
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

**October 14, 2020
Date of Report (date of earliest event reported)**

J. C. PENNEY COMPANY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-15274
(Commission
File Number)

26-0037077
(IRS Employer
Identification No.)

6501 Legacy Drive
Plano, Texas
(Address of Principal Executive Offices)

75024-3698
(Zip Code)

Registrant's telephone number, including area code: (972) 431-1000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD.

As previously reported, on May 15, 2020, J. C. Penney Company, Inc. (“J. C. Penney” or the “Company”) and certain of its subsidiaries (together with the Company, the “Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). Prior to the commencement of the Chapter 11 Cases, on May 15, 2020, the Company and its subsidiaries (together with the Company, the “Company Parties”) entered into a Restructuring Support Agreement (together with all exhibits and schedules thereto, and as amended to date, the “RSA”) with members of an ad hoc group of lenders and noteholders (the “Ad Hoc Group”).

On September 10, 2020, the Company entered into a non-binding letter-of-intent (“LOI”) with the Ad Hoc Group, Simon Property Group and Brookfield Property Group that is generally consistent with the framework of the restructuring process contemplated in the RSA. The LOI is non-binding and provides no guarantee that a transaction will be completed. The terms of any potential transaction are subject to definitive documentation that must be agreed upon by all parties and subsequently approved by the Bankruptcy Court. The parties to the LOI have been, and continue to be, in discussions regarding the transactions contemplated by the LOI. To facilitate such discussions, the Company provided members of the Ad Hoc Group with certain non-public information subject to confidentiality agreements (collectively, the “NDAs”). Pursuant to the NDAs, the Company agreed to publicly disclose certain information (the “Cleansing Material”) upon the occurrence of certain events set forth in the NDAs. A copy of the Cleansing Material is attached to this Current Report on Form 8-K as Exhibit 99.1.

The Cleansing Material was not prepared with a view toward public disclosure and should not be relied upon to make an investment decision with respect to J. C. Penney. The Cleansing Material should not be regarded as an indication that the Company Parties or any third party consider the Cleansing Material to be a reliable prediction of future events, and the Cleansing Material should not be relied upon as such. The Cleansing Material includes certain values for illustrative purposes only and such values are not the result of, and do not represent, actual valuations, estimates, forecasts or projections of the Company Parties or any third party and should not be relied upon as such. Neither the Company Parties nor any third party has made or makes any representation to any person regarding the accuracy of any Cleansing Material or undertakes any obligation to publicly update the Cleansing Material to reflect circumstances existing after the date when the Cleansing Material was prepared or conveyed or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Cleansing Material are shown to be in error.

The information disclosed in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such a filing.

Additional Information on the Chapter 11 Cases

Court filings and information about the Chapter 11 Cases can be found at a website maintained by the Debtors’ claim agent, Prime Clerk, at <http://www.cases.primeclerk.com/JCPenney>.

Cautionary Statement Regarding Forward-Looking Information

The Company has included statements in this Current Report on Form 8-K that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expect” and similar expressions identify forward-looking statements. Forward-looking statements are based only on the Company’s current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company’s control that may cause the Company’s actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, risks attendant to the bankruptcy process, including the Company’s ability to obtain court approval from the Bankruptcy Court with respect to motions or other requests made to the Bankruptcy Court throughout the course of the Chapter 11 Cases; the ability of the Company to negotiate, develop, confirm and consummate a plan of reorganization; the effects of the Chapter 11 Cases, including increased legal and other professional costs necessary to execute the Company’s reorganization, on the Company’s liquidity (including

the availability of operating capital during the pendency of the Chapter 11 Cases), results of operations or business prospects; the effects of the Chapter 11 Cases on the interests of various constituents; the length of time that the Company will operate under Chapter 11 protection; risks associated with third-party motions in the Chapter 11 Cases; Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general; conditions to which any debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside the Company's control; general economic conditions, including inflation, recession, unemployment levels, consumer confidence and spending patterns, credit availability and debt levels; changes in store traffic trends; the cost of goods; more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell the Company merchandise on a timely basis or at all; trade restrictions; the ability to monetize non-core assets on acceptable terms; the ability to implement the Company's strategic plan, including its omnichannel initiatives; customer acceptance of the Company's strategies; the Company's ability to attract, motivate and retain key executives and other associates; the impact of cost reduction initiatives; the Company's ability to generate or maintain liquidity; implementation of new systems and platforms; changes in tariff, freight and shipping rates; changes in the cost of fuel and other energy and transportation costs; disruptions and congestion at ports through which the Company imports goods; increases in wage and benefit costs; competition and retail industry consolidations; interest rate fluctuations; dollar and other currency valuations; the impact of weather conditions; risks associated with war, an act of terrorism or pandemic; the ability of the federal government to fund and conduct its operations; a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information; legal and regulatory proceedings; the Company's ability to access the debt or equity markets on favorable terms or at all; risks arising from the delisting of the Company's common stock from the New York Stock Exchange; and the impact of natural disasters, public health crises or other catastrophic events on the Company's financial results, in particular as the Company manages its business through the COVID-19 pandemic and the resulting restrictions and uncertainties in the general economic and business environment. Please refer to the Company's Annual Report on Form 10-K for the year ended February 1, 2020, and Quarterly Reports on Form 10-Q filed subsequently thereto, for a further discussion of risks and uncertainties. There can be no assurances that the Company will achieve expected results, and actual results may be materially less than expectations. Investors should take such risks into account and should not rely on forward-looking statements when making investment decisions. Any forward-looking statement made by the Company in this Current Report on Form 8-K is based only on information currently available to it and speaks only as of the date on which such statement is made. The Company does not undertake to update these forward-looking statements as of any future date.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibit 99.1 [Cleansing Material](#)
Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J. C. PENNEY COMPANY, INC.

By: /s/ Bill Wafford
Bill Wafford
Executive Vice President, Chief Financial Officer

