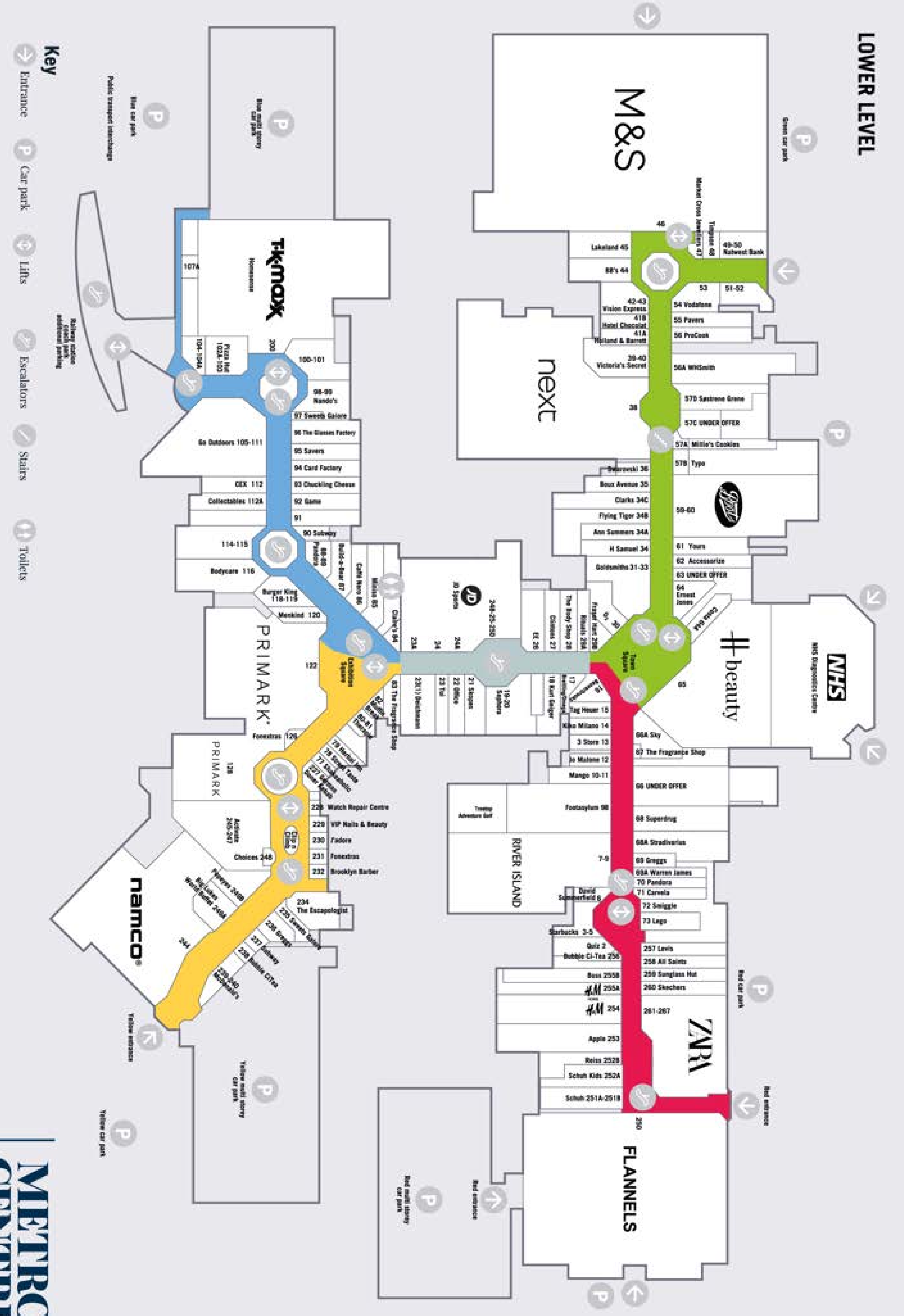
METROCENTRE

Review Of Business

Year Ended 31st December 2024

METRO CENTRE



METRO CENTRE
JUNE 2025

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Metrocentre.

Our story so far

1979

The power station's ash dump on the outskirts of Gateshead was chosen for development, valued at just £100,000.

1981

John Hall, a miner's son from Ashington, envisioned a state-of-the-art retail and leisure development, built by and for the people of the region. It was one of the first Enterprise Zones in the UK.

1984

Following an exhibition hosted by Gateshead Council, Metrocentre became "the next biggest thing." Local builders Rush and Tompkins designed and built the centre. Marks & Spencer announced that Metrocentre would house its first out-of-town store.

1985

The Church Commissioners provided long-term development capital. House of Fraser, the Burton Group, Goldsmiths, and BHS all signed up. In a first for a shopping centre, an AMC multi-cinema complex was announced.

1986

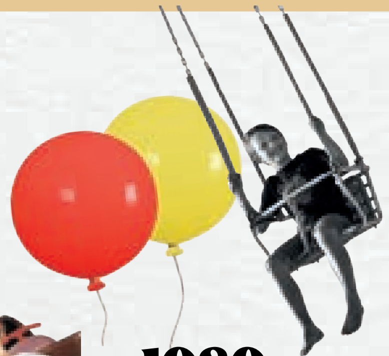
Red Mall opened with 13,000 visitors to European supermarket giant Carrefour on its first day, followed by the Green Mall opening.

1987

Blue and Yellow Malls opened, with themed areas such as the Antique Village and the Roman Forum, allowing small, independent retailers to open with little capital investment. The Church Commissioners bought out Sir John Hall's interest for £100m.

1988

Metroland, Europe's only indoor theme park in a shopping centre, opened at a cost of £20m, and remained open until 2008.



1989

The Children's Village, GX Superbowl, and coach park opened. By year-end, Metrocentre was fully operational.

1995

Capital Shopping Centres Group PLC (CSC) bought 90% of Metrocentre.

2000

Metrocentre expanded, demolishing an adjacent Asda store to make way for larger retail units. The Antique Village was refurbished and renamed The Village.

2004

New Red Mall opened with a flagship Debenhams store and 20 new retailers, generating more than 1,000 new jobs. The development added 371,000 sq ft of additional retail space, solidifying Metrocentre as Europe's largest retail centre at 1.818 million sq ft.

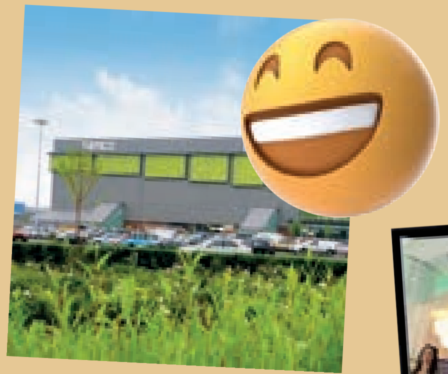
2005

£12m invested in a Public Transport Interchange to make public transport journeys easier. CSC started a major refurbishment to future proof Metrocentre.

2007

CSC entered into an agreement with GIC Real Estate (GIC RE) to acquire a 40% share of CSC's interest in Metrocentre.

25 YEARS metrocentre



2008

A £45m redevelopment of the Centre's Yellow Mall was announced, closing Metroland and the Bowling Centre to accommodate a spectacular leisure and dining area.

2009

New "Qube" area opened, along with NAMCO Funscape and Odeon cinema, complete with the only IMAX 3D screen in the region.

2011

The £5m construction of MetrOasis began, adding a further 15,000 sq ft of catering space.

2012

MetrOasis completed, with Krispy Kreme, Starbucks, Toby Carvery, and Harvester opening their doors.

2013

As part of a £25m investment, CSC rebranded to "intu Properties," resulting in a name change to intu Metrocentre.

The Elephant Parade visited Metrocentre as part of intu's first nationwide event, raising awareness of the environment and conservation.

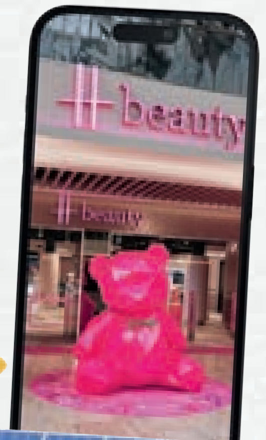
Work began on the £5m project to transform Central Mall into Platinum Mall, focusing on high-end brands.

2014

Work on Platinum Mall completed and "The Heart of a Thousand Crystals" was unveiled.

2016

A further £17m was spent on the refurbishment of The Qube, welcoming 11 new restaurants.



2020

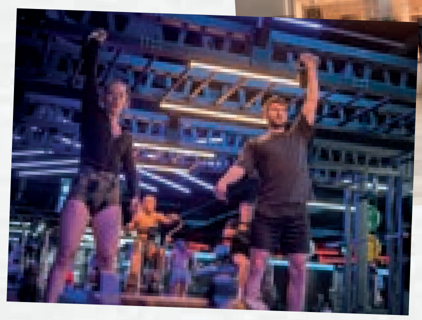
Metrocentre experienced its most challenging year. With COVID-19 striking in March, intu went into administration and Metrocentre became an independent asset under the ownership of The Metrocentre Partnership. Sovereign Centros were appointed as asset managers and Savills became the property managers for the Centre.

2021

A £70m investment pipeline was agreed to help reposition Metrocentre and meet changing consumer demands. A £5m refurbishment of Town Square began, delivering new lighting, flooring, seating and the greenery the Centre was once known for.

2022

Investment into Town Square helped secure the re-letting of the ground floor of the former House of Fraser to Harrods' H Beauty brand. £3.1m was invested into an award-winning solar panel and EV charging installation, 50% funded by ERDF.



2023

The Centre saw a record number of new leasings, refurbishments, upsizes, and renewals, with over 300,000 sq ft of brand commitments. The Frasers Group opened more than 180,000 sq ft of flagship space, including the UK's largest hybrid gym – Everlast Gyms. Zara doubled its size into a 42,000 sq ft unit.

2024

Metrocentre continued to evolve, offering new services such as the NHS Community Diagnostic Centre.

2025

The future looks bright for Metrocentre – watch this space!

