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SALE OF MQE - FURTHER DETAILS ON USE OF PROCEEDS

[ANNINGTON FUNDING PLC](#)

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("EUWA") ("UK MAR").

ANNINGTON FUNDING PLC
(incorporated with limited liability in England and Wales)

17 DECEMBER 2024

SALE OF MQE UNITS TO MOD - FURTHER DETAILS ON USE OF PROCEEDS

In conjunction with the announcement of the sale of its interest in the Married Quarters Estate to the Ministry of Defence (the "Transaction"), Annington Funding Plc (the "Issuer" or the "Offeror" or "Annington") intends to rationalise the debt capital structure to reflect the new shape of the Annington group of companies (the "Group"), which includes a portfolio of pre-existing non-MQE assets and a long-term business plan of continuing to invest in UK housing assets.

Annington's current debt profile

Seven series of unsecured fixed rate notes in a total aggregate amount of £3.354 billion (the "Notes") are currently outstanding under the Issuer's £5 billion Euro Medium Term Note Programme (the "EMTN Programme"). The Notes are guaranteed by Annington Limited ("AL"), Annington Property Limited ("APL") and Annington Homes Limited ("AHL" and, together with AL and APL, the "Guarantors" and each a "Guarantor"), as follows: -

Description of the Notes	ISIN	Maturity Date	Principal outstanding
£625,000,000 2.646% Notes due 2025 (the "2025 Notes")	XS1645518496	12 July 2025	£169 million
£600,000,000 3.184% Notes due 2029 (the "2029 Notes")	XS1645518652	12 July 2029	£600 million
£400,000,000 2.308% Notes due 2032 (the "2032 Notes")	XS2393618389	6 October 2032	£400 million
£400,000,000 4.750% Notes due 2033 (the "2033 Notes")	XS2513869862	9 August 2033	£400 million
£625,000,000 3.685% Notes due 2034 (the "2034 Notes")	XS1645518736	12 July 2034	£625 million
£760,000,000 3.935% Notes due 2047 (the "2047 Notes")	XS1645518819	12 July 2047	£760 million
£400,000,000 2.924% Notes due 2051 (the "2051 Notes")	XS2393618462	6 October 2051	£400 million

The Notes have a weighted average maturity of 12.9 years and a weighted average cost of debt of 3.47%.

Additionally, the Issuer is party to a £400 million floating rate term loan facility which is guaranteed by the Guarantors and is due to mature in 2028 (the "Term Loan") and a £100m revolving credit facility which is undrawn ("Revolving Credit Facility").

Annington's current capital structure provides highly attractive pricing against the prevailing market back-drop and the continuing higher interest rate environment that is forecast to endure in the medium and longer term. Combined with the ability to acquire high quality real estate assets, the current capital structure provides considerable opportunity and potential value for the Group going forward. Capital can be employed by the Group to achieve attractive levered returns from the acquisition of real estate assets in the UK residential sector, which

would be significantly higher relative to the returns available to investors acquiring the same assets with higher costs of funding on current market terms.

Use of Transaction proceeds

Given the significant changes to the asset structure of Annington, following the Transaction, the Group provides noteholders with an opportunity to reassess their exposure to Annington and opt for an early realisation of their holdings. The proceeds from the Transaction will be used to reshape the Group's balance sheet and rationalise the current debt structure as described below. This will be achieved by repaying a portion of the outstanding debt of the Group through a combination of tender offers in respect of certain series of Notes, and the redemption of certain other series of Notes in accordance with their respective terms and the repayment of the Term Loan, all as further described below.

Proceeds from the Transaction that are not applied to rationalising the debt structure will then be utilised to provide capital to support the business plan of the Group going forward, allowing it to invest in new property investments through the acquisition of residential real estate assets, to produce an attractive levered yield to the Group. Surplus capital from the Transaction will be utilised to make a dividend payment to the Group's shareholders.

Tender Offers, Repurchases, and Debt Redemption

The Issuer announces the launch of tender offers (the "Offers") to the holders of the 2029 Notes, the 2032 Notes, the 2034 Notes, the 2047 Notes and the 2051 Notes (together, the "Tender Offer Notes") to tender any and all of their Tender Offer Notes for purchase by the Issuer for cash as further detailed below.