Date: October 14, 2020

**Fifth Updated DIP Budget
(US \$MMs)**

A / F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	4	5	4	13-Weeks
Fiscal Month	Oct	Oct	Oct	Oct	Nov	Nov	Nov	Nov	Nov	Nov	Dec	Dec	Dec	Dec	Oct	Nov	Dec	
Fiscal Week	36	37	38	39	40	41	42	43	44	45	46	47	48	39	44	48		4-Oct
Year	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	4-Oct
Week Ending	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	31-Oct	5-Dec	2-Jan		thru
Net Sales	\$ 126	\$ 133	\$ 122	\$ 119	\$ 142	\$ 147	\$ 164	\$ 309	\$ 243	\$ 283	\$ 318	\$ 273	\$ 117	\$ 500	\$ 1,007	\$ 990		2-Jan
Collections & Disbursements																		
Cash Receipts																		
1 Sales Receipts	\$ 125	\$ 136	\$ 130	\$ 129	\$ 134	\$ 150	\$ 164	\$ 273	\$ 295	\$ 266	\$ 314	\$ 292	\$ 163	\$ 520	\$ 1,016	\$ 1,035		\$ 2,571
2 Other Receipts	22	8	4	5	5	8	6	6	6	13	15	27	16	38	31	72		141
Total Collections	\$ 147	\$ 144	\$ 134	\$ 134	\$ 139	\$ 158	\$ 170	\$ 279	\$ 300	\$ 280	\$ 328	\$ 319	\$ 180	\$ 558	\$ 1,047	\$ 1,107		\$ 2,712
Operating Disbursements																		
3 Domestic Merchandise Vendor	\$ (61)	\$ (53)	\$ (56)	\$ (64)	\$ (62)	\$ (55)	\$ (46)	\$ (53)	\$ (43)	\$ (51)	\$ (64)	\$ (50)	\$ (41)	(235)	(259)	(206)		(700)
4 Import Merchandise Vendor	(22)	(27)	(25)	(21)	(16)	(27)	(26)	(11)	(28)	(27)	(28)	(14)	(9)	(95)	(108)	(78)		(281)
5 Sales, Use, and Other Taxes	(2)	(13)	(6)	(8)	(2)	(16)	(33)	(0)	(1)	(9)	(33)	(21)	(3)	(30)	(52)	(65)		(146)
6 Freight, Duty, and Broker	(8)	(8)	(23)	(9)	(10)	(8)	(28)	(9)	(10)	(8)	(7)	(28)	(8)	(46)	(65)	(51)		(163)
7 Payroll and Benefits	(16)	(41)	(27)	(38)	(18)	(39)	(21)	(24)	(38)	(32)	(35)	(28)	(35)	(121)	(140)	(130)		(392)
8 Occupancy	(5)	(8)	(7)	(13)	(20)	(10)	(12)	(15)	(18)	(8)	(7)	(13)	(4)	(34)	(75)	(32)		(141)
9 Non-Marketing Operating (NFR)	(17)	(15)	(17)	(10)	(9)	(30)	(11)	(12)	(9)	(17)	(23)	(19)	(13)	(58)	(71)	(72)		(201)
10 Marketing	(5)	(13)	(5)	(7)	(7)	(19)	(7)	(5)	(5)	(10)	(10)	(15)	(11)	(31)	(44)	(45)		(120)
11 Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		—
Total Operating Disbursements	\$ (136)	\$ (178)	\$ (166)	\$ (170)	\$ (144)	\$ (204)	\$ (185)	\$ (130)	\$ (152)	\$ (161)	\$ (207)	\$ (189)	\$ (123)	\$ (649)	\$ (815)	\$ (680)		\$ (2,144)
Non-Operating Disbursements																		
12 Debt Service and Fees	\$ (21)	\$ (1)	\$ (1)	\$ (11)	\$ (15)	\$ (1)	\$ (1)	\$ (1)	\$ (10)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	(47)	(32)	(27)		(108)
13 Professionals	(5)	(11)	(1)	(7)	(2)	(9)	(1)	(11)	(1)	(4)	(2)	(11)	(1)	(25)	(24)	(18)		(66)
14 Other Non-Operating	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(3)	(4)	(3)		(10)
Total Non-Operating Disbursements	\$ (26)	\$ (12)	\$ (3)	\$ (18)	\$ (18)	\$ (10)	\$ (3)	\$ (12)	\$ (12)	\$ (6)	\$ (3)	\$ (12)	\$ (49)	\$ (59)	\$ (55)	\$ (69)		\$ (184)
Net Cash Flow	\$ (15)	\$ (46)	\$ (35)	\$ (54)	\$ (23)	\$ (56)	\$ (18)	\$ 137	\$ 136	\$ 113	\$ 119	\$ 118	\$ 7	\$ (150)	\$ 177	\$ 358		\$ 384
Liquidity																		
Short Term Investments Position																		
15 Book Cash - Beginning	\$ 875	\$ 860	\$ 814	\$ 779	\$ 725	\$ 702	\$ 646	\$ 628	\$ 765	\$ 901	\$ 1,014	\$ 1,133	\$ 1,251	\$ 875	\$ 725	\$ 901		\$ 875
16 Plus: Net Cash Flow	(15)	(46)	(35)	(54)	(23)	(56)	(18)	137	136	113	119	118	7	(150)	177	358		384
17 Plus: Revolver Draw/(Paydown)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		—
18 Plus: DIP/Escrow Cash Draw	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		—
19 Plus: Treasury Transfers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		—
Short Term Investments - Ending	\$ 860	\$ 814	\$ 779	\$ 725	\$ 702	\$ 646	\$ 628	\$ 765	\$ 901	\$ 1,014	\$ 1,133	\$ 1,251	\$ 1,259	\$ 725	\$ 901	\$ 1,259		\$ 1,259
20 DIP/Escrow Cash	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225		\$ 225
21 Prof Fee Carveout Escrow	(66)	(68)	(67)	(62)	(70)	(64)	(71)	(63)	(71)	(68)	(76)	(67)	(75)	(62)	(71)	(75)		(75)
22 Posted ABL Cash Collateral / Cash Collateral L/C	(193)	(209)	(200)	(195)	(181)	(132)	(96)	(84)	(86)	(249)	(332)	(374)	(458)	(195)	(86)	(458)		(458)
23 Funded Reserve Account	(25)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)		(28)
Total Short Term Investments and Escrowed Funds	\$ 801	\$ 734	\$ 709	\$ 665	\$ 648	\$ 647	\$ 658	\$ 816	\$ 941	\$ 893	\$ 921	\$ 1,007	\$ 922	\$ 665	\$ 941	\$ 922		\$ 922
Intra-Month Minimum	\$ 665	\$ 665	\$ 665	\$ 665	\$ 647	\$ 647	\$ 647	\$ 647	\$ 647	\$ 893	\$ 893	\$ 893	\$ 893	\$ 665	\$ 647	\$ 893		\$ 647
Pre-Petition ABL Borrowing Base and Availability																		
24 Effective Borrowing Base	\$ 1,305	\$ 1,287	\$ 1,297	\$ 1,303	\$ 1,318	\$ 1,370	\$ 1,410	\$ 1,423	\$ 1,421	\$ 1,244	\$ 1,154	\$ 1,109	\$ 1,018	\$ 1,303	\$ 1,421	\$ 1,018		\$ 1,018
25 Less: Outstanding ABL Draws	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)		(1,263)
26 Less: Letters of Credit	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)		(137)
Subtotal	\$ (95)	\$ (113)	\$ (103)	\$ (97)	\$ (82)	\$ (30)	\$ 10	\$ 23	\$ 21	\$ (156)	\$ (246)	\$ (291)	\$ (382)	\$ (97)	\$ 21	\$ (382)		\$ (382)
27 Less: Pre-Petition Minimum Excess Availability	\$ (98)	\$ (97)	\$ (97)	\$ (98)	\$ (99)	\$ (103)	\$ (106)	\$ (107)	\$ (107)	\$ (93)	\$ (87)	\$ (83)	\$ (76)	(98)	(107)	(76)		(76)
28 Plus: Posted ABL Cash Collateral	193	209	200	195	181	132	96	84	86	249	332	374	458	195	86	458		458
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —

Variance Report
(US \$MMs)