METROCENTRE IN NUMBERS

THE CENTRE

270
retail brands, including over 60 restaurants, cafes and bars

Spans
150 acres
offering 10k free car parking spaces, a coach park that can accommodate up to 350 coaches, and a dedicated bus and rail terminal that services over four million visitors annually

1.8m
square feet of units arranged over two levels in five distinct malls

5k
square foot Community Hub

145k
appointments per year at NHS Community Diagnostic Centre, opened in October 2024

Metro Retail Park spans
208k
square feet

MetroOasis spans
14k
square feet

300k
shoppers come weekly and 2.5 million visitors live within 60 minutes

Driving
5.2%
of the GVA of the retail sector in the North East with £13.2 billion of retail spend online and in-store

1 in only 8
super regional out of town shopping centres in the UK. An irreplaceable asset

£88m
capital investment programme committed to transforming the centre and attracting major brands

SIGNIFICANT ASSET TO THE UK AND LOCAL ECONOMY

£800m
contributed to the UK economy

Provided
£603m
GVA based on the trading and operating metrics for the centre in relation to the year end 31st December 2022

£173m
contributed to the Exchequer

£102m
contributed to the UK economy, following the one off investment of £77m into the centre that was planned at the end of 2023

This level of investment has increased by an additional £11m to £88m

10.7k
jobs provided in the UK, including 5,200 in the North East specifically

CHANGES MADE SINCE METROCENTRE WAS SET UP ON ITS OWN INDEPENDENT PLATFORM IN OCTOBER 2020

59
new tenants welcomed, covering 450,000 sq ft from October 2020 to end of Q4 2024

£50k
invested in updating the Keelman's Way cycle path, implementing new paving, cleaning the pathways and adding lighting

£3.1m
invested in 5,376 solar panels on the roof and the car ports at Metrocentre

£5m
recently invested in redeveloping and modernising Metro Retail Park

124
EV charging points installed at the centre, with plans to increase this to 174 by Q1 2026

2.35mW
generated in the last year – enough energy to power c.870 UK households

£6m
redevelopment planned for Green Mall entrance, enhancing F&B offering and improving public realm

GATESHEAD AND THE NORTH EAST

Metrocentre is proudly rooted in the heart of the North East, on the southern bank of the River Tyne in Gateshead. Overlooked by the Angel of the North – Britain's largest sculpture and a modern Wonder of Britain – the region is known for its resilience, community spirit and proud industrial heritage. Once fuelled by a thriving coal industry that, at its peak in 1913, produced a quarter of the UK's coal, the area has since undergone a remarkable transformation.

Following the closure of the coalfields in the 1980s, Gateshead embarked on an ambitious regeneration journey, turning derelict land into dynamic cultural hubs. Today, the revitalised Quayside and its iconic landmarks are a testament to that energy and pride; qualities that Metrocentre embodies every day.

In 2023, Gateshead Council secured £20 million in Levelling Up funding to invest in The Sage – a visionary arena, conference and exhibition centre that will boost the region's global profile and strengthen its visitor economy. Part of the wider "Riverside Renaissance" programme, this regeneration will stretch along the riverside from Gateshead Quays to the Derwent Valley, encompassing Metrocentre's 150-acre estate – ensuring the future is as bright as the past is proud.

METROCENTRE: A POWERHOUSE WITH PURPOSE

At Metrocentre, we believe bigger is better – but only when it's built on passion, pride and purpose. As one of the region's largest employers, Metrocentre supports almost 11,000 jobs, including around 5,200 within the centre itself and more than 6,000 roles across the wider economy.

In 2024, 15.8 million visitors made their way to Metrocentre – and there are many reasons why they keep coming back. Friends reasons. Family reasons. Rainy-day reasons. Gift-buying, fashion-finding, meal-sharing reasons. Metrocentre is more than a shopping destination; it's a people place, a community hub, a day-out made better.

We're proud to contribute around £800 million annually to the local and national economy, driving 5.2% of the Gross Value Add ("GVA) of the retail sector in the North East. With nearly 300,000 visitors every week and a catchment of 2.5 million people within an hour's drive, Metrocentre isn't just at the heart of Gateshead – it's at the heart of the region's everyday life. And our reach extends even further, with a loyal following from Scotland and across the UK.

BIGGER, BETTER, GREENER

'We give a damn' is a reason.

Metrocentre is the largest shopping centre outside of London, offering visitors an unmatched variety across 150 acres. Home to over 270 retail brands and more than 60 restaurants, cafés and bars, it's a destination where shopping, dining and leisure come together effortlessly. Whether catching the latest blockbuster at the multiplex cinema or enjoying family fun at Namco Funscape – complete with bowling, arcades and dodgems – there are endless ways to spend a great day out.

The centre is designed with ease in mind: we offer 10,000 free parking spaces, a coach park for up to 350 vehicles, a dedicated bus and rail interchange, and free parking for all employees working across the centre. In fact, 21% of our total footfall – approximately 3.3 million visitors – comes directly through the Metrocentre Transport Interchange in the Blue Mall, highlighting our commitment to accessibility and connectivity.

But size is only part of the story. Metrocentre leads the way in environmental responsibility, with the largest solar panel installation and electric vehicle infrastructure of any UK shopping centre. Through our Sustainability Action Plan, and by supporting initiatives around education, skills, employment and health, we aim to make a real difference beyond our doors. We're proud to be recognised as the UK's leading shopping centre for environmental, social and governance (ESG) leadership – because success isn't only measured in footfall and sales, but in the positive impact we create.

METROCENTRE VALUES: A PEOPLE THING

Our people make us who we are. Whether it is our team providing great service, the brilliant colleagues working for our tenants, or the nearly 16m visitors who enjoy the centre every year – we have great people.

No matter how big or brilliant Metrocentre becomes, some things will never change. Since day one, we've stayed true to our values: pride in our people, passion for our place, and a genuine commitment to making every visit better.

INVESTORS IN PEOPLE
We invest in people Silver

Our mission is simple: to help people have a better day. And there are a gazillion ways we do it. It's a people thing. It's a pride thing. It's a passion thing. And it's why Metrocentre continues to matter so much to so many.

This is reflected by the fact Metrocentre has achieved silver accreditation from Investors in People (IiP). This is an internationally recognised accreditation for people management and employee wellbeing, IiP assesses how well an organisation manages and develops its people, with the goal of improving performance and employee satisfaction. The Metrocentre's endorsement is testament to our commitment to our people.

HELPING PEOPLE HAVE A BETTER DAY.

This is our most important reason.

We make everyone feel welcome and at home

We believe in community, belonging and togetherness

We care about giving back to those who need it most

We live our promises, always

We fill people's hearts with Metrocentre joy

METROCENTRE'S SIGNIFICANT CONTRIBUTION TO THE LOCAL AND UK ECONOMY

Annual GVA	£603m	Gross value added (GVA) is the economic productivity metric that measures the contribution of Metrocentre to the North East and the UK. It represents the level of sustainable and maintainable value add by Metrocentre based on the trading and operating metrics for the centre in relation to the year ended 31st December 2022.
Contribution to the Exchequer	£173m	The contribution to the Exchequer represents the taxation (direct and indirect) paid by Metrocentre, tenants and suppliers, including some £17m of rates each year by Metrocentre and its tenants.
Investment induced GVA	£102m	Based on its 2024 Business Plan Metrocentre was planning to spend £77m. In the 2025 Business Plan the level of such capital expenditure is expected to increase to £88m.
Jobs: North East Rest of UK	10,700 6,400 5,200	The activities of Metrocentre support some 10,700 jobs in the UK (including 5,200 based in the North East). Metrocentre has been open for nearly 40 years and our plans are focused on making sure it stays open and trading successfully for at least another 40 years.

The information detailed in the above table has been collated from an independent review undertaken by Ernst Young in March 2023. This review was commissioned by the directors of Metrocentre to provide an independent assessment of the socio economic impact that Metrocentre has on the economy of the North East region and the UK generally either, directly or through its tenants

OUR TENANTS AT METROCENTRE

MALL	FLOOR AREA SQ FT'000	KEY TENANTS
Red Mall	464.5	Flannels, Sports Direct, Zara, H&M, Footasylum, River Island, Apple
Blue Mall	281.9	Primark, TK Maxx, Go Outdoors, Nandos
Yellow Mall	282.2	Odeon IMAX, Namco, Treetop Golf, TGI Fridays, Five Guys, Wagamama
Green Mall	589.0	M&S, Next, Boots, H Beauty, NHS CDC, Goldsmiths
Platinum Mall	104.7	JD Sports, Sephora, Rituals, Omega
Other	57.3	The Village/Forum, storage and ancillary spaces
TOTAL METROCENTRE	**1,779.6**	

OUR CUSTOMERS

“

I LOVE Metrocentre! There’s everything you need: from the cinema to the food to any shops you can think of! It’s just the best mall ever!” **— MM**

“

Had an amazing day overall with lots of new shops that had opened that I hadn’t realised were there. Still my go to place for clothes and gifts. Visited the food court and could not decide what to have - so much to choose from. Looking forward to the new shops that were advertised as coming soon.” **— Merika H**

“

“I had a fantastic day out at the Metrocentre, I was amazed at how clean and tidy the whole place was and the toilets were immaculate. The staff who work at the Metrocentre were very helpful and nothing was a problem. The customer service was to a high standard.” **— Heather F**

“

“A great range of shops, I think I’d be right in saying if you’re from the North East you’ve definitely spent many, many days out here. Practical to buy things and just an all round fun time. Many restaurants to choose from or just pop into Greggs. Anyone not from up here but visiting should definitely go as it’s a great day out.” **— Jan**

“

I had a brilliant day at Metrocentre - there’s loads to do, from shopping and eating to fun stuff for the kids. The place is massive with four different malls, free parking, and loads of food options. There were plenty of activities for the kids, and the indoor play area and train in particular were a big hit. The centre is also accessible, with a friendly and approachable customer service team. You could easily spend hours here and still not see everything!” **— Andy S**

METROCENTRE AT THE HEART OF THE COMMUNITY

MEETING MODERN NEEDS AND DRIVING GROWTH IN THE REGION

Metrocentre is a flagship destination for the North East - a thriving hub of commerce, community and culture that plays a vital role in the region's ongoing prosperity. More than just a retail centre, it offers the scale and variety of a traditional town centre, with all the convenience, infrastructure and experience of a modern shopping destination under one roof.

At a time when the UK high street continues to face significant challenges - from shifting consumer habits to rising operational costs - shopping centres like Metrocentre are proving their enduring value. With the increasing costs of online shopping, including fulfilment, delivery and returns, many consumers are re-evaluating how and where they spend their money. Metrocentre combines retail, hospitality, entertainment, community spaces and healthcare services in one easy-to-access location, providing a convenient and holistic solution to changing consumer shopping habits.

With a single, strategic owner behind its vision, Metrocentre also offers a more sustainable and flexible alternative to the fragmented and often underinvested UK high street. Occupiers benefit from competitive rents, high-specification units and a growing, engaged customer base - while the community benefits from a dynamic, welcoming space that supports modern lifestyles.

BUILDING A SUSTAINABLE FUTURE WITH A £3.1 MILLION SOLAR PROJECT

Making a positive difference to the local community we live and work in is at the heart of everything we do. It is unlikely that shopping centres of a scale similar to Metrocentre will ever be built again in the UK, with Local Authorities adopting far more restrictive approaches to out-of-town shopping centre developments in order to protect existing town centres and shopping centres.

That is why we are committed to giving back to our community through providing employment and education, supporting those in need, and protecting the centre's future by investing in our infrastructure.