Description of the Tender Offer Notes	Benchmark	Purchase Spread	Early Tender Payment (1)	Indicative Early Tender Purchase Spread (2)	Amount Subject to the Offers
2029 Notes	4.125 per cent. UK Treasury Gilt due July 2029 (ISIN: GB00BQC82B83)	+45 bps	1.00 per cent	+19 bps	Any and all
2032 Notes	4.25 per cent. UK Treasury Gilt due June 2032 (ISIN: GB0004893086)	+45 bps	1.00 per cent	+28 bps	Any and all
2034 Notes	4.25 per cent. UK Treasury Gilt due July 2034 (ISIN: GB00BQC82C90)	+45 bps	1.00 per cent	+31 bps	Any and all
2047 Notes	1.50 per cent. UK Treasury Gilt due July 2047 (ISIN: GB00BDCHBW80)	+45 bps	1.00 per cent	+36 bps	Any and all
2051 Notes	1.25 per cent. UK Treasury Gilt due July 2051 (ISIN: GB00BLH38158)	+45 bps	1.00 per cent	+36 bps	Any and all

Notes:

- (1) Calculated based on the principal amount of the Tender Offer Notes that are the subject of the relevant Tender Instruction, which will be payable to Noteholders in the circumstances described in "Terms and Conditions of the Offers-Early Tender Payment".
- (2) Indicative only, based on relevant Benchmark Rates as of close of business on 16 December 2024.

The Offers are subject to the conditions set out in the tender offer memorandum dated 17 December 2024 (the "Tender Offer Memorandum") (including the closing of the Transaction (the "Financing Condition")) prepared in connection with the Offers and are subject to the offer and distribution restrictions set out below.

This section (*Tender Offers, repurchases and debt redemption*) and Annex 1 of the announcement must be read in conjunction with the Tender Offer Memorandum which has been prepared by the Issuer in relation to the Offers. Capitalised terms used in this section (*Tender Offers, repurchases and debt redemption*) and Annex 1 of this announcement and not otherwise defined have the meanings given to them in the Tender Offer Memorandum.

Background and Invitation

On the terms and subject to the conditions contained in the Tender Offer Memorandum, the Offeror separately invites Noteholders (subject to the offer and distribution restrictions set out below) to tender their Tender Offer Notes for purchase by the Offeror for cash at the relevant Purchase Price plus the Accrued Interest Payment.

Pursuant to the Offers and subject to the right of the Offeror to extend, terminate, withdraw or amend the terms and conditions of the Offers as described herein, the Offeror proposes to accept for purchase any and all of the Tender Offer Notes.

The Offeror reserves the right, in its sole and absolute discretion, not to accept any Tender Instructions, not to purchase any Tender Offer Notes or to extend, re-open, withdraw or terminate the Offers and to amend or waive any of the terms and conditions of the Offers in any manner, subject to applicable laws and regulations.

In addition, Noteholders who validly tender their Tender Offer Notes before the Early Tender Deadline on 23rd December 2024 will receive a further £10 per £1,000 of the applicable Tender Offer Notes accepted for purchase in consideration.

This pricing has been selected to provide to holders of the Tender Offer Notes an option to cash out their positions at a significant premium to their respective trading prices prior to the announcement of the Transaction.

The Issuer has also announced today, subject to the Financing Condition, the redemption of the following series of Notes in accordance with their respective terms and conditions, including with regards to the applicable redemption price:

Maturity	Redemption Provision
2025 Notes	Higher of UKT 5.00% Mar-25 + 25bps or par
2033 Notes	Higher of UKT 0.875% Jul-33 + 45bps or par

Finally, Annington will repay the Term Loan and cancel the Revolving Credit Facility.

The repayment of the Term Loan, redemption of the two tranches and the Offers are expected to all settle on 14th January 2025. The Revolving Credit Facility is also expected to be cancelled on 14th January 2025.