Variance Report(1)	Week Beginning Week(s) Ending	1 Week From: 20-Sep to 26-Sep				4 Weeks From: 30-Aug to 26-Sep			
		Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
		20-Sep	20-Sep	26-Sep	%	26-Sep	30-Aug	26-Sep	%
<i>Net Sales</i>		\$ 117.8	\$ 121.7	\$ 3.9	3.3%	\$ 486.5	\$ 512.5	\$ 25.9	5.3%
Collections & Disbursements									
<u>Cash Receipts</u>									
1 Sales Receipts		\$ 125.6	\$ 139.5	\$ 13.9	11.0%	\$ 517.8	\$ 569.5	\$ 51.7	10.0%
2 Other Receipts		91.1	73.9	(17.1)	-18.8%	94.1	80.6	(13.5)	-14.3%
Total Collections		\$ 216.7	\$ 213.4	\$ (3.3)	-1.5%	\$ 611.9	\$ 650.2	\$ 38.2	6.2%
<u>Operating Disbursements</u>									
3 Domestic Merchandise Vendor		\$ (42.2)	\$ (68.6)	\$(26.4)	-62.7%	\$(218.5)	\$(261.2)	\$(42.7)	-19.5%
4 Import Merchandise Vendor		(68.7)	(28.6)	40.0	58.3%	(252.5)	(115.7)	136.8	54.2%
5 Sales, Use, and Other Taxes		(19.1)	(12.7)	6.4	33.6%	(40.7)	(36.9)	3.8	9.5%
6 Freight, Duty, and Broker		(22.1)	(14.5)	7.6	34.5%	(47.3)	(31.3)	16.0	33.8%
7 Payroll and Benefits		(17.0)	(20.2)	(3.2)	-19.2%	(135.2)	(105.4)	29.8	22.1%
8 Occupancy		(13.1)	(16.0)	(2.9)	-22.1%	(47.3)	(54.8)	(7.5)	-15.9%
9 Non-Marketing Operating (NFR)		(22.6)	(21.3)	1.3	5.6%	(68.0)	(65.2)	2.8	4.1%
10 Marketing		(3.0)	(6.1)	(3.1)	-105.3%	(18.0)	(22.8)	(4.8)	-26.8%
11 Other		—	(0.1)	(0.1)	0.0%	—	(0.7)	(0.7)	0.0%
Total Operating Disbursements		\$(207.7)	\$(188.2)	\$ 19.6	9.4%	\$(827.5)	\$(694.0)	\$133.6	16.1%
<u>Non-Operating Disbursements</u>									
12 Debt Service and Fees		\$ (0.5)	\$ (0.5)	\$ —	0.0%	\$ (12.1)	\$ (2.0)	\$ 10.0	83.2%
13 Restructuring Professionals		(2.7)	—	2.7	100.0%	(17.5)	(4.6)	12.9	73.7%
14 Other Non-Operating		(1.7)	(0.2)	1.5	86.6%	(7.5)	(4.2)	3.3	44.2%
Total Non-Operating Disbursements		\$ (4.9)	\$ (0.7)	\$ 4.2	85.1%	\$ (37.1)	\$ (10.8)	\$ 26.2	70.8%
Net Cash Flow		\$ 4.1	\$ 24.5	\$ 20.5	505.0%	\$(252.7)	\$ (54.6)	\$198.1	78.4%

Notes:

(1) This variance report reflects measurements against the Third Updated DIP Budget

**Variance Report
(US \$MMs)**

Variance Report(1)	Week Beginning Week(s) Ending	1 Week From: 27-Sep to 3-Oct				4 Weeks From: 6-Sep to 3-Oct			
		Budget 27-Sep 3-Oct	Actual 27-Sep 3-Oct	Budget \$	Variance %	Budget 6-Sep 3-Oct	Actual 6-Sep 3-Oct	Budget \$	Variance %
<i>Net Sales</i>		\$ 115.4	\$ 136.1	\$ 20.7	18.0%	\$ 480.2	\$ 519.3	\$ 39.1	8.1%
Collections & Disbursements									
Cash Receipts									
1 Sales Receipts		\$ 123.1	\$ 151.1	\$ 27.9	22.7%	\$ 510.8	\$ 581.5	\$ 70.7	13.8%
2 Other Receipts		0.7	1.8	1.1	155.8%	94.1	80.9	(13.2)	-14.0%
Total Collections		\$ 123.8	\$ 152.9	\$ 29.0	23.4%	\$ 604.9	\$ 662.4	\$ 57.5	9.5%
Operating Disbursements									
3 Domestic Merchandise Vendor		\$ (80.1)	\$ (68.3)	\$ 11.8	14.7%	\$(236.4)	\$(272.2)	\$(35.9)	-15.2%
4 Import Merchandise Vendor		(45.6)	(29.3)	16.3	35.7%	(233.5)	(117.9)	115.6	49.5%
5 Sales, Use, and Other Taxes		(4.5)	(0.6)	4.0	87.6%	(44.7)	(34.8)	9.9	22.1%
6 Freight, Duty, and Broker		(8.3)	(6.4)	1.9	23.3%	(47.6)	(32.3)	15.3	32.1%
7 Payroll and Benefits		(50.0)	(38.3)	11.6	23.3%	(128.1)	(116.0)	12.0	9.4%
8 Occupancy		(14.9)	(15.6)	(0.7)	-4.5%	(42.8)	(44.7)	(2.0)	-4.6%
9 Non-Marketing Operating (NFR)		(9.7)	(22.5)	(12.8)	-131.2%	(58.4)	(80.2)	(21.8)	-37.4%
10 Marketing		(3.1)	(3.1)	(0.0)	-0.7%	(14.7)	(20.2)	(5.6)	-37.9%
11 Other		—	(0.1)	(0.1)	0.0%	—	(0.6)	(0.6)	0.0%
Total Operating Disbursements		\$(216.3)	\$(184.2)	\$ 32.1	14.8%	\$(806.0)	\$(719.1)	\$ 86.9	10.8%
Non-Operating Disbursements									
12 Debt Service and Fees		\$ (29.8)	\$ (11.2)	\$ 18.6	62.4%	\$ (31.3)	\$ (12.8)	\$ 18.6	59.3%
13 Restructuring Professionals		(12.4)	(6.7)	5.8	46.5%	(17.0)	(8.4)	8.6	50.8%
14 Other Non-Operating		(1.7)	(0.5)	1.2	69.5%	(6.9)	(4.7)	2.2	31.6%
Total Non-Operating Disbursements		\$ (44.0)	\$ (18.4)	\$ 25.6	58.1%	\$ (55.2)	\$ (25.8)	\$ 29.4	53.2%
Net Cash Flow		\$(136.4)	\$ (49.7)	\$ 86.7	63.5%	\$(256.4)	\$ (82.5)	\$173.8	67.8%

Notes:

(1) This variance report reflects measurements against the Third Updated DIP Budget

Covenant Testing
(US \$MMs)

Variance Report(1)	Test %	4 Weeks From: 6-Sep to 3-Oct		Variance to Budget %	Threshold Test
		Budget 6-Sep 3-Oct	Actual 6-Sep 3-Oct		
Cash Flow Tests					
1) Actual Receipts					Test
1 Sales Receipts		\$ 510.8	\$ 581.5		
2 Other Receipts		94.1	80.9		
Total Receipts	85.0%	\$ 604.9	\$ 662.4	109.5%	Pass
2) Actual Disbs. to Merchandise Vendors					Test
3 Domestic Merchandise Vendor		\$(236.4)	\$(272.2)		
4 Import Merchandise Vendor		(233.5)	(117.9)		
Total Merchandise Vendor Disbursements	110.0%	\$(469.8)	\$(390.1)	83.0%	Pass
3) Actual Disbursements (excl. Pro Fees)					
3 Domestic Merchandise Vendor		\$(236.4)	\$(272.2)		
4 Import Merchandise Vendor		(233.5)	(117.9)		
5 Sales, Use, and Other Taxes		(44.7)	(34.8)		
6 Freight, Duty, and Broker		(47.6)	(32.3)		
7 Payroll and Benefits		(128.1)	(116.0)		
8 Occupancy		(42.8)	(44.7)		
9 Non-Marketing Operating (NFR)		(58.4)	(80.2)		
10 Marketing		(14.7)	(20.2)		
11 Other		—	(0.6)		
Operating Disbursements		\$(806.0)	\$(719.1)		
10 Debt Service and Fees		(31.3)	(12.8)		Test
11 Other Non-Operating		(6.9)	(4.7)		
Non-Operating Disbursements		\$ (38.2)	\$ (17.5)		
Total Disbursements (excl. Pro Fees)	112.5%	\$(844.2)	\$(736.6)	87.2%	Pass