THE COMMUNITY HUB

We believe people and community are everything. We will always be a centre for the people in the North East. And we do all we can to ensure Metrocentre really matters in people's lives. Our Community Hub (the "Hub") occupies a 5,000 sq ft unit in upper Green Mall. It has two fully furnished classrooms and community rooms as well as an internal gallery space. The rooms are available to hire by local community groups and charities, such as mother and baby groups, art classes and wellness coaches. Bookings for the Hub are up 60% compared to 2022, demonstrating the value it holds within the community (1,040 bookings in 2022 compared with 1,655 in 2023).

> "The Metrocentre Community Hub has been an amazing space for us to make use of. It's central with great bus and train links which makes it accessible to all. We work with carers of all ages to provide support and guidance and offer respite activities to those who need them."
>
> **Christine Tindale – Carers Federation**

> "The School Age Immunisation team began holding community clinics in 2023 and The Community Hub has proven to be invaluable to our service. We deliver vaccinations to Gateshead, Newcastle, North Tyneside and Northumberland for flu and the adolescent programme, which protects teenagers from HPV related cancers, Diphtheria, Tetanus, Polio, Meningitis strains ACWY and opportunistic Measles Mumps and Rubella vaccinations.
>
> The location of the Metrocentre with its free parking and great transport links is a real incentive for families as they can combine leisure or shopping with the convenience of protecting their children. Our home educated children also attend this clinic space and we have good uptake rates. It is our most successful clinic with 100% of our available appointment spaces consistently booked. We even have families attend from Berwick!"
>
> **Caroline Smith, Clinical Lead**
> **School Age Immunisation Service**

PARTNERSHIP WITH NEWCASTLE UNITED FOUNDATION

The Hub is now also home to the Careers Hub, operated by Newcastle United Foundation, which provides free access to career advice and guidance for young people. With two Newcastle United Foundation staff members based at the Careers Hub, the centre provides an inclusive space for young people to explore employment opportunities and receive support in developing workplace skills.

Since opening in December 2023, more than 1,000 young people from primary and secondary schools and college groups from across the North East have enjoyed sessions and workshops in the Careers Hub, including CV writing and job interview support, and site visits to businesses within the shopping centre for leisure and dining. Retailers within Metrocentre that have hosted students accessing the Careers Hub include Apple, The Entertainer, Grounded Kitchen, Metrocentre's Environmental Services and Marketing teams, Nando's, Primark and Wagamama, allowing young people to explore a range of roles available to them in future.

> "The staff were amazing – they helped me get a job quite quickly. They supported me through the job interview and made me feel very comfortable and not nervous. They checked up on me and asked how I was finding work and overall, I had a really positive experience."
>
> **Chloe, aged 16**

CELEBRATING NATIONAL DOWN'S SYNDROME DAY

To mark National Down's Syndrome Day, we partnered with local photographer and advocate Debbie Todd, to host her powerful photography exhibition and Down's Syndrome Campaign 'Extra Ordinary'. The exhibition featured 43 stunning portraits of children with Down's Syndrome, capturing their personalities, interests, and individuality. It challenged outdated assumptions and highlights the immense value these children bring to their families and communities. As part of the display, Metrocentre employees Gary and Philippa, who both have Down's Syndrome, were also featured, reinforcing the message that individuals with Down's Syndrome can thrive in the workplace and beyond.

Gary, who joined our Environmental Services team six months ago, said, "Working at Metrocentre is a great job. I like being part of the team, and everyone is so nice to me. The people I work with are all very lovely and caring. I love doing all the cleaning and like being with people."

GUIDE DOGS - SIGHTED GUIDE TRAINING AT METROCENTRE

In partnership with Guide Dogs, 22 customer-facing Metrocentre employees and four retailer colleagues have undertaken training to help them understand common eye conditions, the emotional consequences and barriers to independence that sight-impaired people face, and the practical guiding techniques that our teams can use to assist them.

UPSKILLING OUR TEAM MEMBERS IN MENTAL HEALTH TRAINING

We now have over 30 team members trained in New Guard safety, to ensure leaders and team members know and understand their duty of care and can support those who are struggling to cope alone. New Guard safety training includes vulnerability awareness, communication skills and mental health awareness.

PARTNERSHIP WITH SIGN LIVE

We are excited to have partnered with SignLive, a Deaf-owned and Deaf-led UK-based organisation providing online video British Sign Language (BSL) interpreting services. This partnership ensures that Deaf and hard-of-hearing individuals can seamlessly access information and services while visiting the centre.

BSL users can easily connect to the SignLive app to communicate with a qualified BSL interpreter. The interpreter will relay the message to a member of our teams via video or phone call, providing real-time assistance. This service helps with store directories, opening times, gift card purchases, Shopmobility hire, and more.

REMODELLING A NORTH EAST ICON WITH A COMMITTED CAPITAL PROGRAMME OF OVER £88M

Metrocentre has received backing from its financial stakeholders through a dedicated capital investment programme totalling £88 million. This initiative aims to tackle longstanding challenges while enhancing the centre's appeal by ensuring it remains modern and relevant. The investment programme has supported a successful turnaround of the centre, which is already seeing benefits, including:

- Helping 113 existing retailers to upsize, relocate and refurbish their stores, including Footasylum, Victoria's Secret and Clarks
- The delivery of a £3.1m investment in a solar panel scheme; the largest installation in a UK Shopping Centre, equivalent to 72 football pitches laid end to end
- Installation of 174 EV charging units, available for use at Metrocentre by Q1 2026

Sovereign Centros, a widely respected Asset Manager, is responsible for overseeing the implementation of this capital programme. Governance and oversight are handled by Metrocentre's board, which is composed of two experienced independent directors: Martin Healy (Chairman, an expert who has a background in owning and managing assets) and Tim Haden Scott (a prominent real estate specialist with significant operational and transactional experience from his career at Delancey Real Estate Management).

DEALING WITH OLD ANCHORS

Originally, the Centre was anchored by five principal department/variety stores representing some 631,000sq ft (over 30% of the centre's lettable space). Our focused letting programme has enabled us to successfully navigate the demise of certain old anchors, and we have confidence in our plans to lease up all vacant department store space by the end of 2026.

ORIGINAL TENANT	FLOOR AREA SQ FT'000	CURRENT TENANT	FLOOR AREA SQ FT'000
Primark	83	Primark	102
Marks & Spencer	158	Marks & Spencer	158
Debenhams	180	"Flannels / Sports Direct/ Everlast Gym"	180
House of Fraser	138	H Beauty NHS CDC To Let	30 40 68
BHS	72	Next	72
TOTAL	**631**	**TOTAL**	**650**

TENANTS

Metrocentre introduced an array of new occupiers in 2024, with 22 new lettings completed to tenants including Sephora, Mango, and Reiss, alongside regional debuts for Sosandar and GO Outdoors. The leisure offer continues to strengthen with lettings completed to Peppa Pig's Surprise Party and The Escapologist which were supplemented by further evolution of the F&B mix, with the likes of Tomahawk Steakhouse, German Doner Kebab and YoYo Noodle all taking new stores.

Renewals were achieved with 20 occupiers including key tenants such as River Island, Buzz Bingo, Nando's and Levis as well as relocations of tenants such as Footasylum, Victoria's Secret, Clarks and Jack & Jones into optimised stores, ensuring the visitor experience is fresh and unique. This is reflective of the fact that major retail centres with high footfall are even more attractive to retailers in today's economic environment, and we are delighted to bring such a diverse array of shops, restaurants and entertainment to consumers.

SEPHORA

Located in Lower Platinum Mall, spanning 6,000 square ft, the new store features exclusive brands you won't find anywhere else in the North East. It also offers a range of in-store beauty services and the team of Beauty Advisers can provide quick treatments and "full glam" makeup looks, with shoppers able to book services. Exclusive brands available in-store include Makeup by Mario, Topicals, GXVE by Gwen Stefani, Haus Labs by Lady Gaga, One/Size by Patrick Starrr, Tarte, Vegamour, Skinfix, Adwoa Beauty, Salt & Stone, and Naked Sundays.

Sarah Boyd, Managing Director of Sephora UK, stated: "Continuing our trend of listening to our customers and where they want to see us open, we heard the beauty community of the North East loud and clear. Metrocentre is one of the largest retail destinations across Europe, and joining the booming shopping centre is an exciting chapter in our continued expansion in the UK."

MANGO

Located in Lower Red Mall, the new store offers everything you need. From standout pieces to chic everyday wear, all inspired by the latest trends with a Mediterranean twist. Located next to Jo Malone and within touching distance of Zara and Flannels, the new 6,000 sq ft unit was months in the making.

REISS

Located in the Red Mall, spanning a 4,000 square ft space, the store offers a stylish selection of menswear, womenswear, and accessories, bringing their premium, contemporary collections to the heart of Gateshead.

“

I have worked at Metrocentre for over 5 years in various positions with centre retailers, and in my most recent position for a little over a year now, and I have genuinely loved every minute! Metrocentre is such an icon of the Northeast, and I am so proud to say I work, not just in the Metrocentre, but for it. My particular role means I engage with all departments within Metrocentre, from our technical teams to Customer Services, and of course with our huge array of retailers. The whole team have been so welcoming.

No question is a stupid question, and I ask a lot of questions! With everything I have learnt and continue to learn from my colleagues, I am better placed to do my job to the best of my ability, help our retailers and ultimately help our customers have the best shopping experience possible.”

Rachael Stephenson, Retail Liaison Manager

INCREASING THE VARIETY OF TENANTS

In addition to the traditional anchors, a new kind of anchor is emerging as the dynamics of shopping centres change. The Metrocentre team recognises and is responsive to the changing needs of these occupiers, working with them to adapt space and positioning.

SAYING GOODBYE TO OLD TENANTS

The current pressures on the retail market, particularly in relation to the demise of the traditional department store, have challenged owners and investors to adapt how the space is used. As part of the remoulding of Metrocentre, we’ve also said goodbye to a number of valued tenants who have gone onto pastures new. These retailers include Superdry, Guess and Jack Wills. We are grateful for the valuable contribution they have made to Metrocentre.

NEW LETTINGS 2024 H2

TENTANT	FLOOR AREA (SQ FT)	DATE
Procook	3,352	Q3 2024
KIKO Milano	1,460	Q3 2024
German Doner Kebab	1,330	Q3 2024
VIP Nails and Beauty	247	Q3 2024
Newcastle United	2,898	Q3 2024
Greggs	3,491	Q3 2024
Brows	1,333	Q3 2024
Sosandar	1,886	Q3 2024
Tomahawk Steakhouse	2,749	Q3 2024
Pavers	3,351	Q4 2024
Peppa Pig Surprise Party	19,434	Q4 2024
Demanded Streetwear	675	Q4 2024
Reiss	3,933	Q4 2024
Ionity	0	Q4 2024

RENEWALS

TENANT	FLOOR AREA (SQ FT)	DATE
Holland & Barrett	1,949	Q1 2024
Hollywood Nails	1,903	Q1 2024
Nando's	4,609	Q1 2024
Hot Hair!	265	Q1 2024
Cover Nails	853	Q1 2024
Typo	1,445	Q2 2024
McDonald's	1,841	Q2 2024
Demure Leather	460	Q2 2024
Kuoni	822	Q2 2024
Apricot	6,021	Q2 2024
Warhammer	741	Q2 2024
BUBBLE CI.TEA	239	Q2 2024
Petite Delice	885	Q2 2024
Levis	2,558	Q2 2024
Accessorize	2,536	Q3 2024
Pandora	1,280	Q3 2024
fone Xtras	288	Q3 2024
fone Xtras	150	Q3 2024
Big Lukes World Buffet	3,911	Q3 2024
L'Occitane	742	Q3 2024
River Island	25,493	Q3 2024
TUI	2,268	Q4 2024
Buzz Bingo	36,378	Q4 2024

ENHANCED SERVICES

We are taking an innovative approach to adapting our spaces for today's visitor, challenging the concept of mixed use to realise the full potential of Metrocentre, both now, and in the future.

