Maturity Date of the Initial Authorised Loan facility [(1)]). For the purposes of modelling interest payments and principal prepayments, the 2023 Business Plan assumes that the maturity date of the New Money is at the end of the Business Plan period i.e. 31 March 2026, and further assumes that no other debt will be repaid during the Business Plan period

In addition to the mandatory prepayments made in accordance with the cash sweep mechanism, SGS has the ability to prepay the New Money Facility voluntarily at any time after 31 December 2022 without incurring a penalty fee. SGS will monitor the economic situation and its impact on rent and service charge collections closely, with particular focus on Q2 2023 collections (which historically have been the most heavily impacted by retailer failure/cash flow issues), and will consider its ability to make a voluntary prepayment in early Q3 2023

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	82.6	81.4	84.4	248.4	
Service Charge Shortfall	(18.0)	(16.3)	(13.0)	(47.3)	
Net Property Expenses	(6.7)	(6.6)	(8.6)	(22.0)	
Net Rental Income	57.9	58.4	62.8	179.1	1
Central Costs	(9.3)	(9.3)	(9.3)	(27.9)	2
Exceptionals	(0.9)	(4.0)	-	(4.9)	3
Cash Generated from Operations	47.7	45.1	53.5	146.3	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	49.1	47.7	54.0	150.8	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	(88.3)	(34.4)	(9.2)	(131.9)	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	(31.3)	-	(23.9)	(55.2)	
Net increase / (decrease) in cash	(70.5)	13.3	20.9	(36.2)	
Cash & Cash Equivalents at Start of Period	166.9	96.5	109.8	166.9	
Cash & Cash Equivalents at End of Period	96.5	109.8	130.7	130.7	
Restricted Cash	3.6	3.6	3.6	3.6	
Available Cash	92.9	106.2	127.1	127.1	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

(1) The Expected Maturity of the Series 1 Notes and the Maturity Date of the Initial Authorised Loan Facility and the Super Senior New Money are 31 March 2024, but can be extended to 31 December 2024 provided that certain milestones are met

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

6. **Tax paid of £ nil:** SGS is not forecasting to pay corporation tax over the Business Plan Period, based on advice received from PwC

7. **Net VAT £2.5m:** For consistency with previous iterations of the Business Plan, all other cash flow line items are presented excluding VAT. As such, the Net VAT cash flows comprise the following:

   - Output VAT received on collections from tenants and input VAT paid on relevant expenditure; and
   - The settlement of VAT liabilities with HMRC on a quarterly basis (with payments-on-account made monthly)

   The net VAT inflow is driven by timing differences between the receipt of VAT on rent and service charge collections (net of the payment of VAT on relevant expenditure) and the subsequent remittance of net VAT liabilities to HMRC

8. **Cash flows from investing activities of £(131.9)m:** In order to deliver on SGS' strategic priorities, total capital expenditure of £(131.9)m is required over the Business Plan Period.

   Capital Costs have been projected on a bottom-up, project-by-project basis for each of the four SGS shopping centres. SGS is focused on targeting capital investment to increase asset values on exit and therefore for a project to be approved it must demonstrate a sufficiently high yield-on-cost

   Leasing Costs and Capital Expenditure: Of the £(131.9)m of net Cash Flow from Investing Activities, £(50.8)m comprises leasing costs, including capital contributions made to key tenants to support fit-out costs (£(42.2)m) and agency/solicitors fees associated with facilitating and completing leasing transactions (£(8.6)m). A further £(85.7)m of the total cost comprises Capital Expenditure needed to put units into the necessary condition to be let to tenants. Capital Expenditure includes £(3.0)m in respect of investment required to implement SGS' ESG strategy (see Section 3 for further details)

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

8. Cash flows from investing activities of £(131.9)m (cont'd)

Leasing Costs and Capital Expenditure (cont'd)

Leasing Costs and Capital Expenditure are both targeted at achieving sustainable NRI growth by allowing SGS to retain existing and attract new tenants

Over the next 3 years, there are 347 lease termination events across the SGS portfolio, accounting for c.47% of gross rent:

- Lakeside - 114 lease events, accounting for c.40% of gross rent
- Watford - 100 lease events, accounting for c.66% of gross rent
- Victoria Centre - 61 lease events, accounting for c.46% of gross rent
- Braehead - 72 lease events, accounting for c.51% of gross rent

Planning and Design Costs for Development of £(3.6)m comprise i) £(2.5)m of costs relating to alternative use developments (see Strategic Priority 4 in Section 2); and ii) £(1.1)m of costs relating to feasibility studies and other early stage costs relating to complex retail space configurations (e.g. the subdivision and reletting of the current M&S premises at Lakeside)

Consistent with previous iterations of the Business Plan, it is not SGS' intention to incur development management fees or building costs associated with the alternative use development projects

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
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Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

8. **Cash flows from investing activities of £(131.9)m (cont'd)**

Break Penalties and Dilapidations of £1.7m relates to forecast cash inflows from tenants who are expected to vacate premises during the Business Plan period

Forward Funding: The 2023 Business Plan includes £6.6m of net cash inflows from Forward Funding. Forward Funding relates to essential lifecycle maintenance capex projects that have been/will be funded by SGS and are recoverable from tenants through the service charge over a number of years.

The forward funding figures presented across the Business Plan Period comprise:

i) **Expenditure on Capex projects (£(1.3)m cash outflow, all in Year 1):** This relates to two major works projects at Braehead, specifically to a) refurbish the car parks (total project cost of £(1.4)m, of which £(0.4)m included in BP-23 and £(0.8)m incurred prior to BP-23 period) and b) upgrade the building management system (total project cost of £(1.8)m, of which £(0.9)m included in BP-23 and £(0.9)m incurred prior to BP-23 period). Given the complexity and importance of these projects, it is proposed that Savills is engaged on both projects, providing various services including design/engineering, management of the tender process and project management. Savills' fees for these services, which are separate from their property management role and will be subject to separate engagement letters, total £226k. These fees are included within the total project expenditure and are reflected in BP-23

ii) **Amounts to be received by SGS from the Service Charge budget (£7.9m inflow, split £3.0m in Year 1, £2.9m in Year 2 and £1.9m in Year 3):** Relating to recovery by SGS of its previous expenditure, both that relating the new projects described in i), as well as older projects funded prior to migration

In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23	
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
Break Penalties & Dilapidations	0.9	0.5	0.3	1.7	
Forward Funding	1.7	2.9	1.9	6.6	
Cash Flow from Investing Activities	**(88.3)**	**(34.4)**	**(9.2)**	**(131.9)**	8
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

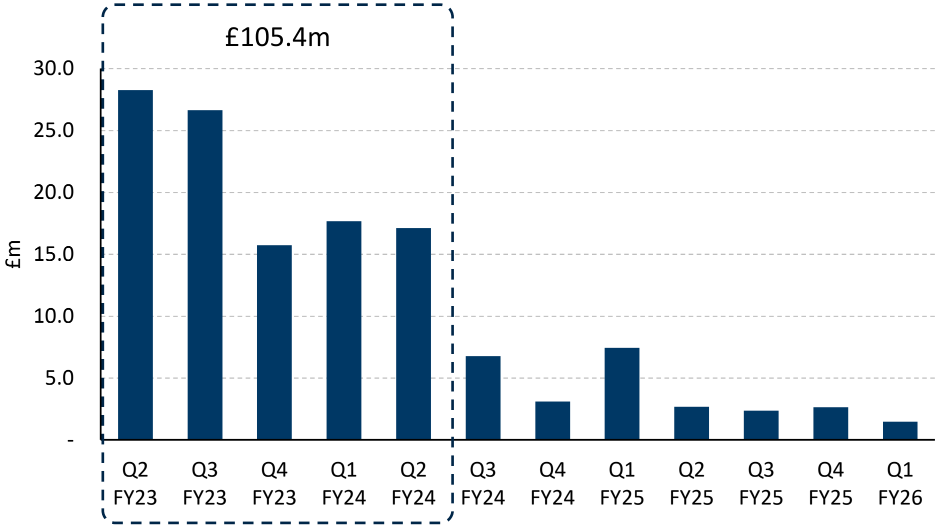
4a. 2023 Business Plan Cash Flows

The 2023 Business Plan forecasts cash Net Rental Income of £62.8m in Business Plan Year 3, supported by total capital investment of £(131.9)m across the three year Business Plan period

8. Cash flows from investing activities of £(131.9)m (cont'd)

Of the £(131.9)m of Capital Costs included in the 2023 Business Plan, £(105.4)m (80%) is forecast to be spent in the first 15 months. This is driven by the expected timing of key leasing activity at Watford (including the subdivision of the former JLP unit), Lakeside (incl. the relocation of M&S) and Nottingham (incl. the repurposing of the space currently occupied by Nottingham Market). As described earlier in this section and in Section 3, a significant proportion of this capital expenditure is either contractually committed or has received SGS Board approval, and the timing of key projects is based on SGS' current expectations. However, timeline slippage can occur, particularly in an uncertain economic environment with retailers facing a number of conflicting pressures and priorities, as was the case in 2022

The below chart presents the forecast quarterly phasing of Capital Costs across the Business Plan period:



In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period	
Period Start Period End	01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-23 31-Mar-26	
Collected Rental Income	**82.6**	**81.4**	**84.4**	**248.4**	
Service Charge Shortfall	**(18.0)**	**(16.3)**	**(13.0)**	**(47.3)**	
Net Property Expenses	**(6.7)**	**(6.6)**	**(8.6)**	**(22.0)**	
Net Rental Income	**57.9**	**58.4**	**62.8**	**179.1**	1
Central Costs	**(9.3)**	**(9.3)**	**(9.3)**	**(27.9)**	2
Exceptionals	**(0.9)**	**(4.0)**	**-**	**(4.9)**	3
Cash Generated from Operations	**47.7**	**45.1**	**53.5**	**146.3**	
Cash Interest Received	3.4	2.5	2.6	8.5	4
Cash Interest Paid	(3.3)	(0.8)	(2.4)	(6.5)	5i
Tax Paid	-	-	-	-	6
Net VAT	1.3	0.9	0.3	2.5	7
Cash Flow from Operating Activities	**49.1**	**47.7**	**54.0**	**150.8**	
Cash Flow from Investing Activities					
Leasing Costs	(29.4)	(15.7)	(5.8)	(50.8)	
Capital Expenditure	(60.2)	(20.9)	(4.6)	(85.7)	
Planning and Design Costs for Development	(1.5)	(1.2)	(0.9)	(3.6)	
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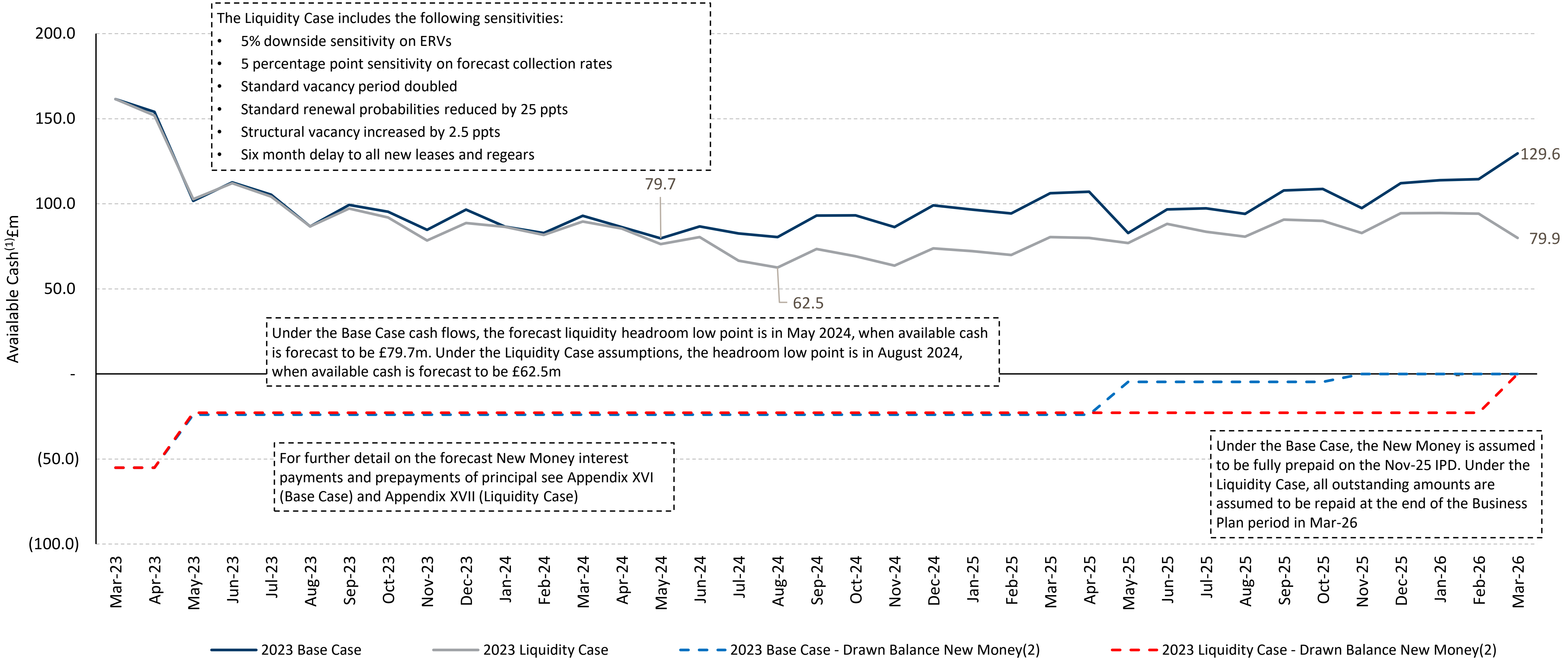
Cash Flow from Financing Activities					
Borrowings raised	-	-	-	-	5ii
Borrowings repaid	(31.3)	-	(23.9)	(55.2)	5iii
Cash Flow from Financing Activities	**(31.3)**	**-**	**(23.9)**	**(55.2)**	
Net increase / (decrease) in cash	**(70.5)**	**13.3**	**20.9**	**(36.2)**	
Cash & Cash Equivalents at Start of Period	**166.9**	**96.5**	**109.8**	**166.9**	
Cash & Cash Equivalents at End of Period	**96.5**	**109.8**	**130.7**	**130.7**	
Restricted Cash	**3.6**	**3.6**	**3.6**	**3.6**	
Available Cash	**92.9**	**106.2**	**127.1**	**127.1**	
Memo:					
New Money Drawn Balance at Period End	23.9	23.9	-	-	