Notes:

(1) This variance report reflects measurements against both the Third Updated DIP Budget

Covenant Testing
(US \$ MMs)

Variance Report ⁽¹⁾	Third Updated DIP Budget				Total	Actuals					Total
	12-Sep	19-Sep	26-Sep	3-Oct		Weekly Build Up					
Cash Flow Tests						12-Sep	19-Sep	26-Sep	3-Oct		
1) Actual Receipts											
1 Sales Receipts	\$ 132.6	\$ 129.5	\$ 125.6	\$ 123.1	\$ 510.8	\$ 149.5	\$ 141.5	\$ 139.5	\$ 151.1	\$ 581.5	
2 Other Receipts	1.0	1.3	91.1	0.7	94.1	1.5	3.6	73.9	1.8	80.9	
Total Receipts	\$ 133.6	\$ 130.8	\$ 216.7	\$ 123.8	\$ 604.9	\$ 151.1	\$ 145.1	\$ 213.4	\$ 152.9	\$ 662.4	
2) Actual Disbs. to Merchandise Vendors											
3 Domestic Merchandise Vendor	\$ (73.7)	\$ (40.3)	\$ (42.2)	\$ (80.1)	\$(236.4)	\$ (56.0)	\$ (79.3)	\$ (68.6)	\$ (68.3)	\$(272.2)	
4 Import Merchandise Vendor	(58.4)	(60.8)	(68.7)	(45.6)	(233.5)	(32.7)	(27.2)	(28.6)	(29.3)	(117.9)	
Total Merchandise Vendor Disbursements	\$(132.2)	\$(101.1)	\$(110.8)	\$(125.7)	\$(469.8)	\$(88.6)	\$(106.6)	\$(97.2)	\$(97.7)	\$(390.1)	
3) Actual Disbursements (excl. Pro Fees)											
3 Domestic Merchandise Vendor	\$ (73.7)	\$ (40.3)	\$ (42.2)	\$ (80.1)	\$(236.4)	\$ (56.0)	\$ (79.3)	\$ (68.6)	\$ (68.3)	\$(272.2)	
4 Import Merchandise Vendor	(58.4)	(60.8)	(68.7)	(45.6)	(233.5)	(32.7)	(27.2)	(28.6)	(29.3)	(117.9)	
5 Sales, Use, and Other Taxes	(2.5)	(18.5)	(19.1)	(4.5)	(44.7)	(0.9)	(20.7)	(12.7)	(0.6)	(34.8)	
6 Freight, Duty, and Broker	(8.0)	(9.2)	(22.1)	(8.3)	(47.6)	(6.5)	(5.0)	(14.5)	(6.4)	(32.3)	
7 Payroll and Benefits	(18.2)	(42.9)	(17.0)	(50.0)	(128.1)	(27.1)	(30.5)	(20.2)	(38.3)	(116.0)	
8 Occupancy	(7.3)	(7.5)	(13.1)	(14.9)	(42.8)	(6.2)	(7.0)	(16.0)	(15.6)	(44.7)	
9 Non-Marketing Operating (NFR)	(15.4)	(10.7)	(22.6)	(9.7)	(58.4)	(18.3)	(18.1)	(21.3)	(22.5)	(80.2)	
10 Marketing	(4.9)	(3.7)	(3.0)	(3.1)	(14.7)	(6.4)	(4.6)	(6.1)	(3.1)	(20.2)	
11 Other	—	—	—	—	—	(0.1)	(0.4)	(0.1)	(0.1)	(0.6)	
Operating Disbursements	\$(188.5)	\$(193.5)	\$(207.7)	\$(216.3)	\$(806.0)	\$(154.1)	\$(192.7)	\$(188.2)	\$(184.2)	\$(719.1)	
10 Debt Service and Fees	(0.5)	(0.5)	(0.5)	(29.8)	(31.3)	(0.5)	(0.5)	(0.5)	(11.2)	(12.8)	
11 Other Non-Operating	(1.7)	(1.7)	(1.7)	(1.7)	(6.9)	(0.1)	(3.8)	(0.2)	(0.5)	(4.7)	
Non-Operating Disbursements	\$(2.2)	\$(2.2)	\$(2.2)	\$(31.5)	\$(38.2)	\$(0.6)	\$(4.4)	\$(0.7)	\$(11.7)	\$(17.5)	
Total Disbursements (excl. Pro Fees)	\$(190.8)	\$(195.7)	\$(209.9)	\$(247.8)	\$(844.2)	\$(154.7)	\$(197.1)	\$(188.9)	\$(195.9)	\$(736.6)	

Notes:

(1) This variance report reflects measurements against both the Third Updated DIP Budget

Book Cash Report
(USD \$)

Consolidated Book Cash Accounts		Book Cash Balance
		3-Oct-20
Debtor Accounts		
1	Short Term Investment	\$ 633,151,678
2	Escrows	17,017,164
3	International (incl. non-Debtors)	19,820,646
4	Store Accounts	3,601,862
5	Other Operating Accounts	266,945,424
6	Other Domestic non-Debtor Accounts	4,841,878
7	Cash on Hand (In Stores)	27,721,852
8	Cash In Transit	18,131,910
Total Holdings and Subsidiaries Book Cash		\$ 991,232,412
<i>Test Threshold</i>		<i>\$ 50,000,000</i>
Minimum Required Book Cash		Pass

Fifth Updated DIP Budget -- ABL Borrowing Base & Availability as of October 9, 2020
(US \$ Mths)

Actual / Forecast	F		F		F		F		F		F		F		F		F		F		
	Oct	Oct	Oct	Oct	Nov	Nov	Nov	Nov	Nov	Nov	Dec	Dec	Dec	Dec	Jan	Jan	Jan	Jan	Jan	Jan	
Fiscal Month	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	
Fiscal Week	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	
Year	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	
Week Ending	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	
Availability from Non-PLCC Receivables	\$ 26	\$ 28	\$ 30	\$ 32	\$ 29	\$ 26	\$ 33	\$ 34	\$ 38	\$ 67	\$ 44	\$ 55	\$ 62	\$ 53	\$ 24						
Availability from Inventory	\$ 1,420	\$ 1,400	\$ 1,408	\$ 1,413	\$ 1,430	\$ 1,486	\$ 1,518	\$ 1,530	\$ 1,525	\$ 1,318	\$ 1,252	\$ 1,196	\$ 1,099	\$ 980	\$ 980						
Total Reserves	\$ (141)	\$ (141)	\$ (141)	\$ (141)	\$ (141)	\$ (141)	\$ (142)	\$ (142)	\$ (142)	\$ (142)	\$ (142)	\$ (142)	\$ (142)	\$ (143)	\$ (143)	\$ (144)					
Lower of Calculated BB or Commitment	\$ 1,305	\$ 1,287	\$ 1,297	\$ 1,303	\$ 1,318	\$ 1,370	\$ 1,410	\$ 1,423	\$ 1,421	\$ 1,244	\$ 1,154	\$ 1,109	\$ 1,018	\$ 890	\$ 860						
Revolving Commitment	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350						
Availability																					
26 Minimum Excess Availability	\$ (90)	\$ (97)	\$ (97)	\$ (98)	\$ (99)	\$ (103)	\$ (106)	\$ (107)	\$ (107)	\$ (93)	\$ (87)	\$ (83)	\$ (76)	\$ (67)	\$ (64)						
27 Letters of Credit	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)						
28 Borrowings	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)						
29 Required Cash Collateral Posting	193	209	200	195	181	132	96	84	86	249	332	374	458	576	604						
ABL Availability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Allocation of Disbursements Report
(US \$)

	<u>5 Weeks From Week Ending: 08-Aug to 05-Sep</u>	
Disbursement Type	Retail	Total
Tradeweave (International Merchandise)	\$ 87,143,657	\$ 87,143,657
Oracle 11i (Domestic Merchandise)	258,738,229	258,738,229
Payroll & Benefits	143,702,157	146,485,379
Oracle R12 (NFR)	169,784,142	175,537,933
Treasury	94,908,364	131,386,428
Other	7,531,346	10,330,906
Total Disbursements	\$761,807,895	\$809,622,531

Note: Total disbursements of \$809.6 million includes \$26.2 million of disbursements allocated to encumbered real estate, \$18.0 million of disbursements allocated to unencumbered real estate and \$3.6 million of disbursements allocated to intellectual property.