CHEC EYECARE CENTRE

In June 2022 the 6,000 sq ft CHEC Community Ophthalmology Hospital opened in upper Blue Mall. Its services include cataract surgery, glaucoma monitoring and minor operations. Waiting times are 0-4 weeks for all treatments and include free transportation for patients.

CDC

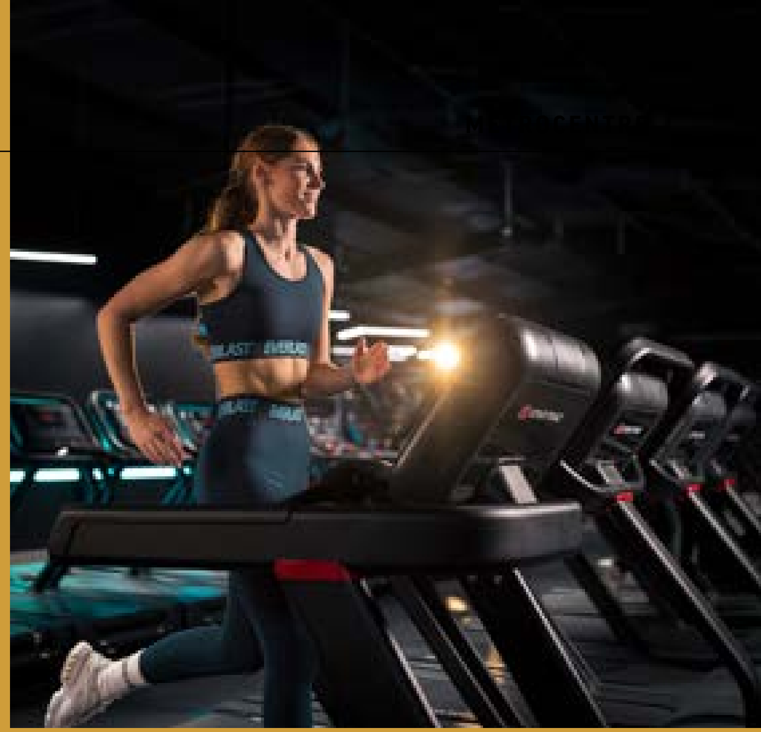
In partnership with Gateshead Health NHS Foundation Trust and Newcastle Hospitals we opened the Community Diagnostic Centre (CDC) at Metrocentre in October 2024. The CDC is primed to be a flagship facility for the region and will offer 145,000 appointments per year, creating 134 new jobs. The CDC provides imaging, respiratory investigations and cardiac investigations with the centre designed to create capacity for these services that are seeing increased referrals. It is an important step in providing improved access to screening and diagnostic services outside of a hospital setting for the people of Gateshead and Newcastle, and the migration of Metrocentre becoming a complete town centre.

OVERALL LEASING ACTIVITY

At the time of taking over management in October 2020, there were some 152 leases subject to break or expiry by December 2022. Notwithstanding the turbulence of the pandemic and the ongoing cost of living headwinds, only 28 tenants exited the Centre in the period with a further eight tenants lost due to insolvency. The exits were largely due to strategic decisions being taken by corporate head office, for example Disney on Platinum Mall or Hamleys on Green Mall.

This pattern of strong tenant retention continued in 2023, which saw only five tenant exits (totalling less than 10,000 sq ft) and three losses due to insolvency. Whilst the 10 tenant exits of 2024 are a slight increase, with one further loss due to insolvency, in part this reflects the improving tone of occupier with five of the exits being engineered for an immediate reletting to an alternative retailer on improved commercial terms.

Conversely, the weight of positive leasing activity achieved in this same timeframe (since taking over management in October 2020) is such that at 2024 year end, we have completed a lease event in c. 1,000,000 sq ft (representing 51.1% of the total floor area) delivering £27.8m of gross rental income (62.5% of the total). The trend of rental outperformance to business plan reported in previous years was continued in 2024, with the rents achieved on completed leasing activity being 7.0% higher than business plan assumptions overall.



A REVITALISED RETAIL PARK

Metro Retail Park is the destination for furniture, home, lifestyle and family brands. Spanning 208,000 sq ft, the park has recently benefitted from over £5 million of investment, including significant redevelopment following the demolition of a former Toys R Us store, which has been replaced with a contemporary terrace. The new development houses three new brands:

10,000 sq ft
Designer Sofas

7,500 sq ft
Dreams

7,500 sq ft
NCF Living

The new leases have set a fresh tone for the park and prompted existing tenants to enhance their shopfronts to match the upgraded surroundings. In the past year, a further £328,000 has been invested into resurfacing and landscaping the retail park, contributing to a more attractive and accessible environment. The park is now fully let and includes 12 newly installed IONITY fast EV chargers, supporting the centre's wider sustainability commitments.

INVESTING IN OUR ENVIRONMENT

We are chuffed to be the UK's leading shopping centre when it comes to environmental, social and governance matters. How we measure up beyond business metrics really matters to us. And we think it's another reason to love Metrocentre.

Metrocentre is designed not just for today's consumers, but for the future of retail. Our strategy focuses on creating well-balanced zones that seamlessly integrate retail, leisure and essential services - delivering an environment that meets the evolving needs of 21st century brands and their customers.

Looking ahead, the centre has an ambitious plan to achieve net-zero status by 2050; the first phase (scope one) includes the decarbonisation of the centre, taking out historic gas dependent supplies, and replacing with electrical systems, and this is planned to be completed by 2033. Scopes two and three will be completed by 2050. Part of the progress also includes a fundamental shift towards active travel and public transport, as well as a long-term goal of achieving renewable energy self-sufficiency. Through smart investment and sustainable innovation, Metrocentre is positioning itself as a resilient, future-ready asset - built to thrive in a low-carbon economy.

CREATING A SUSTAINABLE FUTURE WITH £3.1 MILLION SOLAR PROJECT

Work has recently completed on our ambitious £3.1 million solar project at Metrocentre, marking a significant step towards a more sustainable future. The installation includes over 5,376 solar panels across rooftop and carport locations, making it one of the largest solar panel schemes in a UK shopping centre. The first two phases saw the installation of 5,358 solar panels, and discussions are already underway for phase three.

The panels are generating an impressive 2.35MW of electricity, which equates to approximately 40% of Metrocentre's annual electricity usage - enough to power around 870 average UK households. This initiative has significantly reduced the centre's reliance on the grid and represents a major step in cutting carbon emissions. By offsetting a substantial portion of its energy needs with a low-carbon supply, Metrocentre is demonstrating its commitment to sustainability and leading the way in renewable energy adoption within the retail sector.

CLIMATE ACTION NORTH PARTNERSHIP

Metrocentre recently partnered with Climate Action North, to work on rewilding outdoor areas and increasing biodiversity across the centre's grounds. This includes creating wildflower meadows, enhancing scrubland, and planting native plants and trees for biodiversity as part of Climate Action North's Pollinator Parks initiative. The goal is to allow nature to flourish naturally and provide safe spaces for local wildlife to thrive.

Gavin Prior, Metrocentre Centre Director said: "We're proud to work with Climate Action North to make a positive impact on our environment. This project supports our ongoing sustainability efforts and gives our community a chance to engage with nature."

TREE BUDDIES INITIATIVE

Following the successful implementation of the solar project, Metrocentre launched a sustainability initiative to help inspire the younger generation. Tree Buddies sees Metrocentre partner with local schools across the region to re-wild their green spaces and plant trees to reduce the impact of emissions generated by staff travel. Ryton Junior School, Bridgewater Primary, Swalwell Primary and Shotley Bridge Infants and Juniors were the first schools to engage with the initiative in 2023 and to date, 50 trees have been planted, offsetting carbon emissions from 400 staff journeys.

EXPANDING OUR EV INFRASTRUCTURE WITH 116 NEW CHARGING PORTS

Major investment into EV charging points has already been made, with 124 charging points installed at the centre to date and a plan to increase this to 174 by the end of 2025. The solar panels fitted above each of the 24 EV parking bays that are situated under the solar ports in the Green Car Park will provide emissions-free "fuel" for 7,230 electric car miles.

The EV charging points are spread across five of the centre's car parks and our plan anticipates that approximately 40% of chargers will be fast chargers which will top-up most cars in a couple of hours, in line with the average dwell time at Metrocentre. There are also rapid chargers for on-the-go visitors who need a faster getaway.

The table on the next page demonstrates the type of chargers that will be - or have been - installed, when this is due to happen, and where they will be located.

		GREEN ENTRANCE	YELLOW MULTI STOREY	METROASIS	GREEN ENTRANCE	GREEN CAR PARK / SOLAR POWERED (UNDER SOLAR CAR PORTS)	GREEN CAR PARK / SOLAR POWERED (NOT UNDER SOLAR CANOPY)	YELLOW CAR PARK	METRO RETAIL PARK	RED CAR PARK	RED CAR PARK	GREEN CAR PARK ADDITIONAL	TOTAL		
		SLOW CHARGE	SLOW CHARGE	FAST CHARGE	FAST CHARGE	SLOW CHARGE	SLOW CHARGE	SLOW CHARGE	FAST CHARGE	SLOW CHARGE	FAST CHARGE	FAST CHARGE			
Q1 2022	Mer	2	4										6	10	Q1 2022
Q1 2022	Blink			4									4		
Q4 2022	Zest				2			40					42	88	Q4 2022
Q4 2022	Mer					24	22						46		
Q4 2023	Ionity								6				6	20	Q4 2023
Q4 2023	Zest									14			14		
Q3 2024	Ionity								6				6	6	Q4 2024
Q4 2025	Gridserve										16	36	52	52	Q1 2025

Mer	52		
Blink	4		
Zest	56		
Ionity	12	124	INSTALLED
Gridserve	52	52	TO BE INSTALLED
		176	TOTAL

Ionity	12	
Blink	4	
Zest	56	
Mer	52	124
Gridserve	52	176

TOTAL CHARGERS	176	
TOTAL FAST CHARGERS	70	
TOTAL SLOW CHARGERS	106	
TOTAL CHARGERS INSTALLED TO DATE	124	
TOTAL CHARGERS YET TO BE INSTALLED	52	52 X Q2 2025
TOTAL	176	

INVESTING IN OUR GREEN TRAVEL PLAN

Metrocentre is vital to the current and future economy of the North East and the ease of how people access the centre, for work or leisure, will have an impact on its success. In collaboration with Gateshead Council, and as part of the Transforming Cities Fund, we are enhancing active travel connections between Newcastle city centre and the Derwent Valley.