4a. 2023 Business Plan Cash Flows - Liquidity Forecast

The 2023 Business Plan Base Case forecasts a liquidity low point of £79.7m in May 2024. The liquidity low point in the Liquidity Case is £62.5m in August 2024. Both the Base Case and the Liquidity Case assume that the New Money is fully repaid by March 2026



(1) Available Cash is defined as closing Cash less Restricted Cash (tenant deposits, cash in the Defeasance Account and other ringfenced amounts)
(2) Drawn balances on the New Money reflect principal amounts only (i.e. excluding accrued and capitalised interest)

4a. 2023 Business Plan Cash Flows - Forecast NRI Covenant Compliance

The 2023 Business Plan Base Case cash flow forecast indicates that SGS will comply with its NRI covenant at all relevant test dates, although headroom in Q4 2023 is £0.3m principally due to delays to key leasing events as a result of congestion in retailers' leasing and investment programmes

Basis	YTD			LTM														
£m	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
	3 mnth Act.	6 mnth Act.	9 mnth Act.	12 mnth Act.	9 mnth Act.	6 mnth Act.	3 mnth Act.										
					3 mnth Fct.	6 mnth Fct.	9 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.	12 mnth Fct.
Base Case - Cash NRI	24.7	38.1	55.5	70.5	59.1	60.6	58.3	56.6	57.9	57.9	57.6	57.3	58.4	59.5	60.1	60.9	62.8
Covenant	(3.9)	(3.6)	0.6	23.2	37.5	48.1	55.2	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3
Headroom (£m)	*28.6*	*41.7*	*54.9*	*47.3*	*21.6*	*12.5*	*3.1*	*0.3*	*1.5*	*1.5*	*1.3*	*1.0*	*2.1*	*3.2*	*3.8*	*4.5*	*6.5*

- The table above sets out actual and forecast cash NRI for each quarter from Q1 2022, calculated as required for the purposes of the NRI covenant contained in the Finance Documents
- As at the first four covenant test dates, SGS passed the NRI covenant with significant headroom
- Under the 2023 Business Plan Base Case cash flow forecast, SGS is forecast to comply with the NRI covenant at each test date
- However, forecast headroom against the covenant is £0.3m in Q4 2023, and below £2.0m at each test date from Q4 2023 until Q1 2025.
- The NRI covenant was set at the time of the financial restructuring in 2021, based on the Liquidity Case cash flow forecasts in the original Business Plan. The primary reason for the lower current forecasts of cash NRI is delays to key leasing events in respect of vacant units. As described in Section 3, a combination of factors including the war in Ukraine and increasing inflation and interest rates have increased project costs and created congestion in retailers' leasing and investment programmes

4a. 2023 Business Plan Cash Flows

Cash Net Rental Income, Unlevered Cash Flow and Static (annualised) NRI by asset and by year

SGS

In £m	BP Year 1	BP Year 2	BP Year 3
Period Start	01-Apr-23	01-Apr-24	01-Apr-25
Period End	31-Mar-24	31-Mar-25	31-Mar-26
Net Rental Income	**57.9**	**58.4**	**62.8**
Breaks & Dilapidations	0.9	0.5	0.3
Forward Funding	1.7	2.9	1.9
Leasing Costs	(29.4)	(15.7)	(5.8)
Capex and Planning & Design	(61.6)	(22.1)	(5.5)
Unlevered Free Cash Flows	**(30.4)**	**24.0**	**53.6**
Add back 2022 overlays[1]	3.2	1.7	-
Unlevered Free Cash Flows	**(27.2)**	**25.8**	**53.6**

Memo:			
Static NRI at Period End	78.7	81.1	82.2

Static NRI reflects net rental income at a point in time, and is calculated by annualising in-place rent as per the forecast tenancy schedule at that point in time

For the purposes of calculating static NRI, rent-free periods are ignored (i.e. the NRI is "topped up"). Static NRI therefore presents Net Rental Income for the asset/Group on a "run rate" basis

Static NRI is also presented before deductions for bad debt (in the 2022 Business Plan Static NRI was presented net of bad debt). See reconciliation in Appendix XI

Lakeside

In £m	BP Year 1	BP Year 2	BP Year 3
Period Start	01-Apr-23	01-Apr-24	01-Apr-25
Period End	31-Mar-24	31-Mar-25	31-Mar-26
Net Rental Income	**32.3**	**31.3**	**30.8**
Breaks & Dilapidations	0.3	0.1	0.0
Forward Funding	0.2	0.2	0.2
Leasing Costs	(10.4)	(8.1)	(1.9)
Capex and Planning & Design	(19.9)	(16.4)	(1.5)
Unlevered Free Cash Flows	**2.6**	**7.0**	**27.6**

Memo:			
Static NRI at Period End	39.6	41.4	38.9

Nottingham

In £m	BP Year 1	BP Year 2	BP Year 3
Period Start	01-Apr-23	01-Apr-24	01-Apr-25
Period End	31-Mar-24	31-Mar-25	31-Mar-26
Net Rental Income	**8.3**	**9.0**	**9.6**
Breaks & Dilapidations	-	-	-
Forward Funding	1.1	1.0	0.1
Leasing Costs	(5.7)	(0.9)	(0.9)
Capex and Planning & Design	(10.4)	(2.2)	(1.9)
Unlevered Free Cash Flows	**(6.6)**	**6.8**	**6.9**

Memo:			
Static NRI at Period End	11.4	11.3	13.3

Watford

In £m	BP Year 1	BP Year 2	BP Year 3
Period Start	01-Apr-23	01-Apr-24	01-Apr-25
Period End	31-Mar-24	31-Mar-25	31-Mar-26
Net Rental Income	**5.6**	**6.0**	**8.5**
Breaks & Dilapidations	0.2	0.4	0.2
Forward Funding	1.0	1.0	0.8
Leasing Costs	(7.5)	(5.2)	(2.1)
Capex and Planning & Design	(25.4)	(2.3)	(1.0)
Unlevered Free Cash Flows	**(26.1)**	**(0.0)**	**6.3**

Memo:			
Static NRI at Period End	9.6	10.8	13.2

Braehead

In £m	BP Year 1	BP Year 2	BP Year 3
Period Start	01-Apr-23	01-Apr-24	01-Apr-25
Period End	31-Mar-24	31-Mar-25	31-Mar-26
Net Rental Income	**14.1**	**13.3**	**13.4**
Breaks & Dilapidations	0.4	0.0	0.1
Forward Funding	0.7	0.6	0.4
Leasing Costs	(5.8)	(1.5)	(0.9)
Capex and Planning & Design	(5.9)	(1.1)	(1.1)
Unlevered Free Cash Flows	**3.5**	**11.4**	**11.9**

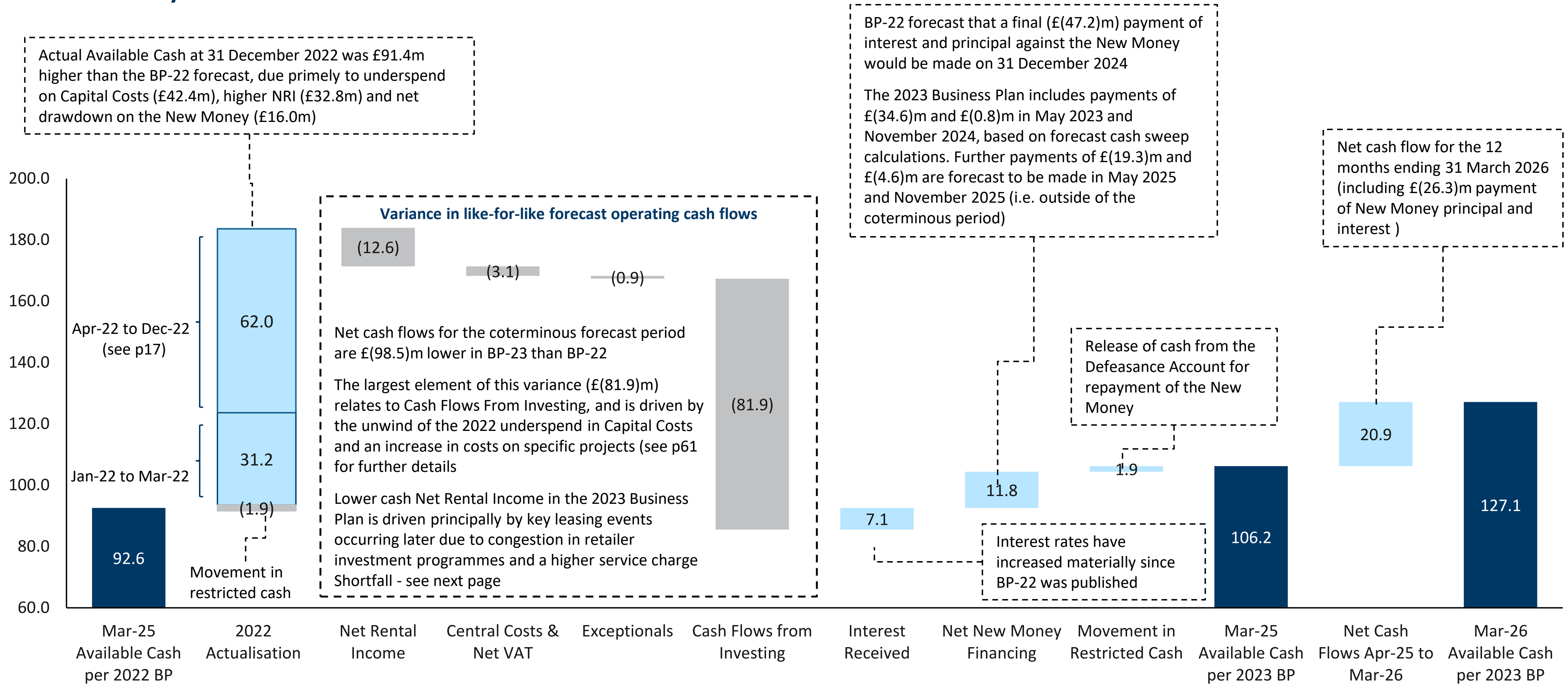
Memo:			
Static NRI at Period End	18.2	17.6	16.8

(1) Overlays relate to the unwind of timing differences, specifically costs relating to FY 2022 which SGS is forecasting to settle in cash in 2023 and beyond. These have not been forecast at a centre-by-centre level and are therefore shown in the SGS level cash flows only. For reconciliation purposes, and to prevent unlevered cash flow being distorted by these prior period items, these have been added back in the above analysis.

4b. Comparison to 2022 Business Plan

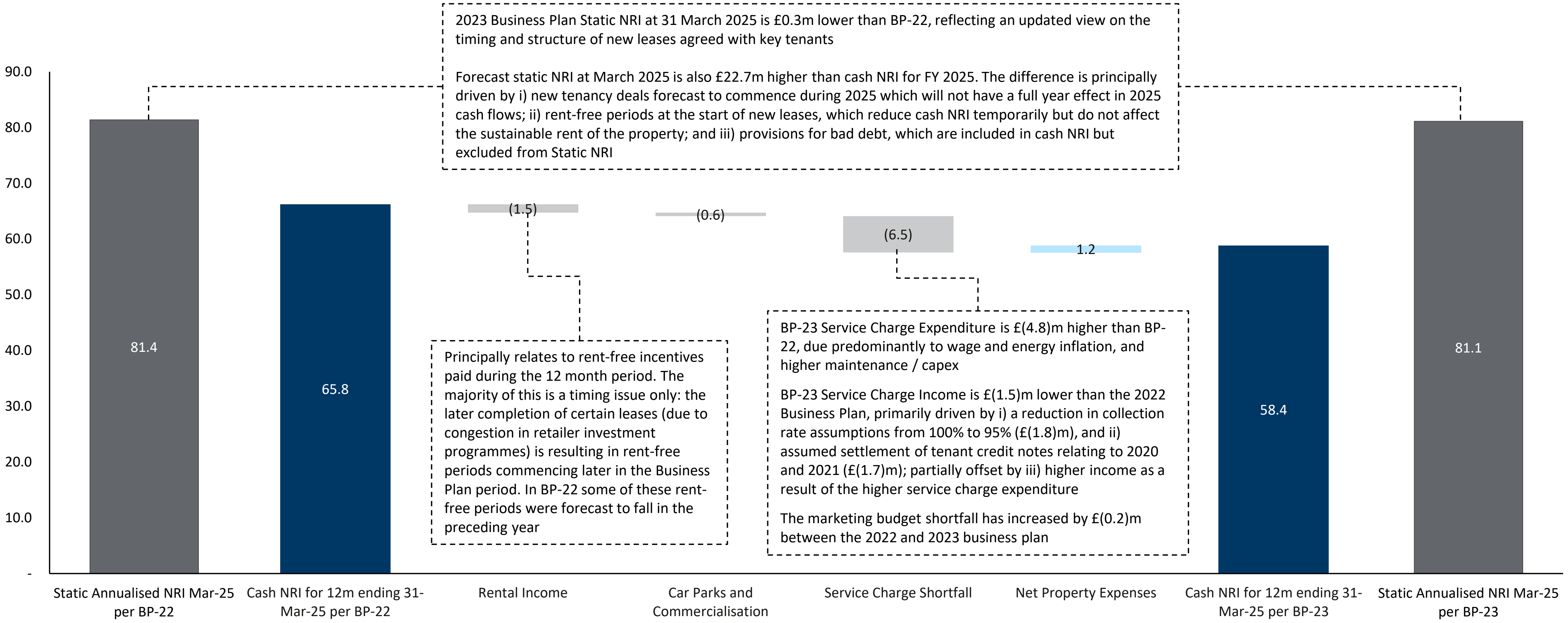
4b. Comparison to 2022 Business Plan

The 2023 Business Plan forecasts a £13.6m improvement in available cash as at 31 March 2025 when compared to the 2022 Business Plan. The difference is driven by actual outperformance in 2022 and timing differences in the assumed payment of the New Money, offset by lower forecast cash Net Rental Income and higher Capital Costs between January 2023 and March 2025