ABL Borrowing Base
(As of October 3, 2020)

A.	Available Credit Card Receivables	\$ 28,476,593	
B.	Available Inventory	\$1,400,294,983	
C.	Availability Reserves	\$ 141,369,100	
D.	Borrowing Base (A+B-C)	\$1,287,402,476	
	Lower of:		
	Borrowing Base	\$1,287,402,476	
	Revolving Commitment	\$2,350,000,000	
E.			\$1,287,402,476
	Revolving Credit Outstandings:		
	Revolving Loans	\$1,262,972,284	
	Standby Letters of Credit	\$ 137,035,059	
	Commercial Letters of Credit	\$ 0	
F.	Total Revolving Credit Outstandings		\$1,400,007,343
G.	Facility Availability (E-F)		-
			\$ 112,604,867
H.	Minimum Excess Availability (7.5% of E up to \$200,000,000)		\$ 96,555,186
I.			-
	Facility Availability After Minimum Excess Availability Covenant (G-H)		<u>\$ 209,160,052</u>

Exit Costs Estimate
As of October 1, 2020
(US \$ MM)

Emergence Related Costs(1)	Estimate
Description	
May Rent and Lease Assumption Costs	(8.6)
Contract Cures	(47.9)
Secured / Admin / 503(b)(9) Claims	(10.0)
Other Accrued but Unpaid Administrative Expenses(2)	(299.0)
Accrued Fees(3)	(97.7)
Exit Fee DIP	(27.0)
Assumed New ABL Fees	(45.0)
Assumed FILO Fees	(10.9)
Assumed New Term Fees (DIP Take Back)	(5.0)
Accrued Interest (TL, 1L Notes, DIP, ABL)	(31.8)
Total Estimated Emergence Costs	<u><u>\$(582.7)</u></u>

Notes:

- (1) Excludes payment of non-administrative claims, including DIP facility claims and ABL facility / swap liability claims.
- (2) Includes post-petition merchandise, marketing, CapEx, and NFR A/P as per the Business Plan provided on August 4, 2020.
- (3) Includes debtors' professionals, DIP lenders' professionals, ABL lenders' professionals, UCC professionals, ad hoc equity committee and other accrued fees (including UST).

Net Working Capital Pro-Forma Adjustments and Cash Flow Comparison
Date: 10/5/2020

	Pro Forma				
	September 10/3/2020 Forecast	October 10/31/2020 Forecast	November 12/5/2020 Forecast	December 1/2/2021 Forecast	January 1/30/2021 Forecast
Current Assets	\$3,690,257,174	\$3,590,839,300	\$3,603,538,687	\$3,640,246,286	\$3,387,766,460
Pro-Forma Current Assets	\$2,638,510,158	\$2,697,537,237	\$2,548,568,075	\$2,204,663,063	\$2,177,967,077
Current Liabilities	\$1,030,709,398	\$1,056,517,905	\$1,098,752,333	\$1,048,025,401	\$936,450,639
Pro-Forma Current Liabilities	\$921,699,036	\$935,300,499	\$971,457,514	\$940,579,846	\$806,604,151
Pro-Forma Net Working Capital	\$1,716,811,122	\$1,762,236,738	\$1,577,110,561	\$1,264,083,217	\$1,371,362,926
Total Monthly Cash Flow	\$ (77,879,050)	\$ (154,480,043)	\$ 167,633,141	\$ 378,013,010	\$ (225,556,319)

Note: To address perceived delays in the timing of closing the sale of the OpCo assets to Simon Property Group and Brookfield Property Group (collectively, "S-B") pursuant to that certain non-binding letter of intent, dated as of September 10, 2020 (the "LOI"), among the Company, S-B and the members of an ad hoc group of lenders and noteholders (the "Ad Hoc Group" and, together with S-B, the "Parties"), the Parties have engaged, and are continuing to engage, in discussions regarding revisions to the purchase price adjustments set forth in the LOI. Specifically, in the course of the Parties' discussions, the Ad Hoc Group has expressed a belief that the closing should have occurred on October 3, 2020 or closer to October 3, 2020 than an early-to-mid November closing. While the LOI does not specify a closing date, S-B has proposed that the purchase price adjustments set forth in the LOI be adjusted and calculated based on the assumption that the closing of the sale of the OpCo assets will occur on October 31, 2020, which, based on the estimates and projections provided by the Company, would result in an increase in cash available to creditors pursuant to the credit bid relative to the current projected early-to-mid-November closing, but less cash available to the creditors than if the sale closed on October 3, 2020. The Ad Hoc Group has instead proposed the creditors would bear 20% of the reduced cash availability resulting from an assumed closing date of October 3, 2020 (as compared to S-B's proposal to assume a closing on October 31, 2020) and no part of the reduced cash availability resulting from a post-October closing. The Company estimates the reduction in cash available to creditors assuming an October 31, 2020 closing versus an October 3, 2020 closing would be approximately \$104 million, with the cash available to creditors assuming an early-to-mid November closing estimated to be lower than that at October 31, 2020 by an amount that the Company has not been able to estimate at this date and that the Parties have not agreed upon at this time. The Parties reserve all of their respective rights with respect to the matters described in this note and in the disclosure herein and may participate in mediation to further discuss.

Business Performance Update

Set forth below is a summary of JCP's business performance through the week ending October 3rd

- All 844 stores had been reopened as of September 19th, consisting of 690 currently open go-forward locations, 149 currently open non go-forward locations; 5 non-go forward stores have permanently closed following the completion of liquidation sales
- Enterprise comp sales for September were down 26.5%

Opened Stores & Comparable Merchandise Sales Summary

Open Stores	(A) Go-Forward Locations Comparable Merchandise Sales			(B) Non Go-Forward Locations Comparable Merchandise Sales			(C) Closed Locations Comparable Merchandise Sales			(A) + (B) + (C) Total Comparable Merchandise Sales		
	Current Year	Last Year	% to LY	Current Year	Last Year	% to LY	Current Year	Last Year	% to LY	Current Year	Last Year	% to LY
Total	\$1,550,831,466	\$2,384,974,255	(35%)	\$315,649,996	\$196,295,589	61%	\$6,280,564	\$5,583,429	12%	\$1,872,762,030	\$2,586,853,272	(28%)

