

Intu Debenture PLC

Exchange of Contract and Related Default

RNS Number: 9863G

INTU DEBENTURE PLC

LEI: 213800UX3TM5RGB1UF29

£354,876,000 5.562 per cent. First Mortgage Debenture Stock 2027 (the "**Debenture Stock**")

INTU DEBENTURE PLC (THE "**COMPANY**") ANNOUNCES EXCHANGE OF CONTRACT FOR SALE OF ASSETS AND RELATED DEFAULT

29 July 2021

Exchange of Contract for Sale of Assets

The Company announces the exchange of a sale contract for the disposal of all assets of Intu Bridlesmith Gate Limited (the "**IBG Assets**"). The exchange of contract took place on 29 July 2021 (the "**Sale Contract**") and the prospective third party purchaser has agreed to purchase the IBG Assets for a final price of £2,106,000 on arms' length terms.

Completion of the sale is subject to the satisfaction of certain conditions precedent by the Company, including obtaining all necessary consents as required under the Trust Deed (as defined below) for the proposed disposal of the IBG Assets and the related release of existing security over these assets. Completion is expected to take place on or before 7 October 2021, subject to any extensions mutually agreed between the Company and the prospective third party purchaser.

The sale of the IBG Assets is consistent with the Company's Business Plan and the proposed amendment and restructuring transaction, in each case as detailed in the related presentation and the debt and equity term sheets annexed to the Company's Stockholder Update of 22 January 2021 (the "**Stockholder Update**"), where it was noted that the Company intended to dispose of the IBG Assets as soon as possible in 2021 in order to support liquidity for the Company and its related group of companies. It was further noted at that time that any future increase in the value of the IBG Assets without material investment was unlikely and as such a sale of the IBG Assets to enhance liquidity and to prevent future costly capital expenditure on the IBG Assets was a priority for the Company.

Further to the Business Plan Update Report 2021, published on the Company's website on 26 July 2021, the sale of the IBG Assets was expected to be completed in Q3 2021 for an expected cash amount lower than that ultimately provided for in the Sale Contract. A competitive marketing and sale process for the IBG Assets, commenced in the period following the Stockholder Update, was conducted through Fisher Hargreaves Proctor Ltd. and resulted in multiple bids. This ultimately contributed to a higher sale price than was anticipated in the Business Plan Update Report 2021. The sale of the IBG Assets was approved by APAM Limited, as investment manager of the Company.

Consistent with the agreed terms of the restructuring transaction as set out in the Stockholder Update, it is proposed that proceeds received from the sale of the IBG Assets will be released to

rent accounts for liquidity and may be retained by the Company or a member of its group and applied as if such proceeds were rental income.

Event of Default

The Company acknowledges that execution of the Sale Contract is in breach of Clause 7.2 of the security agreement between, amongst others, the Company, certain of its subsidiaries party thereto and The Law Debenture Trust Corporation P.L.C. (the "**Trustee**"), dated 30 July 2020 (the "**Security Agreement**"), which prohibits the Company from agreeing to enter into a single transaction or series of transactions to sell of any security assets, which are charged under the Security Agreement. The Company confirms that the IBG Assets are charged under the Security Agreement.

Pursuant to Clause 17.1.7 of the Trust Deed, failure by the Company to comply with the observance of any covenant in a Finance Document, including the Security Agreement, will result in an Event of Default within fourteen days from the receipt of a notice in writing from the Trustee, which requires the Company to so comply.

The Company acknowledges that other Events of Default have occurred and are continuing under the Trust Deed including, without limitation, as a result of the Company's failure to make payment of the Scheduled Interest Amount and the Scheduled Redemption Amount otherwise due on 30 June 2020 (as deferred to 7 August 2020), 31 December 2020 and 30 June 2021.

The Company will continue to keep Stockholders notified of any relevant developments in accordance with applicable law and regulation, including as regards all consents required from the Stockholders in connection with disposal of the IBG Assets pursuant to the terms of the Trust Deed.

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

Please note that the Trustee has not been involved in the process associated with the Sale Contract and does not express any view or opinion on the Sale Contract or this announcement.

Stockholders should contact the following for further information:

Company

Simmons & Simmons LLP
Citypoint
1 Ropemaker Street
London
EC2Y 9SS
United Kingdom

Email: intu@simmons-simmons.com

Attention: Peter Manning and James Taylor

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Telephone: +44 371 664 0300

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

Email: shareholderenquiries@linkgroup.co.uk

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

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

This announcement is made by Intu Debenture PLC

Dated: 29 July 2021

This announcement is released by Intu Debenture PLC and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal Act) 2018 ("UK MAR"), encompassing certain information relating to the valuation of the Properties described above. For the purposes of UK MAR, this announcement is made by David Duggins (Director) at Intu Debenture PLC.