As part of this initiative, and in support of the wider regional strategy, Metrocentre is investing £50,000 to upgrade a section of the Keelman's Way cycle path, which runs through our estate. Improvements include resurfacing the route, deep-cleaning the pathways, and installing new lighting to create a safer, cleaner and more welcoming environment for cyclists. We've also introduced brand-new cycle shelters and upgraded our on-site shower facilities to encourage greener commuting to and from the centre.

AWARD WINNING OFFER

We are proud that Metrocentre has been recognised for its commitment to creating a more sustainable future. Awards we have won, include:

THE GREEN APPLE ENVIRONMENT AWARDS
Rewarding & promoting environmental best practice since 1994

SCEPTRE AWARDS™
BEST PRACTICE
BEST PEOPLE

GREEN APPLE AWARD

The centre has won the coveted Green Apple award for three years running in 2024, 2023 and 2022 for a variety of environmental projects.

SCEPTRE AWARD

The centre received a prestigious Sceptre Award for 'Sustainability Initiative of the Year' 2023 for the Solar and EV charging project.

SUSTAINABLE WASTE MANAGEMENT

Metrocentre is proud to have achieved 100% waste diversion from landfill, reflecting our commitment to environmental responsibility. Half of all waste generated on site is recycled, while the remaining 50% is redirected into more sustainable initiatives. Food waste is carefully sorted and sent for anaerobic digestion, where it is converted into clean, green energy. This process not only reduces waste but also produces renewable energy that can be used to power vehicles and homes, further supporting Metrocentre's drive towards a more sustainable future.

INVESTING IN THE FUTURE: £6 MILLION GREEN MALL REDEVELOPMENT

We are planning a £6 million redevelopment of our Green Mall entrance, marking a significant step in our long-term vision for growth and sustainability. The project will transform the entrance into a vibrant and welcoming space, featuring over 18,000 sq ft of south-facing F&B space across three new units. These outward-facing restaurants will enhance Metrocentre's day-to-night offering, while public realm improvements, including green walls, planter pockets, and enhanced landscaping, will create a more accessible and visually striking gateway.

Aligned with our sustainability goals, the redevelopment builds on recent investments such as the solar panel canopies and EV charging points in the Green Mall car park. This redevelopment reflects our commitment to enhancing the visitor experience, supporting the local economy, and creating a greener, more dynamic destination for the future.

GOVERNANCE

THE BOARD CONTINUES TO WORK WITH ALL OUR STAKEHOLDERS IN AN OPEN AND TRANSPARENT WAY CHARACTERISED BY A NUMBER OF KEY PRINCIPLES:

- Setting clear expectations and goals using cogent analysis and communication of those expectations
- A culture of "no surprises"
- Making sure that we are the first to communicate with our stakeholders when dealing with changes in expectations
- Only using those resources appropriate to the task
- Ensuring there is a governance framework in place that ensures those principles are continually challenged, updated and consistently applied

METROCENTRE'S LEADERSHIP STRUCTURE:

- METROCENTRE BOARD
  - SOVEREIGN CENTROS ASSET MANAGER
    - SAVILLS
    - LEASING AND OTHER PROFESSIONAL AGENTS
    - MARKETING, CENTRE PR, COMMERCIALISTION
    - OTHER REAL ESTATE PROFESSIONAL SERVICE PROVIDERS
  - FINANCE AND STAKEHOLDER INFORMATION
    - LAWYERS
    - ACCOUNTANTS
    - OTHER NON REAL ESTATE SERVICE PROVIDERS

BUILT FOR THE PEOPLE OF GATESHEAD

Our work always recognises that Metrocentre is "in Gateshead" and represents an iconic feature of the economic and cultural landscape of the North East. We are a dedicated supporter of local community funds, events and charities. This support ranges from giving local groups space to fundraise in the centre to funding campaigns on behalf of our charity partners; we are passionate about supporting others.

In 2023 we worked with 13 charities to raise over £50,000 from various collections, raffles and fundraising initiatives, including Feeding Families, Cash for Kids and Gateshead Foodbank. We also sponsor the Gateshead Awards which recognises and celebrates all those who have made a real difference to the lives of others in the borough.

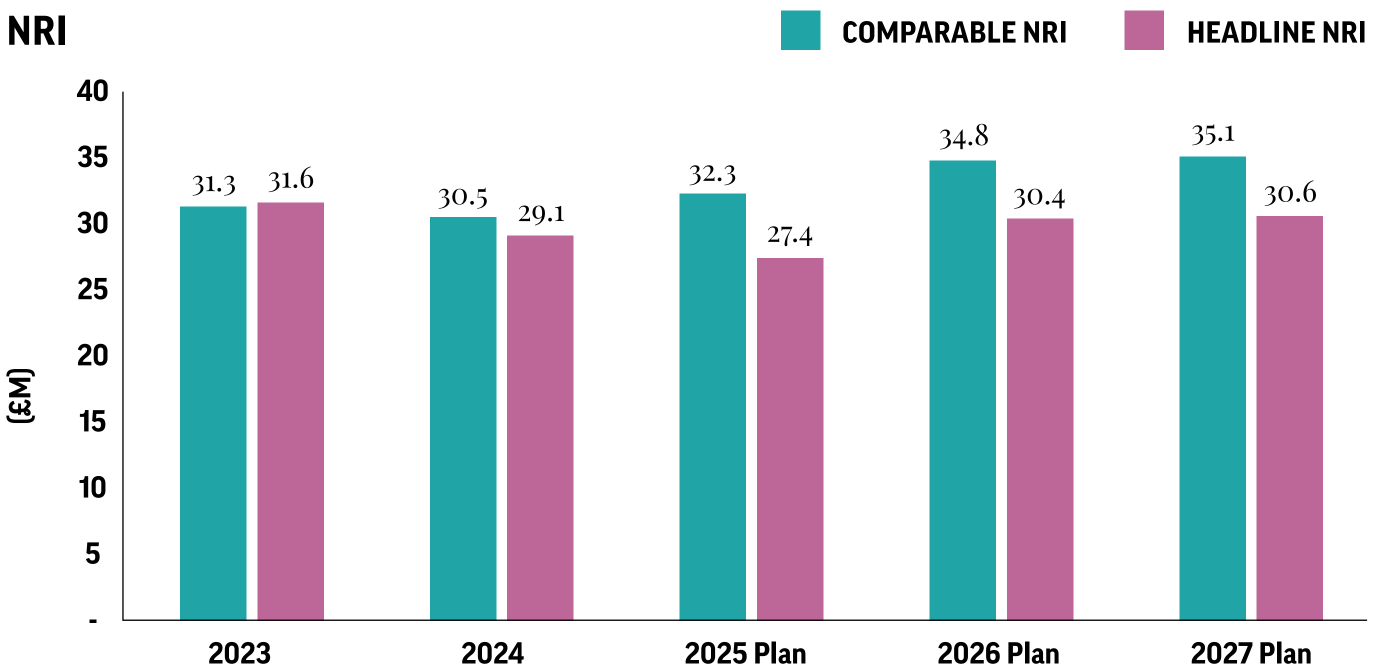
SUMMARY OF FINANCIAL PERFORMANCE

YEAR OF CONSOLIDATION IN 2024

Comparable NRI is shown in the 2025 business plan, and is obtained by adjusting the Headline NRI to remove bad debt on rent and service charges, void rates which have a variable mitigation effect, and structural void costs (plan only). Comparable NRI is designed to allow a comparison of prudently planned forecast years to actual results, so this is the most appropriate figure to use to understand the trajectory of future earnings in the business plan.

Comparable NRI is slightly lower in 2024 than in 2023, largely due to slower progress than anticipated during 2024 for new lettings, and cost increases such as the headlease. Headlease costs were materially lower in 2023 due to large capital incentive spend in that year, which is a deductible cost in the headlease calculation.

NRI



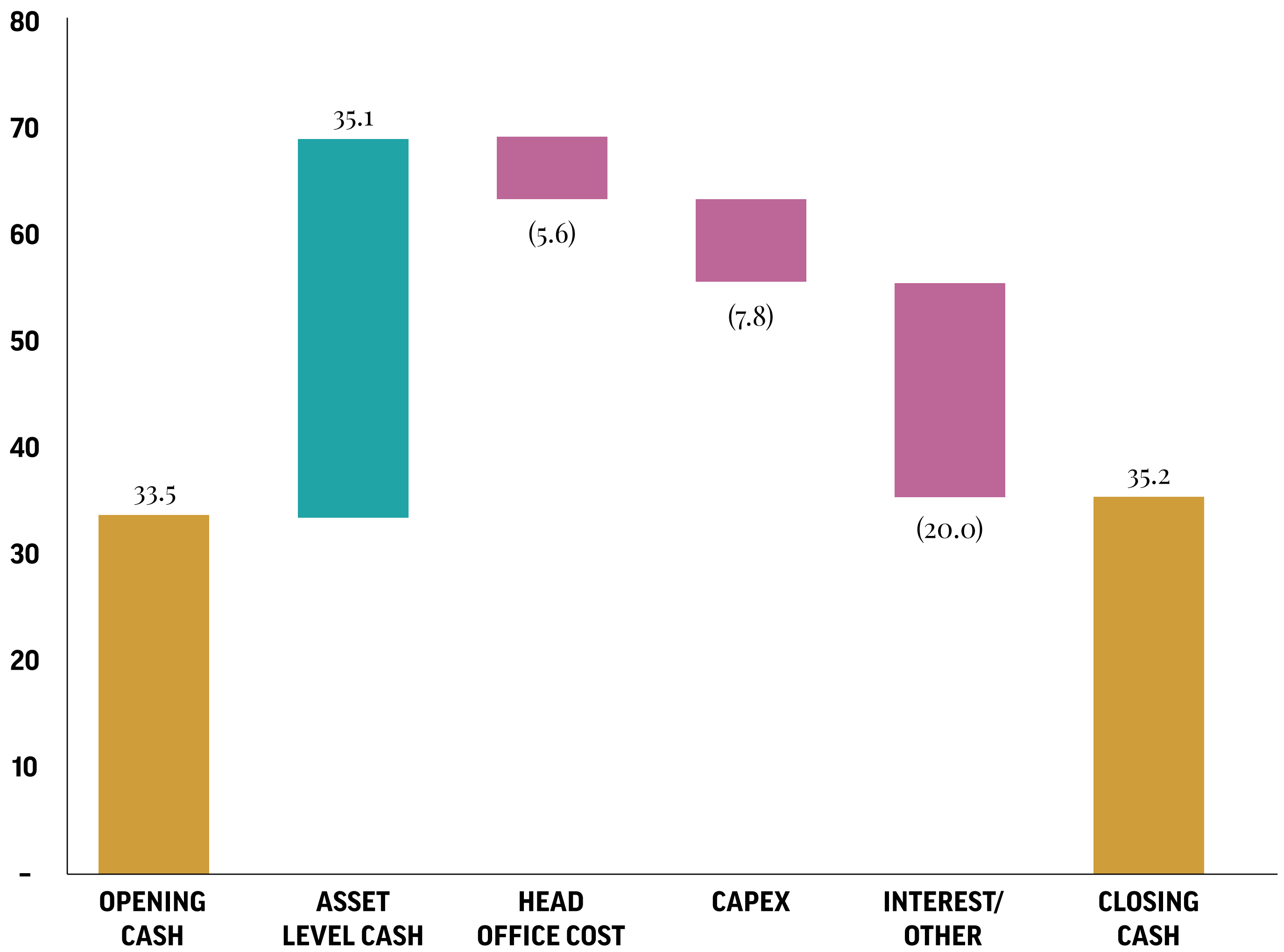
**2023 Adjusted NRI excludes the following material non-recurring items which are included in Headline NRI:*
- *£0.8m of credits from bad debt provision releases (2022: £1.3m)*
- *nil for a non-recurring amortisation charge (2022: £(2.5m))*
- *(£0.8)m of phasing adjustment for a material backdated lease renewal (2022; £0.5m)*
- *£0.4m of income from a backdated rates settlement (2022: nil)*