Lease Restructuring Savings Summary

	<i>Store Count</i>	<i>FY 2020 Savings</i>	<i>FY 2021 Savings</i>	<i>FY 2022 Savings</i>	<i>FY 2023+ Savings</i>	<i>Total Term Reduction Savings</i>	<i>Total Rent Abatement</i>	<i>Total Rent Deferral</i>	<i>Total Debtor Cure</i>	<i>Total Cure Waiver</i>	<i>Total Cure Deferral</i>	<i>Total Deal Savings (not incl. Cure)</i>
Approved - JCP & Lenders	160	\$34,218,238	\$25,034,248	\$20,828,782	\$35,193,209	\$ 0	\$16,116,562	\$ 0	\$4,378,855	\$4,269,675	\$ 0	\$115,274,477
Approved by Company	21	\$ 4,805,267	\$ 3,889,760	\$ 3,327,225	\$ 5,204,798	\$ 0	\$ 2,388,646	\$ 0	\$ 628,263	\$ 628,264	\$ 0	\$ 17,227,049
Pending Approval by Company	—	—	—	—	—	—	—	—	—	—	—	—
Negotiations Ongoing	267	—	—	—	—	—	—	—	—	—	—	—
No Deal Possible	0	—	—	—	—	—	—	—	—	—	—	—
TOTALS (Approved & Submitted)	181	\$39,023,505	\$28,924,008	\$24,156,007	\$40,398,006	\$ 0	\$18,505,209	\$ 0	\$5,007,118	\$4,897,939	\$ 0	\$132,501,526

Forecasted Performance Summary

	<i>Store Count</i>	<i>FY 2020 Sales</i>	<i>FY 2021 Sales</i>	<i>FY 2022 Sales</i>	<i>FY 2020 Unallocated Store Contribution Profit</i>	<i>FY 2021 Unallocated Store Contribution Profit</i>	<i>FY 2022 Unallocated Store Contribution Profit</i>	<i>FY 2020 Unallocated Store Contribution Margin (Mean)</i>	<i>FY 2020 Unallocated Store Contribution Margin (Median)</i>	<i>FY 2021 Unallocated Store Contribution Margin (Mean)</i>	<i>FY 2021 Unallocated Store Contribution Margin (Median)</i>
Approved - Lease Restructuring Approved by Company and Lenders	160	\$892,356,637	\$1,447,780,749	\$1,444,365,692	\$19,313,632	\$119,195,324	\$176,220,250	-2.04%	-1.76%	7.79%	8.83%
Approved - Lease Restructuring Approved by Company Only	21	\$136,858,782	\$ 227,417,542	\$ 231,896,956	\$ 476,362	\$ 22,260,575	\$ 30,770,202	-0.75%	0.22%	9.58%	9.69%

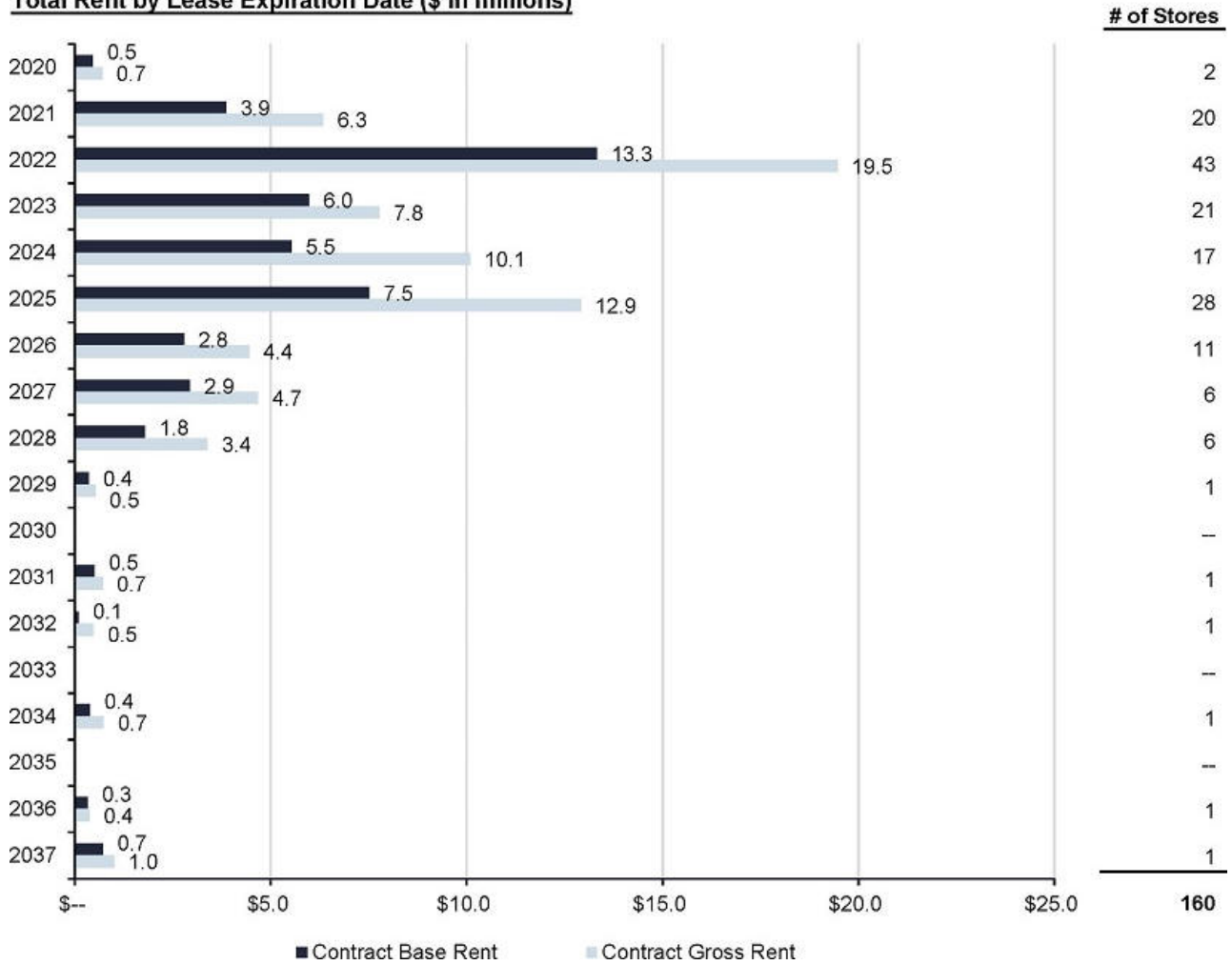
Forecasted Performance with Lease Restructuring Summary

	<i>Store Count</i>	<i>FY 2020 Sales</i>	<i>FY 2021 Sales</i>	<i>FY 2022 Sales</i>	<i>FY 2020 Unallocated Store Contribution Profit</i>	<i>FY 2021 Unallocated Store Contribution Profit</i>	<i>FY 2022 Unallocated Store Contribution Profit</i>	<i>FY 2020 Unallocated Store Contribution Margin (Mean)</i>	<i>FY 2020 Unallocated Store Contribution Margin (Median)</i>	<i>FY 2021 Unallocated Store Contribution Margin (Mean)</i>	<i>FY 2021 Unallocated Store Contribution Margin (Median)</i>
Approved - Lease Restructuring Approved by Company and Lenders	160	\$892,356,637	\$1,447,780,749	\$1,444,365,692	\$14,904,606	\$144,229,572	\$197,049,032	1.92%	2.00%	10.51%	10.27%
Approved - Lease Restructuring Approved by Company Only	21	\$136,858,782	\$ 227,417,542	\$ 231,896,956	\$ 4,328,905	\$ 26,150,335	\$ 34,097,427	3.05%	2.75%	11.56%	11.45%