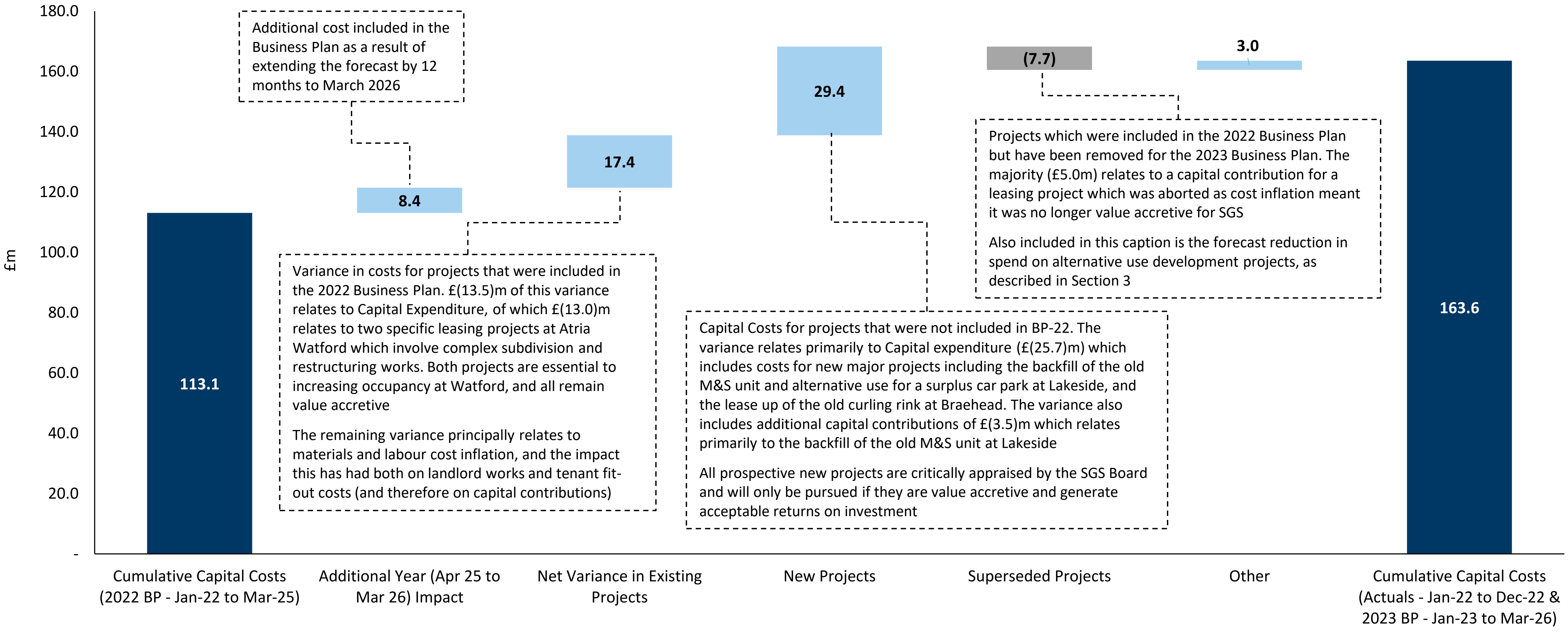
4b. Comparison to 2022 Business Plan

Forecast Static NRI at 31 March 2025 is £81.1m, in line with the BP-22 forecast of £81.4m at the same date. BP-23 forecast cash NRI of £58.4m for the 12 months ending 31 March 2025 is £(7.3)m lower than the same period in the BP-22, driven by key leasing deals and rent-free periods occurring later and by inflationary pressure on service charge expenditure



4b. Comparison to 2022 Business Plan

Forecast Capital Costs in the 2023 Business Plan (including 2022 actuals) are £50.5m higher than for the 2022 Business Plan. In addition to the longer time horizon (51 months vs. 39 months), this increase is driven by the inclusion of new projects (£29.4m) and cost increases in existing projects (£17.4m)



5. Exit Strategy

5. Exit Strategy - December 2022 External Property Valuations

Total third-party valuation of the four shopping centres decreased by 2.5% to £770.5m in December 2022, as strong asset management delivery has largely mitigated the impact of widening yields due to market uncertainty and lack of transactional evidence

Asset	Most Recent Valuation (Dec-22)					Previous Valuation (Jun-22)					Variances (Dec-22 Vs. Jun-22)						Valuer
	Valuation (£m)	% of Total	Gross ERV[(1)] (£m)	Net Initial Yield (%)	Equivalent Yield (%)	Valuation (£m)	% of Total	Gross ERV[(1)] (£m)	Net Initial Yield (%)	Equivalent Yield (%)	Valuation (£m)	Valuation %	Gross ERV[(1)] (£m)	Gross ERV[(1)] (%)	Net Initial Yield (%)	Equivalent Yield (%)	Dec-22 & Jun-22
Lakeside	427.5	55.5%	40.7	7.2%	7.9%	435.0	55.1%	40.0	6.9%	7.6%	(7.5)	(1.7%)	0.7	1.8%	0.3%	0.3%	Knight Frank
Watford	82.0	10.6%	16.4	7.0%	9.9%	87.0	11.0%	14.4	6.7%	9.4%	(5.0)	(5.7%)	2.0	13.9%	0.3%	0.5%	Knight Frank
Nottingham	110.0	14.3%	12.9	8.6%	9.0%	113.0	14.3%	12.3	9.6%	8.5%	(3.0)	(2.7%)	0.6	4.9%	(1.0%)	0.5%	Knight Frank
Braehead	151.0	19.6%	17.7	11.5%	9.5%	155.0	19.6%	17.1	10.3%	8.7%	(4.0)	(2.6%)	0.6	3.5%	1.2%	0.8%	Cushman & Wakefield
Total	**770.5**	**100.0%**	**87.7**	**8.2%**	**8.6%**	**790.0**	**100.0%**	**83.8**	**7.9%**	**8.1%**	**(19.5)**	**(2.5%)**	**3.9**	**4.7%**	**0.3%**	**0.4%**	

- Total market value of the four shopping centres fell by 2.5% to £770.5m between 30 June 2022 and 31 December 2022, which represents a strong performance when considered against a wider market in which 5%-15% valuation decreases on average are being seen[(2)]
- The decrease in valuations is being driven by widening market yields due to:
  - Sharp rises in global interest rates, increased cost of debt and illiquid credit markets
  - Pressure on global supply chains, consumer spending and rising energy costs
  - Economic uncertainty and disruption caused by industrial action across many sectors
  - Investor uncertainty leading to illiquid equity markets across all Real Estate sectors
- Due to a lack of market transactions, valuations are being driven by valuer sentiment rather than evidence; a number of high-profile UK shopping centres were withdrawn from the market in Q4 2022 due to investor uncertainty and illiquid credit markets following the sharp rise in global interest rates, continued record inflation and the UK's near-term economic outlook
- Strong asset management performance has largely mitigated capital market declines and is reflected both in the increase in ERVs and in relatively modest yield increases, relative to the market as a whole
- Near-term performance is expected to be driven by income growth, with further market yield volatility expected in 2023 due to macroeconomic uncertainties and pressure on some tenants' balance sheets through Q1 and Q2 2023
- The largest valuation decline in relative terms was Watford (-5.7%), where despite significant progress having been made in the key asset management initiatives (including the former JLP unit), increased capital costs requirements to complete each initiative have resulted in a £5.0m valuation decline (see Section 4. for further details). However, the halo effect expected from these asset management initiatives and the positive impact on rents and footfall across the centre were not considered as part of this valuation. Consequently, as these initiatives progress SGS expects the upside to be reflected in future valuation periods

(1) ERV for valuation purposes is stated on a gross basis (i.e. before deductions for landlord occupational costs and head lease rent)
(2) Source: Cushman & Wakefield Shopping Centre Market Commentary & Insight, January 2023

Exit Strategy - Market Conditions

Very little liquidity exists for shopping centre sales processes, as high interest rates and an inflationary environment have made leverage unaffordable and driven yields upwards. The underlying fundamentals and strategy of the SGS shopping centres continue to leave them well-positioned for the return of more normalised market conditions

UK shopping centre investment volumes

- UK shopping centre investment volumes declined significantly in H2 2022 as the economic environment worsened from an already depressed level compared to long-term averages, due to inflationary pressures, rising interest rates and elevated geopolitical risk due to the war in Ukraine
- The rise in interest rates in particular stalled liquidity, as it forced levered buyers out of the market almost entirely
- A number of high profile shopping centre sale processes have recently paused or aborted due to lack of debt funding or pricing expectations not being met
- We expect there to be a moderate improvement in transaction volumes in Q2/Q3 2023 as valuations stabilise and opportunistic buyers emerge

UK shopping centre net initial yields

- Yields for regional shopping centres have further widened over the course of 2022, by c.50 bps, from levels which were already elevated(1)
- Near-term yield development will continue to be driven by sentiment and key economic indicators. Rebasing of yields at lower levels requires the potential buyer pool to widen, which in turn depends on value-add investors and debt providers returning to the market
- However, once yields return, SGS believes that the asset management actions that have been taken, resulting in well-invested assets with sustainable rents and a lower probability of tenant failure, will result in increased investor confidence and a stronger pricing outlook for these assets

Next owner investment focus

- Opportunistic buyers are currently dominating the market. However, as market conditions normalise and the universe of potential purchasers expands, we expect the following factors to be critical to determining buyer appetite and valuations for the shopping centre market as a whole and the SGS portfolio in particular:
  1. Tenant trading data & insights
  2. Controlled, well-invested capex, planned preventative maintenance and ESG strategies
  3. Attractive risk premium, relative to other real estate sectors
  4. Strong cash-on-cash yield: only 12% of SGS over-rent comes from low credit quality tenants, limiting the risk of cash flow being reduced through CVAs/liquidations
  5. Ability to optimise, including through repurposing and development opportunities
  6. Appealing supply/demand dynamics: The UK's retail square footage will significantly reduce as secondary and tertiary properties are converted to other uses. This will accelerate SGS' competitive advantages as a premium retail destination
- SGS is well-positioned with regards to each of these factors, and the strategy as set out in this document aims to further reinforce those competitive advantages

(1) Source: Cushman & Wakefield Shopping Centre Market Commentary & Insight, January 2023

5. Exit Strategy - SGS Expectations

SGS is making strong progress against its key asset management objectives and has good visibility over its route to delivering the remaining NRI growth included in the Business Plan. However, very limited liquidity in capital markets, combined with retailer congestion affecting timelines for some of the larger asset management projects, means that exit values are likely to remain suboptimal in the near-term

- SGS expects opportunistic buyers to emerge in 2023 and early 2024 as valuations stabilise. The main catalysts for yield improvement and valuation recovery, however, will be the re-entry into the market of value-add investors with a lower cost of capital, and the re-opening of debt markets. SGS expects this to happen gradually from 2024 onwards
- The key conditions and deliverables that SGS considers to be critical to achieving attractive values for the four assets are set out below:

Key internal asset management deliverables	Key external improvement indicators
1. Executed large near-term asset management initiatives (incl. backfilling the former JLP unit at Lakeside, M&S relocation and backfill at Lakeside and repurposing/letting the space currently occupied by Nottingham Market) 2. Further advancement of Data & Insights platform, which is fundamental to demonstrating sustainable income to potential purchasers 3. Rent collections sustain their current progression towards normalisation 4. Over-rent burn-off: Potential buyers will be more confident underwriting sustainable income once over-rent is <10%	1. Recovery of the UK economy to pre-pandemic levels on a real basis. This includes the removal of government support on energy prices 2. Inflation returning to normalised levels: without this, debt markets will remain scarce and acquisitions will be unviable for unlevered buyers 3. Interest rate stabilisation: stabilised interest rates will attract a broader buyer pool 4. The return of lower cost of capital buyers 5. Stabilised occupier balance sheets

- SGS is making strong progress on all of the key asset management deliverables, and is on-track to have substantially delivered these within the next few years (though further work will be required on an ongoing basis to maintain NOI and value). Timing of the satisfaction of the external conditions remains uncertain, particularly those relating to recovery in debt and equity markets, where the speed of likely recovery remains uncertain
- Once capital markets have stabilised and the above conditions have been satisfied, SGS expects net exit yields of between 6% and 10% for each of the properties. Exit valuations will in part be driven by next owner expected returns and the availability of acquisition financing
- Consistent with indications provided in BP-22, SGS continues to expect exit costs (adviser incentive fees) of between 1.0% and 1.6% of disposal values