The Offeror does not intend to exercise its rights voluntarily to redeem any Tender Offer Notes that are not tendered in the Offers. Any Notes that are not repurchased or redeemed by Annington in accordance with the proposals described above will remain outstanding and

will instead remain on the balance sheet to support Annington's long term business plan, through investment in real estate assets.

Tender Offer Notes purchased by the Issuer pursuant to the Offers will be cancelled and will not be re-issued or re-sold. Tender Offer Notes which have not been validly offered and accepted for purchase pursuant to the Offers will remain outstanding.

Please see Annex 1 of this announcement for further details of the Offers.

Long term business plan

Following completion of the Transaction and the reshaping of the Group's capital structure and rationalisation of the Group's current debt structure as described above, Annington will continue to be a property investment company with a business plan to invest in UK residential real estate assets. With over two decades of experience in the UK private rental and housing markets, Annington is a well-established real estate investor, equipped with a deep technical skillset and a proven track record. With the support of its shareholders, Annington's objective remains to acquire stable, high-quality assets with attractive yields. Since 1996, Annington has successfully refurbished nearly 20,000 properties, returning them to the national housing stock. Additionally, Annington continues to manage its non-MQE asset base, which remains a core part of its portfolio.

Following completion of the Transaction and the completion of the Offers and redemption processes, Annington intends to ensure the principal of its outstanding remaining Notes is around 55% of the value of its cash, property, and other assets. The exact size of the balance sheet will depend upon the uptake of the tender offer.

Sufficient capital will be maintained within the Group to support further investments, and to ensure continued compliance with the financial covenants and the other terms and conditions of the remaining outstanding Notes. The Issuer expects to continue to make all payments of principal and interest on the remaining outstanding Notes as and when due.

Annington does not anticipate conducting refinancings in the market in the near term, and will instead pay interest, and repay maturities, on the remaining outstanding Notes as and when they fall due from cash balances, net rental income and / or realisations from its portfolio.

Notice of investor update conference call

The Issuer also gives notice to the Noteholders of an investor update conference (the "Call") which will be held at 10:00 a.m. (London time) on Tuesday 17th December 2024 and will be presented by the Chief Executive Officer and Chief Financial Officer.

The Issuer will not be able to take any questions on the Call.

To pre-register, please [click here](#) and register at any time before the Call. A link will also be made available on the Annington website (www.annington.co.uk) prior to the Call. (Alternatively, type the following web address into your browser to register for the Call [https://event.loopup.com/SelfRegistration/registration.aspx?booking=WQhNxl0qmj|MsGUDL6kNnvBaUQIG5gf0bDHoT6w0imAY=&b=2389e96d-457b-46a8-bebb-fec356d5b031_!!Khp0seJF9O!RGOR7x2sJqn_U4sgEDhAnekYJrhMiOP-fGAGIGHjdRpsM_PEvX-Rz33w8YHH6SIG7TEuwx-h61m_q1vdJtrihZbiKw\\$](https://event.loopup.com/SelfRegistration/registration.aspx?booking=WQhNxl0qmj|MsGUDL6kNnvBaUQIG5gf0bDHoT6w0imAY=&b=2389e96d-457b-46a8-bebb-fec356d5b031_!!Khp0seJF9O!RGOR7x2sJqn_U4sgEDhAnekYJrhMiOP-fGAGIGHjdRpsM_PEvX-Rz33w8YHH6SIG7TEuwx-h61m_q1vdJtrihZbiKw$))

A transcript of the Call will be made available on our website in due course.

We will publish a list of Q&A's on our website shortly after the release of this RNS.

Stephen Leung
Chief Financial Officer

Media Enquiries:

Annington@brunswickgroup.com

Annington Funding plc
Hays Lane House
1 Hays Lane
London
SE1 2HB

Questions and requests for assistance in connection with the Offers may be directed to:

THE DEALER MANAGERS

Barclays Bank PLC

1 Churchill Place
London E14 5HP
United Kingdom

Telephone: +44 20 3134 8515
Email: eu.lm@barclays.com
Attention: Liability Management Group

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP

Telephone: +44 20 7134 2468
Email: liability_management_EMEA@jpmorgan.com
Attention: EMEA Liability Management Group

Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

Telephone: +44 20 7552 2320
Email: liabilitymanagement.eu@gs.com
Attention: Liability Management Group

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA

Telephone: +44 20 7678 5222
Email: NWMLiabilityManagement@natwestmarkets.com
Attention: Liability Management Group

Questions and request for assistance in connection with the delivery of Tender Instructions including requests for a copy of the Tender Offer Memorandum may be directed to:

THE TENDER AGENT

Kroll Issuer Services Limited
The Shard
32 London Bridge Street

London SE1 9SG

Tel: +44 207 704 0880

Attention: Owen Morris

Email: annington@is.kroll.com

Tender Offer Website: <https://deals.is.kroll.com/annington>

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offers, the Tender Offer Notes, the Offeror and the Guarantors) and each Noteholder must make its own decision, based upon its own judgement and having obtained advice from such financial, accounting, legal and tax advisers as it may deem necessary, as to whether to tender any or all of its Tender Offer Notes for purchase pursuant to the Offers.

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offers contained in this announcement or in the Tender Offer Memorandum. None of the Dealer Managers, the Tender Agent, the Offeror, the Guarantors or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of the Dealer Managers, the Tender Agent, the Guarantors or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Offeror to disclose information with regard to the Offeror or the Tender Offer Notes which is material in the context of the Offers and which is not otherwise publicly available.

None of the Dealer Managers, the Tender Agent, the Offeror, the Guarantors or any of their respective directors, officers, employees, agents or affiliates makes any representation or recommendation whatsoever regarding the Offers, or any recommendation as to whether Noteholders should tender Tender Offer Notes in the Offers.

Disclaimer

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If any Noteholder is in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

Offer and Distribution Restrictions

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws and regulations. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by laws and regulations. Persons into whose possession either this announcement or the Tender Offer Memorandum comes are required by each of the Offeror, the Guarantors, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Offers are not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "U.S. Person")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Tender Offer Notes cannot be tendered in the Offers by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Tender Offer Notes in the Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Tender Offer Notes made by a person located in the United States, a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Tender Offer Notes participating in the Offers will represent that it is not a U.S. Person located in the United States and is not participating in the Offers from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offers from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")) or persons who are within Article 43(2) or 49 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers have only been or shall only be distributed in the Republic of France ("France") to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation"). The Tender Offer Memorandum and any other document or material relating to the Offers have not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

Belgium

Neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids, as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) have been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation. The Offers may not be advertised and the Offers will not be extended, and neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents)

has been or shall be distributed or made available, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time.

Italy

None of the Offers, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian laws and regulations.

The Offers are being carried out in the Republic of Italy ("Italy") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Noteholders or beneficial owners of the Tender Offer Notes that are resident and/or located in Italy can tender some or all of their Tender Offer Notes pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Offers.

General

Neither this announcement, the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Tender Offer Notes (and tenders of Tender Offer Notes for purchase pursuant to the Offers will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offers shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Offeror in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offers will be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "Procedures for Participating in the Offers". Any tender of Tender Offer Notes for purchase pursuant to the Offers from a Noteholder that is unable to make these representations will not be accepted.

Each of the Offeror, the Guarantors, the Dealer Managers and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Tender Offer Notes for purchase pursuant to the Offers whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender or submission may be rejected.

MAR

This announcement is released by Annington Funding plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of UK MAR. For the purposes of UK MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055 as it forms part of domestic law of the United Kingdom by virtue of the EUWA, this announcement is made by Stephen Leung, Chief Financial Officer of Annington Limited.

Annex 1

DETAILS OF THE OFFERS

This Annex 1 must be read in conjunction with the Tender Offer Memorandum which has been prepared by the Offeror in relation to the Offers. Capitalised terms used in this Annex 1 and not otherwise defined have the meanings given to them in the Tender Offer Memorandum.

Purchase Price

2029 Notes

The Offeror will pay, for each of the 2029 Notes accepted by it, a price (the "2029 Notes Purchase Price") to be determined at or about 11 a.m. (London time) (the "Pricing Time") on 8 January 2025 (the "Pricing Date") in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "2029 Notes Purchase Yield") calculated as the sum of the 2029 Notes Purchase Spread and the 2029 Notes Benchmark Rate.