GOOD ASSET LEVEL CASH GENERATION SUPPORTS CAPITAL INVESTMENT AND COUPON

Strong cash generation continues following the high point of the capital investment programme in 2023. This included the opening of a new Zara unit and replacing the former Debenhams with a new Sports Direct / Flannels / Everlast Gym store. 2024 saw the opening of the NHS community diagnostic centre as well as the significant extension of Primark.

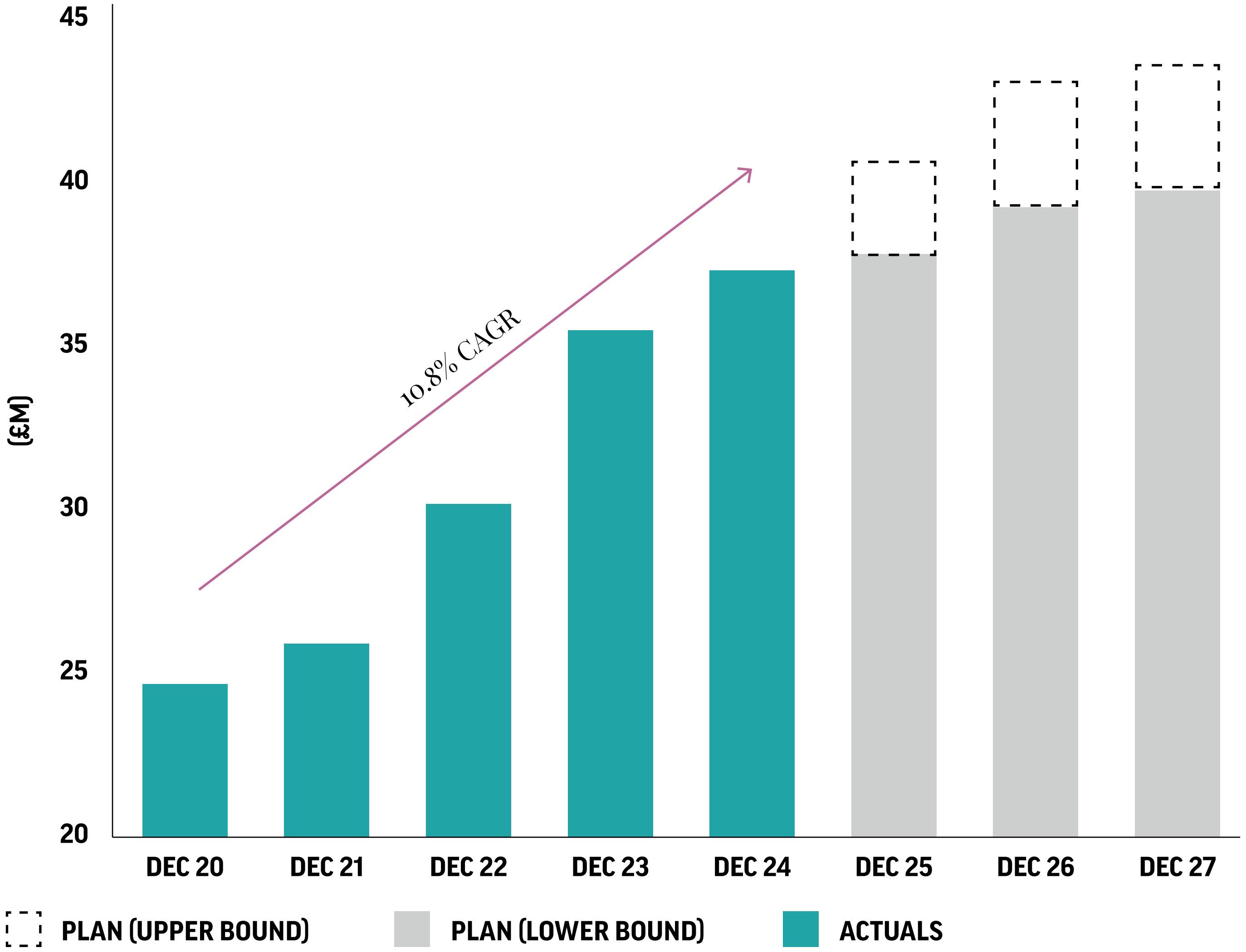
Asset level cash generation in the year of £35.1m continued to improve, versus the equivalent figure of £32.1m for 2023. Head office costs increased slightly but remain at a more normal level than the high point in 2022. The cash balance of the partnership increased over the course of the year, after interest and capex. The cash pay interest coupon was restarted in June 2023, paying £20m per year to noteholders. This is a cash coupon of 4.125% of the original principal on the £485m 8.75% public notes.

CASH FLOW 2024 (£M)



** Capex and head office costs are shown net of VAT in the chart above*

PROFORMA NET OPERATING INCOME (NOI) ACTUALS TO DEC 2024, BUSINESS PLAN 2025 – 2027



STRONG UNDERLYING GROWTH IN NOI CONTINUES

Since assuming responsibility for the operation of Metrocentre in October 2020, the Net Operating Income ("NOI") of the centre has risen from a proforma opening figure of £24.6m to £37.0m by the end of December 2024. This £12.4m increase in NOI equates to a compound annual growth rate (CAGR) of 10.7% over the period.

To enable a more accurate comparison, Proforma NOI has been adjusted to account for legacy challenges present in December 2020, following the transition from intu.

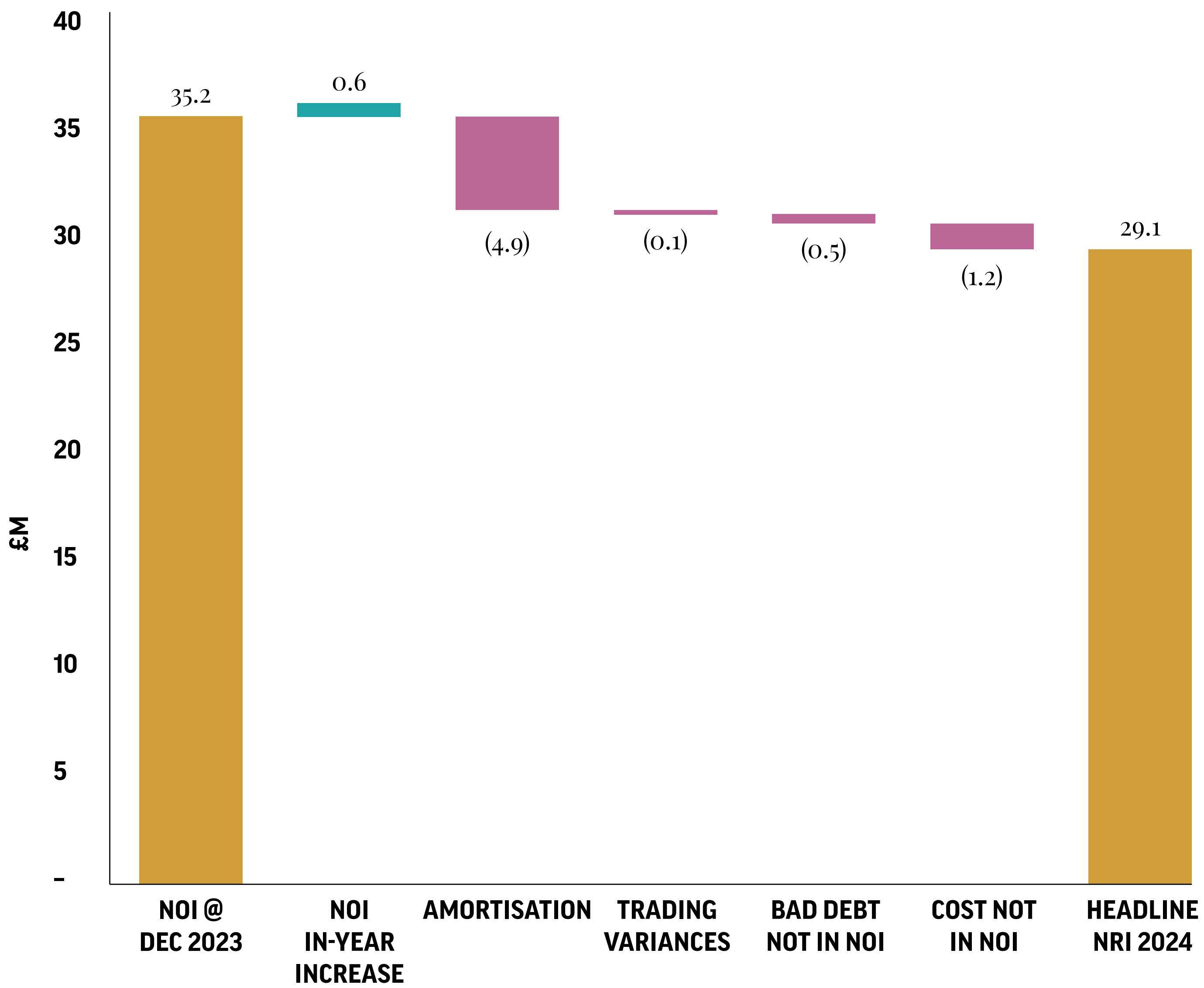
These included significant tenant exits and insolvencies, such as House of Fraser and the Arcadia units, as well as substantial rates liabilities linked to underperforming tenants on profit share agreements. By September 2022, these issues had been fully resolved, meaning Proforma NOI and NOI have been aligned from that point onwards.