Appendices

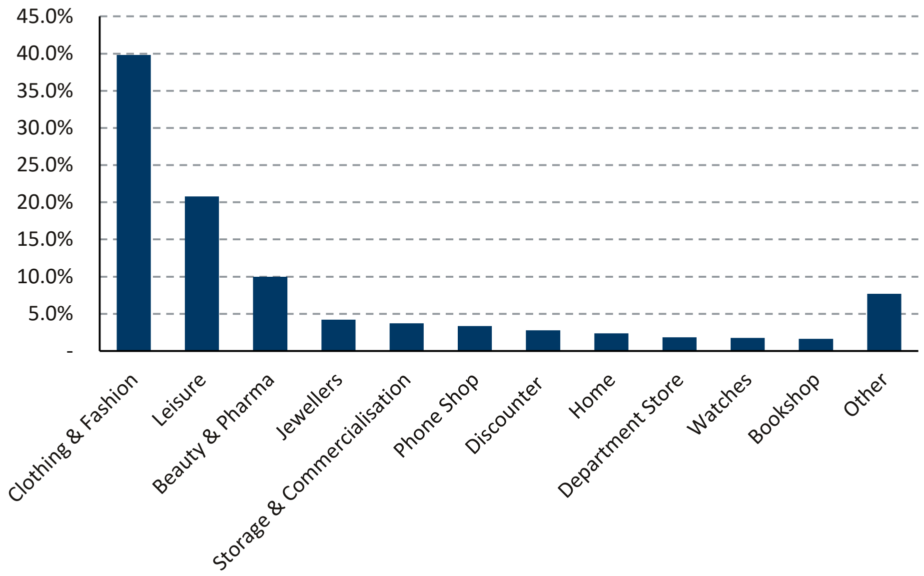
Appendix I: Lakeside Asset Overview

Asset summary as at 31 December 22

Centre Overview:	
Tenure	Freehold
Year of opening	1990
Total lettable area (NIA in sqft)	1,596,000
Occupancy[(1)(2)]	87%
Pro Forma Occupancy[(1)(3)]	87%
Department store square feet / %age of total lettable area	283,000 / 18%
# Stores	267
# Department stores	3
# Parking spaces	11,857
Lease Details:	
Number of Active Leases[(1)]	224
WAULT (to lease expiry)	5.9 yrs
WAULT (to next break)	4.5 yrs
Income and collections	
Gross Contracted Rent (annualised)[(4)] - Retail Leases	£43.2m
Gross Contracted Rent (annualised)[(5)] - Total	£43.8m
ERV (gross)[(6)]	£40.7m
Static NRI	£34.1m
Q4 2022 rent collections	93%

NB: please refer to the appendices of the Q4 2022 quarterly report for detailed tenant analysis

Gross contracted rent by tenant sector as at 31 December 22 (% of total)



Explanatory notes

(1) These figures exclude leases relating to short-term commercialisation activities and remote storage units

(2) Occupancy is expressed as a percentage of Net Internal Area (NIA) and is based on tenants in occupation

(3) Pro Forma occupancy includes new leases which have been signed but are not yet active

(4) 'Gross contracted rent - Retail Leases' reflects annualised rental income at a point in time, as per the tenancy schedules, adjusted to i) remove rent relating to tenants who are in administration or who have absconded; ii) incorporate the effect of future rent-steps and the elapse of rent-free periods; and iii) include the asset managers' estimate of turnover rent on applicable leases

(5) 'Gross contracted rent - Total' includes, in addition to Gross contracted rent - Retail Leases', net annual income from short-term commercialisation activities

(6) ERV is taken from the most recent third party valuation (in this case the valuation performed as at 31 December 2022)

*(7) Static NRI reflects Net Rental Income (**NRI**) at a point in time, and is calculated as 'Gross contracted rent - Total', less the landlord's share of service charge expenditure and non-recoverable property-related costs*

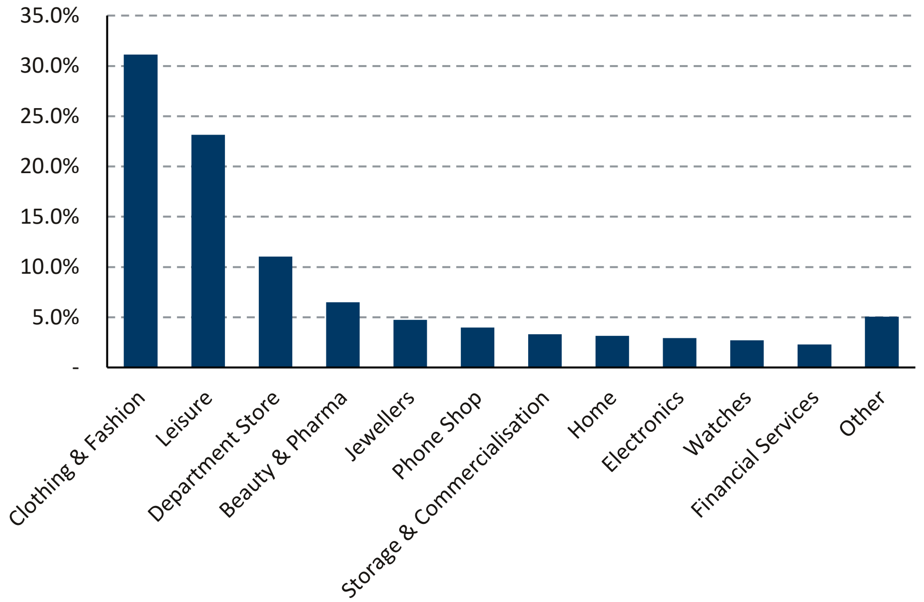
Appendix II: Watford Asset Overview

Asset summary as at 31 December 22

Centre Overview:	
Tenure	Long Leasehold
Year of opening	1992
Total lettable area (NIA in sqft)	1,059,000
Occupancy(1)(2)	70%
Pro Forma Occupancy(1)(3)	78%
Department store square feet / %age of total lettable area	132,000 / 13%
# Stores	181
# Department stores	2
# Parking spaces	2,770
Lease Details:	
Number of Active Leases(1)	160
WAULT (to lease expiry)	6.6 yrs
WAULT (to next break)	4.4 yrs
Income and collections	
Gross Contracted Rent (annualised)(4) - Retail Leases	£13.9m
Gross Contracted Rent (annualised)(5) - Total	£14.7m
ERV (gross)(6)	£16.4m
Static NRI	£6.2m
Q4 2022 rent collections	93%

NB: please refer to the appendices of the Q4 2022 quarterly report for detailed tenant analysis

Gross contracted rent by tenant sector as at 31 December 22 (% of total)



Explanatory notes

(1) These figures exclude leases relating to short-term commercialisation activities and remote storage units

(2) Occupancy is expressed as a percentage of Net Internal Area (NIA) and is based on tenants in occupation. The relatively low occupancy rate at Watford is largely due to the lease surrender in Q1 2021 by the John Lewis Partnership

(3) Pro Forma occupancy includes new leases which have been signed but are not yet active

(4) 'Gross contracted rent - Retail Leases' reflects annualised rental income at a point in time, as per the tenancy schedules, adjusted to i) remove rent relating to tenants who are in administration or who have absconded; ii) incorporate the effect of future rent-steps and the elapse of rent-free periods; and iii) include the asset managers' estimate of turnover rent on applicable leases

(5) 'Gross contracted rent - Total' includes, in addition to Gross contracted rent - Retail Leases', net annual income from short-term commercialisation activities and car park operations

(6) ERV is taken from the most recent third party valuation (in this case the valuation performed as at 31 December 2022)

*(7) Static NRI reflects Net Rental Income (**NRI**) at a point in time, and is calculated as 'Gross contracted rent - Total', less the landlord's share of service charge expenditure and non-recoverable property-related costs (including head lease rent at Atria Watford)*

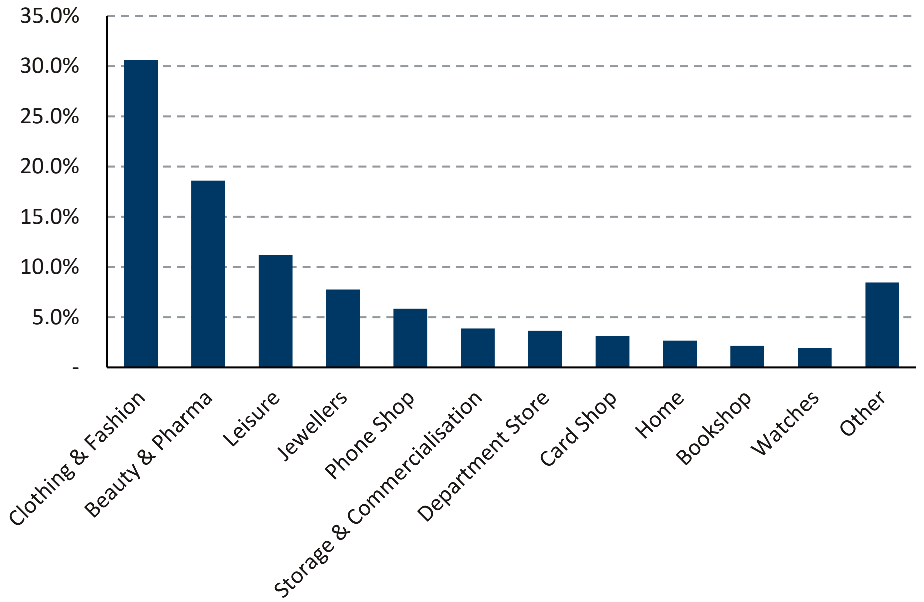
Appendix III: Nottingham Asset Overview

Asset summary as at 31 December 22

Centre Overview:	
Tenure	Freehold
Year of opening	1972
Total lettable area (NIA in sqft)	1,011,000
Occupancy[(1)(2)]	93%
Pro Forma Occupancy[(1)(3)]	93%
Department store square feet / %age of total lettable area	396,000 / 39%
# Stores	139
# Department stores	2
# Parking spaces	2,010
Lease Details:	
Number of Active Leases[(1)]	111
WAULT (to lease expiry)	11.5 yrs
WAULT (to next break)	10.5 yrs
Income and collections	
Gross Contracted Rent (annualised)[(4)] - Retail Leases	£11.6m
Gross Contracted Rent (annualised)[(5)] - Total	£14.1m
ERV (gross)[(6)]	£12.9m
Static NRI	£10.8m
Q4 2022 rent collections	96%

NB: please refer to the appendices of the Q4 2022 quarterly report for detailed tenant analysis

Gross contracted rent by tenant sector as at 31 December 22 (% of total)



Explanatory notes

(1) These figures exclude leases relating to short-term commercialisation activities and remote storage units

(2) Occupancy is expressed as a percentage of Net Internal Area (NIA) and is based on tenants in occupation

(3) Pro Forma occupancy includes new leases which have been signed but are not yet active

(4) 'Gross contracted rent - Retail Leases' reflects annualised rental income at a point in time, as per the tenancy schedules, adjusted to i) remove rent relating to tenants who are in administration or who have absconded; ii) incorporate the effect of future rent-steps and the elapse of rent-free periods; and iii) include the asset managers' estimate of turnover rent on applicable leases

(5) 'Gross contracted rent - Total' includes, in addition to Gross contracted rent - Retail Leases', net annual income from short-term commercialisation activities and car park operations

(6) ERV is taken from the most recent third party valuation (in this case the valuation performed as at 31 December 2022)

*(7) Static NRI reflects Net Rental Income (**NRI**) at a point in time, and is calculated as 'Gross contracted rent - Total', less the landlord's share of service charge expenditure and non-recoverable property-related costs*

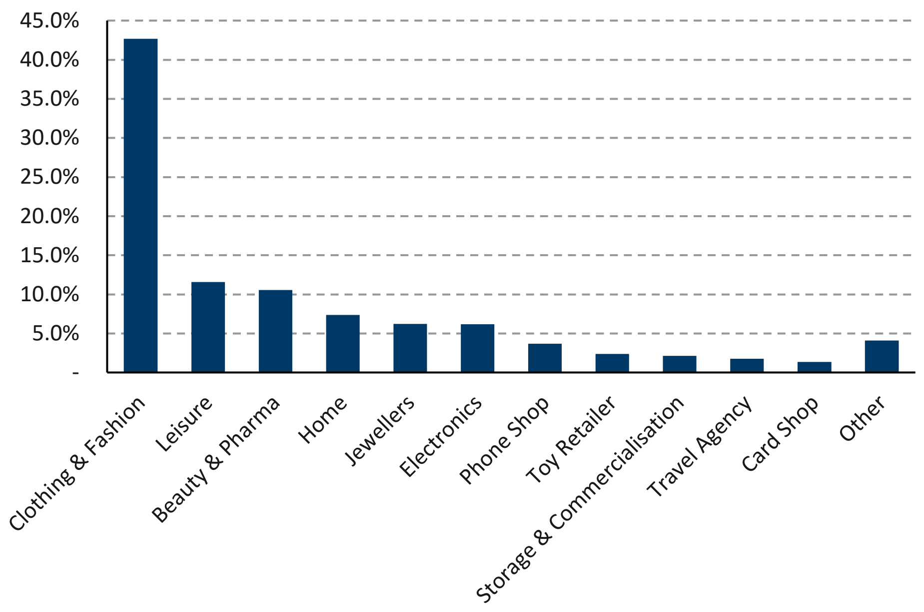
Appendix IV: Braehead Asset Overview

Asset summary as at 31 December 22

Centre Overview:	
Tenure	Freehold
Year of opening	1999
Total lettable area (NIA in sqft)	1,063,000
Occupancy(1)(2)	92%
Pro Forma Occupancy(1)(3)	95%
Department store square feet / %age of total lettable area	124,000 / 12%
# Stores	146
# Department stores	1
# Parking spaces	6,532
Lease Details:	
Number of Active Leases(1)	130
WAULT (to lease expiry)	5.1 yrs
WAULT (to next break)	4.3 yrs
Income and collections	
Gross Contracted Rent (annualised)(4) - Retail Leases	£22.0m
Gross Contracted Rent (annualised)(5) - Total	£22.3m
ERV (gross)(6)	£17.7m
Static NRI	£16.9m
Q4 2022 rent collections	94%

NB: please refer to the appendices of the Q4 2022 quarterly report for detailed tenant analysis

Gross contracted rent by tenant sector as at 31 December 22 (% of total)



Explanatory notes

(1) These figures exclude leases relating to short-term commercialisation activities and remote storage units

(2) Occupancy is expressed as a percentage of Net Internal Area (NIA) and is based on tenants in occupation

(3) Pro Forma occupancy includes new leases which have been signed but are not yet active

(4) 'Gross contracted rent - Retail Leases' reflects annualised rental income at a point in time, as per the tenancy schedules, adjusted to i) remove rent relating to tenants who are in administration or who have absconded; ii) incorporate the effect of future rent-steps and the elapse of rent-free periods; and iii) include the asset managers' estimate of turnover rent on applicable leases

(5) 'Gross contracted rent - Total' includes, in addition to Gross contracted rent - Retail Leases', net annual income from short-term commercialisation activities

(6) ERV is taken from the most recent third party valuation (in this case the valuation performed as at 31 December 2022)