Note: Tables above reflect information as of October 6, 2020

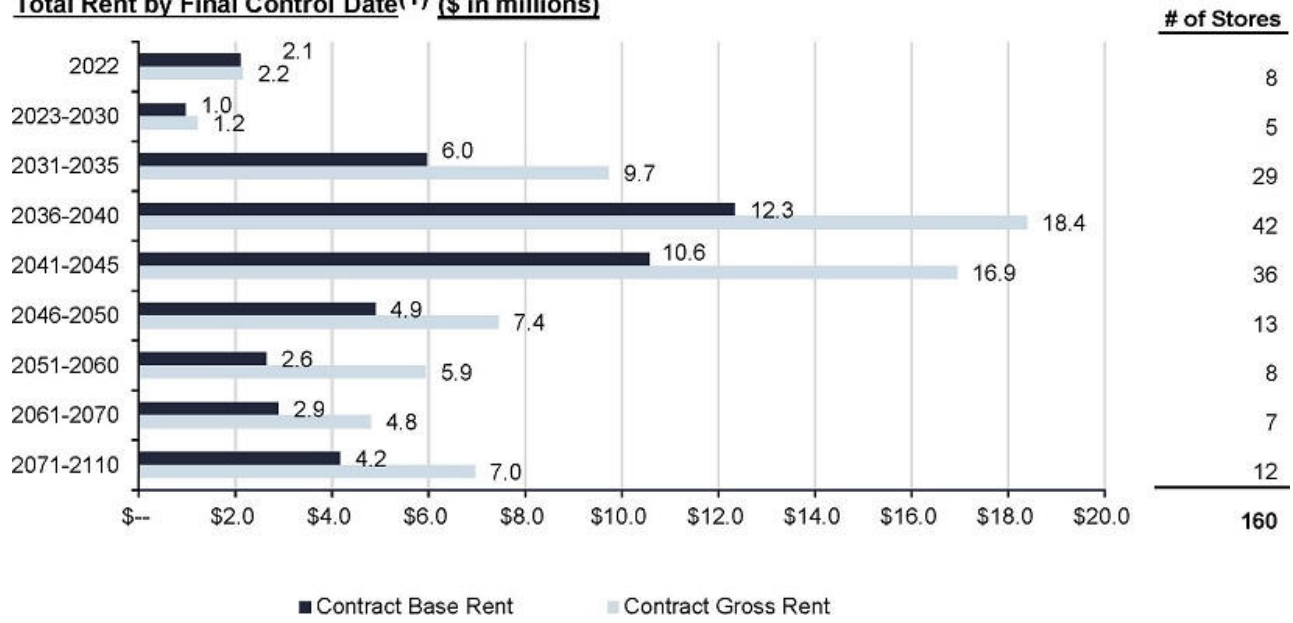
**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY AND LENDERS
(AS OF OCTOBER 6, 2020)**

Total Rent by Lease Expiration Date (\$ in millions)



**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY AND LENDERS
(AS OF OCTOBER 6, 2020)**

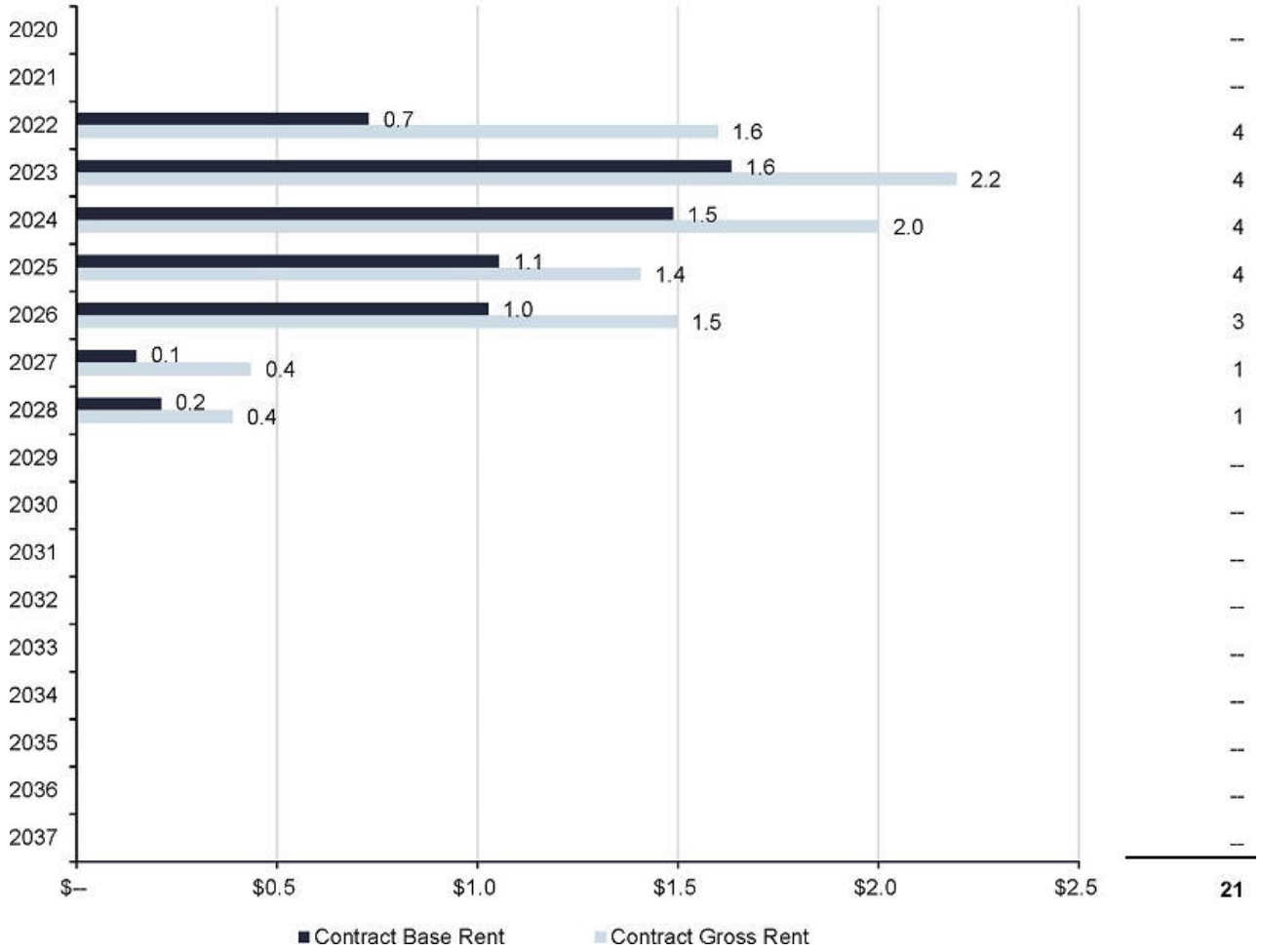
Total Rent by Final Control Date⁽¹⁾ (\$ in millions)



(1) Final Control Date represents exercise of all available extension options.