The 2029 Notes Purchase Price will be determined by the Offeror (in consultation with the Dealer Managers) in accordance with market convention and expressed as a percentage of the nominal amount of the 2029 Notes.

The 2029 Notes Purchase Price will equal (a) the present value of all remaining payments of principal and interest on each 2029 Note up to and including the 2029 Notes Maturity Date, discounted to the Settlement Date at a discount rate equal to the 2029 Notes Purchase Yield, minus (b) the Accrued Interest.

2032 Notes

The Offeror will pay, for each of the 2032 Notes accepted by it, a price (the "2032 Notes Purchase Price") to be determined at the Pricing Time on the Pricing Date in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "2032 Notes Purchase Yield") calculated as the sum of the 2032 Notes Purchase Spread and the 2032 Notes Benchmark Rate.

The 2032 Notes Purchase Price will be determined by the Offeror (in consultation with the Dealer Managers) in accordance with market convention and expressed as a percentage of the nominal amount of the 2032 Notes.

The 2032 Notes Purchase Price will equal (a) the present value of all remaining payments of principal and interest on each 2032 Note up to and including the 2032 Notes Maturity Date, discounted to the Settlement Date at a discount rate equal to the 2032 Notes Purchase Yield, minus (b) the Accrued Interest.

2034 Notes

The Offeror will pay, for each of the 2034 Notes accepted by it, a price (the "2034 Notes Purchase Price") to be determined at or about the Pricing Time on the Pricing Date in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "2034 Notes Purchase Yield") calculated as the sum of the 2034 Notes Purchase Spread and the 2034 Notes Benchmark Rate.

The 2034 Notes Purchase Price will be determined by the Offeror (in consultation with the Dealer Managers) in accordance with market convention and expressed as a percentage of the nominal amount of the 2034 Notes.

The 2034 Notes Purchase Price will equal (a) the present value of all remaining payments of principal and interest on each 2034 Note up to and including the 2034 Notes Maturity Date, discounted to the Settlement Date at a discount rate equal to the 2034 Notes Purchase Yield, minus (b) the Accrued Interest.

2047 Notes

The Offeror will pay, for each of the 2047 Notes accepted by it, a price (the "2047 Notes Purchase Price") to be determined at or about the Pricing Time on the Pricing Date in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "2047 Notes Purchase Yield") calculated as the sum of the 2047 Notes Purchase Spread and the 2047 Notes Benchmark Rate.

The 2047 Notes Purchase Price will be determined by the Offeror (in consultation with the Dealer Managers) in accordance with market convention and expressed as a percentage of the nominal amount of the 2047 Notes.

The 2047 Notes Purchase Price will equal (a) the present value of all remaining payments of principal and interest on each 2047 Note up to and including the 2047 Notes Maturity Date, discounted to the Settlement Date at a discount rate equal to the 2047 Notes Purchase Yield, minus (b) the Accrued Interest.

2051 Notes

The Offeror will pay, for each of the 2051 Notes accepted by it, a price (the "2051 Notes Purchase Price") to be determined at or about the Pricing Time on the Pricing Date in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "2051 Notes Purchase Yield") calculated as the sum of the 2051 Notes Purchase Spread and the 2051 Notes Benchmark Rate.

The 2051 Notes Purchase Price will be determined by the Offeror (in consultation with the Dealer Managers) in accordance with market convention and expressed as a percentage of the nominal amount of the 2051 Notes.

The 2051 Notes Purchase Price will equal (a) the present value of all remaining payments of principal and interest on each 2051 Note up to and including the 2051 Notes Maturity Date, discounted to the Settlement Date at a discount rate equal to the 2051 Notes Purchase Yield, minus (b) the Accrued Interest.

Accrued Interest Payment

In addition to the relevant Purchase Price, in respect of all Tender Offer Notes validly tendered and delivered and accepted for purchase by the Offeror pursuant to the Offers, the Offeror will pay Accrued Interest.