*(7) Static NRI reflects Net Rental Income (**NRI**) at a point in time, and is calculated as 'Gross contracted rent - Total', less the landlord's share of service charge expenditure and non-recoverable property-related costs*

Appendix V: Governance Strucutre

Key:
- CSC Corporate Services
- GM Asset Management
- HelloDPO
- Other Third Parties
- Savills Property Management
- Space & People
- AlixPartners[(1)]

SGS Boards
- Andrea Trozzi (AlixPartners[(1)]) (Executive Chairman)
- Jeremy Jensen (Non-Executive Director)
- Neil Robson (Non-Executive Director)

SGS Group Finance and Operations
Gareth Evans (Chief Financial Officer)
Richard Draycott (Financial Controller)
AlixPartners[(1)] Support

Other SGS Advisers
Lawyers - Linklaters and Osbourne Clarke
Auditor - BDO
Tax Structuring - PwC

Asset Management
(Global Mutual)

Leasing
(Global Mutual)
- Letting Agents
- Leasing Lawyers
- Fit-out Project Management

Development
(Global Mutual)
- Planning
- Architect
- Project Manage-ment

Insurance
- Insurance Broker

Property Management
(Savills)
- Rent Collection
- Service Charge
- Monthly and Quarterly Reporting
- Commercialisation
- DPO
- Internal Management Reports
- External stakeholder reports
- Business Planning
- STCF

Corporate Services
(CSC)

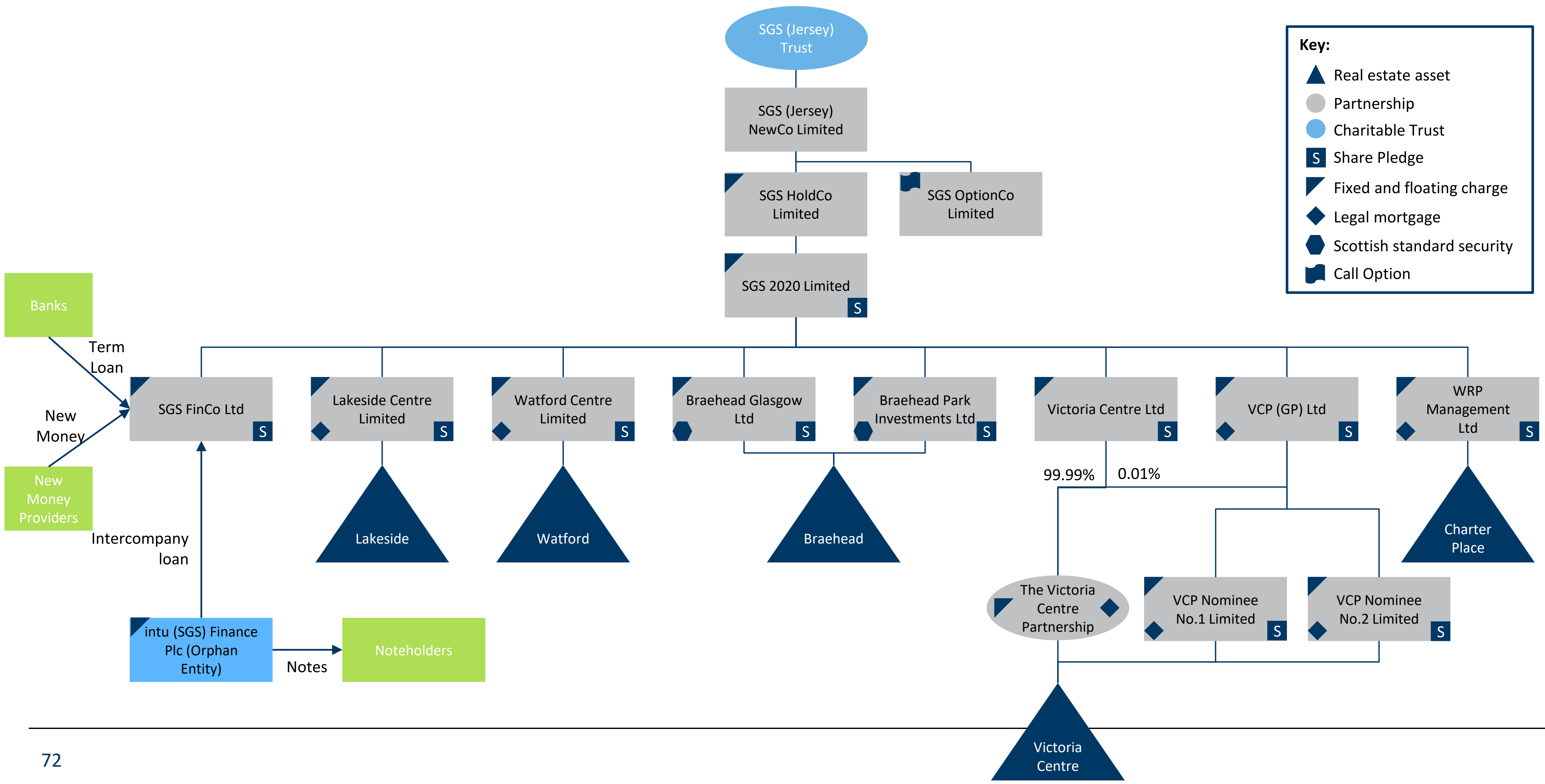
Corporate Accounting
- Financial Reporting
- Tax Compliance
- Other Compliance
- Third Party Valuations
- Bi-annual & annual Financial Statements
- Covenant Reporting

Company Secretarial

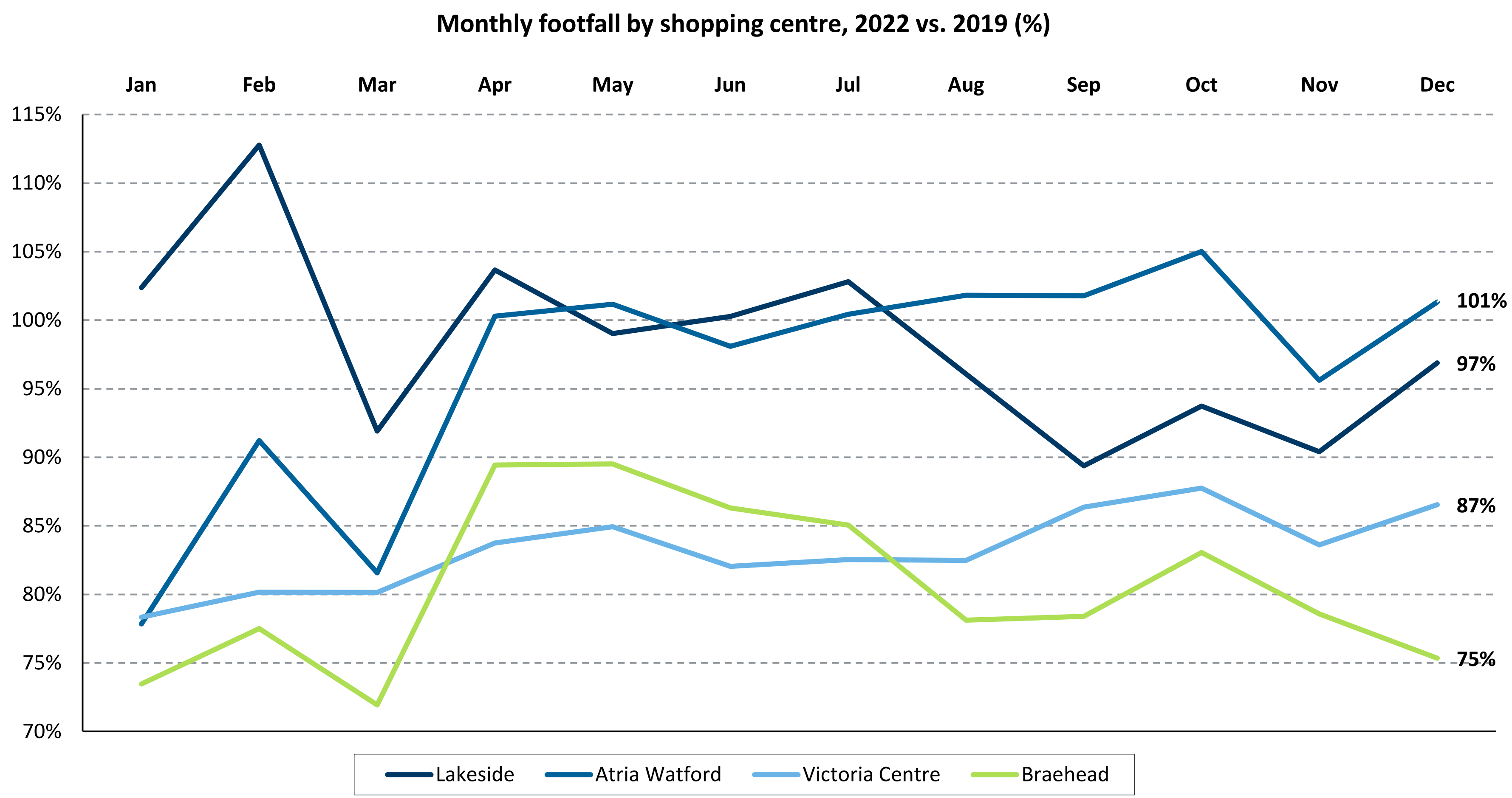
Cash Manager

(1) THM Partners was acquired by AlixPartners, effective 1 March 2023. The engagement between THM Partners and SGS has been novated to AlixPartners with no change in scope or terms, other than the services of Neil Robson as director, which will henceforth be provided under a direct contract between Neil Robson and SGS and not as part of the AlixPartners engagement

Appendix VI: Company Structure

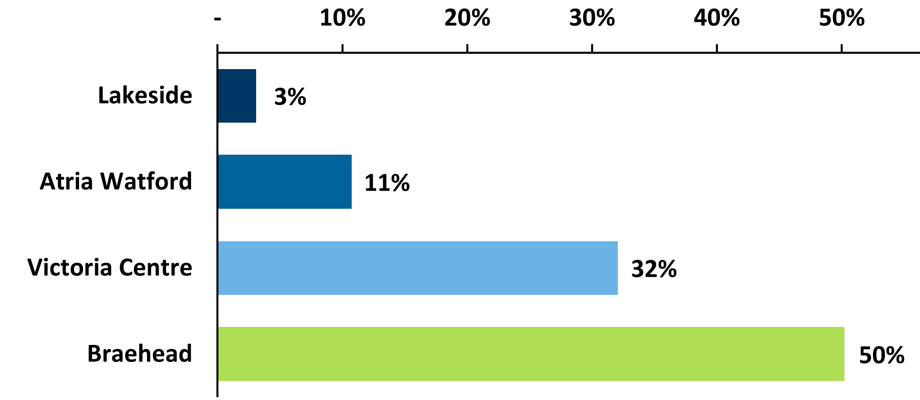


Appendix VII: 2022 footfall performance by SGS shopping centre



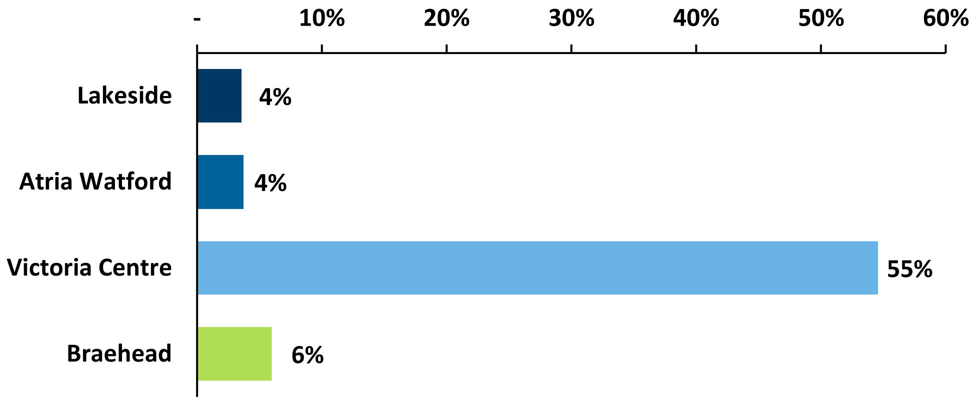
Appendix VIII: 2022 leasing performance by SGS shopping centre

NRI vs. BP-22: Agreed Deals

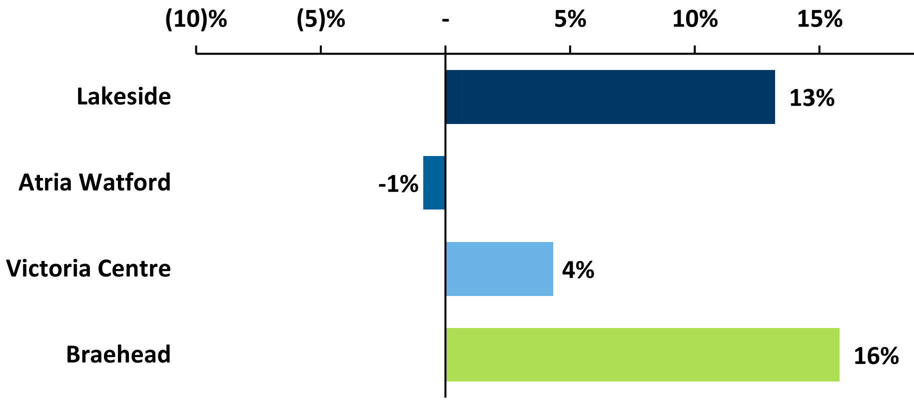


- 38 leases; £7.8 NRI; £26.3m incentives
- 27 leases; £2.8m NRI; £7.6m incentives
- 12 leases; £2.3m NRI; £1.2m incentives
- 19 leases; £3.3m NRI; £2.2m incentives

Incentives vs. BP-22: Agreed Deals [(1)]