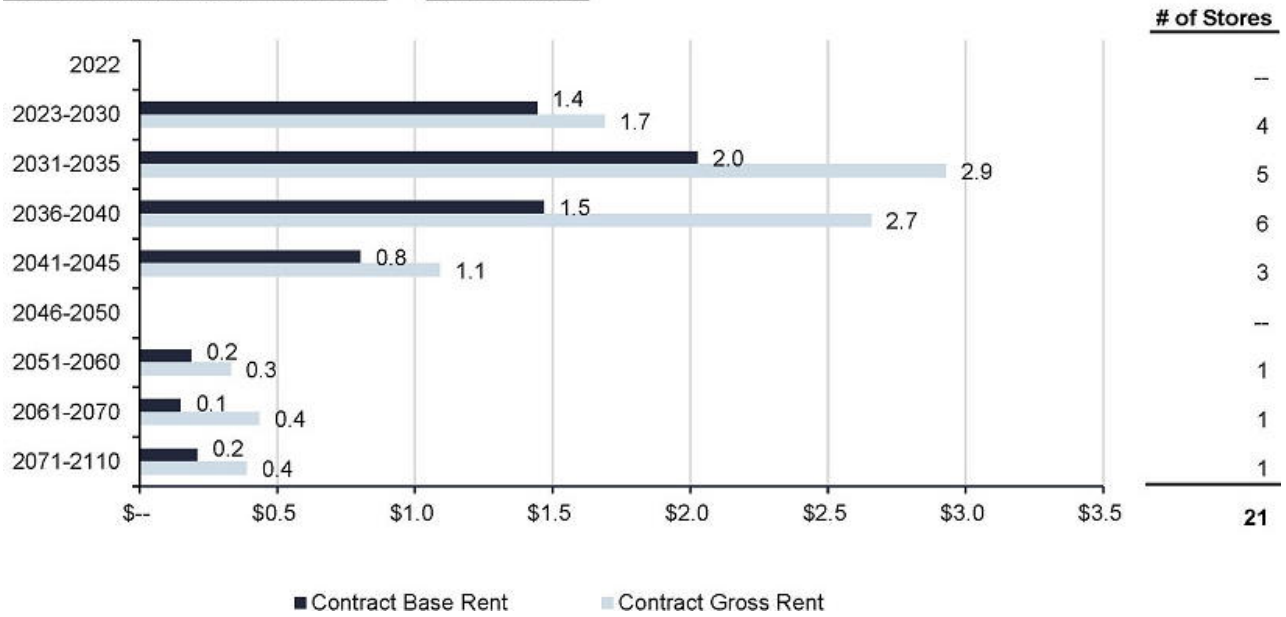
**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY ONLY
(AS OF OCTOBER 6, 2020)**

Total Rent by Lease Expiration Date (\$ in millions)



**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY ONLY
(AS OF OCTOBER 6, 2020)**

Total Rent by Final Control Date⁽¹⁾ (\$ in millions)



(1) Final Control Date represents exercise of all available extension options.

Project Jewel

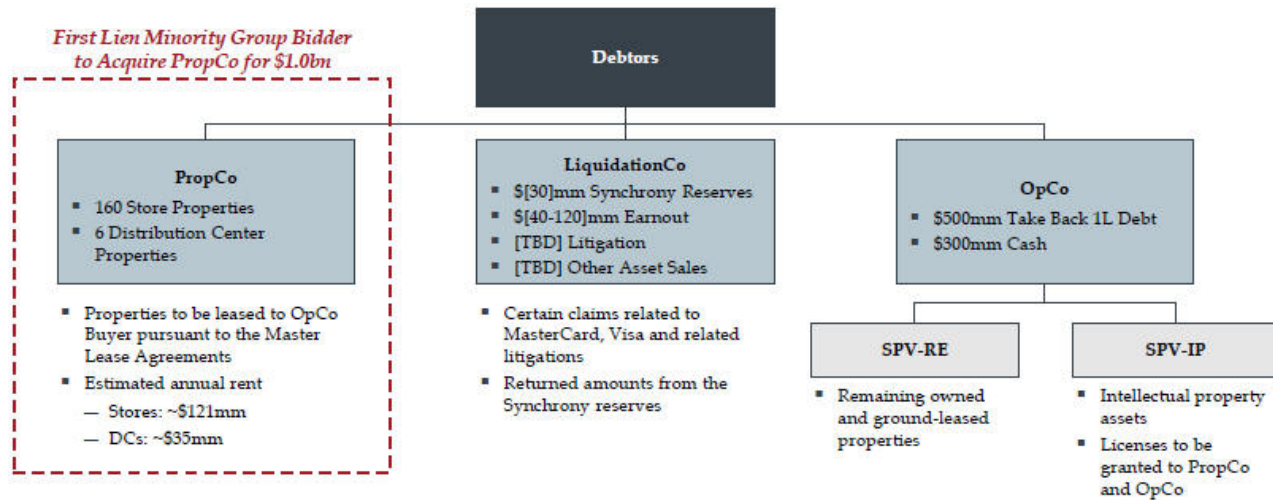
First Lien Minority Group Proposed Transaction

September 23, 2020

Proposed Transaction Structure

OVERVIEW

- **Step 1:** Simon / Brookfield to acquire OpCo assets from the Debtors
 - Proceeds from OpCo sale to be paid to the Debtors and ultimately distributed to creditors of the Debtors’ estates pursuant to a Chapter 11 plan (the “Plan”)
 - Simon / Brookfield LOI contemplates (a) \$500mm of Take Back 1L Debt, (b) a \$300mm cash equity contribution (subject to a working capital adjustment) and (c) a potential earnout
- **Step 2¹:** Bidder formed by the members of the First Lien Minority Group to acquire PropCo from the Debtors for \$1.0bn in cash
 - Proceeds from PropCo sale used to repay DIP Facility with excess proceeds to be distributed under the Plan
- Any proceeds from LiquidationCo (or liquidation trust interests) to be distributed to the creditors of the Debtors’ estates pursuant to the Plan



1. Step 2 occurs contemporaneously with Step 1

Summary Term Sheet

- BIDDER**
 - An entity to be formed by the members of the First Lien Minority Group
- BID**
 - Bidder will acquire all of the equity interests of PropCo, which will own the 160 owned and ground-leased store properties (“Store Properties”) and six distribution center properties (“DC Properties”) as contemplated in the DIP Lender Group’s credit bid term sheet, for \$1.0bn in cash
 - PropCo will also own all fixtures, equipment and other goods (other than inventory) contained within such properties (and any tort claims, insurance proceeds and general intangibles directly related to such properties)
- MASTER LEASE AGREEMENTS**
 - Consummation of PropCo acquisition will be conditioned on consummation of the sale of OpCo assets to OpCo Buyer as contemplated by the Simon / Brookfield LOI
 - PropCo will lease the Store and DC Properties to OpCo Buyer pursuant to master leases on the terms included in the Simon / Brookfield LOI
- EXCLUDED ENTITIES**
 - OpCo
 - LiquidationCo
- DEFINITIVE AGREEMENTS**
 - Consistent with terms outlined in the DIP Lender Group’s credit bid and APA term sheets (as applicable to PropCo)

Transaction Recoveries Analysis
First Lien Minority Lender Group Proposal

<i>(\$ in millions)</i>	Distributable Value
Cash to Lenders (post-OpCo Sale)	\$ 300
OpCo Sale Take Back 1L Debt	500
PropCo Sale Cash	1,000
LiquidationCo	[TBD]
Total	\$ 1,800

	<u>Claims</u>	<u>% of Class</u>	<u>Recovery</u>	<u>% Recovery</u>
DIP Facility				
DIP Lender Group	\$ 844	93.8%	\$ 844	100.0%
Minority Lender Group	56	6.2%	56	100.0%
Total	\$ 900	100.0%	\$ 900	100.0%
Distributable Value Remaining			\$ 900	
1L Debt				
DIP Lender Group	\$1,177	74.9%	\$ 674	57.3%
Minority Lender Group	304	19.4%	174	57.3%
Other 1L Lenders	90	5.7%	52	57.3%
Total	\$1,571	100.0%	\$ 900	57.3%

Note: Based on disclosed First Lien Minority Group holdings as of 9/18/20

Disclaimer

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