NOI TO NRI RECONCILIATION

NOI is a forward-looking valuation metric based on an assumed tenancy schedule at a point in time. NRI is a historical accounting measure of profit. In order to reconcile NOI at one year end to the NRI for the following year, a number of adjustments are required.

The NOI in-year increase converts the point-in-time nature of the NOI to an annualised figure for the year. Amortisation needs to be deducted, which spreads capitalised charges relating to rent free periods, letting costs and incentives over the duration of the relevant leases; these are non-cash charges in NRI, but are not relevant for NOI.

Other adjustments include trading variances where the reality differs from the assumptions in the tenancy schedule, bad debt, and asset-level costs which would not be incurred in a 'steady state' (such as feasibility studies) and hence are not in NOI.



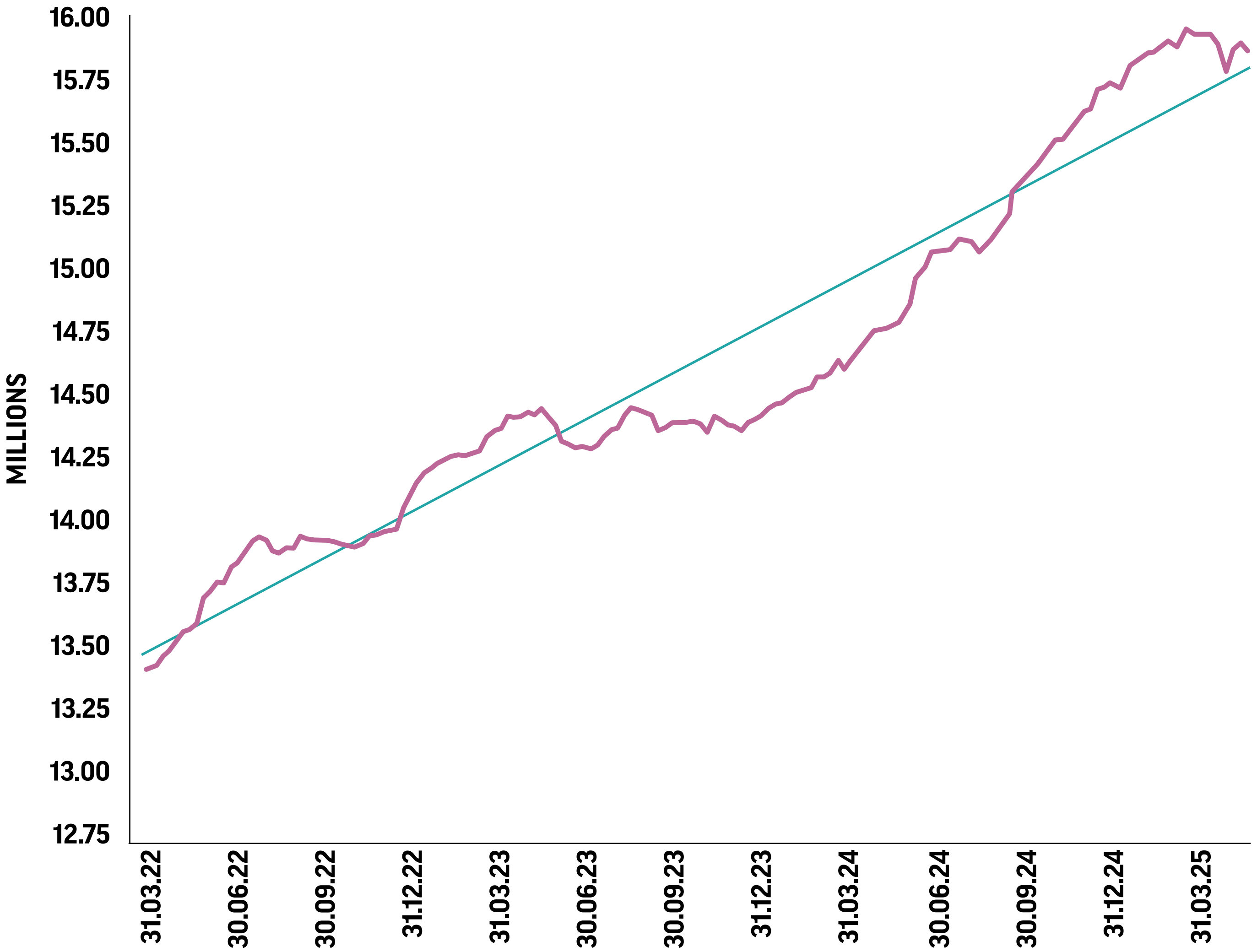
UPDATE ON CURRENT TRADING

SUSTAINED GROWTH IN FOOTFALL OVER THE LAST THREE YEARS

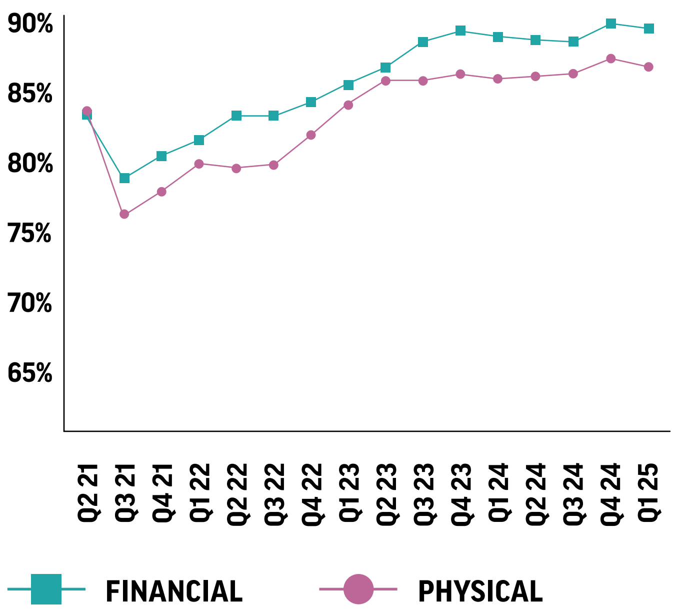
This chart, which shows the total footfall in the last 12 months at each point to provide a more meaningful trend, highlights the steady increase in footfall over the last three years – a 2.4 million increase from Q1 2022 to Q1 2025.

In particular, the strong upturn that began in late 2023 has been bolstered by the opening of the new Zara flagship and JD Sports/Flannels stores on Red mall and Primark's extension into Yellow Mall in 2024.

FOOTFALL – ROLLING LTM



OCCUPANCY



STRONG GROWTH DURING 2024

From Q4 2022 to Q1 2025 the physical occupancy increased by 4.7% (+5.1% for financial occupancy).

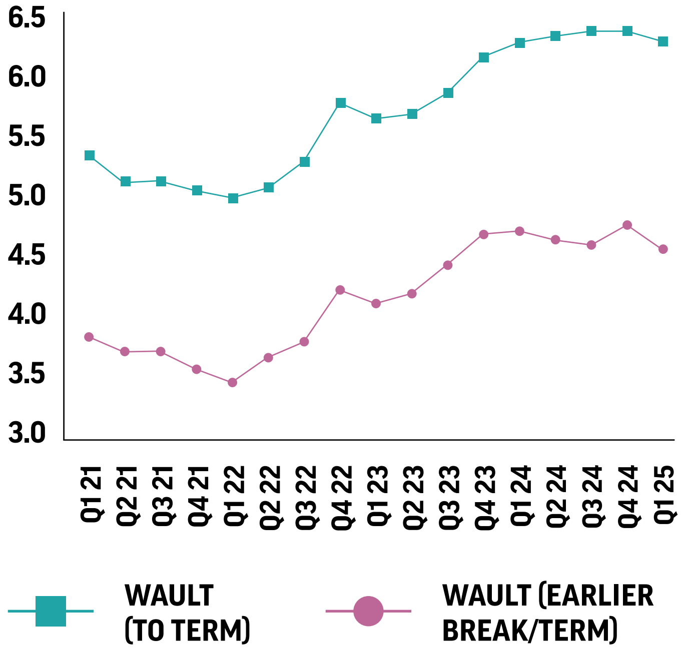
Physical occupancy shows the proportion of the area occupied by tenants, whilst financial occupancy is based on the Expected Rental Value of the units occupied by tenants. Both occupancy figures exclude non-trading tenants in administration.

The slight dip quarter-on-quarter for Q1 2025 was anticipated in the business plan, as the majority of the new leasing activity for 2025 is expected to occur later in the year.

WAULT CONTINUES TO HOLD AT ELEVATED LEVELS

The significant capital investment in the centre since 2021 has enhanced its appeal to tenants. This has driven increased leasing activity, resulting in a marked improvement in the Weighted Average Unexpired Lease Term ("WAULT"), rising from a low of 5.0 years in March 2022 to 6.3 years by the close of March 2025.

WAULT (YEARS)



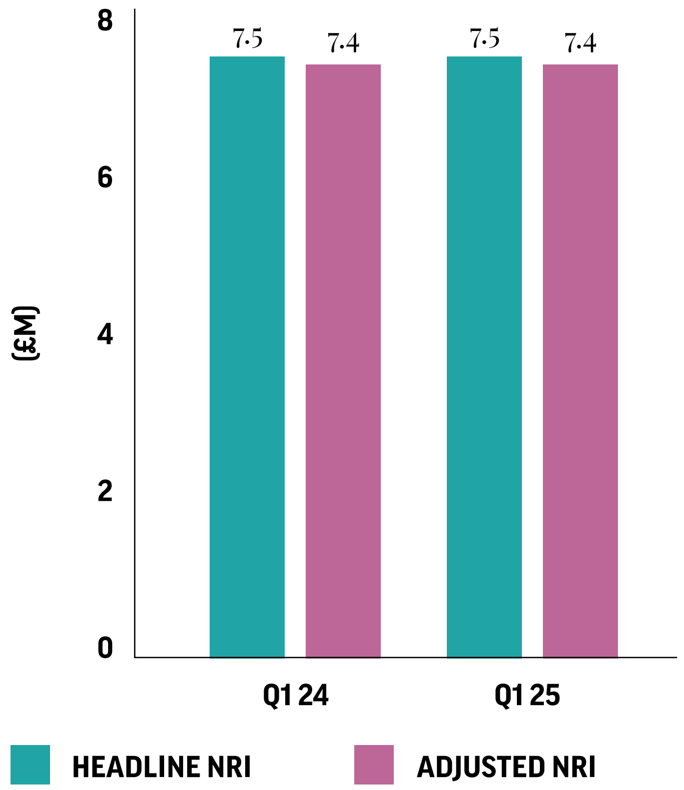
VISITOR SPENDING CONTINUES TO RISE, AS RECOVERY FROM COVID FOOTFALL IMPACT CONTINUES

Tenant trading data indicates that turnover increased between 2019 and 2024, despite a 12% decline in footfall over the same period. While operating from a smaller floor space with fewer tenants, the resilience of Metrocentre is evident, as customers are spending more per visit. Furthermore, the 12% rise in sales density highlights Metrocentre's strong "pitch credentials" and underscores the positive outlook for tenants.