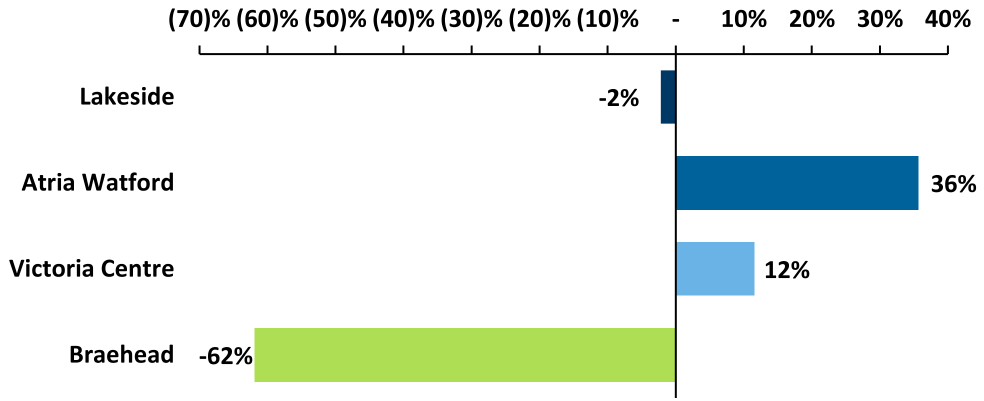


NRI vs. BP-22: Pipeline Deals



- 16 leases; £2.7m NRI; £8.1m incentives
- 14 leases; £1.3m NRI; £3.1m incentives
- 7 leases; £1.1m NRI; £2.6m incentives
- 11 leases; £1.4m NRI; £1.1m incentives

Incentives vs. BP-22: Pipeline Deals [(1)]



(1) Positive percentages in these charts indicate savings in incentives vs. BP-22; negative numbers indicate higher spend on incentives than was forecast in BP22

Appendix IX: Savills' Property Management Arrangements

Forecast Service Charge Expenditure includes a £97k (5%) increase in the property management fees paid to Savills, to take effect from 1 January 2023

Overview of Property Management Fees

- Savills was appointed as Property Manager for each of the SGS shopping centres upon their migration from intu in Q4 2020. The annual fees agreed for these services, as set out in the schedule to the relevant Property Management Agreements (**PMAs**), are shown in the 'Current' column in the table opposite. These fees are recoverable from tenants through the service charge (subject to vacancy, caps and service charge-inclusive arrangements)
- The Property Management fees remained the same throughout 2021 and 2022. The PMAs include provision (in clause 8.4) for the fees to be reviewed 18 months after the migration of each property
- For 2023, Savills has proposed a 5% increase in the property management fees for all SGS shopping centres, partially reflecting inflation over the period since migration (which was 17%). This 5% increase has provisionally been included in the 2023 service charge budgets, and is reflected in the Service Charge Expenditure and - to the extent recoverable - Service Charge Income figures included in each year of the Business Plan Cash Flow Forecast

Legal Considerations

- The proposed increase in the Property Management fees will require the schedule to the relevant PMAs to be updated. The Obligor Security Trustee (**OST**) will be required to countersign any document entered into to reflect the change in fees for the better preservation of its rights generally under the finance documents (as it is a party to the PMAs)
- Additionally, if the changes to the PMAs were deemed to be material amendments to the PMAs, the OST would be required to consent to the fee increase, which in turn is likely to require lender consent via a STID process.

	Annual Property Management Fee			
£	**Current**	**Proposed**	**Increase**	**Increase (%)**
Lakeside	744,767	782,005	37,238	5%
Atria Watford	417,517	438,393	20,876	5%
Nottingham	341,990	359,090	17,100	5%
Braehead	440,332	462,349	22,017	5%
Total	**1,944,606**	**2,041,836**	**97,230**	**5%**

SGS proposed approach

- SGS considers the proposed increase in the Property Management fees to be reasonable. The fees have been agreed on arms' length terms and represent a true reflection of fees charged for these services in the current market. The majority of the cost increase will be borne by tenants, and notwithstanding the inclusion of these fees, the increase in service charge expenditure budgets in 2023 is in line with the wider market and is expected to be viewed as reasonable by tenants
- Having taken legal advice, SGS is of the view that the proposed change in fee will **not** constitute a material amendment to the PMAs, particularly in view of levels of inflation since the fees were first agreed. As such, the amendments should not require the consent of the OST. The OST will, however, be included as a countersignatory for the preservation of its rights as described above
- SGS has discussed the proposed fee increase with the OST, and offered to do the following:
  - Provide a certificate to the OST confirming, with the justifications set out on this slide, that the proposed increase in the Property Management fee does not constitute a material amendment to the PMAs; and
  - Defer the amendment of the PMAs until after the 2023 Business Plan has been approved, so that lenders have full visibility over the proposed approach and an opportunity to raise any objections prior to implementation of the fee increase

Appendix X: Data & Insights Strategy as included in 2022 Business Plan

Strategic Priority 5 (NEW): Develop and integrate Data & Insights capabilities

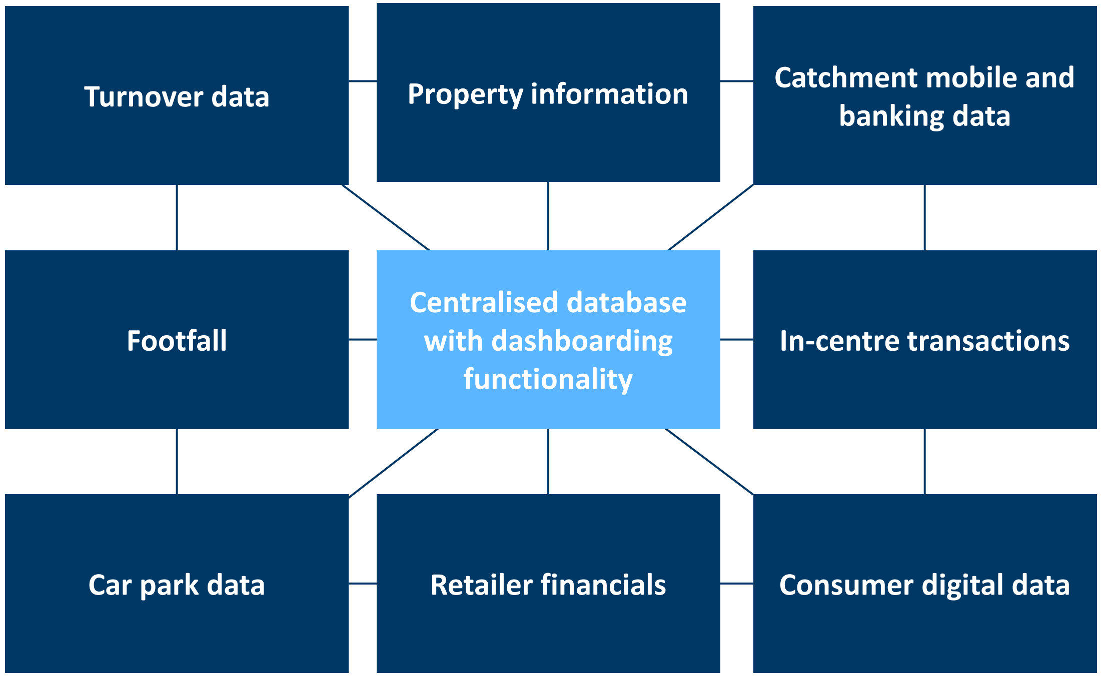
- Data and Insights has always been a part of SGS' strategy. The importance of marketing to target occupiers in a localised way using compelling, relevant analysis, for example, was described as part of Strategic Priority 2 in the 2021 Business Plan
- The experience of 2021, however, has elevated the importance of the Data & Insights Strategy. Data & Insights capabilities are fundamental to the successful delivery of each of the first four Strategic Priorities, providing intelligence to support operational and leasing decisions and, ultimately, help maximise shopping centre value
- Competition analysis will become more critical as weaker shopping centres fall behind the dominant. The ability to position SGS assets as dominant centres through the use of data will be critical in the sale process
- As such, as part of the 2022 Business Plan, developing and integrating SGS' Data & Insights capabilities has been installed as the 5th Strategic Priority

Strategic Priorities	Data & Insights Strategy	Benefits and deliverables
1: Create a stable income profile **2:** Transition asset profiles towards the future **3:** Improve the operational cost base **4:** Diversify return drivers	▪ Measure the impact of each tenant on the centre (cross-shop, visit frequency, spend segmentation) ▪ Support rent collection and lease decisions by identifying under/over-performing tenants ▪ Drive rent affordability decisions ▪ Identify and acquire new tenants that are attractive to our shoppers and beneficial to the centre ecosystem (based on banking and mobile data) ▪ Optimise and diversify our tenant mix by identifying additional uses/sectors ▪ Improve operational performance by measuring trading KPIs and implementing corrective actions	▪ 360 degree view of each asset using best in class data sets ▪ Actionable insight, not just data ▪ Improved transparency, coverage and sophistication of data: sales, affordability, cross-shop between brands ▪ Data exchange with our tenants and prospective brands, building closer relationships ▪ The right tenants in the right spaces, on the right rents ▪ Satisfy existing consumers and grow a new consumer base ▪ Measure the value of asset management initiatives ▪ **An ever-improving toolkit of property, trading and consumer data which will ultimately support the next owner's confidence in the income-generating capacity of the SGS assets**

Appendix X: Data & Insights Strategy as included in 2022 Business Plan

Strategic Priority 5 (NEW): Develop and integrate Data & Insights capabilities (cont'd)

- SGS' objective is to implement and integrate a comprehensive data and insights strategy to enhance decision making, ultimately driving asset value



Appendix XI: Static (Annualised) Net Rental Income

2023 Business Plan

In £m Month	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Lakeside	33.9	39.5	39.1	39.2	39.6	39.9	39.3	36.4	41.4	41.5	40.3	39.8	38.9
Watford	6.3	7.5	6.7	8.2	9.6	9.4	9.4	12.9	10.8	12.1	11.8	13.4	13.2
Nottingham	9.3	9.7	8.8	11.0	11.4	11.4	11.6	13.3	11.3	11.7	11.7	13.5	13.3
Braehead	16.3	18.7	19.1	18.7	18.2	18.1	17.3	17.9	17.6	17.5	16.9	16.9	16.8
Total	**65.9**	**75.4**	**73.7**	**77.2**	**78.7**	**78.7**	**77.7**	**80.5**	**81.1**	**82.8**	**80.7**	**83.6**	**82.2**

2022 Business Plan (restated to include add-back for Bad Debt provision)

In £m Month	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Lakeside	37.8	40.7	40.4	42.1	41.2	41.6	41.4	41.1	41.5
Watford	6.4	8.5	12.3	12.2	12.2	12.1	12.2	12.2	12.2
Nottingham	13.5	13.4	12.8	14.0	14.2	12.0	12.3	12.3	12.6
Braehead	17.6	15.8	16.5	16.0	16.0	16.4	14.9	15.0	15.2
Total	**75.2**	**78.4**	**81.9**	**84.4**	**83.6**	**82.1**	**80.8**	**80.6**	**81.4**

Memo: per BP-22									
Bad Debt provision	4.6	4.6	4.8	4.8	4.8	4.6	4.6	4.6	4.7
Group Annualised NRI per BP-22	70.6	73.8	77.1	79.6	78.9	77.5	76.2	76.0	76.8

- The tables on this page show forecast Static NRI at each quarter-end, starting from March 2023, as per BP-23 and BP-22[(1)]
- Static NRI is calculated as Net Rental Income for the month in question, multiplied by 12
- Static NRI is stated before deduction of rent-free periods and bad debt provisions, i.e. the figures are presented on a “topped-up” basis
- Static NRI as included in BP-22 was stated before the deduction of rent-free incentives but after bad debt provisions. In order to ensure a like-for-like comparison, the BP-22 numbers presented on this slide have been restated on a consistent basis with the BP-23 figures, with a reconciliation to the annualised NRI as per BP-22 included as a memo

(1) BP-22 cash flow forecast did not include periods beyond Mar-25

Appendix XII: Professional Adviser Fees

£m (Excl. VAT)	BP Year 1	BP Year 2	BP Year 3	Total BP Period
Exit Costs - Legal Adviser Fees	-	(4.0)	-	(4.0)
Exceptional Costs - Technical Due Diligence	(0.9)	-	-	(0.9)
Company Legal and Financial Advisers	(3.0)	(3.0)	(3.0)	(9.0)
Total	**(3.9)**	**(7.0)**	**(3.0)**	**(13.9)**

- SGS has budgeted £4.0m of cost for legal advice in relation to asset disposals (all other sale-related costs, including broker fees and success fees, are assumed to be funded from asset proceeds upon completion). As detailed in Section 5, SGS continues to monitor the market in order to identify the most opportune moment to exit the assets, but for illustrative purposes the £(4.0)m legal adviser costs have been spread over the nine months from April 2024 to December 2024 to align with the maturity of the shortest-dated debt[1]
- To assess the current condition of the centres, SGS has engaged CBRE to undertake a technical due diligence and measured survey exercise over each of the four assets during 2023. This engagement includes the ability to refresh the exercise within three years at no additional cost. The total cost of this work is £(0.9)m, which includes the fee agreed with CBRE, together with a contingency for additional specialist surveys if required
- Both the legal adviser and technical due diligence costs have been included within Exceptionals in the cash flow
- SGS has budgeted £250k per month (£3.0m per year) for ongoing Company side legal and financial advice. This £250k per month budget is reported in central costs in the cash flow. Included within this monthly budget are fees payable to THM in respect of its Value Delivery engagement (see SGS' Q3 2021 Quarterly Report for further detail on THM's value delivery engagement, including the key commercial terms)