Early Tender Payment

The holders of all Tender Offer Notes validly tendered and delivered and accepted for purchase by the Offeror pursuant to the Offers prior to 4:00 p.m. (London Time) on 23 December 2024 (the "Early Tender Deadline"), will be eligible to receive £10 per £1000 of the applicable Tender Offer Notes (the "Early Tender Payment") in addition to the applicable Purchase Price and Accrued Interest. The Offeror is entitled to extend or waive the Early Tender Deadline at its sole discretion.

Tender Instructions

In order to participate in, and be eligible to receive the relevant Purchase Price pursuant to the Offers, Noteholders must validly tender their Tender Offer Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline. Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of the Tender Offer Notes of no less than £100,000 plus integral multiples of £1,000.

Financing Condition

The acceptance for purchase by the Offeror of Tender Offer Notes validly tendered pursuant to the Offers is at the sole discretion of the Offeror and is subject, without limitation, to the Financing Condition.

The Offeror is entitled to amend or waive the Financing Condition at its sole discretion.

Rights of the Offeror

Subject to applicable laws and regulations and as provided in the Tender Offer Memorandum, the Offeror may, in its sole and absolute discretion, extend, re-open, withdraw or terminate the Offers and amend or waive any of the terms and conditions of the Offers at any time before the announcement of the acceptance of the Tender Offer Notes validly tendered and may, in its sole and absolute discretion, waive any of the conditions to the Offers either before or after such announcement.

Expected Transaction Timeline

Date	Action
17 December 2024	<i>Commencement of the Offers</i> Offers announced by way of announcements on the relevant Notifying News Service and through the Clearing Systems. Tender Offer Memorandum available from the Tender Agent.
17 December 2024	<i>Notice of the Issuer Call Optional Redemption</i> Issuer Call Optional Redemption announced by way of announcements on the relevant Notifying News Service and through the Clearing Systems.
4:00 p.m (London time) on 23 December 2024	<i>Early Tender Deadline</i> Deadline for receipt by the Tender Agent of Tender Instructions from Noteholders in order to be eligible for the Early Tender Payment.
4:00 p.m. (London time) on 7 January 2025	<i>Expiration Deadline</i>

	Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offers.
At or around 11:00 a.m. (London time) on 8 January 2025	Pricing Time Determination of the relevant Benchmark Rate and the relevant Purchase Price for the Tender Offer Notes.
As soon as reasonably practicable after the Pricing Time	Announcement of Final Results of Offers Announcement of whether the Offeror will accept valid tenders of Tender Offer Notes pursuant to the Offers and, if so accepted, (i) the relevant Purchase Price, (ii) the Accrued Interest in respect of the Tender Offer Notes, (iii) the Final Acceptance Amount and (iv) the aggregate nominal amount of the Tender Offer Notes that will remain outstanding following completion of the Offers.
8 January 2025	Issuer Call Optional Redemption Reference Date The date to be used for the purposes of the calculation of the Optional Redemption Amount.
8 January 2025	Announcement of Optional Redemption Amount Announcement of the Optional Redemption Amount calculated by reference to the Issuer Call Optional Redemption Reference Date.
9 January 2025	Transaction Closing Date Expected completion date for the Transaction.
14 January 2025	Expected Settlement Date and Optional Redemption Date Expected Settlement Date for the Offers. Payment of the relevant Purchase Price and Accrued Interest Payment in respect of Tender Offer Notes accepted for purchase pursuant to the Offers. Optional Redemption Date for the Issuer Call Optional Redemption. Payment of the relevant Optional Redemption Amount in respect of the Redemption Notes in connection with the Issuer Call Optional Redemption.

The above times and dates are subject to the right of the Offeror to extend, re-open, amend, withdraw and/or terminate the Offers (subject to applicable law and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers, before the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.

Further Information

A complete description of the terms and conditions of the Offers is set out in the Tender Offer Memorandum. Barclays Bank PLC, Goldman Sachs International, J.P. Morgan Securities plc and NatWest Markets Plc are acting as the dealer managers (the "Dealer Managers") for the Offers. Kroll Issuer Services Limited is acting as Tender Agent.

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