The Average Transaction Value ("ATV") is calculated using trading data provided by tenants to assess the centre's underlying performance. Where a tenant has not supplied a full twelve months of data, the centre's seasonality profile is applied to estimate an annual figure. For tenants who do not provide any data, the median sales density is used to approximate their turnover. In 2024, 82% of tenants contributed data for this analysis (2023: 71%). It is important to note that this data has not been adjusted for inflation.

	2019	2023	2024	2024 vs 2023	2024 vs 2019
Estimated Total Tenant Sales (£m)	578.2	615.8	601.3	-2.4%	4.0%
Footfall (m)	17.9	14.4	15.8	9.6%	-11.6%
ATV	£32.37	£42.73	£38.08	-10.9%	17.6%
Relevant Tenant Floorspace (000s, sq ft)	1,773	1,609	1,643	2.1%	-7.3%
Estimated Sales Density (£ / Relevant sq ft)	£326	£383	£366	-4.4%	12.2%

NRI Q1 2024 VS 2023



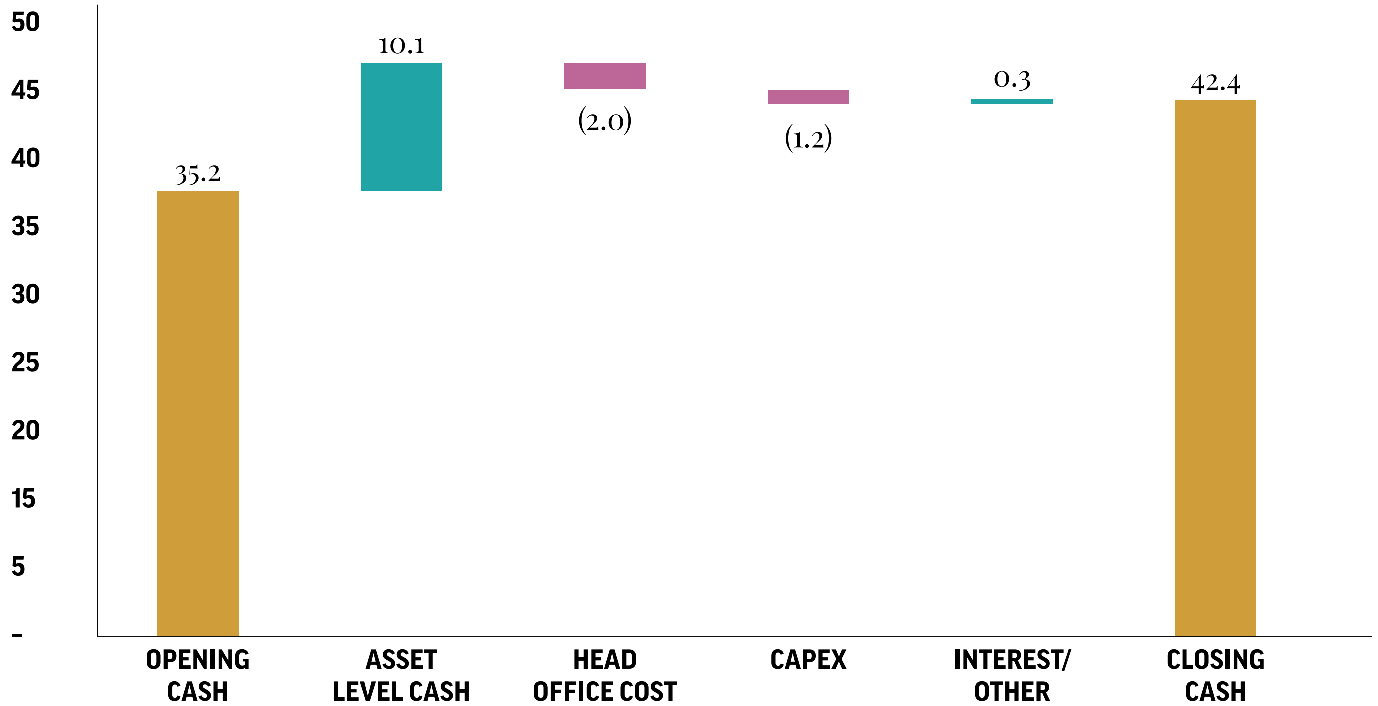
STABLE YEAR-ON-YEAR PERFORMANCE IN Q1

Q1 2025 NRI was closely in line with Q1 2024 on a headline or an adjusted basis.

**Adjusted NRI excludes the impact of bad debt credits / charges*

CASHFLOW

Cashflow was strong in Q1 2025 owing to positive working capital flows from higher collections than expected. In addition, capital expenditure was light as certain projects were slightly delayed.



APPENDIX

One of the most extensive multi-use destinations in Europe, Metrocentre has five distinct malls that cater to the different needs of our visitors.

The Red Mall is centred around fashion including a 165,000 sq ft Frasers (Flannels, Sports Direct and Everlast Gyms) which opened in November 2023, the enhanced Zara space that opened in September 2023 and H&M and River Island.

The Blue Mall, which is the entry point from both our dedicated local train station and bus station, is home to our value retailers including TK Maxx, Poundland and most recently GO Outdoors.

The Yellow Mall is home to our extensive array of food and leisure outlets, from Wagamama to Zizzi and Popeyes, a 12-screen multiplex cinema and entertainment offer, which includes climbing walls, bowling and mini-golf. Treetop Golf opened in October 2023 and The Escapologist opened in August.

The Green Mall is home to an array of established high street brands, with stores including a 72,000 sq ft Next and M&S, along with cafés and pharmacies. It is also home to our Community Hub, which is focused on increasing employment opportunities in our region. It was also enhanced with the addition of the Harrods H Beauty offer (the only one in the North East) as a flagship centrepiece on Metrocentre's Town Square in June 2022.

Finally, Platinum Mall is home to Sephora, where customers can choose from over 1,500 beauty and wellness brands - as well as JD Sports for those looking to purchase active wear and accessories.

Adjacent to the centre there is our retail park, which is the recognised park for home, lifestyle and family brands provided by well-known operators including Furniture Village and B&M.

MetrOasis is centred around its food offering, which includes a Toby Carvery, Burger King, Starbucks and drive-thru Krispy Kreme.

The centre is easily accessible with Metrocentre's extensive free car parking, abundant new EV chargers and strong connections to public transport

SUSTAINABLE PLATFORM FOR GROWTH

Since its establishment in October 2020, Metrocentre has enjoyed a very strong working relationship with its key stakeholders, which has enabled a sustained and steady business performance.

SIGNIFICANT STAKEHOLDERS

Gateshead Council

neca North East Combined Authority DURHAM • GATESHEAD • SOUTH TYNESIDE • SUNDERLAND

Department for Levelling Up, Housing & Communities

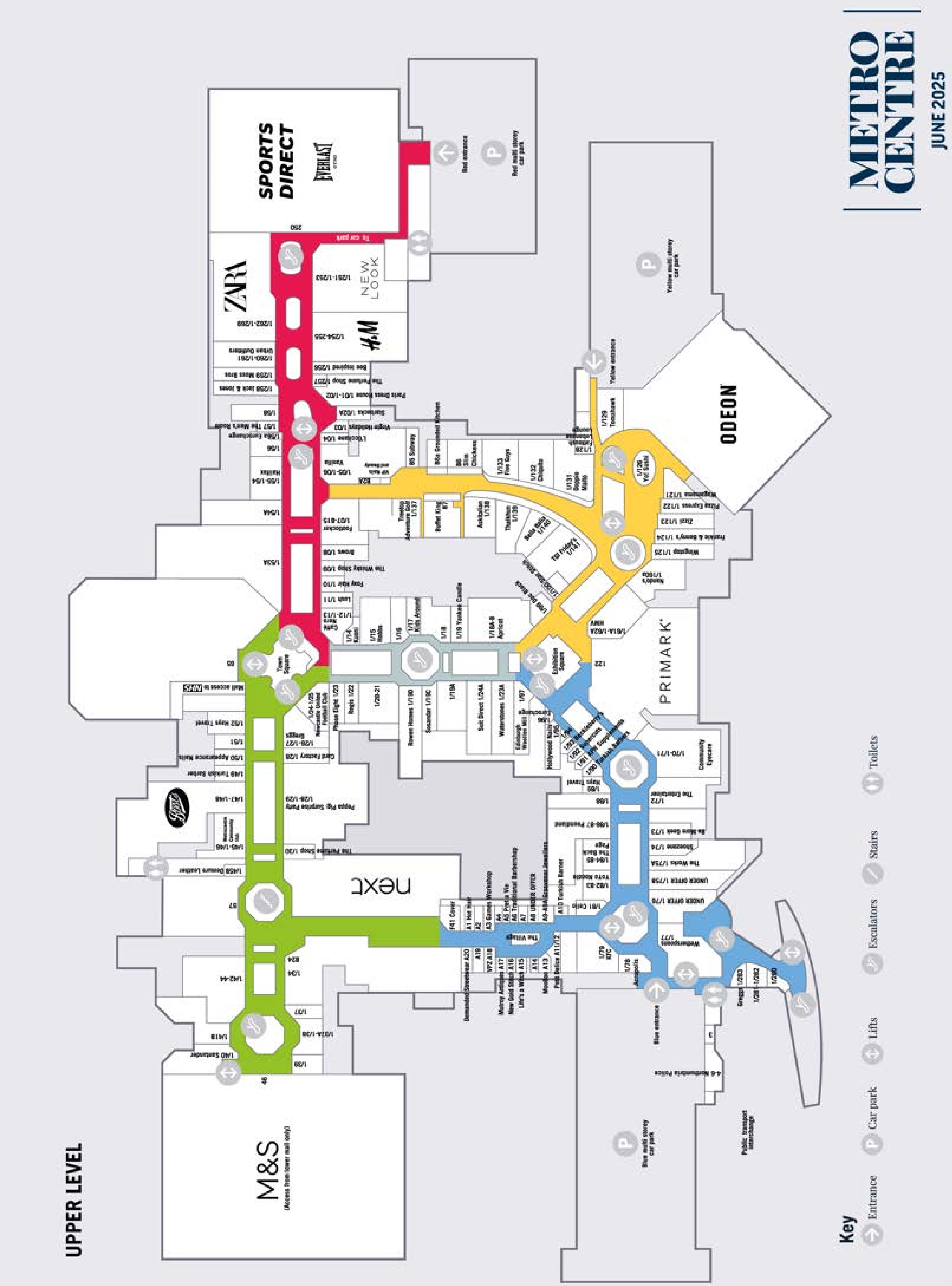
Department for Transport

PROPERTY MANAGER

savills

ASSET MANAGER

sovereign centros




SPORTS DIRECT
METRO
CENTRE