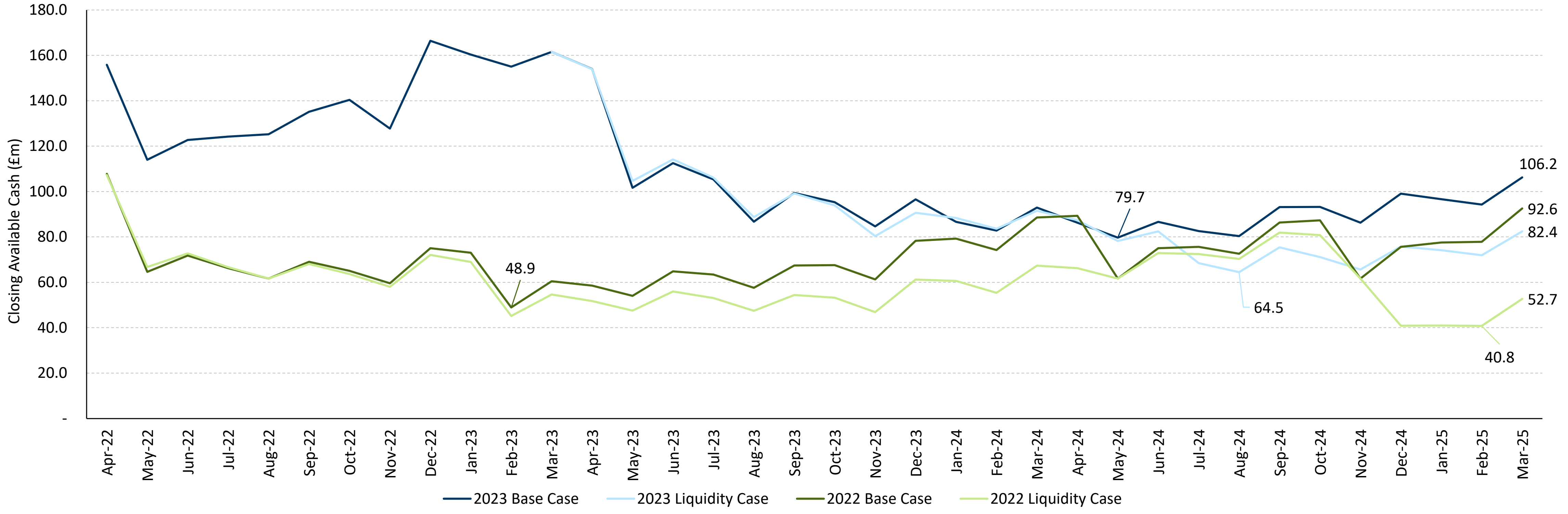
(1) The Expected Maturity of the Series 1 Notes and the Maturity Date of the Initial Authorised Loan Facility and the Super Senior New Money are 31 March 2024, but can be extended to 31 December 2024 provided that certain milestones are met

Appendix XIII: Business Plan - Operational Sensitivities

- The table presented opposite shows the change in Net Rental Income under different collection rate (+/- 5 percentage point change in collection rates, subject to a maximum assumed collection rate of 100%) and ERV sensitivities (a 5% increase or decrease). All amounts are stated relative to the 2023 Business Plan Base Case cash flows
- All other Base Case model assumptions have been held constant for this analysis
- The Liquidity Case cash flows shown in Section 4a include the downside sensitivities shown opposite (i.e. collection rate assumptions in the Liquidity Case are 5 percentage points lower than in the Base Case, and ERVs are 5% lower in the Liquidity Case than the Base Case). In addition, the following assumptions are also flexed in the Liquidity Case:
  - Standard vacancy period is doubled
  - Standard renewal probabilities are reduced by 25 ppts
  - Structural vacancy is increased by 2.5 peppts
  - Six month delay to all new leases and regears

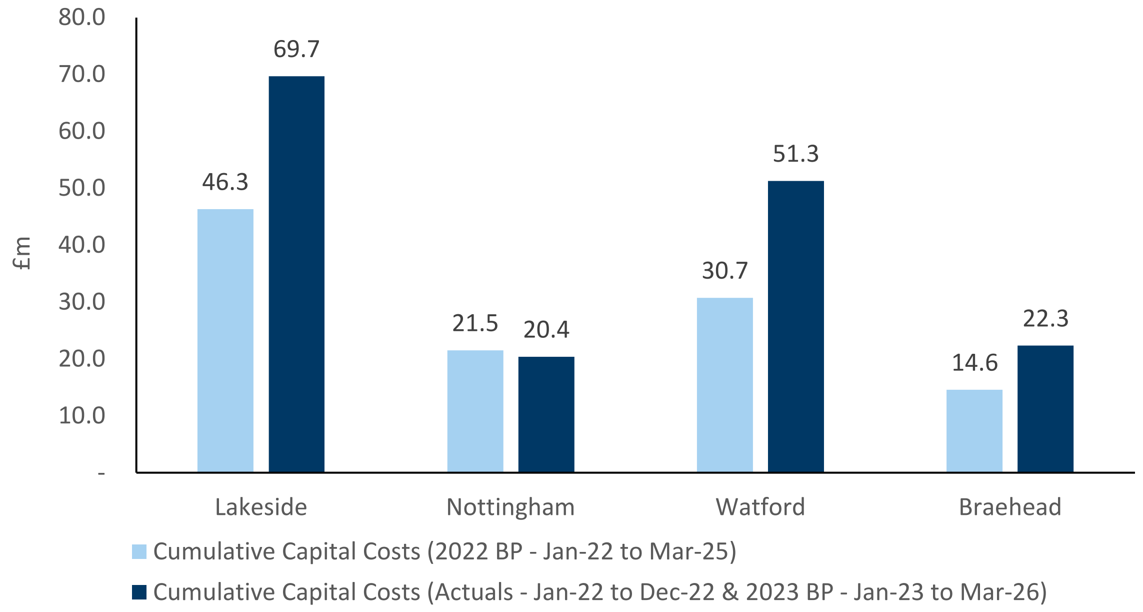
In £m	BP Year 1	BP Year 2	BP Year 3	Total BP Period
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26
5% increase in collection rates	6.2	6.4	6.6	19.2
5% decrease in collection rates	(6.2)	(6.4)	(6.6)	(19.2)
5% increase in ERVs	0.2	0.8	1.4	2.3
5% decrease in ERVs	(0.2)	(0.8)	(1.4)	(2.3)

Appendix XIV: Liquidity Analysis vs 2022 Business Plan



- The above chart compares month-end available cash under the 2022 Business Plan Base Case and Liquidity Case (the **2022 Cash Flows**) as presented in the Market Update Presentation dated 2 March 2022, to the Base Case and Liquidity Case cash flows per the 2023 Business Plan (the **2023 Cash Flows**)
- The 2023 Cash Flows have been presented on a coterminous basis with the 2022 Cash Flows (i.e., 3 years to 31 March 2025)
- The 2023 Cash Flows for the 9 months ending 31 December 2022 represent actual cash flows for the period

Appendix XV: Cash flow from investing activities by SGS shopping centre



2022 BP - Jan-22 to Mar-25	(113.1)
Actuals - Jan-22 to Dec-22 & 2023 BP - Jan-23 to Mar-26	(163.6)
Variance	(50.5)

- The table opposite presents capital costs by centre for the period January 2022 to March 2026 as per BP-23 compared to BP-22
- Given BP-22 only forecast capital costs to March 2025, the total BP-22 costs presented opposite are for the period January 2022 to March 2025
- Total capital costs of £163.6m per BP-23 are £50.5m greater than BP-22

Appendix XVI: Forecast New Money Payments (Base Case)

BP Year 1

In £m Month	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Opening Drawn Balance[1]	**55.2**	**55.2**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**
Prepayment	-	(31.3)	-	-	-	-	-	-	-	-	-	-
Closing Drawn Balance[1]	**55.2**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**
Cash Interest Paid	-	*(3.3)*	-	-	-	-	-	-	-	-	-	-
Total Payment on IPD / maturity	-	*(34.6)*	-	-	-	-	-	-	-	-	-	-

BP Year 2

In £m Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Opening Drawn Balance[1]	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**
Prepayment	-	-	-	-	-	-	-	-	-	-	-	-
Closing Drawn Balance[1]	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**	**23.9**
Cash Interest Paid	-	-	-	-	-	-	-	*(0.8)*	-	-	-	-
Total Payment on IPD / maturity	-	-	-	-	-	-	-	*(0.8)*	-	-	-	-

BP Year 3

In £m Month	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Opening Drawn Balance[1]	**23.9**	**23.9**	**4.6**	**4.6**	**4.6**	**4.6**	**4.6**	**4.6**	**-**	**-**	**-**	**-**
Prepayment	-	(19.3)	-	-	-	-	-	(4.6)	-	-	-	-
Closing Drawn Balance[1]	**23.9**	**4.6**	**4.6**	**4.6**	**4.6**	**4.6**	**4.6**	**-**	**-**	**-**	**-**	**-**
Cash Interest Paid	-	*(2.3)*	-	-	-	-	-	*(0.1)*	-	-	-	-
Total Payment on IPD / maturity	-	*(21.5)*	-	-	-	-	-	*(4.8)*	-	-	-	-

- The table opposite presents the forecast drawn balance on the Super Senior New Money across the Business Plan period[1]. Also shown are prepayments of principal and payments of cash interest (including commitment fees) as per the Base Case cash flow forecast
- The Super Senior New Money facility matures on 31 March 2024, although the facility can be extended to 31 December 2024 if certain conditions, most of which relate to the commencement of a sales process, are satisfied.
- Notwithstanding that the current Maturity Date of the New Money is 31 March 2024, for modelling purposes the forecast payments have been calculated based on the cash sweep mechanism
- The payment profile opposite has been included for illustrative modelling purposes only and does not constitute a commitment by SGS to make prepayments of these amounts on the bi-annual IPDs
- The payment of interest and principal (as applicable) will ultimately be determined by the cash sweep mechanism or via voluntary prepayments

(1) Drawn balances on the New Money reflect principal amounts only (i.e. excluding accrued and capitalised interest)

Appendix XVII: Forecast New Money Payments (Liquidity Case)

BP Year 1

In £m Month	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Opening Drawn Balance	**55.2**	**55.2**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
Prepayment	-	(32.4)	-	-	-	-	-	-	-	-	-	-
Closing Drawn Balance	**55.2**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
Cash Interest Paid	-	*(3.3)*	-	-	-	-	-	-	-	-	-	-
Total Payment on IPD / maturity	-	*(35.7)*	-	-	-	-	-	-	-	-	-	-

BP Year 2

In £m Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Opening Drawn Balance	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
Prepayment	-	-	-	-	-	-	-	-	-	-	-	-
Closing Drawn Balance	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
Cash Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-
Total Payment on IPD / maturity	-	-	-	-	-	-	-	-	-	-	-	-

BP Year 3

In £m Month	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Opening Drawn Balance	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
Prepayment	-	-	-	-	-	-	-	-	-	-	-	(22.8)
Closing Drawn Balance	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**	**0.0**
Cash Interest Paid	-	-	-	-	-	-	-	*(0.8)*	-	-	-	*(3.5)*
Total Payment on IPD / maturity	-	-	-	-	-	-	-	*(0.8)*	-	-	-	*(26.2)*

- The table opposite presents the forecast drawn balance on the Super Senior New Money across the Business Plan period[(1)]. Also shown are prepayments of principal and payments of cash interest (including commitment fees) as per the Liquidity Case cash flow forecast
- The Super Senior New Money facility matures on 31 March 2024, although the facility can be extended to 31 December 2024 if certain conditions, most of which relate to the commencement of a sales process, are satisfied.
- Notwithstanding that the current Maturity Date of the New Money is 31 March 2024, for modelling purposes the forecast payments have been calculated based on the cash sweep mechanism
- The payment profile opposite has been included for illustrative modelling purposes only and does not constitute a commitment by SGS to make prepayments of these amounts on the bi-annual IPDs
- The payment of interest and principal (as applicable) will ultimately be determined by the cash sweep mechanism or via voluntary prepayments

(1) Drawn balances on the New Money reflect principal amounts only (i.e. excluding accrued and capitalised interest)

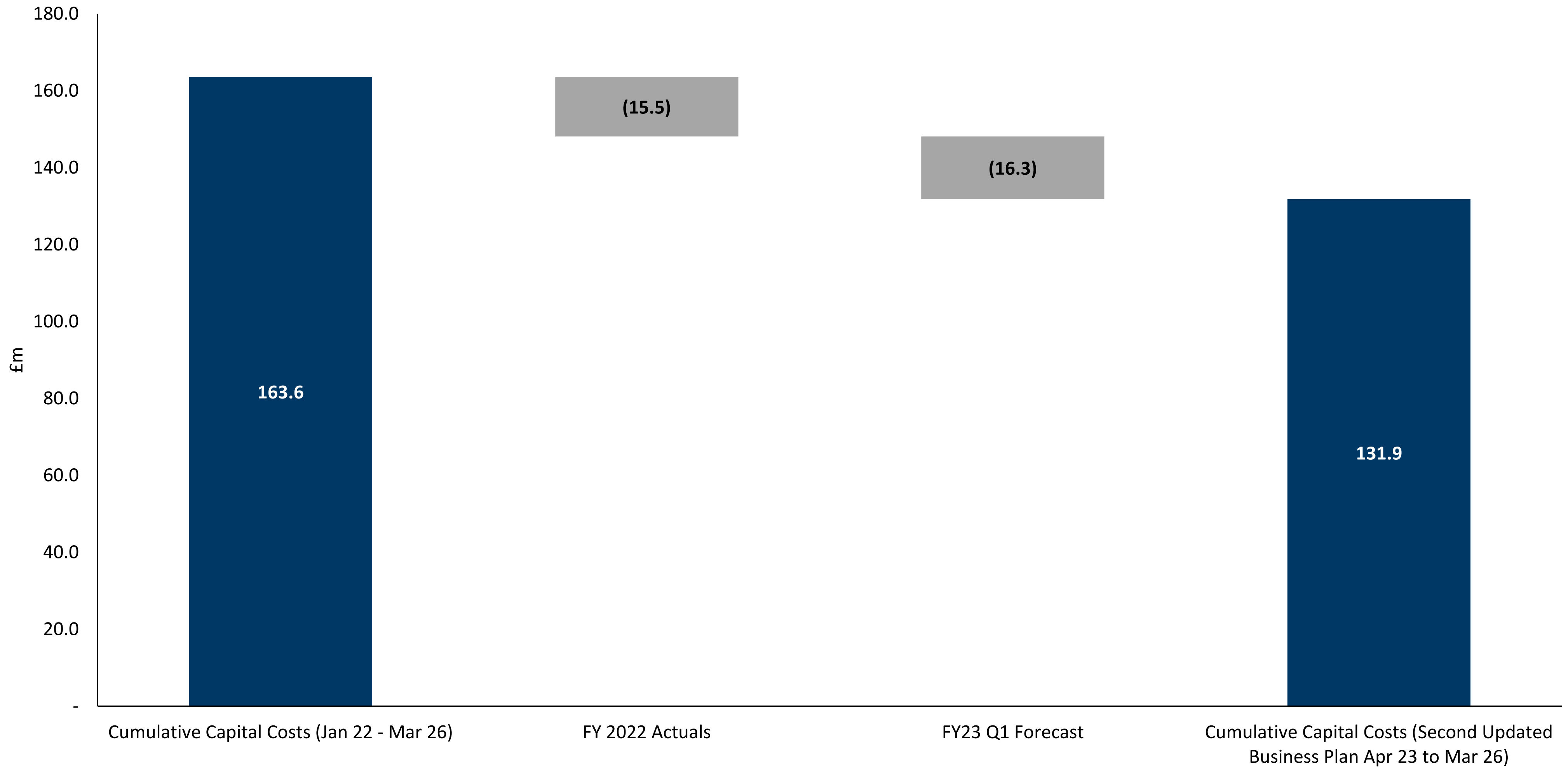
Appendix XVIII: LTV Covenant

LTV Covenant

£m	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25
31 Dec 2022 Property Valuation	771	771	771	771	771	771
Forecast Debt	1,633	1,706	1,783	1,862	1,927	2,009
Forecast LTV	212%	221%	231%	242%	250%	261%
LTV Covenant	270%	265%	260%	257%	257%	257%
LTV Headroom (£m)	*166*	*127*	*85*	*46*	*21*	*(11)*

- The table across sets out the illustrative forecast performance against the LTV covenant
- For illustrative purposes, these forecasts assume the following:
  - At all test dates the property valuation is assumed to be equal to the December 2022 external property valuation of £770.5m
  - The forecasts assume no voluntary prepayments are made of any debt prior to 31 December 2025, despite significant excess cash balances throughout the period
- As such, the forecasts opposite should be considered to represent a highly prudent position. Even under these prudent assumptions, however, the forecasts indicate SGS' ability to comply with the LTV covenant at each test date up until 30 June 2025 (i.e. beyond the current maturity of the New Money, the Term Loan and the Series 1 Notes)
- A potential breach of the LTV covenant at the December 2025 test date will be avoided if a) the property valuations increase by at least £11m from their December 2022 valuations; or b) an additional £29m of prepayments are made to lenders, over-and-above the prepayments assumed in the base case forecast. For reference, the base case forecast assumes available cash of >£100m at December 2025
- As such, SGS expects to be able to meet the LTV covenant at each relevant test date

Appendix XIX: Capital Cost reconciliation to 2023 Business Plan



Appendix XX: Forecast Income Statement

£m	BP Year 1	BP Year 2	BP Year 3	Total
Period Start	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-23
Period End	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-26
Rental Income	**86.3**	**88.3**	**90.7**	**265.3**
Service Charge Shortfall	(14.6)	(14.9)	(13.1)	(42.7)
Net Property Expenses	(5.5)	(5.1)	(7.1)	(17.7)
Net Rental Income	**66.2**	**68.2**	**70.5**	**204.9**
Break Penalty & Dilapidations	0.9	0.5	0.3	1.7
Leasing Costs	(5.5)	(8.5)	(8.9)	(22.9)
Central Costs	(9.3)	(9.3)	(9.3)	(27.9)
Exceptionals	(0.9)	(4.0)	-	(4.9)
Operating profit / (loss) before Finance Costs	**51.4**	**46.9**	**52.5**	**150.8**
Finance Costs	(150.2)	(163.0)	(176.5)	(489.8)
Finance Income	3.4	2.5	2.6	8.5
Other Finance Costs	-	-	-	-
Profit / (loss) before Tax	**(95.4)**	**(113.6)**	**(121.5)**	**(330.5)**
Tax	-	-	-	
Profit / (loss) after Tax	**(95.4)**	**(113.6)**	**(121.5)**	**(330.5)**
EBITDA(1)	**52.3**	**50.9**	**52.5**	**155.7**

- Net Rental Income per the Income Statement is higher than Net Rental Income per the Cash Flow as a result of the differing accounting treatment of the following items:
  - **Rent Free Periods (included within Rental Income)**: For accounting purposes, rent-free periods are capitalised at the commencement of the lease as lease incentives, with the expense released to the Income Statement over the life of the lease (or earlier break date, where it is likely that the break will be exercised). In contrast, rent-free periods are accounted for in the cash flow in the period in which the rent is reduced. For example, if SGS agreed a 5-year lease with the first year being rent-free, the cost of the rent-free period in the Income Statement would be spread across 5 years (the length of the lease), whereas the rent-free period would be accounted for in the first year in the Cash Flow. Consequently, in years where the number of new/active rent-free periods is higher than the historical average, the total deduction to cash NRI will be higher than the deduction in the Income Statement
  - **Head Rent**: the fixed element of the Watford head rent is treated as a Finance Cost in the Income Statement, whereas the Cash Flow includes it within Net Property Expenses. Consequently, Net Property Expenses per the Income Statement is lower than per the Cash Flow, resulting in a higher Net Rental Income in the Income Statement
- Depreciation is not recognised in the Forecast Income Statement as the Group's real estate properties are fair valued at each balance sheet date
- Forecast Finance Costs as set out opposite are based on the commercial terms of each of the Group's debt facilities. These Finance Costs do not reflect accounting adjustments required by IFRS 9, which required the Group to fair value its borrowings at the date of the financial restructuring in June 2021 and then amortise (as an additional finance cost) the discount to nominal value over the expected life of the facilities

(1) EBITDA is calculated as Operating profit/(loss) after adding back exceptional items

Appendix XXI: Forecast Balance Sheet

In £m As at	31-Dec-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26
Fixed Assets					
Total Fixed Assets	**833.2**	**848.6**	**940.3**	**977.0**	**985.5**
Current Assets					
Current Assets (excl. Cash and Cash Equivalents)	29.4	29.8	25.9	22.7	20.8
Cash and cash equivalents	171.9	166.9	96.5	109.8	130.7
Total Current Assets	**201.3**	**196.8**	**122.3**	**132.5**	**151.5**
Total Assets	**1,034.5**	**1,045.4**	**1,062.6**	**1,109.5**	**1,137.0**
Current Liabilities					
Accrual and deferred income	(31.0)	(31.6)	(28.7)	(27.6)	(27.5)
Other Payables	(9.3)	(7.9)	(9.8)	(11.4)	(12.2)
Finance lease obligations < 1 yr	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)
Total Current Liabilities	**(42.4)**	**(41.6)**	**(40.6)**	**(41.0)**	**(41.8)**
Notes	(1,383.3)	(1,413.7)	(1,544.2)	(1,686.2)	(1,841.4)
Term Loan	(171.8)	(175.5)	(191.4)	(208.7)	(227.7)
Super Senior New Money Facility	(57.1)	(57.9)	(25.1)	(25.9)	0.0
Finance lease obligations > 1 yr	(53.9)	(53.9)	(53.9)	(53.9)	(53.9)
Total Long Term Liabilities	**(1,666.0)**	**(1,701.0)**	**(1,814.6)**	**(1,974.7)**	**(2,122.9)**
Total Liabilities	**(1,708.4)**	**(1,742.6)**	**(1,855.2)**	**(2,015.7)**	**(2,164.7)**
Net Assets / (Liabilities)	**(673.9)**	**(697.2)**	**(792.6)**	**(906.2)**	**(1,027.7)**
Shareholders' Funds	**(673.9)**	**(697.2)**	**(792.6)**	**(906.2)**	**(1,027.7)**

- The 31 December 2022 information presented opposite is based on a draft, unaudited consolidated SGS balance sheet
- Total fixed assets at 31 December 2022 comprise the four shopping centres at their external third party valuations, totalling £770.5m, plus the accounting value of the head lease at Charter Place, Watford (£56.0m) and capitalised letting costs (£6.7m). Capital Investment as per the 2023 Business Plan is added to the fixed asset balance over the Business Plan period
- All three series of Notes and the Term Loan are subject to 9% p.a. PIK interest. The Term Loan balance includes an amendment fee payable of £(3.0)m
- Interest on the Super Senior New Money Facility is payable at 6.25%. The Super Senior New Money balance as at 31-Dec-22 and 31-Mar-23 includes capitalised commitment fees totalling £(1.6)m. These commitment fees are assumed to be paid on the IPD in May 2023
- SGS has made the following modelling assumptions in respect of the debt:
  - All interest costs are calculated on a calendar month basis, with interest capitalising in May and November each year (the months containing the IPDs)
  - All cash flows, including interest payments and prepayments, have been assumed at month-end
  - All debt balances and interest have been calculated based on the commercial terms set out in the relevant facility documentation, and do not reflect accounting adjustments required by IFRS9
- Both the Series 1 Notes and the Term Loan mature on 31 March 2024, although the maturity of both facilities can be extended to 31 December 2024 if certain conditions are met. In order to show a full three-year Business Plan as required by the Facility Documents, SGS has modelled all series of Notes and the Term Loan up until 31 March 2026. SGS recognises that any extension of the maturity of the Series 1 Notes and the Term Loan beyond 31 December 2024 would require a further Consent solicitation process / restructuring of the debt

Appendix XXII: Asset Tax Bases

£m	Tax Base of Assets
Lakeside	700.1
Watford	236.1
Nottingham	153.5
Braehead	186.0
Total	**1,275.7**

- Based on tax advice, the tax base of the SGS assets is the market value of each asset at the time the Group's REIT status was lost (26 June 2020)
- The market valuations prepared as at 30 June 2020 have therefore been used as each asset's tax base. As a result of the SGS Propcos leaving the REIT regime, the SGS assets received an updated tax base equal to their market value at the time (i.e., the 30 June 2020 valuations)
- Stamp Duty will be charged on the gross proceeds received for the SGS assets, if they are sold as part of an asset sale as opposed to a share sale. Any stamp duty will be applied on a progressive scale up to 5%. SGS is in the early stages of assessing the optimal sale structure of the assets as part of its exit planning

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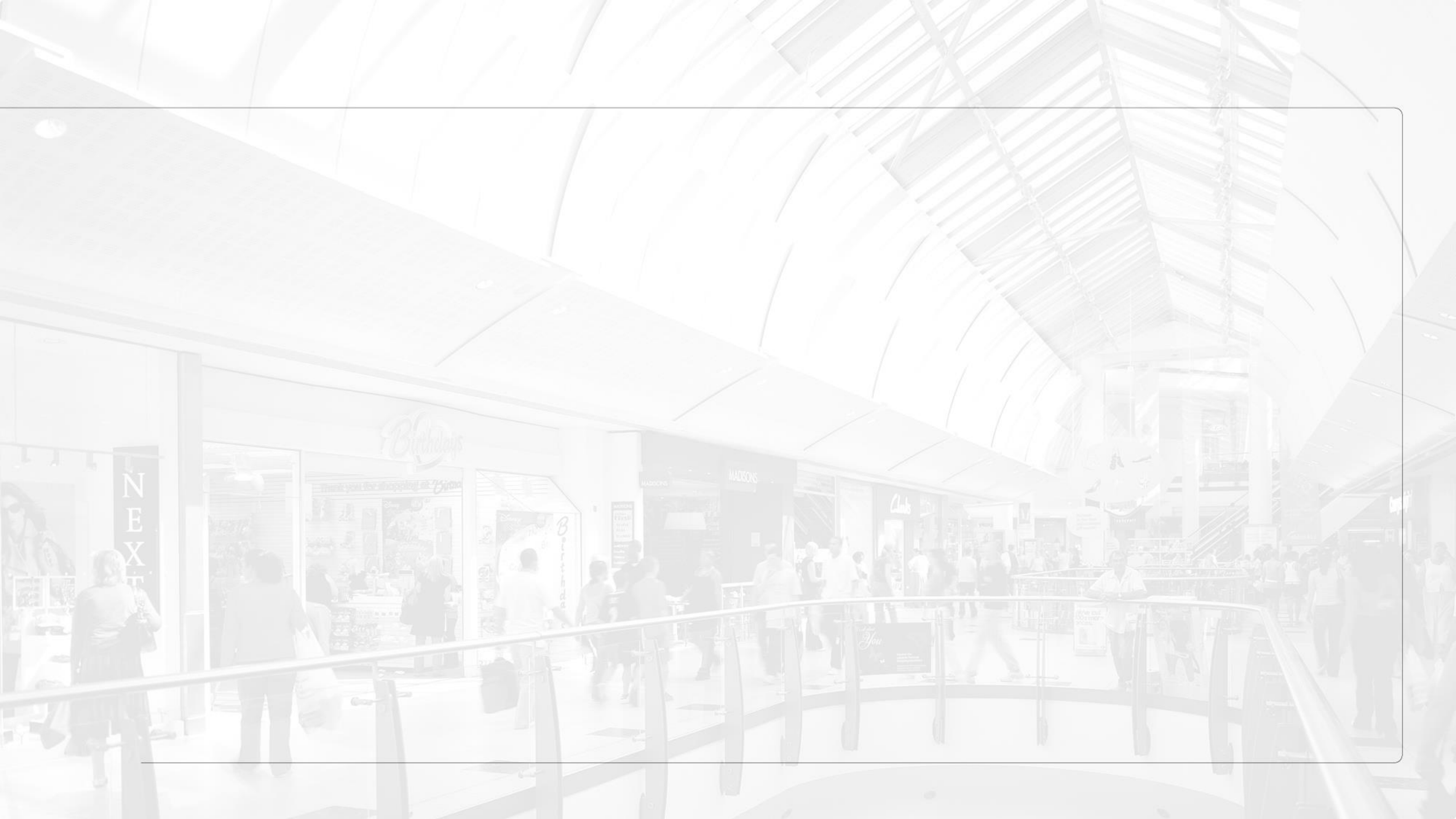
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